ABN 83 141 128 841

# Annual Report

# 31 December 2016

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## CORPORATE DIRECTORY

**Directors**
Mr. Brian McMaster (Non-Executive Chairman)
Mr. Jack James (Non-Executive Director)
Mr. Bat-Ochir Sukhbaatar (Non-Executive Director)
Ms. Paula Cowan (Non-Executive Director)

**Company Secretary**
Mr. Jack James

**Registered Office**
22 Lindsay Street
PERTH WA 6008
Telephone: +61 8 9200 4415
Facsimile: +61 8 9200 4469

**Website**
www.haranga.com

**Share Registry**
Automic Registry Services Pty Ltd
Level 2
267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664
Facsimile: + 61 8 9321 2337

**Auditors**
BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

**Stock Exchange**
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
ASX Code: HAR

# Directors' Report

The Directors present their report for Haranga Resources Limited ("Haranga Resources" or "the Company") and the entities it controlled at the end of, or during the year ended 31 December 2016. Throughout the report the consolidated entity is referred to as "the Group".

**DIRECTORS**

The names, qualifications and experience of the Company's Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

**Mr. Brian McMaster**
**Non-Executive Chairman (appointed Non-Executive Chairman on 18 October 2016)**

Mr. McMaster is a Chartered Accountant, and has over 20 years' experience in the area of corporate reconstruction and turnaround/performance improvement. Formerly, Mr. McMaster was a partner of the restructuring firm Korda Mentha and prior to that was a partner at Ernst & Young. His experience includes significant working periods in the United States, South America, Asia and India.

Mr. McMaster is currently a director of Harvest Minerals Limited (appointed 1 April 2014), Bounty Mining Limited (appointed 29 March 2016) and Valor Resources Limited (appointed 10 January 2017). Mr. McMaster was a director of The Waterberg Coal Company (appointed 12 April 2012, resigned 17 March 2014), Firestone Energy Limited (appointed 14 June 2013, resigned 18 March 2014), Lindian Resources Limited (appointed 20 June 2011, resigned 16 September 2014), WestStar Industrial Limited (appointed 2 December 2011, resigned 12 August 2015), Castillo Copper Limited (appointed 31 August 2013, resigned 13 August 2015), IODM Limited (appointed 14 September 2012, resigned 2 October 2015), Valor Resources Limited (appointed 27 August 2014, resigned 17 March 2016), Black Star Petroleum Limited (appointed 9 August 2012, resigned 11 May 2016) and Wolf Petroleum Limited (appointed 24 April 2012, resigned 17 August 2016). He has not held any other listed directorships in the past three years.

**Mr. Jack James**
**Non-Executive Director & Company Secretary**

Mr. Jack James has a Bachelor of Business from the Queensland University of Technology and is a Chartered Accountant. Mr. James provides accounting, secretarial and advisory advice to private and public companies, government and other stakeholders. Mr. James has over fifteen years' experience in chartered accounting specialising in corporate advisory and reconstruction.

Mr. James is currently a director of Wolf Petroleum Limited (appointed 17 August 2016). Mr. James was previously a director of Castillo Copper Limited (appointed 13 August 2015, resigned 6 May 2016), Eumeralla Resources Limited (appointed 22 August 2011, resigned 14 May 2015, appointed 21 May 2015, resigned 6 May 2016), WestStar Industrial Limited (appointed 15 October 2014, resigned 10 September 2015), Lithex Resources Limited (appointed 12 December 2013, resigned 29 January 2015) and Premiere Eastern Energy Limited (appointed 18 March 2015, resigned 20 October 2016). He has not held any other listed directorships over the past three years.

**Mr. Bat-Ochir Sukhbaatar**
**Non-Executive Director**

Mr. Sukhbaatar is a successful businessman and entrepreneur with more than 20 years' experience in international commerce, public relations, trade policy, and infrastructure building in Mongolia. Mr. Sukhbaatar began his career with the Ulaanbaatar City Authority, ultimately employed as senior engineer-economist. In 1992 he co-founded one of the first private companies in Mongolia focusing on the trade and distribution of imported petroleum and petroleum products in Mongolia through the Global Line Company LLC network of petrol stations and wholesale dealers. In 2009, he and his partners established Geotrass LLC which is engaged in road, bridge and dam construction, fibre optic communications installation and mining logistics.

Mr. Sukhbaatar graduated from the Moscow State Automobile and Road Technical University in Russia and obtained an MBA from the City University of Seattle in the USA. Mr. Sukhbaatar is a native of Mongolia and fluent in Russian and English. He has not held any other listed directorships over the past three years.

**Ms. Paula Cowan**
**Non-Executive Director (appointed 28 March 2017)**

Ms. Cowan is a finance professional with over 15 years' experience and is presently a Director of Palisade Business Consulting, a consulting and secretarial advisory firm specialising in business advisory, consulting and finance and secretarial support services to SME's and ASX listed entities. Ms. Cowan previously held senior roles in advisory firms KordaMentha and Ernst and Young. Ms. Cowan holds a Bachelor of Commerce/Law (Hons), is a qualified Chartered Accountant and a Graduate of the Australian Institute of Company Directors.

Ms. Cowan is currently a director of Valor Resources Limited (appointed 9 May 2016). Ms. Cowan was previously a director of Lithex Resources Limited (appointed 29 January 2015, resigned 2 December 2016).

**Mr. Matthew Wood**
**Former Non-Executive Director (resigned 28 March 2017)**

Mr. Wood has over 20 years' experience in the resource sector with both major and junior resource companies and has extensive experience in the technical and economic evaluation of resource projects throughout the world. Mr. Wood's expertise is in project identification, negotiation, acquisition and corporate development. Mr. Wood has an honours degree in geology from the University of New South Wales and a graduate certificate in mineral economics from the Western Australian School of Mines.

Mr. Wood is currently a director of Harvest Minerals Limited (appointed 1 April 2014) and Bounty Mining Limited (appointed 29 March 2016). Mr. Wood was a director of Avanco Resources Limited (appointed 4 July 2007, resigned 22 September 2014), Lindian Resources Limited (appointed 5 May 2011, resigned 3 October 2014), WestStar Industrial Limited (appointed 29 May 2009, resigned 12 August 2015), Castillo Copper Limited (appointed 1 April 2014, resigned 13 August 2015), Valor Resources Limited (appointed 12 June 2009, resigned 17 March 2016), Black Star Petroleum Limited (appointed 28 February 2013, resigned 11 May 2016) and Wolf Petroleum Limited (appointed 24 April 2012, resigned 27 March 2017). He has not held any other listed directorships over the past three years.

**Mr. Marshall Cooper**
**Former Executive Chairman (resigned 17 November 2016)**
Mr. Cooper has over 25 years of experience operating in Asia and Australia. He has been a Director of Lippo Group since 1998 and has held various executive roles in their Mining, Media and Telecommunications divisions including Chief Financial Officer and Chief Executive Officer of various business groups from the TV and internet services division, Chief Executive of Globe Media, and Director of Asia Now Resources Corp listed on TSX Venture Exchange.

Mr. Cooper is currently the Director and Chief Operating Officer of Lippo Energy, which is involved in developing a global minerals and mining portfolio within the Lippo Group, currently focusing on copper, iron ore, coal and gold. His primary role involves guiding the development of the business unit and he is directly involved in project acquisitions, management of exploration programs, project development, corporate M&A and arranging project funding. He has not held any other listed directorships over the past three years.

**Mr. Erdene Tsengelbayar**
**Former Executive Director (resigned 24 October 2016)**
Mr. Tsengelbayar has more than 20 years' experience in mineral economics and consulting, mineral asset assessment, mineral project finance and M&A advisory for both the public and private sector in Mongolia. Mr. Tsengelbayar has extensive operational, management and project acquisition expertise and has previously acted in an advisory role for the Company and assisted in the acquisition of a number of the Company's current projects. He has an extensive network in the mining and resources sector having worked with both the Mineral Resource Authority of Mongolia and the former Ministry of Industry and Trade.

Mr. Tsengelbayar joined Haranga Resources from the Mongolian investment bank MICC where he was a Senior Vice President and latterly Managing Director, Metals and Mining. He holds a Master of Science degree in mineral economics from Michigan Tech University in the USA and a degree in mining engineering and economics from Sankt-Petersburg Mining Institute in Russia. He is a Mongolian national and is based in Ulaanbaatar. He has not held any other listed directorships over the past three years.

**Mr. Michael Riady**
**Former Non-Executive Director (resigned 14 October 2016)**
Mr. Riady joined the Lippo Group, a multi-billion plus Pan Asia Pacific diversified conglomerate, in 2004. Mr. Riady serves in various positions within the Lippo organisation, primarily real estate in the United States of America and Indonesia.

Mr. Riady is a former CEO of Lippo Malls Indonesia, Indonesia's largest owner mall operator, and former CEO of The St. Moritz, an 11 million square feet US$1.2 billion mixed-use development in Jakarta, Indonesia. Currently, Mr. Riady remains a non-executive advisor to Lippo Malls Indonesia. Mr. Riady is also the CEO of Lippo Energy, which has direct interests in a copper and gold mine operation in Utah, USA and Iron Ore in Mongolia. Mr. Riady is also a non-executive Chief Advisor to OUE for US Real Estate. Mr. Riady is also the CEO of Blacksteel Group, an Indonesian malls focused development company. He has not held any other listed directorships over the past three years.

Mr. Riady graduated with a Bachelor's degree in Business Administration from California State University, Fullerton, followed by an Executive MBA dual degree from the University of California, Los Angeles Anderson School of Management and National University of Singapore.

