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ASX Release

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Further Excellent Drill Results at the Selenge Iron Ore Project

- **Drilling at Selenge concluded successfully in November 2012.**
- **Over 35,000m of diamond core drilling completed at the Dund Bulag, Bayantsogt and Undur Ukhaa prospects this year.**
- **All three prospects contain wide lodes of iron mineralisation from surface.**
- **All lab assay results have now been received for Bayantsogt. The results for holes 42-66 include:**
  - **34m at 32% Fe from 79m in hole BTDH-55**
    (incl 8m at 41% Fe from 103m)
  - **16m at 35% Fe from 88m in hole BTDH-43**
    (incl 8m at 49% Fe from 92m)
  - **24m at 31% Fe from 178m in hole BTDH-49A**
    (incl 4m at 40% Fe from 188m)
- **Assays have been received from holes 36-50 at Dund Bulag and the results confirm the consistently wide seams of magnetite starting from surface, including:**
  - **60m at 23% Fe from 0m in hole DBDH-48**
  - **16m at 25% Fe from 17m in hole DBDH-50**
  - **24m at 27% Fe from 113m in hole DBDH-45**
  - **120m at 20% Fe from 172m in hole DBDH-44A**
  - **66m at 22% Fe from 251m in hole DBDH-48**
  - **98m at 21% Fe from 275m in hole DBDH-42**
- **The magnetite mineralisation at both Dund Bulag and Bayantsogt achieved a high quality concentrate averaging 65-66% Fe with low impurities during metallurgical testing in 2012.**
- **The cumulative Exploration Target* at Selenge is 250-400Mt. Expanded JORC resource expected in Q2 this year.**
- **Selenge is ideally located just 20-30km from two rail spurs and 15km from the 5Mtpa Eruu Gol iron ore export mine.**
- **Spot market prices for 66% Fe magnetite concentrate delivered to NE China steel mills have recently pushed over US$170/t.**

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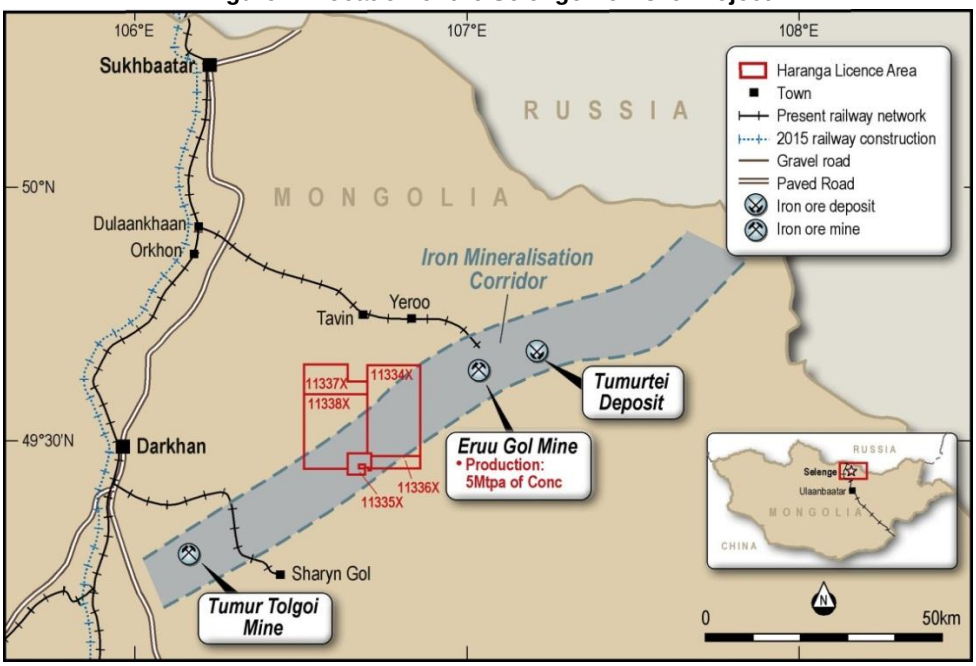
Selenge Project – Background

