
HARANGA RESOURCES LIMITED

ABN 83 141 128 841

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3.00 pm (WST)

DATE: 30 July 2021

PLACE: 1/72 Kings Park Road, West Perth WA 6005

This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.

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IMPORTANT INFORMATION

VENUE

The Annual General Meeting of the Shareholders of Haranga Resources Limited, to which this Notice of Annual General Meeting relates, will be held at 3.00 pm (WST) on 30 July 2021 at 1/72 Kings Park Road, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 3.00 pm (WST) on 30 July 2021.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Haranga Resources Limited will be held at 1/72 Kings Park Road, West Perth WA 6005 at 3.00 pm (WST) on 30 July 2021.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ELECTION OF A DIRECTOR – MR JOHN DAVIS

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr John Davis, a Director who was appointed casually on 5 July 2021, retires, and being eligible, be elected as a Director of the Company."

2. RESOLUTION 2 – ELECTION OF A DIRECTOR – MR HENDRIK SCHLOEMANN

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Hendrik Schloemann, a Director who was appointed casually on 5 July 2021, retires, and being eligible, be elected as a Director of the Company."

3. RESOLUTION 3 – RE-ELECTION OF A DIRECTOR – MR PETER YOUND

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Peter Youd, a Director who retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every five (5) Shares be consolidated into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share."

5. RESOLUTION 5 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purpose of Section 246B of the Corporations Act and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions and to the parties set out in the Explanatory Statement.”

6. RESOLUTION 6 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass, the following Resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new Constitution in the form as signed by the Chairman of the Meeting for identification purposes.”

DATED: 8 JULY 2021

**BY ORDER OF THE BOARD
MS NERIDA SCHMIDT
COMPANY SECRETARY
HARANGA RESOURCES LIMITED**

EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Unless otherwise stated all references to Shares in this Notice are on a pre-Consolidation basis. The Consolidation proposed by Resolution 4 is on a ratio of 5:1.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial period ended 31 December 2020 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.haranga.com.

2. RESOLUTION 1 – ELECTION OF DIRECTOR – MR JOHN DAVIS

2.1 General

Clause 13.4 of the Constitution of the Company provides that the Board may appoint a person to be a Director at any time either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. In accordance with the Constitution, any Director so appointed automatically retires at the next annual general meeting and is eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr John Davis, having been appointed as a Director on 5 July 2021, retires in accordance with clause 13.4 of the Constitution and, being eligible, seeks election at the Annual General Meeting.

2.2 Qualifications and other material directorships

Mr Davis is a Geologist with more than 30 years' experience in mineral exploration and development in Australia and Southern Africa, including gold, base metals and rare metals. He has extensive experience in the gold sector, from regional exploration, resource development to production, including as Exploration Manager/Chief Geologist for Metana Minerals NL. He was founding managing director of Jabiru Metals Ltd, where he played a key role in the discovery of the Jaguar base metal deposit, and a Technical Director of Monarch Gold Mining Co Ltd.

2.3 Independence

Mr Davis has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Davis will be an independent Director.

2.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Davis.

Mr Davis has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

2.5 Board recommendation

The Board has reviewed Mr Davis's performance since his appointment to the Board and considers that Mr Davis's skills and experience will continue to enhance the Board's ability to perform its role.

The Board, with Mr Davis abstaining, supports the election of Mr Davis and recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR HENDRIK SCHLOEMANN

3.1 General

Clause 13.4 of the Constitution of the Company provides that the Board may appoint a person to be a Director at any time either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. In accordance with the Constitution, any person so appointed automatically retires at the next annual general meeting and is eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Hendrik Schloemann, having been appointed as a Director on 5 July 2021, retires in accordance with clause 13.4 of the Constitution and, being eligible, seeks election at the Annual General Meeting.

3.2 Qualifications and other material directorships

Dr Hendrik Schloemann is a geologist with a track record of more than 20 years of exploration in twenty countries, with particular experience in Africa. His experience covers adapting to new social and technical environments and leading and motivating multi-cultural teams. He has experience with gold exploration in orogenic and epithermal environments, as well as pegmatite, diamond, uranium and gemstone exploration. He is experienced with the corporate requirements of a public company, including raising of funds, marketing, corporate compliance, staffing and formulation of long-term strategy. Hendrik was previously an Executive Director of LSE listed and West Africa focussed Goldstone Resources.

3.3 Independence

Mr Schloemann has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Schloemann will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Hendrik.

Mr Schloemann has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Director of the Company.

3.5 Board recommendation

The Board has reviewed Mr Schloemann's performance since his appointment to the Board and considers that Mr Schloemann's skills and experience will continue to enhance the Board's ability to perform its role.

The Board, with Mr Schloemann abstaining, supports the election of Mr Schloemann and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PETER YOUD

4.1 General

Clause 13.2 of the Constitution of the Company requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Peter Youd, who has served as a Director since 1 June 2017 and was last re-elected on 7 August 2019, retires in accordance with clause 13.2 of the Constitution and, being eligible, seeks re-election at the Annual General Meeting.