**COMPANY SECRETARY**
Mr. Jack James held the position of Company Secretary during the financial period.

**INTERESTS IN THE SECURITIES OF THE COMPANY**
As at the date of this report, the interests of the Directors in the securities of Haranga Resources Limited are:

| Director | Ordinary Shares | Options – exercisable at $0.50 on or before 30 June 2018 |
|---|---:|---:|
| Brian McMaster | 1,666,106 | - |
| Jack James | - | - |
| Bat-Ochir Sukhbaatar | 6,533,743 | 250,000 |
| Paula Cowan | - | - |

**RESULTS OF OPERATIONS**

The Group's net loss after taxation attributable to the members of Haranga Resources for the year to 31 December 2016 was $20,635,034 (2015: net loss of $1,397,980).

**DIVIDENDS**

No dividend was paid or declared by the Company during the period and up to the date of this report.

**CORPORATE STRUCTURE**

Haranga Resources Limited is a company limited by shares, which is incorporated and domiciled in Australia.

**NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES**

The Company's main activity is the transition into the Development phase of the Selenge Iron Ore Project located in Mongolia, with a focus on the construction of the Project after a successful Exploration phase.

**REPORT ON OPERATIONS – SELENGE PROJECT (HARANGA RESOURCES: 80%)**

During the year, the Company's 80% owned subsidiary Haranga Khuder LLC, which holds the Mineral Exploration Licenses, Pre-mining Operations Agreements and Mining License for the Selenge Iron Ore Project in Mongolia ('the Project), continued to focus on the compliance activities required by the laws and regulations of Mongolia in order to maintain all licenses in good standing.

The Company announced several Board changes during the year giving rise to an opportunity for the Company to review its strategy for the next stage of its development given investor sentiment towards Mongolia and specifically iron ore assets.

As part of this strategy, during the year, the reconstituted Board commenced a program to reduce overhead costs and in addition "related parties" including the directors and company secretary continued the deferment of payment of directors fees/professional fees.

During the year, the Directors conducted an impairment assessment of all deferred exploration and evaluation expenditure due to impairment indicators being present such as the difficulty in obtaining funding to conduct further exploration in Mongolia. As a result of this assessment a total amount of $23,006,539 in regards to the Mongolia exploration assets has been recognised as an impairment loss at year end.

The Board continues to actively pursue other opportunities to restore shareholder value as well as looking at other funding options for the Company's projects.

**COMPARISON OF MINERAL RESOURCES**

There have been no changes to the mineral resources during the financial year.

**Selenge Resource Estimates Split by Deposit (Cutoff = 12.5% Fe) as at 31 December 2016:**

| Deposit | Measured | | Indicated | | Inferred | | TOTAL | |
|---|---|---|---|---|---|---|---|---|
| | Mt | Fe Grade | Mt | Fe Grade | Mt | Fe Grade | Mt | Fe Grade |
| Dund Bulag | 96.4 | 16.6 | 103.5 | 16.1 | - | - | 199.9 | 16.4 |
| Bayantsogt | 20.7 | 23.0 | 15.0 | 22.8 | 0.55 | 16.6 | 36.3 | 22.8 |
| Undur Ukhaa | 9.3 | 15.8 | 8.9 | 15.1 | - | - | 18.2 | 15.4 |
| **TOTAL** | **126.4** | **17.6** | **127.4** | **16.8** | **0.55** | **16.7** | **254.4** | **17.2** |

**Governance Arrangements and Internal Controls**

A summary of the governance and controls applicable to the Company's Mineral Resource process is as follows:

- Review and validation of drilling and sampling methodology and data spacing, geological logging, data collection and storage, sampling and analytical quality control;
- Review of known and interpreted geological structure, lithology and weathering controls;
- Review of estimation methodology relevant to the mineralisation style;
- Visual validation of block model against raw data; and
- Internal peer review by senior company personnel.

**CORPORATE**

**Capital Raising**

On 29 January 2016, the Company announced it was undertaking a non-renounceable entitlement issue to raise up to $1,367,383. The issue was partially underwritten by Golden Rain Holdings Limited. The issue closed on 19 February 2016 having raised approximately $156,945 before costs. Shortfall shares allocated after the close of the issue raised a further $36,329.

On 20 September 2016, the Company announced it had successfully completed a placement of new shares to sophisticated investors to raise $174,000 before costs. The placement consisted of 58,000,000 fully paid ordinary shares priced at $0.003 per share.

On 2 November 2016, the Company announced it was undertaking a non-renounceable entitlement issue to raise up to $448,165. The issue closed on 22 November 2016 having raised approximately $109,085 before costs.

**Finance Facility**

On 5 July 2016, the Company announced that it had signed a Binding Terms Sheet with Sanjiv Noronha for an unsecured interim finance facility of AUD$200,000. The facility has an interest rate of 6% pa capitalised monthly with a repayment date of 31 December 2016.

An Amendment to the Binding Terms Sheet was agreed on 12 December 2016 with payments to be made as follows; $50,000 by 31 December 2016, $50,000 by January 2017 and the remaining balance including interest by 31 March 2017. A further Amendment to the Bindings Terms Sheet was agreed on 24 March 2017 with payments to be made as follows; $50,000 by 31 March 2017 and the remaining balance including interest by 30 April 2017.

**Board Changes**

On 14 October 2016, Mr. Michael Riady resigned from his position as Non-Executive Director. On 24 October 2016, Mr. Erdene Tsengelbayar resigned from his position as Executive Director. On 17 November 2016, Mr. Marshall Cooper resigned from his position as Executive Director.

On 28 March 2017, Ms. Paula Cowan was appointed as a Non-Executive Director of the Company and Mr. Matthew Wood resigned from his position as a Non-Executive Director.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the Directors conducted an impairment assessment of all deferred exploration and evaluation expenditure due to impairment indicators being present such as the difficulty in obtaining funding to conduct further exploration in Mongolia. As a result of this assessment a total amount of $23,006,539 in regards to the Mongolia exploration assets has been recognised as an impairment loss at year end.

There have been no other significant changes in the state of affairs of the Group which occurred during the financial year.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 28 March 2017, the Company announced the appointment of Ms. Paula Cowan as a Non-Executive Director of the Company and the resignation of Mr. Matthew Wood from the Board.

There were no other known significant events from the end of the financial year up to the date of this report.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Group.

## ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The operations of the Group are presently subject to environmental regulation under the laws of the Commonwealth of Australia and Mongolia. The Group is at all times in full environmental compliance with the conditions of its licences.

## SHARES UNDER OPTION

As at the date of this report, there were 23,750,000 unissued ordinary shares under options (23,750,000 at the reporting date). The details of the options at the date of this report are as follows:

| Number | Exercise Price $ | Expiry Date |
|---:|---:|---:|
| 15,000,000 | $0.05 | 31 December 2017 |
| 8,750,00 | $0.20 | 30 June 2018 |
| 23,750,000 | | |

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Options that expired during the year or since the year ended 31 December 2016 are as follows:

| Number | Exercise Price $ | Expiry Date |
|---:|---:|---:|
| 3,700,000 | $0.10 | 31 March 2016 |
| 1,000,000 | $0.50 | 1 July 2016 |
| 4,700,000 | | |

No other options expired or were exercised during or since the year ended 31 December 2016.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

## DIRECTORS' MEETINGS

During the financial period, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

| Director | Number of Meetings Eligible to Attend | Number of Meetings Attended |
|---|---|---|
| Brian McMaster | 5 | 2 |
| Jack James | 5 | 5 |
| Bat-Ochir Sukhbaatar | 5 | 2 |
| Matthew Wood (a) | 5 | 4 |
| Marshall Cooper (b) | 5 | 4 |
| Erdene Tsengelbayar (c) | 5 | 5 |
| Michael Riady (d) | 3 | - |

(a) Mr. Matthew Wood resigned on 28 March 2017;
(b) Mr. Marshall Cooper resigned on 17 November 2016;
(c) Mr. Erdene Tsengelbayar resigned on 24 October 2016; and
(d) Mr. Michael Riady resigned on 14 October 2016.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

## CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Board of Haranga Resources Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Haranga Resources is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial period ended, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

## AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Board of Haranga Resources with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included in this report.

*Non-Audit Services*

There were no non-audit services provided by the Group's auditor during the year ended 31 December 2016.

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of Haranga Resources Limited in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and includes the executives in the Company receiving the highest remuneration.

### Details of Key Management Personnel

| | |
|---|---|
| Mr. Brian McMaster | Non-Executive Chairman |
| Mr. Jack James | Non-Executive Director |
| Mr. Bat-Ochir Sukhbaatar | Non-Executive Director |
| Ms. Paula Cowan | Non-Executive Director (appointed 28 March 2017) |
| Mr. Matthew Wood | Former Non-Executive Director (resigned 28 March 2017) |
| Mr. Marshall Cooper | Former Executive Director (resigned 17 November 2016) |
| Mr. Erdene Tsengelbayar | Former Executive Director (resigned 24 October 2016) |
| Mr. Michael Riady | Former Non-Executive Director (resigned 14 October 2016) |

### Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors' generally have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The table below shows the performance of the Group as measured by loss per share:

| **As at 31 December** | **2016** | **2015** | **2014** | **2013** | **2012** | **2011** |
|---|---|---|---|---|---|---|
| Loss per share (cents) | (5.98) | (0.42) | (0.87) | (2.78) | (1.46) | (2.45) |
| Share Price ($) | 0.003 | 0.004 | 0.014 | 0.062 | 0.165 | 0.285 |

* The Company listed on the Australian Stock Exchange on 9 December 2010.