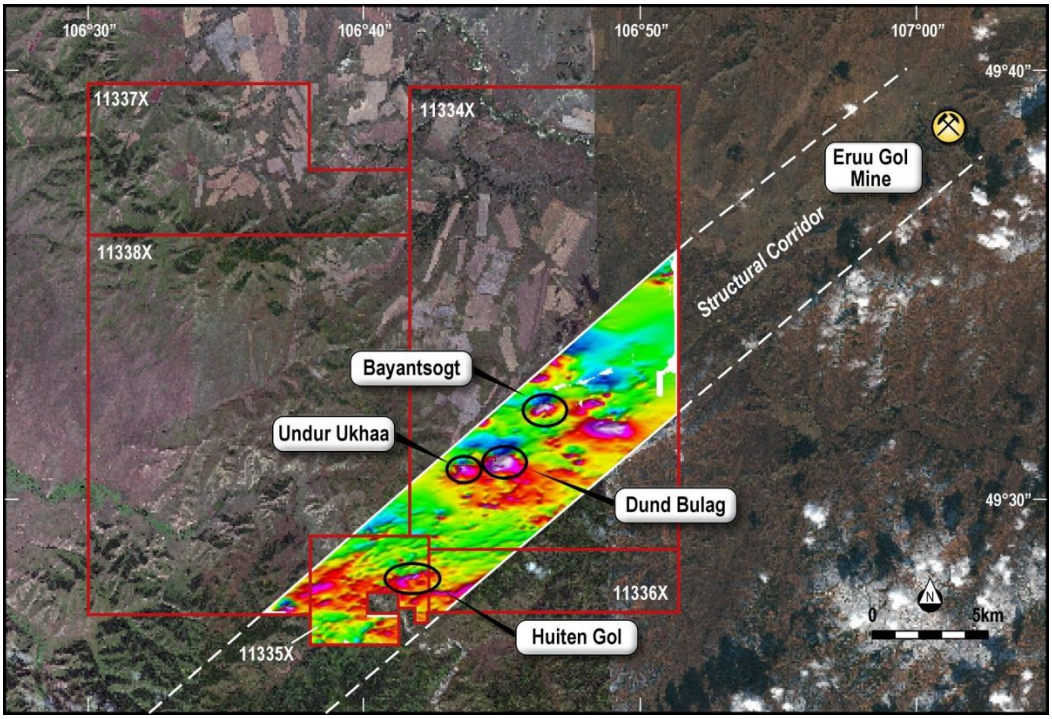
The Company's flagship Selenge iron ore project is located in the heart of Mongolia's premier iron ore development region with excellent access to the main trans-Mongolian rail line and nearby rail spurs.

Figure 1: Location of the Selenge Iron Ore Project



The **four Priority 1 iron ore targets** at Selenge lie within 9km of each other. All four are associated with large magnetite skarn hills and lie within the structural corridor that contains the major iron ore deposits in the region. The nearby Eruu Gol mine is on track to export five million tonnes of magnetite concentrate in 2012, shipping the product via a newly constructed rail spur to the main trans-Mongolian rail line. (The 300Mt **Eruu Gol deposit was valued at approximately US$2Bn** based on a 2009 investment by the China Investment Corporation). The 2011 drill program at Selenge defined an initial JORC inferred resource of 32.8Mt at 24.4% Fe at Bayantsogt and discovered significant iron mineralisation at the Dund Bulag and Huiten Gol Prospects. A combined **Exploration Target* of 250-400Mt** has been estimated for Selenge. The 2012 drill program concluded in November 2012, with significant magnetite also discovered at Undur Ukhaa.

Figure 2: Location of Iron Ore Targets at Selenge Project (within the Iron Mineralisation Corridor)



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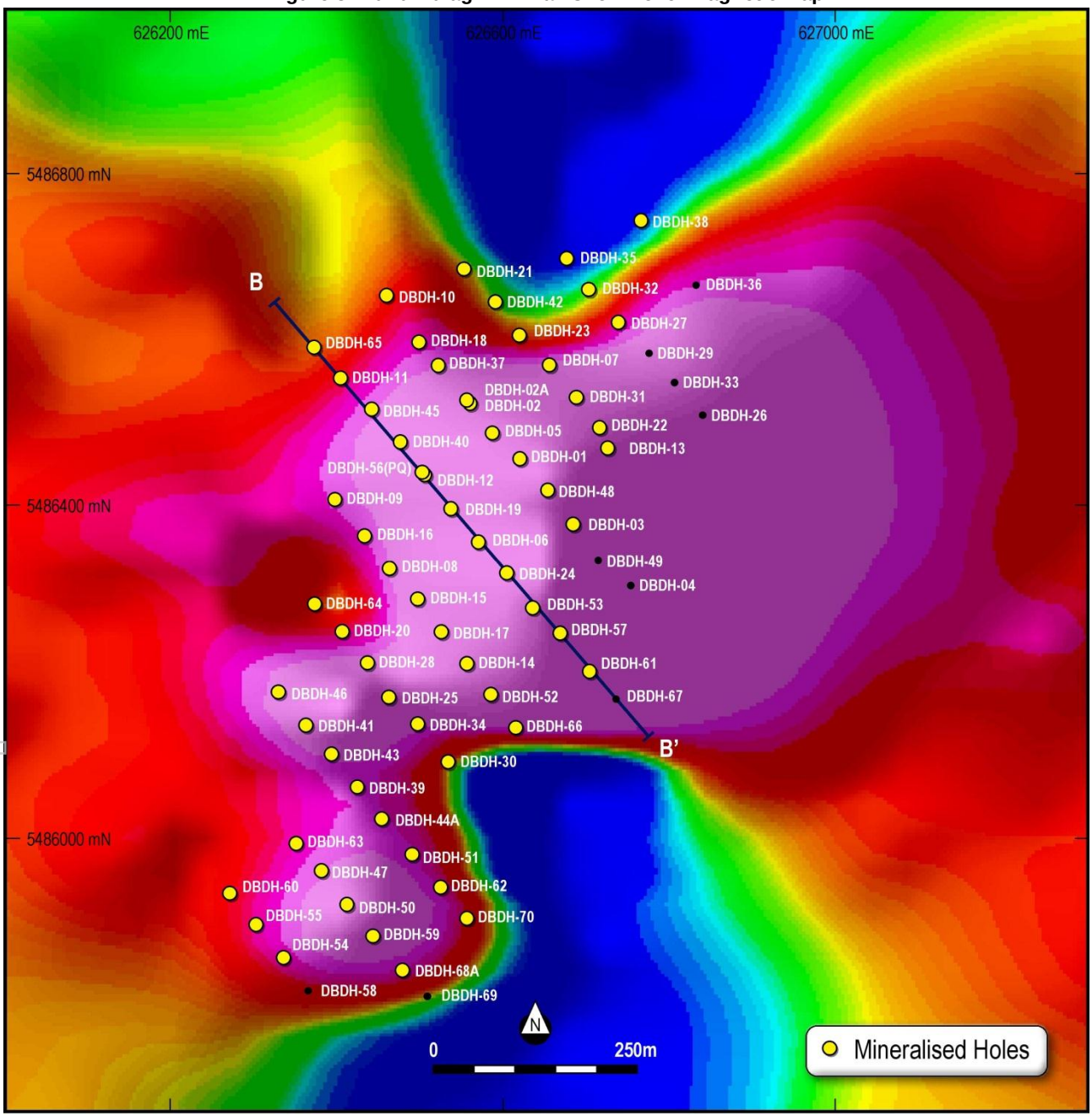
Dund Bulag Prospect