4.2 Qualifications and other material directorships

Mr Youd is a Chartered Accountant and has extensive experience within the resources and oil and gas services industries. For the last 29 years Mr Youd has held a number of senior management positions and directorships for publicly listed and private companies in Australia and overseas.

Mr Youd was until recently an executive director of First Graphene Limited (2014 – 2021). He has not held any other listed directorships over the past three years other than when Haranga was listed.

4.3 Independence

If re-elected the Board considers Mr Youd will be an independent Director.

4.4 Board recommendation

The Board has reviewed Mr Youd's performance since his appointment to the Board and considers that Mr Youd's skills and experience will continue to enhance the Board's ability to perform its role.

The Board supports the election of Mr Youd and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

5.1 Background

The Company proposes to undertake the consolidation to consolidate the numbers of Shares on issue on a 5 for 1 basis (**Consolidation**). Accordingly, if Resolution 4 is passed and assuming no other Shares are issued subsequent to this Notice, the number of Shares on issue will be reduced from 35,600,036 to 7,120,007 (subject to rounding). As at the date of this Notice, the Company has no other securities on issue other than Shares.

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

The Directors intend to implement the Consolidation, subject to Shareholder approval, following this Meeting.

5.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

5.3 Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by 5. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share.

5.4 Taxation

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and the Company, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other Resolutions.

5.5 Holding statements

From the date 2 business days after the Effective Date (as set out in the timetable below), all holding statements for previously quoted Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares for shares to be issued to holders of those Shares.

It is the responsibility of each Shareholder to check the number of Shares held prior to disposal.

5.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below, excluding any Shares issued subsequent to this Notice and before the Meeting.

Capital Structure	Shares
Pre-Consolidation Shares*	35,600,036
Post-Consolidation of Shares*	7,120,007

*Based on the Company's issued capital as at the date of this Notice and assumes no other Shares are issued subsequent to this Notice and before the date the Consolidation takes effect.

5.7 Indicative timetable

If Resolution 4 is passed, the Consolidation of capital is proposed to take effect in accordance with the timetable set out below:

Action	Date
Consolidation	
Company dispatches Notice of Meeting.	8 July 2021
Meeting to approve Consolidation.	30 July 2021
Effective Date of Consolidation	30 July 2021
Company to send holdings statements to each holder.	As soon as practicable after 30 July 2021

6. RESOLUTION 5 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

6.1 Background

Haranga was delisted on ASX on 3 February 2020 under ASX's policy on the delisting of long term suspended entities and had been assessing alternative opportunities to restore shareholder value.

The Company is currently in the final stages of negotiations regarding the acquisition of 100% of the fully paid ordinary shares on issue in the capital of Loropeni Resources SARL (**Loropeni**) a company incorporated in Burkina Faso (**Acquisition**).

The Acquisition will assist the Company in its longer term strategy of completing an initial public offer and facilitating a new listing on ASX.

Loropeni has five gold exploration projects located in Burkina Faso and the Ivory Coast.

On the terms currently being negotiated, as consideration for the Acquisition, the Company expects to issue 11,500,000 Shares, 6,500,000 Options and 5,000,000 Performance Shares to the shareholders of Loropeni (in their respective shareholding proportions).

6.2 General

Resolution 5 seeks Shareholder approval for the Company to be authorised to create the necessary class of and issue the Performance Shares.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

Under clause 2.2 of the Company's Constitution and, subject to the Corporations Act, the Company may issue Shares on any terms and for any consideration as the Directors resolve.

Section 246B of the Corporations Act and clause 2.4 of the Constitution provides that the rights attaching to a class of shares may be varied:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or

- (b) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

Pursuant to the current negotiations regarding the Acquisition, the Company anticipates issuing up to 5,000,000 Performance Shares.

The Company currently has only one class of shares on issue being fully paid ordinary shares. The terms of the Performance Shares are not the same as the Shares. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

The currently negotiated terms of the Performance Shares are set out in Schedule 1. Before any Performance Shares will be issued, the terms of the Performance Shares will need to be approved by ASX.

Accordingly, for the purposes of complying with the ASX Listing Rules, the terms of the Performance Shares as summarized in Schedule 1 may be amended such as to preserve the commercial intent of the Performance Shares but to also ensure that they comply with the requirements of the ASX Listing Rules.

The Company confirms that the Performance Shares will not be issued until ASX approval has been obtained and/or the required amendments have been made.

7. RESOLUTION 6 – ADOPTION OF NEW CONSTITUTION

7.1 General

A Company may modify or repeal its constitution by a special resolution of its shareholders.

The Constitution, being the rules by which the Company operates, should continue to evolve in line with the regulatory environment in which the Company operates.

Resolution 6 is a **special resolution** which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**).

The Proposed Constitution is of the type required for a listed public company limited by shares and reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2010.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. The Directors believe that they are not material in nature, nor will they have any significant impact on Shareholders.