**Details of Remuneration**

Details of the nature and amount of each element of the remuneration of each Director and Executive of the Company as required by the Corporations Act 2001, for the period ended 31 December 2016 are as follows:

| **2016** | Short term | | | Options | Post employment | | | |
|---|---|---|---|---|---|---|---|---|
| | Base Salary $ | Directors Fees $ | Consulting Fees $ | Share Based Payments $ | Superannuation $ | Prescribed Benefits $ | Total $ | Option related % |
| **Directors** | | | | | | | | |
| Brian McMaster | - | - | 60,000 | - | - | - | 60,000 | - |
| Jack James | - | - | - | - | - | - | - | - |
| Bat-Ochir Sukhbaatar | - | 40,000 | - | - | - | - | 40,000 | - |
| Paula Cowan (a) | - | - | - | - | - | - | - | - |
| Matthew Wood (b) | - | - | 60,000 | - | - | - | 60,000 | - |
| Marshall Cooper (c) | - | 36,666 | - | - | - | - | 36,666 | - |
| Erdene Tsengelbayar (d) | - | - | 23,282 | - | - | - | 23,282 | - |
| Michael Riady (e) | - | - | - | - | - | - | - | - |
| | **-** | **76,666** | **143,282** | **-** | **-** | **-** | **219,948** | |

(a) Ms. Paula Cowan was appointed on 28 March 2017;
(b) Mr. Matthew Wood resigned on 28 March 2017;
(c) Mr. Marshall Cooper resigned on 17 November 2016;
(d) Mr. Erdene Tsengelbayar resigned on 24 October 2016; and
(e) Mr. Michael Riady resigned on 14 October 2016.

There were no other executive officers of the Company during the financial year ended 31 December 2016.

No Director or consulting fee payments have been made to any Director, excluding partial payments to the former Managing Director, during the year.

Details of the nature and amount of each element of the remuneration of each Director and Executive of the Company as required by the Corporations Act 2001, for the period ended 31 December 2015 are as follows:

| **2015** | Short term | | | Options | Post employment | | | |
|---|---|---|---|---|---|---|---|---|
| | Base Salary $ | Directors Fees $ | Consulting Fees $ | Share Based Payments $ | Superannuation $ | Prescribed Benefits $ | Total $ | Option related % |
| **Directors** | | | | | | | | |
| Marshall Cooper | - | 40,000 | - | - | - | - | 40,000 | - |
| Erdene Tsengelbayar | - | - | 90,962 | - | - | - | 90,962 | - |
| Matthew Wood | - | - | 60,000 | - | - | - | 60,000 | - |
| Brian McMaster | - | - | 60,000 | - | - | - | 60,000 | - |
| Bat-Ochir Sukhbaatar | - | 40,000 | - | - | - | - | 40,000 | - |
| Jack James (a) | - | - | - | - | - | - | - | - |
| Michael Riady (b) | - | - | - | - | - | - | - | - |
| George Tumur (c) | - | - | - | - | - | - | - | - |
| Amarbaatar Chultem (d) | - | 20,000 | - | - | - | - | 20,000 | - |
| Stephen Lo (e) | - | - | - | - | - | - | - | - |
| Daniel Crennan (f) | - | 1,556 | - | - | - | - | 1,556 | - |
| | **-** | **101,556** | **210,962** | **-** | **-** | **-** | **312,518** | |

(a) Mr. Jack James was appointed on 15 January 2015;
(b) Mr. Michael Riady was appointed on 3 February 2015;
(c) Mr. George Tumur was appointed on 15 June 2015 and resigned on 19 June 2015;
(d) Mr. Amarbaatar Chultem resigned on 29 May 2015;
(e) Mr. Stephen Lo was appointed on 15 January 2015 and resigned on 3 February 2015; and
(f) Mr. Daniel Crennan resigned on 15 January 2015.

There were no other executive officers of the Company during the financial year ended 31 December 2015.

There are no options affecting remuneration in the current and future reporting period. No options have been exercised at 31 December 2016.

**Shareholdings of Key Management Personnel**

The number of shares in the company held during the financial year held by each director of Haranga Resources Limited, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

| 2016 | Balance at the start of the year | Granted during the year as compensation | On exercise of share options | Other changes during the year | On resignation from the Board | Balance at the end of the year |
|---|---|---|---|---|---|---|
| Brian McMaster | 833,053 | - | - | 833,053 | - | 1,666,106 |
| Jack James | - | - | - | - | - | - |
| Bat-Ochir Sukhbaatar | 6,533,743 | - | - | - | - | 6,533,743 |
| Paula Cowan (a) | - | - | - | - | - | - |
| Matthew Wood (b) | 10,841,509 | - | - | - | (10,841,509) | - |
| Marshall Cooper (c) | - | - | - | - | - | - |
| Erdene Tsengelbayar (d) | 1,641,277 | - | - | 1,631,871 | (3,273,148) | - |
| Michael Riady (e) | - | - | - | - | - | - |

(a) Ms. Paula Cowan was appointed on 28 March 2017;
(b) Mr. Matthew Wood resigned on 28 March 2017;
(c) Mr. Marshall Cooper resigned on 17 November 2016;
(d) Mr. Erdene Tsengelbayar resigned on 24 October 2016; and
(e) Mr. Michael Riady resigned on 14 October 2016.

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

**Option holdings of Key Management Personnel**

The numbers of options over ordinary shares in the Group held during the financial year by each director of Haranga Resources Limited and specified executive of the group, including their personally related parties, are set out below:

| 2016 | Balance at the start of the year | Granted during the year as compensation | Exercised during the year | Other changes during the year | Balance at the end of the year | Exercisable | Un-exercisable |
|---|---|---|---|---|---|---|---|
| Brian McMaster | - | - | - | - | - | - | - |
| Jack James | - | - | - | - | - | - | - |
| Bat-Ochir Sukhbaatar | 250,000 | - | - | - | 250,000 | 250,000 | - |
| Paula Cowan (a) | - | - | - | - | - | - | - |
| Matthew Wood (b) | 1,000,000 | - | - | (1,000,000) | - | - | - |
| Marshall Cooper (c) | 250,000 | - | - | (250,000) | - | - | - |
| Erdene Tsengelbayar (d) | 2,000,000 | - | - | (2,000,000) | - | - | - |
| Michael Riady (e) | - | - | - | - | - | - | - |

(a) Ms. Paula Cowan was appointed to 28 March 2017;
(b) Mr. Matthew Wood resigned on 28 March 2017;
(c) Mr. Marshall Cooper resigned on 17 November 2016;
(d) Mr. Erdene Tsengelbayar resigned on 24 October 2016; and
(e) Mr. Michael Riady resigned on 14 October 2016.

**Other transactions with Key Management Personnel**

Palisade Business Consulting Pty Ltd, a company of which Mr. James and Ms. Cowan are a directors, provided the Company with a fully serviced office including administration and information technology support totalling $120,000 (2015: $120,000) and reimbursement of payments for financial accounting fees, travel and postage at cost of $72,507 (2015: $36,493). A total of $261,789 was outstanding at year end (2015: $51,932).

**Service Agreements**

During the year the Directors Mr. Brian McMaster, Mr. Matthew Wood and Mr. Bat-Ochir Sukhbaatar accrued consulting fees on a monthly basis. Their services may be terminated by either party at any time.

**Loans to Directors and Executives**

There were no loans to directors and executives during the financial year ending 31 December 2016.

**Voting and comments made at the Company's 2015 Annual General Meeting**

Haranga Resources Limited did not receive any "no" votes on its remuneration report for the 2015 financial year.
The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

**END OF AUDITED REMUNERATION REPORT**

Signed on behalf of the board in accordance with a resolution of the Directors.

Brian McMaster
Non-Executive Chairman
31 March 2017

***Competent Person Statement:***

*The technical information contained in this report in relation to the JORC Code (2012) Compliant Resource for the Selenge Project Deposits 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 mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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. Refer to the HAR ASX announcement dated 7 May 2013 for further details.*

## Consolidated Statement of Profit or Loss and Other Comprehensive Income
*for the year ended 31 December 2016*

| | Notes | 2016 $ | 2015 $ |
|---|---|---|---|
| **Revenue from continuing operations** | | | |
| Interest income | | 1,097 | 8,045 |
| Other Income | | 25,765 | - |
| **Expenses** | | | |
| Service administration expenses | | (120,000) | (137,718) |
| Professional and consulting fees | 4(a) | (308,710) | (538,231) |
| Share based payment expense | | - | - |
| Impairment of exploration expenditure | | (23,006,539) | - |
| Foreign exchange gain / (loss) | | 1,136 | (3,897) |
| Other expenses | 4(b) | (361,418) | (750,388) |
| **Loss from continuing operations before income tax** | | **(23,768,669)** | **(1,422,189)** |
| Income tax benefit | 5 | - | - |
| **Loss from continuing operations after income tax** | | **(23,768,669)** | **(1,422,189)** |
| **Loss for the year** | | **(23,768,669)** | **(1,422,189)** |
| **Other comprehensive (loss) / income** | | | |
| *Items that may be reclassified to profit or loss:* | | | |
| Foreign currency translation differences | | (3,265,844) | 823,688 |
| **Other comprehensive (loss) / income for the year, net of tax** | | **(3,265,844)** | **823,688** |
| **Total comprehensive loss for the year** | | **(27,034,513)** | **(598,501)** |
| **Loss for the year attributable to:** | | | |
| Owners of Haranga Resources Limited | | (20,635,034) | (1,397,980) |
| Non-controlling interests | | (3,133,635) | (24,209) |
| | | **(23,768,669)** | **(1,422,189)** |
| **Comprehensive loss for the year attributable to:** | | | |
| Owners of Haranga Resources Limited | | (23,900,878) | (574,292) |
| Non-controlling interests | | (3,133,635) | (24,209) |
| | | **(27,034,513)** | **(598,501)** |
| **Loss per share attributable to owners of Haranga Resources Limited** | | | |
| Basic and diluted loss per share (cents) | 18 | (5.98) | (0.42) |