Diamond core holes have been completed at seventy locations at the Dund Bulag iron ore prospect (see Figure 3). 61 of the 70 holes intersected significant widths of magnetite mineralisation as determined by assay, geological logging and handheld XRF measurement. Five holes were drilled at the end of the 2011 drill season and the laboratory assay results have been received for the first forty-five holes (Holes 6 to 50) from the 2012 drill program. The table of significant results for holes 1 to 5 was reported in the Company's ASX announcement dated 29 March 2012. From the 2012 drilling program, holes 6 to 15 were reported in the ASX announcement dated 16 October 2012 and holes 16 to 35 were reported on 26 November 2012. As observed previously, **the raw mineralisation at Dund Bulag occurs in extremely wide lodes from surface and is typically between 15% and 30% Fe in grade**. Please refer to the cross section in Figure 4. The new significant intersections from holes 36 to 50 are shown in Table 2 at the end of this report.

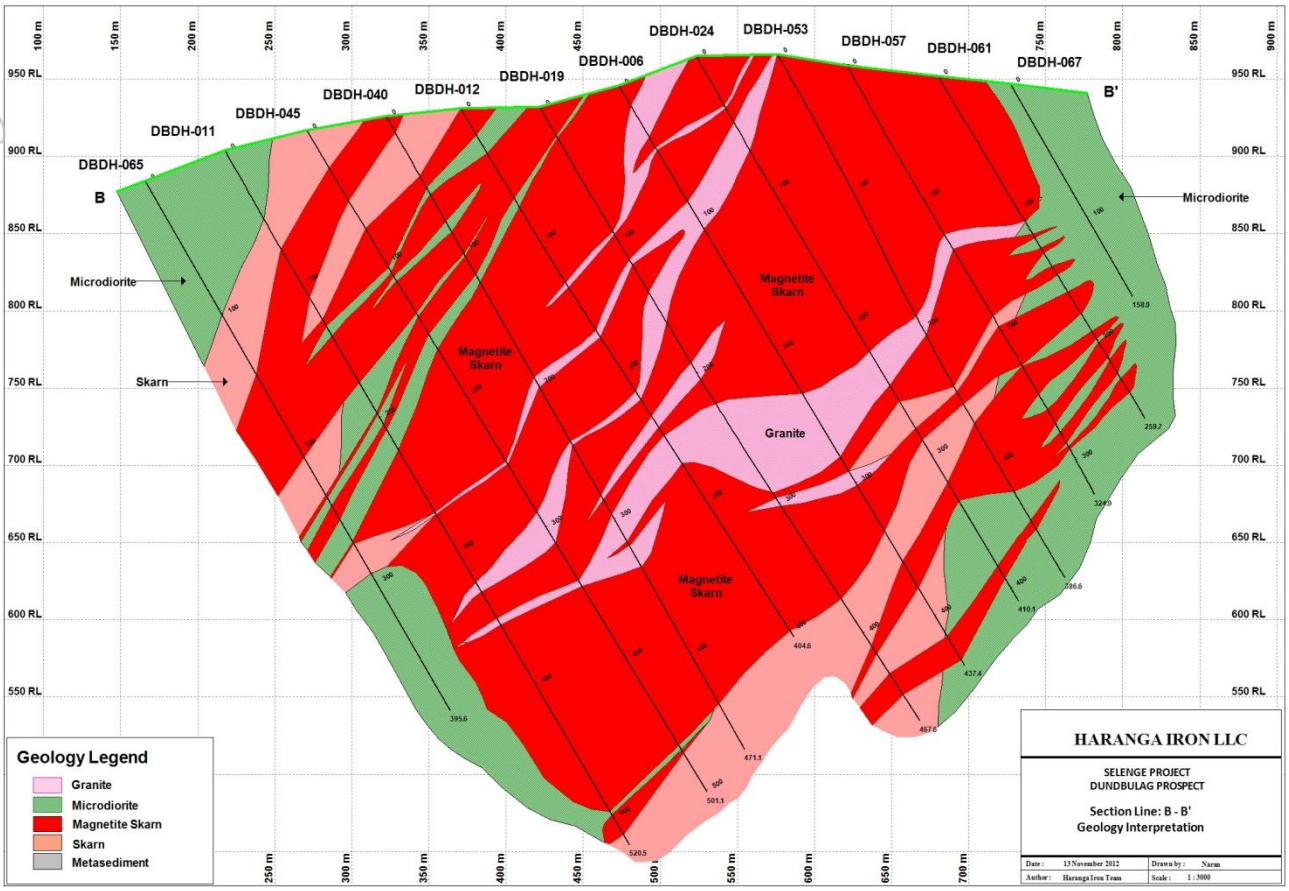
Figure 3: Dund Bulag Drill Plan shown over Magnetic Map