A copy of the Proposed Constitution is available for view by the Shareholders at the Company's website www.haranga.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders on request to the Company Secretary at +61 1300 141 491. Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Closing date for Director nominations (clause 14.3)

On 19 December 2019, ASX amended Listing Rule 3.13.1 to provide that companies must release an announcement setting out the date of its meeting and the closing date for nominations at least 5 business days before the closing date for the receipt of such nominations. The closing date period under clause 14.3 of the Proposed Constitution has been reduced to at least 30 days (previously it was 30 Business Days) to allow the Company to issue the notification just prior to the notice of meeting which will reduce the risk of having to delay Shareholder meetings to comply with the Listing Rule requirement.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company’s shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company’s ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the

Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (e) proportional takeover bids may be discouraged;
- (f) lost opportunity to sell a portion of their Shares at a premium; and
- (g) the likelihood of a proportional takeover bid succeeding may be reduced.

7.3 Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

8. ENQUIRIES

Shareholders are required to contact the Company on +61 1300 141 491 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Haranga Resources Limited (ABN 83 141 128 841).

Constitution means the Company's constitution.

Consolidation means the proposed consolidation of the capital of the Company as set out in Resolution 4.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Effective Date means 30 July 2021.

Explanatory Statement means the explanatory statement to the Notice.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option which entitles the holder to subscribe for one Share.

Performance Shares means a share with the terms and conditions summarised in Schedule 1.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means that remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2020

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a share in the Company.

Shareholder means a shareholder in the Company.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE SHARES

A summary of the material terms consideration of the Performance Shares are as follows:

(a) **Entitlement**

Each Performance Share entitles the holder (**Holder**) to subscribe for one Share upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.

(b) **Notice of satisfaction of Milestone**

The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Share where the Milestone is not satisfied.

(c) **No voting rights**

A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Share is not transferable.

(h) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable Listing Rules and the laws of Guernsey at the time of reorganisation.

(i) **Application to ASX**

The Performance Shares will not be quoted on ASX. However, the Company must apply for the official quotation of a Share issued on conversion of a Performance Share on ASX within the time period required by the Listing Rules.

(j) **Participation in new issues**

A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Share gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(l) **Amendment for ASX compliance**

The board of the Company may, for the purposes of facilitating or seeking admission to the official list of the ASX, amend or add to all or any of the terms or conditions of the Performance Shares such as to preserve the commercial interest of the Performance Shares but to also ensure that they comply with the requirements of the ASX Listing Rules, and any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

Conversion of the Performance Shares

(m) Milestone

A Performance Share will be able to be converted into a Share by a Holder, subject to the Company announcing to the ASX the achievement of a minimum inferred JORC compliant Mineral Resource of 500t oz Au at $\geq 1\text{g/t}$ in relation to the LRS Projects, as accepted by the Independent Directors of the Company, within 48 months of the date of settlement of the LRS Acquisition (**Milestone**).

For the purposes of the above Milestone:

- (i) “**LRS Projects**” means the projects of LRS including the Mangodara Projects (100% interest in a permit located in Burkina Faso), Dembeledougou Projects (100% interest in a permit located in Burkina Faso), Kaouradeni Projects (an application for a 100% interest in a permit located in Burkina Faso), Ouangolao Projects (contractual right and option to earn in to a permit located in South Hound Belt, Burkina Faso currently owned by Anthony Gabriel SARL) and Issa Project (contractual right and option to earn in a permit located in Ivory Coast currently held by Loady Exploration);
- (ii) a “**Mineral Resource**” shall have the meaning given to it in the JORC Code 2012 Edition (or the current edition at the time) (**JORC Code**); and
- (iii) the “**Independent Directors**” shall be those directors of the Company at the time who do not have an entitlement to any Performance Shares.

(n) Conversion Notice

Subject to the satisfaction of the Milestone before the Expiry Date (as defined below), a Performance Share may be converted by the Holder giving written notice to the Company (**Conversion Notice**) prior to the date that is three (3) months after the date that the Milestone is achieved. No payment is required to be made for conversion of a Performance Share to a Share.

(o) Conversion on change of control

Subject to paragraph **Error! Reference source not found.** and notwithstanding the Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Shares will be converted into that number of Shares that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

(p) Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Performance Share under paragraph **Error! Reference source not found.** or **Error! Reference source not found.** would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (p)**Error! Reference source not found.** within

seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(q) **Automatic Conversion where Milestone expires**

Each Performance Share shall expire on the date which is 48 months following the date of issue of the Performance Shares (**Expiry Date**). If the Milestone has not been achieved by the Expiry Date, then all Performance Shares held by the Holder will automatically convert into one Share. For the avoidance of doubt, a Performance Share will not lapse in the event the Milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (p) above.

(r) **Issue of Shares**

The Company will issue the Share on conversion of a Performance Share within five (5) business days following the conversion or such other period required by the Listing Rules.

(s) **Holding statement**

The Company will issue the Holder with a new holding statement for any Shares issued upon conversion of a Performance Share within 10 business days following the issue of the Shares.

(t) **Ranking upon conversion**

The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.