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Financial Position *as at 31 December 2016*

| | Notes | 2016 $ | 2015 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 6 | 144,655 | 62,034 |
| Other receivables | 7 | 108,104 | 153,762 |
| Other current assets | 8 | 79,157 | 91,582 |
| **Total Current Assets** | | 331,916 | 307,378 |
| | | | |
| **Non-Current Assets** | | | |
| Plant and equipment | 9 | 310,762 | 510,713 |
| Deferred exploration and evaluation expenditure | 10 | - | 26,015,122 |
| **Total Non-Current Assets** | | 310,762 | 26,525,835 |
| | | | |
| **Total Assets** | | 642,678 | 26,833,214 |
| | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 11 | 816,669 | 521,102 |
| Borrowings | 12 | 150,000 | - |
| **Total Current Liabilities** | | 966,669 | 521,102 |
| | | | |
| **Total Liabilities** | | 966,669 | 521,102 |
| | | | |
| **Net (Liabilities) / Assets** | | **(323,991)** | **26,312,112** |
| | | | |
| **Equity** | | | |
| Issued capital | 13 | 40,342,613 | 39,944,203 |
| Reserves | 14 | 2,940,505 | 6,206,349 |
| Accumulated losses | 15 | (40,725,373) | (20,090,339) |
| | | | |
| **Capital and reserves attributable to owners of Haranga Resources Limited** | | 2,557,745 | 26,060,213 |
| Non-controlling interest | | (2,881,736) | 251,899 |
| **Deficiency in Equity** | | **(323,991)** | **26,312,112** |

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Cash Flows *for the year ended 31 December 2016*

| | Notes | 2016 $ | 2015 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees | | (342,679) | (834,025) |
| Interest received | | 1,097 | 8,045 |
| Other receipts | | - | 30,378 |
| **Net cash outflows from operating activities** | 6 | **(341,582)** | **(795,601)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of plant and equipment | | - | (49,473) |
| Proceeds from sale of plant and equipment | | 28,659 | - |
| Payments for exploration expenditure | | (159,609) | (619,053) |
| **Net cash outflows from investing activities** | | **(130,950)** | **(668,526)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | 476,359 | 1,444,425 |
| Proceeds from borrowings | | 150,000 | - |
| Payments for share issue costs | | (70,073) | (155,081) |
| **Net cash inflows from financing activities** | | **556,286** | **1,289,344** |
| | | | |
| Net increase / (decrease) in cash held | | 83,754 | (174,783) |
| Cash and cash equivalents at beginning of period | | 62,034 | 232,919 |
| Net foreign exchange differences | | (1,133) | 3,898 |
| | | | |
| **Cash and cash equivalents at end of the period** | 6 | **144,655** | **62,034** |

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Changes in Equity *for the year ended 31 December 2016*

| | Issued capital $ | Accumulated Losses $ | Reserves $ | Non-controlling interests $ | Total $ |
|---|---|---|---|---|---|
| **Balance 1 January 2016** | **39,944,203** | **(20,090,339)** | **6,206,349** | **251,899** | **26,312,112** |
| Loss for the year | - | (20,635,034) | - | (3,133,635) | (23,768,669) |
| *Other comprehensive loss* | | | | | |
| Foreign currency translation | - | - | (3,265,844) | - | (3,265,844) |
| **Total comprehensive loss for the year** | - | (20,635,034) | (3,265,844) | (3,133,635) | (27,034,513) |
| | | | | | |
| **Transactions with owners in their capacity as owners** | | | | | |
| Shares issued via rights issue | 302,359 | - | - | - | 302,359 |
| Shares issued via placement | 174,000 | - | - | - | 174,000 |
| Costs of issue | (77,949) | - | - | - | (77,949) |
| **Balance at 31 December 2016** | **40,342,613** | **(40,725,373)** | **2,940,505** | **(2,881,736)** | **(323,991)** |
| | | | | | |
| **Balance 1 January 2015** | **38,735,809** | **(18,692,359)** | **5,301,710** | **276,108** | **25,621,268** |
| Loss for the year | - | (1,397,980) | - | (24,209) | (1,422,189) |
| *Other comprehensive loss* | | | | | |
| Foreign currency translation | - | - | 823,688 | - | 823,688 |
| **Total comprehensive loss for the year** | - | (1,397,980) | 823,688 | (24,209) | (598,501) |
| | | | | | |
| **Transactions with owners in their capacity as owners** | | | | | |
| Shares issued via placement | 1,444,425 | - | - | - | 1,444,425 |
| Costs of issue | (236,031) | - | - | - | (236,031) |
| Share based payments | - | - | 80,951 | - | 80,951 |
| **Balance at 31 December 2015** | **39,944,203** | **(20,090,339)** | **6,206,349** | **251,899** | **26,312,112** |

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## 1. Corporate Information

The financial statements of Haranga Resources Limited ("Haranga Resources" or "the Group") for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 31 March 2017.

Haranga Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and the principal activities of the Group are described in the Directors' Report.

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting interpretations. The financial statements have also been prepared on a historical cost basis. Haranga Resources Limited is a for profit entity for the purpose of preparing the financial statements. The presentation currency is Australian dollars.

Going Concern
This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 31 December 2016 of $23,768,669 and experienced net cash outflows from operating activities of $341,582 and net cash outflows from investing activities of $130,950. At 31 December 2016, the Group had a net current liability position of $634,753. At the date of this report the majority of the current liabilities are overdue. Of the $816,669 trade and other payables outstanding at reporting date, $644,171 are owed to related parties and internal creditors. The related parties and internal creditors have indicated they will continue to support the Group to defer repayment terms and entitlements until such time that the Group has the financial capacity to compensate them.

Notwithstanding the above, the ability of the Group to continue as a going concern is dependent on raising funds in the immediate future through sale of assets and or capital raising in order for the Group to meet its commitments and debt obligations in the next 12 months.

These conditions indicate a material uncertainty that may cash a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the consolidated Group's working capital requirements at the date of this report and that there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:
- The ability to sell its assets in Mongolia;
- The ability to raise additional funding through debt or equity;
- The majority of creditors have provided confirmations that they will extend payment terms until such time that the entity has the ability to pay; and
- In the interim, the company can reduce its expenditure below current levels to conserve cash.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

### (b) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### (c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Haranga Resources Limited ('the Company') and its subsidiaries as at 31 December each year ('the Group').

Subsidiaries are those entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full. Unrealised losses are also eliminated unless costs cannot be recovered.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

**(d) New Accounting Standards and Interpretations**

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 31 December 2016, and no change to the Group's accounting policy is required:

| Reference | Title | Summary | Impact on Group's financial report | Application date for Group |
|---|---|---|---|---|
| AASB 9 | Financial Instruments | AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.<br>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.<br>(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.<br>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.<br>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.<br>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:<br>▪ The change attributable to changes in credit risk is presented in other comprehensive income (OCI)<br>▪ The remaining change is presented in profit or loss<br>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.<br>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10. | The Group has considered these standards and determined that there is no impact on the Group's financial statements. | 1 January 2018 |
| AASB 15 | Revenue from Contracts with Customers | An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. | The Group has not yet determined the impact on the Group's financial statements. | 1 January 2018 |
| AASB 16 | Leases | IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.<br>There are some optional exemptions for leases with a period of 12 months or less and for low value leases. | The Group has not yet determined the impact on the Group's financial statements. | 1 January 2019 |

**New, Revised or Amending Accounting Standards and Interpretations Adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

**(e) Foreign Currency Translation**

*(i) Functional and presentation currency*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Haranga Resources Limited is Australian dollars. The functional currency of the overseas subsidiary is Mongolian Tugrik.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

*(iii) Group entities*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of profit or loss and other comprehensive income, as part of the gain or loss on sale where applicable.

**(f) Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the statement of profit or loss and other comprehensive income during the financial period in which it is incurred.

*Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| *Class of Fixed Asset* | *Depreciation Rate* |
|---|---|
| Plant and Equipment | 10-40 % |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

*Derecognition*

Carrying amounts of plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the statement of profit or loss and other comprehensive income.

**(g) Impairment of Non-Financial Assets Other than Goodwill**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company and the asset's value in use cannot be estimated. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(h) Exploration Expenditure**

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.
Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that rights to tenure over the area of interest are current and one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

**(i) Other Receivables**

Other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently at amortised cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Intercompany loans are impaired based on the ability of the subsidiaries to generate future cash flows to repay the loans.

**(j) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above and bank overdrafts.

**(k) Trade and Other Payables**

Liabilities for trade creditors and other amounts are recognised initially at fair value and subsequently at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Group.

**(l) Income Tax**

The income tax expense for the period is based on the profit/loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates for each jurisdiction that have been enacted or are substantially enacted by the reporting date.

Deferred income tax is provided for on all temporary differences at reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

No deferred income tax liabilities or assets will be recognised in respect of temporary differences between the carrying value and tax bases of investments in controlled entities if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Current and deferred income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(m) Issued Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(n) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Interest income*
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

**(o) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Haranga Resources Limited.

**(p) Investments in Controlled Entities**

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

**(q) Earnings per Share**

*Basic earnings per share*
Basic earnings per share is calculated by dividing the result attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

*Diluted earnings per share*
Diluted earnings per share is calculated as net result attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

**(r) Goods and Services Tax and Value Added Tax**

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the Government. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

The net amount of GST/VAT recoverable from, or payable to, the Government is included as part of receivables or payables in the statement of financial position. Cash flows are presented in the cash flow statement on a gross basis, except for the GST/VAT component of investing and financing activities, which is receivable from or payable to the Government, are disclosed as operating cash flows.