As can be observed in Figure 4, the wide seams starting from the top of the Dund Bulag hill should ensure very low strip ratios. The main lodes of magnetite skarn at Dund Bulag are between 40 to 150m in apparent

width. The Exploration Target* at Dund Bulag is 200-300Mt of iron ore. The maiden resource estimation at Dund Bulag is expected to be completed by April 2013.

Figure 4: Simplified Dund Bulag Interpreted Cross Section B-B'



Although the Dund Bulag mineralisation is reporting lower average grades than the Bayantsogt Deposit and the Huiten Gol Prospect, **the Dund Bulag magnetite has been found to upgrade effectively and produce a high quality magnetite concentrate grading over 65% Fe**. This is due to the particular metallurgical properties of this coarse-grained, banded magnetite skarn mineralisation.

Table 1: Summary DTR Results – Average Concentrate Quality from the Selenge Prospects (75µm grind, 10% yield cutoff)

	Average Fe Grade of Raw Samples	Average Mass Yield	Fe (%)	SiO2 (%)	Al2O3 (%)	S (%)	P (%)
Bayantsogt	30.1%	29.1%	**65.77**	3.25	0.96	1.03	0.02
Dund Bulag	18.5%	18.0%	**65.15**	5.34	1.32	0.18	0.00
Huiten Gol	27.7%	29.8%	**68.78**	1.90	0.41	0.01	0.01

Bayantsogt Deposit

Sixty-six diamond core holes were completed at the Bayantsogt iron ore deposit (see Figure 5). 59 of the 66 holes intersected significant widths of magnetite mineralisation. Thirty-five holes were drilled at Bayantsogt during the 2011 drill season and an initial JORC inferred resource of 32.8Mt at 24.4% Fe was defined based on this initial first pass drilling. The laboratory assay results have been received for all holes (holes 36 to 66) from the 2012 drill program. Holes 36 to 41 were reported in the Company's ASX announcement dated 26 November 2012 and the new significant intersections from holes 42 to 66 are reported in Table 3 at the end of this report. These results confirm that **the 2012 drilling has extended the strike length of the deposit by 250m** to the southwest.

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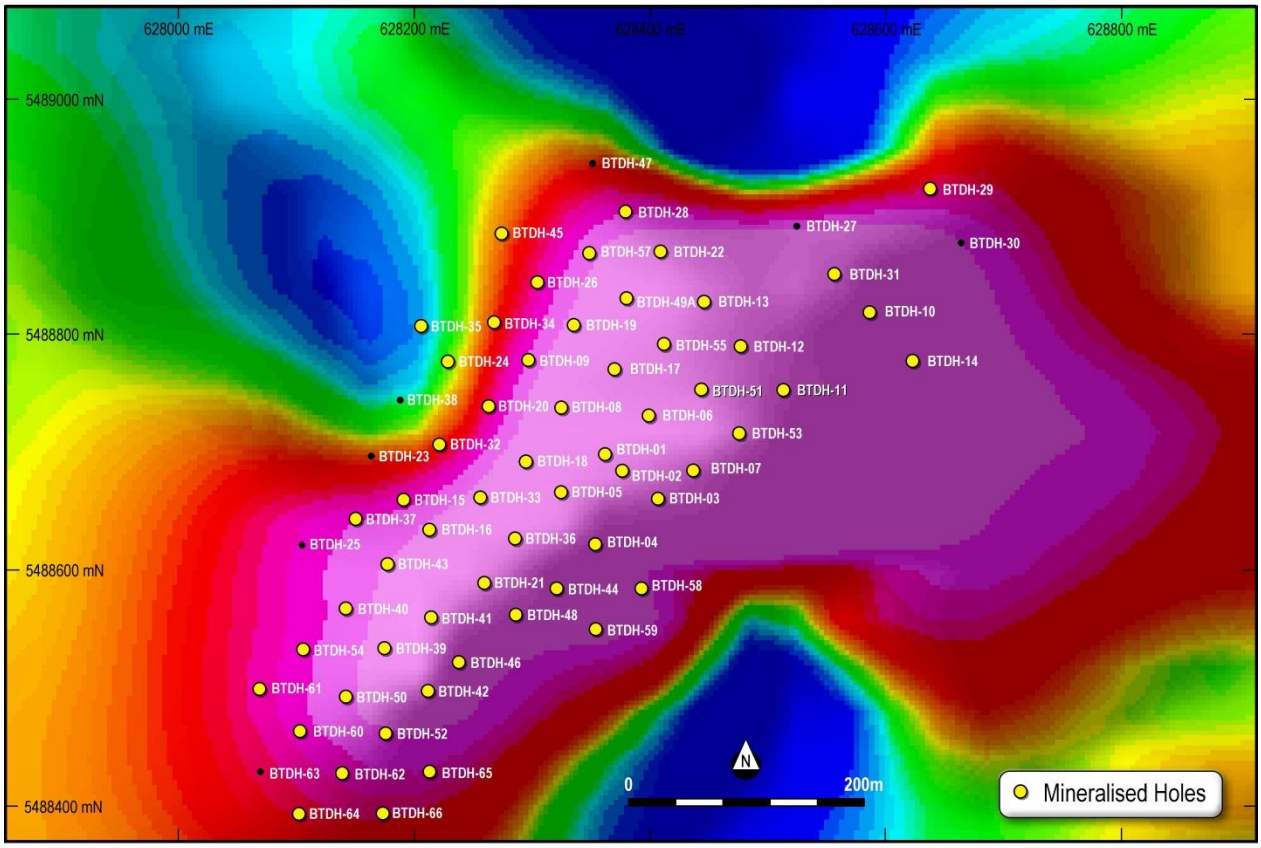
Figure 5: Bayantsogt Drill Plan shown over Magnetic Map



The deeper zone of high grade mineralisation first discovered during the 2011 drill program in the central-eastern part of the deposit was partly defined by the following key intersections:

- **103m at 44% Fe from 225m in hole BTDH-20 (incl 28m at 58% Fe from 258m)**
- **97m at 44% Fe from 223m in hole BTDH-32 (incl 29m at 54% from 265m)**
- **71m at 37% Fe from 266m in hole BTDH-15 (incl 10m at 50% Fe from 317m)**

This zone has been intersected during the 2012 program in holes 37 and 43, with hole 43 appearing to show the high grade zone extending towards the surface:

- **18m at 47% Fe from 281m in hole BTDH-37**
- **8m at 49% Fe from 92m in hole BTDH-43**

The Exploration Target* at Bayantsogt is 40-60Mt of iron ore (inclusive of the current resource). An updated resource estimation at Bayantsogt is expected to be completed by April 2013.

Undur Ukhaa Prospect

Twelve diamond core holes were completed in 2012 at the previously undrilled Undur Ukhaa iron ore prospect, located 1km west of Dund Bulag. 11 of the 12 holes appear to have intersected significant apparent widths of magnetite mineralisation as determined by geological logging and handheld XRF measurement. The mineralisation at Undur Ukhaa appears to be of a similar nature to nearby Dund Bulag. The anomaly at Undur Ukhaa is narrow but appears to have a strike length of approximately 800m. **Undur Ukhaa represents the fourth major iron discovery within the large Selenge project area**, following Bayantsogt, Dund Bulag and Huiten Gol. The Company has not yet received any laboratory assay results from the drilling at Undur Ukhaa.

Based on the initial drilling at Undur Ukhaa and the results from the small 2011 drill program at Huiten Gol, a combined Exploration Target* of 10-40Mt of iron ore has been estimated for these two prospects.