**(s) Share Based Payment Transactions**

The group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

There is currently an Employee Share Option Plan (ESOP) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.
The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 21.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Haranga Resources Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 18).

**(t) Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Capitalised exploration and evaluation expenditure*
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

*Impairment of Assets*
During the year the Directors conducted an impairment assessment of all deferred exploration and evaluation expenditure due to impairment indicators present being the difficulty in obtaining funding to conduct further exploration in Mongolia. As a result of this assessment it was concluded that deferred exploration and evaluation expenditure in relation to exploration projects in Mongolia be impaired to its recoverable amount being nil as at 31 December 2016. The recoverable amount is based on a fair value less cost to sell method using a market capitalisation approach ( Level 1 of Fair value hierarchy) in accordance with AASB13 Fair Value Measurements. A total amount of $23,006,539 in regards to the Mongolia exploration assets has been recognised as an impairment loss at year end.

*Share based payment transactions*
The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms, conditions and probability upon which the instruments were granted, as discussed in note 21.

**(u) Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

## 3. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decision.

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| **4. Expenses** | | |
| **a) Professional and consulting fees** | | |
| Accounting fees | (69,209) | (45,225) |
| Audit and taxation fees | (34,144) | (33,657) |
| Consultants | (116,667) | (243,125) |
| Other | (88,690) | (216,224) |
| | (308,710) | (538,231) |
| **b) Other expenses** | | |
| Administrations services | - | (1,990) |
| ASX listing fees | (15,523) | (19,744) |
| Conferences and seminars | - | (11,589) |
| Donations | (632) | (4,050) |
| Insurance | (8,880) | (9,352) |
| Motor vehicle expenses | (3,137) | (2,739) |
| Rent and outgoings | (29,040) | (90,788) |
| Travel expenses | (90,742) | (163,258) |
| Employee benefit expense | (79,612) | (198,472) |
| Depreciation | (34,756) | (38,350) |
| Other | (99,096) | (210,056) |
| | (361,418) | (750,388) |

## 5. Income Tax

### (a) Income tax expense

| | 2016 $ | 2015 $ |
|---|---|---|
| Major component of tax expense for the year: | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |

### (b) Numerical reconciliation between aggregate tax expense recognised in the statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate.

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

| | 2016 $ | 2015 $ |
|---|---|---|
| Loss from continuing operations before income tax expense | (23,768,669) | (1,422,189) |
| Tax at the Australian rate of 30% (2015: 30%) | (7,130,601) | (426,657) |
| Share based payments | - | - |
| Income tax benefit not brought to account | 7,130,601 | 426,657 |
| Income tax expense | - | - |

### (c) Deferred tax

The following deferred tax balances have not been bought to account:

| | 2016 $ | 2015 $ |
|---|---|---|
| *Liabilities* | | |
| Deferred tax liability recognised | - | - |
| *Assets* | | |
| Losses available to offset against future taxable income | 5,859,210 | 5,548,738 |
| Share issue costs deductible over five years | 119,801 | 190,747 |
| Accrued expenses | 12,498 | (7,300) |
| Net deferred tax asset not recognised | 5,991,509 | 5,732,185 |

### (d) Unused tax losses

| | 2016 $ | 2015 $ |
|---|---|---|
| Unused tax losses | 19,530,700 | 18,495,792 |
| Potential tax benefit not recognised at 30% | 5,859,210 | 5,548,738 |

The benefit for tax losses will only be obtained if:

i. the Company derives future assessable income in Australia and overseas of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
ii. the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia, and
iii. no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

## 6. Cash and Cash Equivalents

**Reconciliation of Cash**

| | 2016 $ | 2015 $ |
|---|---|---|
| Cash comprises of: | | |
| Cash at bank | 144,655 | 62,034 |
| **Reconciliation of operating loss after tax to net cash flows from operations** | | |
| Loss after tax | (23,768,669) | (1,422,189) |
| ***Non-cash items*** | | |
| Share based payment | - | - |
| Depreciation and impairment charges | 34,756 | 38,350 |
| Impairment of exploration | 23,006,539 | - |
| Loss on disposal of property, plant & equipment | - | 131,876 |
| Write off outstanding payables | (25,765) | - |
| Interest paid | (5,844) | |
| Foreign exchange loss | (1,136) | 3,897 |
| ***Change in assets and liabilities*** | | |
| Trade and other receivables | 62,713 | 123,812 |
| Trade and other payables | 355,824 | 328,653 |
| **Net cash outflow from operating activities** | (341,582) | (795,601) |

## 7. Other Receivables – Current

| | 2016 $ | 2015 $ |
|---|---|---|
| GST receivable | 7,097 | 5,051 |
| Other | 101,007 | 148,711 |
| | 108,104 | 153,762 |

Debtors, other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

## 8. Other Current Assets

| | 2016 $ | 2015 $ |
|---|---|---|
| Prepayments | 65,190 | 60,558 |
| Other | 13,967 | 31,024 |
| | 79,157 | 91,582 |

## 9. Plant and Equipment

| | 2016 $ | 2015 $ |
|---|---|---|
| Opening balance | 510,713 | 575,756 |
| Additions | 111 | 54,024 |
| Disposals | (146,768) | (3,270) |
| Net exchange differences on translation | (18,538) | (77,447) |
| Depreciation charge for the year | (34,756) | (38,350) |
| Closing balance | 310,762 | 510,713 |

## 10. Deferred Exploration and Evaluation Expenditure

| | 2016 $ | 2015 $ |
|---|---|---|
| Opening balance | 26,015,122 | 24,542,480 |
| Exploration and evaluation expenditure incurred during the period | 139,587 | 679,517 |
| Net exchange differences on translation | (3,148,170) | 793,125 |
| Impairment of exploration expenditure | (23,006,539) | - |
| Closing balance | - | 26,015,122 |

During the year the Directors conducted an impairment assessment of all deferred exploration and evaluation expenditure due to impairment indicators present being the difficulty in obtaining funding to conduct further exploration in Mongolia. As a result of this assessment it was concluded that deferred exploration and evaluation expenditure in relation to exploration projects in Mongolia be impaired to its recoverable amount being nil as at 31 December 2016. The recoverable amount is based on a fair value less cost to sell method using a market capitalisation approach (Level 1 of Fair value hierarchy) in accordance with AASB13 Fair Value Measurements. A total amount of $23,006,539 in regards to the Mongolia exploration assets has been recognised as an impairment loss at year end.

## 11. Trade and Other Payables

| | 2016 $ | 2015 $ |
|---|---|---|
| Other payables | 734,497 | 486,436 |
| Accruals | 82,172 | 34,666 |
| | 816,669 | 521,102 |

Trade creditors and other creditors are non-interest bearing and generally payable on 30 day terms. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

## 12. Borrowings

| | 2016 $ | 2015 $ |
|---|---|---|
| Loan from third party | 150,000 | - |
| | 150,000 | - |

On 5 July 2016, the Company announced that it had signed a Binding Terms Sheet with Sanjiv Noronha for an unsecured interim finance facility of $200,000. The facility has an interest rate of 6% pa capitalised monthly with a repayment date of 31 December 2016.

An Amendment to the Binding Terms Sheet was agreed on 12 December 2016 with payments to be made as follows; $50,000 by 31 December 2016, $50,000 by January 2017 and the remaining balance including interest by 31 March 2017.

A further Amendment to the Bindings Terms Sheet was agreed on 24 March 2017 with payments to be made as follows; $50,000 by 31 March 2017 and the remaining balance including interest by 30 April 2017.

As at 31 December 2016, an amount of $5,845 has been accrued as interest on the loan.

## 13. Issued Capital

### (a) Issued and paid up capital

| | 2016 $ | 2015 $ |
|---|---|---|
| Ordinary shares fully paid | 40,342,613 | 39,944,203 |

### (b) Movements in shares on issue

| | 2016 No. of shares | 2016 $ | 2015 No. of shares | 2015 $ |
|---|---|---|---|---|
| Opening balance | 341,845,828 | 39,944,203 | 261,600,002 | 38,735,809 |
| Shares issued via rights issue | 84,680,076 | 302,359 | 80,245,826 | 1,444,425 |
| Shares issued via placement | 58,000,000 | 174,000 | - | - |
| Costs of issue | - | (77,949) | - | (236,031) |
| Closing balance | 484,525,904 | 40,342,613 | 341,845,828 | 39,944,203 |

### (c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

### (d) Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a net equity of ($323,991) at 31 December 2016 (2015: of $26,312,112). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 19 for further information on the Group's financial risk management policies.

### (e) Share Options

As at the date of this report, there were 23,750,000 unissued ordinary shares under options (23,750,000 at the reporting date). The details of the options at the date of this report are as follows:

| Number | Exercise Price $ | Expiry Date |
|---|---|---|
| 15,000,000 | $0.05 | 31 December 2017 |
| 8,750,000 | $0.20 | 30 June 2018 |
| 23,750,000 | | |

No option holder has any right under the options to participate in any other share issue of the company or any other entity. Information relating to the Haranga Resources Limited's Employee Share Option Plan, including details of options issued under the plan, is set out in note 21.

| | 2016 $ | 2015 $ |
|---|---|---|
| **14. Reserves** | | |
| Share based payments reserve | 6,182,325 | 6,182,325 |
| Option premium reserve | 240 | 240 |
| Foreign currency translation reserve | (3,242,060) | 23,784 |
| | 2,940,505 | 6,206,349 |
| **Movements in Reserves** | | |
| *Share based payments reserve* | | |
| Opening balance | 6,182,325 | 6,101,374 |
| Share based payments expense | - | 80,951 |
| Closing balance | 6,182,325 | 6,182,325 |

The share based payment reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration and non-employees for their goods and services. Refer to note 21 for further details of the options issued during the financial period ended 31 December 2016.

| | | |
|---|---|---|
| *Option premium reserve* | | |
| Opening balance | 240 | 240 |
| Options issued | - | - |
| Closing balance | 240 | 240 |

The option premium reserve is used to record the premium paid on the issue of options.

| | | |
|---|---|---|
| *Foreign currency translation reserve* | | |
| Opening balance | 23,784 | (799,904) |
| Foreign currency translation | (3,265,844) | 823,688 |
| Closing balance | (3,242,060) | 23,784 |

The Foreign Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(e). The reserve is recognised in the statement of profit or loss and other comprehensive income when the net investment is disposed of.

**15. Accumulated losses**

| | | |
|---|---|---|
| Movements in accumulated losses were as follows: | | |
| Opening balance | (20,090,339) | (18,692,359) |
| Loss for the year | (20,635,034) | (1,397,980) |
| Closing balance | (40,725,373) | (20,090,339) |

**16. Auditor's Remuneration**

| | | |
|---|---|---|
| The auditor of Haranga Resources Limited is BDO Audit (WA) Pty Ltd | | |
| Amounts received or due and receivable for: | | |
| - an audit or review of the financial statements of the Consolidated Group | 28,200 | 29,220 |

There were no other services provided by the auditor during the years ended 31 December 2016 and 31 December 2015.

## 17. Related Party Disclosures

### (a) Key management personnel

For Director related party transactions please refer to audited Remuneration Report.

### (b) Subsidiaries

The consolidated financial statements include the financial statements of Haranga Resources Limited and the subsidiaries listed in the following table:

| Name of Entity | Country of Incorporation | Equity Holding 2016 | Equity Holding 2015 |
|---|---|---|---|
| Haranga Iron LLC | Mongolia | 100% | 100% |
| Haranga Gobi LLC | Mongolia | - | - |
| Haranga Khuder LLC | Mongolia | 80% | 80% |
| Nomad Mining Limited | Australia | 100% | 100% |
| Nomad Manganese LLC | Mongolia | 100% | 100% |
| Haranga Resources (Hong Kong) Limited | Hong Kong | 100% | 100% |
| Haranga Investments Pte Ltd | Singapore | 100% | 100% |

### (c) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

| | 2016 $ | 2015 $ |
|---|---|---|
| Short term employee benefits | 219,948 | 312,518 |
| Share based payments | - | - |
| **Total remuneration** | **219,948** | **312,518** |

Detailed remuneration disclosures are provided in the audited Remuneration Report.

### (d) Non-controlling interests (NCI)

The following table sets out the summarised financial information for Haranga Khuder LLC which has non-controlling interests that are material to the group. Amounts disclosed are before intercompany eliminations

| Summarised statement of financial position | Haranga Khuder LLC 31 December 2016 | Haranga Khuder LLC 31 December 2015 |
|---|---|---|
| Current assets | 14,460 | 27,349 |
| Non-current assets | 275,685 | 15,799,195 |
| **Total assets** | **290,145** | **15,826,544** |
| Current liabilities | (29,308) | (103,253) |
| Non-current liabilities | (13,146,976) | (15,946,973) |
| **Total liabilities** | **(13,176,284)** | **(16,050,226)** |
| **Net liabilities** | **(12,886,139)** | **(223,682)** |

| Summarised statement profit or loss and other comprehensive income | Haranga Khuder LLC 31 December 2016 | Haranga Khuder LLC 31 December 2015 |
|---|---|---|
| Revenue | - | - |
| Loss for the period | (12,482,371) | (121,046) |
| Other comprehensive income | - | - |
| **Total comprehensive loss** | **(12,482,371)** | **(121,046)** |
| Write off of fair value uplift on acquisition | (637,161) | - |
| **Loss allocated to NCI** | **(3,133,635)** | **(24,209)** |

| Summarised cash flows | Haranga Khuder LLC 31 December 2016 | Haranga Khuder LLC 31 December 2015 |
|---|---|---|
| Cash flows from operating activities | (72,062) | (121,046) |
| Cash flows from investing activities | (155,460) | (532,571) |
| Cash flows from financing activities | 227,054 | 653,594 |
| **Net decrease in cash and cash equivalents** | **(468)** | **(23)** |

### (e) Terms and conditions

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties. All other transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

## 18. Loss per Share

| | 2016 $ | 2015 $ |
|---|---|---|
| Loss used in calculating basic and dilutive EPS | (20,635,034) | (1,397,980) |
| | **Number of Shares** | |
| Weighted average number of ordinary shares used in calculating basic loss per share | 397,688,104 | 337,448,796 |
| **Effect of dilution:** | | |
| Share options | - | - |
| Adjusted weighted average number of ordinary shares used in calculating diluted loss per share: | 397,688,104 | 337,448,796 |

There is no impact from 23,750,000 options outstanding at 31 December 2016 on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future. There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

## 19. Financial Risk Management

Exposure to liquidity, interest rate, credit and foreign currency risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Group uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

### (a) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity along with future capital raising will be adequate to meet our expected capital needs.

*Maturity analysis for financial liabilities*

Financial liabilities of the Group comprise trade and other payables. As at 31 December 2016 and 31 December 2015 all financial liabilities are contractually matured within 30 days.

### (b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

| | 2016 $ | 2015 $ |
|---|---|---|
| Cash and cash equivalents | 144,655 | 62,034 |

**Interest rate sensitivity**

The following table demonstrates the sensitivity of the Group's statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

| Judgements of reasonably possible movements | Effect on Post Tax Losses | |
|---|---|---|
| | **2016 $** | **2015 $** |
| Increase 100 basis points | 14,466 | 620 |
| Decrease 100 basis points | (14,466) | (620) |

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

**19. Financial Risk Management continued**

**(c) Credit Risk**

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge and obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 31 December 2016, the Group held cash at bank. These were held with financial institution with a rating from Standard & Poors of -AA or above (long term). The cash held in Mongolia is not material to the Group. The Group has no past due or impaired debtors as at 31 December 2016.

**(d) Foreign Currency Risk**

Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not have any material exposure to foreign currency risk.

**(e) Fair Value Measurement**

The Company does not have any financial instruments that are subject to recurring fair value measurements. Due to their short term nature, the carrying amount of current receivables and current trade and other payables is assumed to be approximate their fair value.

**20. Contingent Liabilities**

There are no known contingent liabilities.

**21. Share Based Payments**

**(a) Recognised share based payment transactions**

Share based payment transactions recognised either as operating expenses in the statement of profit or loss and other comprehensive income or as capital raising costs in the equity during the year were as follows:

| | 2016 $ | 2015 $ |
|---|---|---|
| *Operating expenses* | | |
| Employee share based payments | - | - |
| *Capital raising expenses* | | |
| Share based payments to suppliers | - | 80,951 |

**(b) Employee share based payments**

The Group has established an employee share option plan (ESOP). The objective of the ESOP was to assist in the recruitment, reward, retention and motivation of employees of Haranga Resources Limited. Under the ESOP, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, nominated consultants and employees of Haranga Resources Limited.

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summarises options granted to directors during the year ended 31 December 2013:

| | Grant Date | Expiry date | Exercise price | Balance at start of the period | Granted during the period | Exercised during the period | Forfeited during the period | Balance at end of the period | Exercisable at end of the period | Value ($) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Number | Number | Number | Number | Number | Number | |
| R Wrixon | 09/05/13 | 30/06/18 | $0.20 | 2,000,000 | - | - | - | 2,000,000 | 2,000,000 | 160,006 |
| K Griffin | 09/05/13 | 30/06/18 | $0.20 | 2,000,000 | - | - | - | 2,000,000 | 2,000,000 | 160,006 |
| E Tsengelbayar | 09/05/13 | 30/06/18 | $0.20 | 2,000,000 | - | - | - | 2,000,000 | 2,000,000 | 160,006 |
| T Flavel | 09/05/13 | 30/06/18 | $0.20 | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 | 80,003 |
| M Wood | 09/05/13 | 30/06/18 | $0.20 | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 | 80,003 |
| M Cooper | 09/05/13 | 30/06/18 | $0.20 | 250,000 | - | - | - | 250,000 | 250,000 | 20,002 |
| D Crennan | 09/05/13 | 30/06/18 | $0.20 | 250,000 | - | - | - | 250,000 | 250,000 | 20,002 |
| B Sukhbaatar | 09/05/13 | 30/06/18 | $0.20 | 250,000 | - | - | - | 250,000 | 250,000 | 20,002 |
| | | | | **8,750,000** | **-** | **-** | **-** | **8,750,000** | **8,750,000** | **700,030** |
| Weighted average exercise price | | | | $0.20 | | | | $0.20 | $0.20 | |

The model inputs, not included in the table above, for options granted during the year ended 31 December 2013 included:

a) options are granted for no consideration and vest immediately;
b) expected life of options had a range of one to five years;
c) share prices at various grant dates had a range of $0.08 to $0.12;
d) expected volatility of 100%;
e) expected dividend yield of Nil; and
f) a risk free interest rate from 2.575% to 2.811%

**21. Share Based Payments continued**

**(c) Share-based payment to suppliers**

On 20 January 2015, the Company issued 15,000,000 unlisted options to Golden Rain Holdings Ltd as a portion of consideration for fully underwriting the rights issue completed in January 2015.