Selenge Project Summary and Outlook

The **2012 drilling program was completed in November 2012 almost one month ahead of schedule** having conducted over 35,000m of diamond drilling. All assay results from the 2012 drill program at the Bayantsogt Deposit have now been received from the laboratory and reported. The Company has received and reported assay results from the first 50 drill holes at the Dund Bulag prospect and awaits results from the remainder. No assay results have yet been received from the 12 drill holes completed at the Undur Ukhaa prospect. Metallurgical test work on all mineralised core drilled during 2012 has commenced and this information will ultimately be used to construct an enhanced JORC compliant resource at all three of these magnetite targets based on the mass yield and concentrate quality characteristics. It is expected that an expanded and enhanced JORC resource will be completed by April/May 2013.

Based on the results to date, the cumulative Exploration Target* for the Selenge Project has been estimated at 250-400Mt of iron ore, based solely on the four Priority 1 targets already drilled within the project area. There are a number of other promising magnetic anomalies yet to be drill tested.

This successful drill campaign follows the recent **MOU covering 5Mtpa of rail** capacity and the **excellent metallurgical results** on the Selenge iron mineralisation from Bayantsogt, Dund Bulag and Huiten Gol.

Iron ore prices in China have improved markedly in recent months and **inland domestic magnetite concentrate continues to be priced at a significant premium to the seaborne import iron ore price**. The difference in price versus the seaborne import marker price is due to grade differential, lower impurities, higher value-in-use, high transport costs for seaborne ore attempting to access the inland regions and the lack of availability of this high quality product in inland China as domestic Chinese magnetite production suffers from declining grade and output.

The 2011 exploration program confirmed that a number of significant discoveries had been made by the Company within the Selenge project area and achieved a maiden JORC Code compliant resource. Shareholders can continue to look forward to further positive results from the 2012 drilling as the Company moves towards a greatly expanded JORC Code compliant resource and feasibility study commencement.

Dr Robert Wrixon
Managing Director
Haranga Resources Limited

* Exploration Targets are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

The information in this report that relates to Exploration Results is based on information compiled by Mr Kerry Griffin, who is a Member of the Australian Institute of Geoscientists. Mr Griffin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Griffin is the Technical Director of Haranga Resources Limited and consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.

The technical information contained in this announcement in relation to the JORC Compliant Resource for the Bayantsogt Deposit has been reviewed by Mr Peter Ball of DataGeo Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Ball has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr Ball consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.

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Table 2: Significant Mineralised Intersections at Dund Bulag Holes 36 to 50 (Cutoff = 15% Fe)
Intervals over 40m in Apparent Width are shown in Bold

Hole Number	From (m)	To (m)	Downhole Interval (m)	Fe %
DBDH-037	22.6	35.6	13.0	17.4
and	88.4	94.4	6.0	18.9
and	98.4	102.4	4.0	15.2
and	112.4	114.4	2.0	25.5
and	138.4	142.4	4.0	18.1
and	152.4	156.4	4.0	19.3
and	166.4	170.4	4.0	21.9
and	176.4	184.4	8.0	17.1
and	194.4	196.4	2.0	17.9
and	204.4	224.4	20.0	17.1
and	230.4	236.4	6.0	15.6
and	242.4	246.4	4.0	18.0
and	248.4	258.4	10.0	16.3
and	264.4	284.4	20.0	18.1
and	288.4	290.4	2.0	25.7
and	296.4	300.4	4.0	16.4
and	310.4	320.4	10.0	16.3
and	324.4	334.4	10.0	22.7
and	340.4	358.4	18.0	17.7
and	392.4	410.4	18.0	15.7
and	426.4	432.4	6.0	22.0
and	438.4	456.4	18.0	16.7
DBDH-038	69.4	73.4	4.0	16.3
DBDH-039	12.0	16.0	4.0	16.6
and	28.0	42.0	14.0	16.6
including	*40.0*	*42.0*	*2.0*	*26.1*
and	48.0	50.0	2.0	22.1
and	52.0	56.0	4.0	20.3
and	60.0	64.0	4.0	19.6
and	74.0	100.0	26.0	18.2
and	104.0	108.0	4.0	17.4
and	112.0	116.0	4.0	16.0
and	124.0	128.0	4.0	16.6
and	269.0	273.0	4.0	15.5
and	292.6	300.6	8.0	17.4
DBDH-040	30.0	32.0	2.0	22.2
and	58.0	62.0	4.0	20.3
and	66.0	78.0	12.0	16.0
and	89.0	93.0	4.0	17.0
and	95.0	101.0	6.0	17.3
and	103.0	107.0	4.0	16.7
and	165.0	175.0	10.0	15.4
and	191.0	193.0	2.0	17.6
and	203.0	207.0	4.0	16.4
and	209.0	227.0	18.0	18.4
and	231.0	233.0	2.0	20.3
and	235.0	241.0	6.0	16.1
and	247.0	257.0	10.0	20.8
and	269.0	275.0	6.0	15.0
and	277.0	281.0	4.0	19.9
and	289.0	293.0	4.0	19.7
and	335.0	347.0	12.0	16.0
and	371.0	375.0	4.0	17.4
and	377.0	397.0	20.0	20.3
including	*389.0*	*391.0*	*2.0*	*28.2*
and	405.0	437.0	32.0	22.0
DBDH-041	42.0	44.0	2.0	20.1
and	56.0	64.0	8.0	15.1
and	85.0	95.0	10.0	18.0
and	112.0	120.0	8.0	18.7
including	*118.0*	*120.0*	*2.0*	*28.4*
and	124.0	133.0	9.0	15.2
and	158.3	168.3	10.0	16.7
and	170.3	176.3	6.0	15.5
and	194.3	200.3	6.0	18.1
and	202.3	216.3	14.0	20.4
and	220.3	246.3	26.0	16.5
DBDH-042	74.4	78.4	4.0	17.9
and	138.0	144.0	6.0	18.8
and	158.0	160.0	2.0	19.3
and	183.0	187.0	4.0	16.9
and	195.0	199.0	4.0	22.5
and	201.0	211.0	10.0	21.2
and	213.0	225.0	12.0	20.2