The fair value at grant date of options granted during the reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The table below summarises options granted to suppliers during the year ended 31 December 2015:

| Grant Date | Expiry date | Exercise price | Balance at start of the period Number | Granted during the period Number | Exercised during the period Number | Forfeited during the period Number | Balance at end of the period Number | Exercisable at end of the period Number | Value ($) |
|---|---|---|---|---|---|---|---|---|---|
| 20/01/15 | 31/12/17 | $0.05 | - | 15,000,000 | - | - | 15,000,000 | 15,000,000 | 80,951 |
| Weighted average exercise price | | | | $0.05 | | | $0.05 | $0.05 | |

The model inputs, not included in the table above, for options granted during the year ended 31 December 2015 included:

a) options are granted for no consideration and vest immediately;
b) expected life of options of approximately three years;
c) share price at a grant date of $0.013;
d) expected volatility of 110%;
e) expected dividend yield of Nil; and
f) a risk free interest rate from 2.0%.

**22. Fair Value of Financial Instruments**

The Company does not have any financial instruments that are subject to recurring fair value measurements. Due to their short term nature, the carrying amount of current receivables and current trade and other payables is assumed to be approximate their fair value.

**23. Dividends**

No dividend was paid or declared by the Group in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 31 December 2016.

**24. Commitments**

**Rental and services agreement**

The Group entered a service agreement with Palisade Business Consulting Pty Ltd for certain administrative services and office space for a term of three years starting in October 2014. The Group is required to give 3 month's written notice to terminate the agreement.

| | 2016 $ | 2015 $ |
|---|---|---|
| Within one year | 90,000 | 120,000 |
| After one year but not longer than 5 years | - | 90,000 |
| | 90,000 | 210,000 |

## 25. Parent Entity Information

The following details information related to the parent entity, Haranga Resources Limited, at 31 December 2016. The information presented here has been prepared using consistent accounting policies as presented in note 2.

| | 2016<br>$ | 2015<br>$ |
|---|---|---|
| Current assets | 145,177 | 64,151 |
| Total assets | 567,455 | 26,668,893 |
| Current liabilities | (891,448) | (356,781) |
| Total liabilities | (891,448) | (356,781) |
| Net (Liabilities) / Assets | **(323,991)** | **26,312,112** |
| | | |
| Issued capital | 40,342,613 | 39,944,202 |
| Reserves | 6,182,565 | 6,182,565 |
| Accumulated losses | (46,849,169) | (19,814,656) |
| | **(323,991)** | **26,312,112** |
| | | |
| Loss of the parent entity | (27,034,513) | (598,500) |
| Other comprehensive income for the year | - | - |
| Total comprehensive loss of the parent entity | **(27,034,513)** | **(598,500)** |

## 26. Events Subsequent to Reporting Date

On 28 March 2017, the Company announced the appointment of Ms. Paula Cowan as a Non-Executive Director of the Company and the resignation of Mr. Matthew Wood from the Board.

There were no other known significant events from the end of the financial year up to the date of this report.

In accordance with a resolution of the Directors' of Haranga Resources Limited, I state that:

1. In the opinion of the directors:

   a) the financial statements and notes of Haranga Resources Limited for the year ended 31 December 2016 are in accordance with the Corporations Act 2001, including:

      i. giving a true and fair view of the consolidated financial position as at 31 December 2016 and of its performance for the year ended on that date; and

      ii. Complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Director's in accordance with sections of 295A of the Corporations Act 2001 for the financial year ended 31 December 2016.

On behalf of the Board

**Brian McMaster**
**Non-Executive Chairman**
31 March 2017

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PO Box 700 West Perth WA 6872
Australia

**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF HARANGA RESOURCES LIMITED**

As lead auditor of Haranga Resources Limited for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Haranga Resources Limited and the entities it controlled during the period.

**Dean Just**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 31 March 2017

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**INDEPENDENT AUDITOR'S REPORT**

To the members of Haranga Resources Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Haranga Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

BDO

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Carrying Value of Exploration and Evaluation Asset

| *Key audit matter* | *How the matter was addressed in our audit* |
|---|---|
| At 31 December 2016 the carrying value of Exploration and Evaluation Assets was $nil (2015: $26,015,122) as disclosed in Note 10. The Groups accounting policy with respect to Exploration and Evaluation assets is disclosed in note 2.<br><br>The Directors have assessed that the carrying value of the Groups exploration and evaluation assets are not recoverable and accordingly have impaired the balance to nil as at 31 December 2016.<br><br>The carrying value of exploration and evaluation expenditures has historically represented a significant asset of the company and judgment is applied in considering whether facts and circumstances indicate that the exploration expenditure should be tested for impairment. As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*.<br><br>As the Directors determined that impairment indicators were present, the asset was then tested for impairment in accordance with AASB 136 *Impairment of Assets*. | We have evaluated management's assessment of each impairment trigger per AASB 6 Exploration and Evaluation of Mineral Resources, including but not limited to:<br><br>➢ Obtaining from management a schedule of areas of interest held by the Group and selected a sample of tenements and assessed as to whether the Group had rights to tenure over the relevant exploration areas by obtaining supporting documentation such as licence agreements and also considered whether the Group maintains the tenements in good standing;<br><br>➢ held discussions with management with respect to the status of ongoing exploration programmes in the respective areas of interest and assessed Group's cashflow budget for the level of budgeted spend on exploration projects;<br><br>➢ considered whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and<br><br>➢ considered whether there are any other facts or circumstances that existed to indicate impairment testing was required. |

| | |
|---|---|
| | The Directors assessed that an impairment indicator was present due to the difficulty in obtaining funding to conduct further exploration in Mongolia.<br><br>Accordingly, the Group undertook an impairment test, which resulted in the asset being impaired to nil. We have evaluated management's assessment of impairment per AASB 136 Impairment of Assets, including but not limited to:<br><br>➢ We held discussions with management with respect to the process undertaken to determine the impairment;<br><br>➢ We assessed the key assumptions used in the impairment valuation method calculated by management and whether these were consistent with our knowledge of the Group and market data.<br><br>We have also assessed the adequacy of the related disclosures in note 2 (h) and note 10 to the financial statements. |

**Other information**

The directors are responsible for the other information.  The other information comprises the information contained in Group's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.

## Report on the Remuneration Report

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the year ended 31 December 2016.

In our opinion, the Remuneration Report of Haranga Resources Limited, for the year ended 31 December 2016, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit (WA) Pty Ltd**

BDO

**Dean Just**
**Director**

Perth, 31 March 2017

# Corporate Governance Statement 31 December 2016

This statement has been approved by the Board. It is current as at March 2017.

**Haranga Resources Limited's ('Haranga's') approach to Corporate Governance**
This Statement addresses how Haranga implements the ASX Corporate Governance Council's, 'Corporate Governance Principles and Recommendations – 3rd Edition (referred to as either ASX Principles or Recommendations).

**Principle 1: Lay solid foundations for management and oversight**

***Recommendation 1.1*** *– A listed entity should disclose:*

*a) the respective roles and responsibilities of its board and management;*
*b) those matters expressly reserved to the board and those delegated to management.*

Role of the Haranga Board ('the Board")
The Board is responsible for the governance of Haranga. The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from Haranga's Constitution.

The Board's responsibilities are set out in a formal Charter which the Board reviews every two years. The Charter was most recently reviewed in March 2017.

The major powers the Board has reserved to itself are:

- Appointment of the Chief Executive Officer ('CEO') / Managing Director ('MD') and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

Delegation to the CEO / MD
The Board delegates to the CEO/MD responsibility for implementing Haranga's strategic direction and for managing Haranga's day-to-day operations. When there is no CEO/MD appointed, the full Board takes responsibility for implementing Haranga's strategic direction and for managing Haranga's day-to-day operations.

***Recommendation 1.2*** *– A listed entity should disclose:*

*a) undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director;*
*b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Group does not have a Nomination Committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist identify suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent AGM. The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

***Recommendation 1.3*** *– A listed entity should have a written agreement with each director and executive setting out the terms of their appointment.*

New Directors consent to act as a Director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

***Recommendation 1.4*** *– The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.*

Haranga's Company Secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the Chair. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

***Recommendation 1.5*** *– A listed entity should:*

*a) have a diversity policy which includes requirements for the board to or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*

*b) disclose that police or a summary of it; and*

*c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*

   *1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*

   *2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

The Group has not disclosed its policy concerning diversity, its measurable objectives for achieving gender diversity and its progress towards achieving those objectives. The Board continues to monitor diversity across the organization however due to the size of the Group, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity.

The Group is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Group performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees.

In accordance with this policy, the Board discloses there were three women employed in the organization and one on the Board of the Group as at the date of this report.

***Recommendation 1.6*** *– A listed entity should:*

*a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;*

*b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Evaluation of Board and individual Directors

The Board of Haranga conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group given its size.

***Recommendation 1.7*** *– A listed entity should:*

*a) have and disclose a process for periodically evaluating the performance of its senior executives; and*

*b) disclose, in relation to each reposting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board of Haranga conducts its performance review the CEO/MD, when appointed, on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and CEO/MD, when appointed, throughout the year. The Board considers that the current approach provides the best guidance and value to the Group given its size.

**Principle 2: Structure the Board to add value**

Haranga's Constitution provides for a minimum of three directors and a maximum of twelve.

The Directors of Haranga at any time during the financial year are listed with a brief description of their qualifications, appointment date, experience and special responsibilities in the Annual Report.

The Board met regularly throughout the course of the financial year to discuss the Company's operational and financial activities. Five Board meetings were held during the year.