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and	231.0	261.0	30.0	18.7
including	*259.0*	*261.0*	*2.0*	*26.0*
and	263.0	271.0	8.0	16.6
and	**275.0**	**373.0**	**98.0**	**21.1**
including	*367.0*	*369.0*	*2.0*	*29.1*
and	384.4	388.4	4.0	17.6
and	394.4	406.4	12.0	17.6
and	424.0	440.0	16.0	19.5
and	458.0	466.0	8.0	16.5
DBDH-043	14.0	24.0	10.0	19.3
and	30.0	50.0	20.0	16.6
and	62.0	70.0	8.0	15.2
and	74.0	78.0	4.0	15.9
and	82.0	98.0	16.0	16.6
and	104.0	134.0	30.0	17.2
and	140.0	156.0	16.0	17.1
and	166.0	170.0	4.0	17.6
DBDH-044A	3.0	15.0	12.0	19.4
and	19.0	33.0	14.0	17.8
and	44.0	48.0	4.0	22.0
and	52.0	60.0	8.0	15.3
and	64.0	72.0	8.0	21.9
and	76.0	84.0	8.0	20.7
and	86.0	92.0	6.0	17.5
and	104.0	108.0	4.0	16.9
and	122.0	158.0	36.0	16.1
and	**172.0**	**292.0**	**120.0**	**20.1**
including	*244.0*	*252.0*	*8.0*	*27.2*
DBDH-045	27.0	35.0	8.0	15.2
and	79.0	89.0	10.0	16.4
and	91.0	99.0	8.0	19.3
and	107.0	111.0	4.0	23.5
and	113.0	137.0	24.0	27.0
and	141.0	155.0	14.0	22.2
and	171.0	173.0	2.0	17.5
and	**175.0**	**287.0**	**112.0**	**19.9**
including	*183.0*	*187.0*	*4.0*	*28.3*
and	293.0	295.0	2.0	21.7
and	315.0	341.0	26.0	20.3
including	*315.0*	*323.0*	*8.0*	*27.9*
and	**347.0**	**415.0**	**68.0**	**19.0**
and	427.0	437.0	10.0	17.4
and	439.0	451.0	12.0	18.0
DBDH-046	78.0	82.0	4.0	15.8
and	88.0	92.0	4.0	16.9
and	94.0	100.0	6.0	19.1
and	120.0	123.0	3.0	16.9
and	147.0	151.0	4.0	15.9
and	182.0	196.0	14.0	16.0
and	198.0	204.0	6.0	15.4
and	212.0	216.0	4.0	15.4
and	226.0	230.0	4.0	17.2
and	232.0	242.0	10.0	16.2
DBDH-047	46.0	50.0	4.0	16.3
and	84.0	106.0	22.0	16.3
and	116.0	122.0	6.0	18.5
and	124.0	134.0	10.0	17.7
and	224.0	242.0	18.0	19.9
and	254.0	264.0	10.0	18.5
and	266.0	272.0	6.0	21.4
and	278.0	288.0	10.0	21.6
DBDH-048	**0.0**	**60.0**	**60.0**	**22.6**
and	98.0	104.0	6.0	18.7
and	112.0	126.0	14.0	18.1
including	*112.0*	*114.0*	*2.0*	*27.7*
and	199.0	203.0	4.0	18.0
and	207.0	211.0	4.0	19.4
and	215.0	249.0	34.0	17.9
and	**251.0**	**317.0**	**66.0**	**22.4**
and	344.0	350.0	6.0	16.9
DBDH-050	17.0	33.0	16.0	25.1
and	39.0	55.0	16.0	17.0
and	**112.0**	**172.0**	**60.0**	**17.0**
and	194.0	208.0	14.0	16.7
and	231.0	243.0	12.0	17.2

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Table 3: Significant Mineralised Intersections at Bayantsogt Holes 42 to 66 (Cutoff = 15% Fe)
Intervals over 15m in Apparent Width are shown in Bold

Hole Number	From (m)	To (m)	Downhole Interval (m)	Fe %
BTDH-042	**7.0**	**51.0**	**44.0**	**16.5**
and	131.0	133.0	2.0	16.1
and	141.0	147.0	6.0	16.8
BTDH-043	1.0	10.0	9.0	15.8
and	**88.0**	**104.0**	**16.0**	**35.4**
including	*92.0*	*100.0*	*8.0*	*48.8*
and	228.0	232.0	4.0	17.1
BTDH-044	**33.0**	**51.0**	**18.0**	**19.0**
and	55.0	57.0	2.0	22.0
and	**59.0**	**93.0**	**34.0**	**21.2**
and	97.0	99.0	2.0	20.6
BTDH-046	19.0	21.0	2.0	17.1
and	31.0	33.0	2.0	17.2
and	39.0	43.0	4.0	17.9
BTDH-048	33.0	37.0	4.0	17.4
BTDH-049A	104.0	106.0	2.0	16.5
and	123.0	127.0	4.0	15.4
and	**178.0**	**202.0**	**24.0**	**31.3**
including	*182.0*	*192.0*	*10.0*	*38.7*
and	221.0	223.0	2.0	16.3
and	**227.0**	**245.0**	**18.0**	**26.1**
including	*237.0*	*241.0*	*4.0*	*38.5*
BTDH-050	110.0	114.0	4.0	19.2
and	149.0	151.0	2.0	15.9
and	197.0	199.0	2.0	16.0
and	231.0	233.0	2.0	16.4
and	287.0	293.0	6.0	17.2
and	299.0	305.0	6.0	16.4
BTDH-051	**1.0**	**19.0**	**18.0**	**24.2**
including	*5.0*	*9.0*	*4.0*	*33.2*
and	**82.0**	**110.0**	**28.0**	**20.2**
and	114.0	120.0	6.0	15.7
and	124.0	132.0	8.0	15.1
and	186.0	188.0	2.0	19.2
BTDH-052	112.0	120.0	8.0	16.0
and	130.0	136.0	6.0	15.2
and	142.0	144.0	2.0	16.5
and	162.0	166.0	4.0	16.4
BTDH-053	25.0	37.0	12.0	20.3
and	**45.0**	**69.0**	**24.0**	**16.1**
BTDH-054	26.0	40.0	14.0	22.0
and	193.0	199.0	6.0	24.2
and	203.0	205.0	2.0	16.3
and	**207.0**	**227.0**	**20.0**	**23.8**
including	*221.0*	*225.0*	*4.0*	*34.3*
and	352.0	358.0	6.0	18.4
and	360.0	364.0	4.0	15.6
and	368.0	372.0	4.0	23.7
and	387.0	389.0	2.0	21.1
and	411.0	415.0	4.0	22.4
BTDH-055	**6.0**	**26.0**	**20.0**	**23.2**
and	30.0	34.0	4.0	31.2
and	71.0	77.0	6.0	22.4
and	**79.0**	**113.0**	**34.0**	**32.0**
including	*103.0*	*111.0*	*8.0*	*41.2*
and	173.0	175.0	2.0	18.6
BTDH-057	125.0	133.0	8.0	25.0
and	**152.0**	**186.0**	**34.0**	**24.0**
including	*158.0*	*168.0*	*10.0*	*30.0*
and	194.0	210.0	16.0	19.9
and	236.0	240.0	4.0	15.9
and	293.0	295.0	2.0	20.8
BTDH-058	32.0	34.0	2.0	16.4
BTDH-059	30.0	34.0	4.0	17.5
and	38.0	40.0	2.0	23.6
BTDH-060	142.0	156.0	14.0	17.0
and	**173.0**	**193.0**	**20.0**	**16.2**
and	201.0	203.0	2.0	16.1
and	**225.0**	**285.0**	**60.0**	**18.7**
and	297.0	307.0	10.0	21.1
and	313.0	317.0	4.0	17.2
and	321.0	337.0	16.0	16.0
and	359.0	369.0	10.0	18.6

BTDH-061	332.0	334.0	2.0	19.3
and	344.0	358.0	14.0	18.3
including	*350.0*	*352.0*	*2.0*	*40.6*
and	406.0	408.0	2.0	16.5
and	**428.0**	**460.0**	**32.0**	**25.7**
BTDH-062	108.0	110.0	2.0	16.2
and	133.0	141.0	8.0	17.1
and	161.0	163.0	2.0	16.1
and	183.0	189.0	6.0	17.4
BTDH-064	97.0	99.0	2.0	15.1
and	143.0	147.0	4.0	15.9
and	161.0	163.0	2.0	16.6
and	173.0	177.0	4.0	17.1
BTDH-065	123.0	125.0	2.0	18.6
BTDH-066	21.0	23.0	2.0	15.2
and	170.0	172.0	2.0	16.4

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