***Recommendation 2.1*** – *The Board of a listed entity should:*

a) *have a nomination committee which:*
   1. *Has at least three members, a majority of whom are independent directors; and*
   2. *Is chaired by an independent director;*

   *and disclose:*
   3. *the charter of the committee;*
   4. *the members of the committee; and*
   5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.*

The Group does not have a Nomination committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

***Recommendation 2.2*** – *The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Group does not have an established board skills matrix on the mix of skills and diversity for Board membership. The Board continues to monitor the mix of skills and diversity on the Board however, due to the size of the Group, the Board does not consider it appropriate at this time to formally set matrix on the mix of skills and diversity for Board membership.

***Recommendation 2.3*** – *A listed entity should disclose:*

a) *the names of the directors considered by the board to be independent directors;*

b) *if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion and*

c) *the length of service of each director.*

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Directors' Report. Directors of the Group are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:
"An Independent Director is a Director who is not a member of management, is a Non-Executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Group or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Group;
- has not within the last three years been employed in an executive capacity by the Group or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Group or another Group member;
- is not a significant consultant, supplier or customer of the Group or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Group or another Group member other than as a Director of the Group;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group."

In accordance with the definition of independence above, the majority of Directors are not considered independent. Accordingly, the majority of the Board is not independent. There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Group's expense.

The term in office held by each Director in office at the date of this report is as follows:

| Name | Term in office |
|---|---|
| Mr. Brian McMaster – Independent | 2 years, 11 months |
| Mr. Jack James | 2 years, 2 months |
| Mr. Bat-Ochir Sukhbaatar - Independent | 5 years, 5 months |
| Ms. Paula Cowan | 5 days |

***Recommendation 2.4** – The majority of the Board of a listed entity should be independent Directors.*

The Group does not have a majority of independent directors. The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Group.

As at the date of this report, the Board comprised two independent Directors. In accordance with the definition of independence above, Mr McMaster and Mr Sukhbaatar are considered independent. Accordingly, a majority of the Board is not independent.

***Recommendation 2.5** – The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO/MD of the entity.*

Under Haranga's Constitution, the Board elects a Chairman from amongst the Directors. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.

Haranga's Chairman, Brian McMaster is considered an independent Director. The Directors consider that the current Chairman of the Board is appropriate to the size and nature of operations of the Group.

***Recommendation 2.6** – The listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

- The rights, duties and responsibilities of Directors;
- The role of Board Committees;
- The roles and responsibilities of the CEO/MD; and
- Haranga' financial, strategic, and operational risk management position.

Directors are encouraged to take appropriate professional development opportunities approved by the Board.

**Principle 3: Promote ethical and responsible decision making**

***Recommendation 3.1** – A listed entity should:*

*a) have a code of conduct for its directors, senior executives and employees; and*
*b) disclose that code or a summary of it.*

Haranga has a Code of Conduct that applies to Haranga and its Directors, employees and contractors (all of which are referred to as "employees" in the Code).

The Code of Conduct sets out a number of overarching principles of ethical behaviour which cover:

- Personal and Professional Behaviour;
- Conflict of Interest;
- Public and Media Comment;
- Use of Company Resources;
- Security of Information;
- Intellectual Property/Copyright
- Discrimination and Harassment;
- Corrupt Conduct;
- Occupational Health and Safety;
- Legislation;
- Fair Dealing;
- Insider Trading;
- Responsibilities to Investors;
- Breaches of the Code of Conduct; and
- Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new Haranga Directors.

Haranga's Code of Conduct is available on their website.

**Principle 4: Safeguard integrity in corporate reporting**

***Recommendation 4.1*** *– A board of a listed entity should:*

a) *have an audit committee which:*
   1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
   2. *is chaired by an independent director, who is not the chair of the board,*

   *and disclose:*

   3. *the charter of the committee;*
   4. *the relevant qualifications and experience of the members of the committee; and*
   5. *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Group does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board. The Directors consider this as appropriate to the size and nature of operations of the Group.

*Charter of the Audit and Risk Management Committee*
The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Group is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non- financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Group.

***Recommendation 4.2*** *– The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO/MD and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Chairman and the CFO have provided the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control and that the system is operating effectively in all material respects in relation to financial reporting risks.

***Recommendation 4.3*** *– A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The external auditor attends Haranga's Annual General Meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to Haranga at least five business days before the day of the meeting. No questions were sent to the auditor in advance of the 2016 Annual General Meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by Haranga and the independence of the auditor.

**Principle 5: Make timely and balanced disclosure**

***Recommendation 5.1*** *– A listed entity should:*

a) *have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
b) *disclose that policy or a summary of it.*

Disclosure
Haranga's Disclosure Policy describes its continuous disclosure obligations and how they are managed by Haranga. The Policy is reviewed annually and is published on Haranga's website. It was most recently reviewed in March 2017.

Accountability
The Company Secretary reports to the Board quarterly on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available on the Haranga website.

Financial market communications
Communication with the financial market is the responsibility of the Chairman. Communication with the media is the responsibility of the Chairman. The Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

The substantive content of all market presentations about the half year and full year financial results and all statements relating to Haranga's future earnings performance must be referred to, and approved by, the Board before they are disclosed to the market.

**Principle 6: Respect the rights of shareholders**

***Recommendation 6.1*** *– A listed entity should provide information about itself and its governance to investors via its website.*

Haranga's website provides detailed information about its business and operations. Details of Haranga's Board Members can be found on the website.

The Investor Centre link on Haranga's website provides helpful information to shareholder. It allows shareholders to view all ASX and media releases; various investor presentations; a copy of the most recent Annual Report and Annual Reports for at least the two previous financial years; and the notice of meeting and accompanying explanatory material for the most recent Annual General Meeting and the Annual General Meetings for at least the two previous financial years.

Shareholders can find information about Haranga's corporate governance on its website at under the Corporate link. This includes its Corporate Governance Plan.

The Corporate Governance Plan includes:
- Board Charter
- Corporate Code of Conduct
- Committee Charters
- Performance evaluation processes
- Continuous disclosure processes
- Risk management processes
- Trading policy
- Diversity policy
- Shareholder communications strategy

***Recommendation 6.2*** *– A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

Haranga is committed to communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

Haranga promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:
- Through the release of information to the market via the ASX;
- Through the Annual Report, half yearly report and quarterly reports;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations; and
- The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

***Recommendation 6.3*** *– A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Notices of meeting sent to Haranga's shareholders comply with the "Guidelines for notices of meeting" issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chairman attempts to answer as many of these as is practical.

The Chairman also encourages shareholders at the meeting to ask questions and make comments about Haranga's operations and the performance of the Board and senior management. The Chairman may respond directly to questions or, at his discretion, may refer a question to another Director.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

***Recommendation 6.4** – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders have the option of electing to receive all shareholder communications by e-mail. Haranga provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the Annual Report is available on the Haranga website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Haranga Share Registry with an email address and elects to be notified of all Haranga ASX announcements.

The Haranga Share Register is managed and maintained by Automic Share Registry Services Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Automic Share Registry Investor Online Login or by emailing hello@automic.com.au.

**Principle 7: Recognise and manage risk**

***Recommendation 7.1** – A board of a listed entity should:*

*a) have a committee or committees to oversee risk, each of which:*
   *1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
   *2. is chaired by an independent director, who is not the chair of the board,*
   *and disclose:*
   *3. the charter of the committee;*
   *4. the members of the committee; and*
   *5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Group does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.

Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

***Recommendation 7.2** – The board or a committee of the board should:*

*a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
*b) disclose, in relation to each reporting period, whether such a review has taken place.*

Risk Management Policies
Haranga has a number of other policies that directly or indirectly serve to reduce and/or manage risk. These include, but are not limited to:

- Directors and Executive Offices' Code of Conduct
- Code of Business Conduct
- Dealing in Company Securities
- Communications Strategy
- Disclosure Policy
- Risk Management and Internal Control Policy

Roles and responsibilities
The Risk Management Policy, and the other policies listed above, describes the roles and responsibilities for managing risk. This includes, as appropriate, details of responsibilities allocated to the Board.

The Board is responsible for reviewing and approving changes to the Risk Management Policy and for satisfying itself that Haranga has a sound system of risk management and internal control that is operating effectively. The Board annually reviews and approves Haranga's main risk exposures and the mitigating actions.

***Recommendation 7.3** – A listed entity should disclose:*

*a) If it has an internal audit function, how the function is structured and what role it performs; or*
*b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Group does not have an established internal audit function given the size of its current operations. The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

***Recommendation 7.4*** *– A listed entity should disclose whether it has any material exposure to economic and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Board of Haranga informally monitors and manages the Groups exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Group.

**Principle 8: Remunerate fairly and responsibly**

***Recommendation 8.1*** *– A board of a listed entity should:*

*a) have a remuneration committee which:*

*1. has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*

*2. is chaired by an independent director,*

*and disclose:*

*3. the charter of the committee;*

*4. the members of the committee; and*

*5. as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Group is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

***Recommendation 8.2*** *– A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

Haranga's remuneration structure distinguishes between non-executive Directors and that of the CEO/MD. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report of the Annual Report.

***Recommendation 8.3*** *– A listed entity which has an equity-based remuneration scheme should:*

*a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*

*b) disclose that policy or a summary of it.*

Haranga does not have a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes as the Group does not have an equity based remuneration scheme. The Directors consider that this is appropriate to the size and nature of operations of the Group.

# ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 29 March 2017.

**Distribution of Share Holders**

| | Ordinary Shares | |
|---|---|---|
| | **Number of Holders** | **Number of Shares** |
| 1 - 1,000 | 30 | 8,707 |
| 1,001 - 5,000 | 91 | 279,942 |
| 5,001 - 10,000 | 98 | 851,534 |
| 10,001 - 100,000 | 424 | 17,253,562 |
| 100,001 - and over | 198 | 466,132,159 |
| TOTAL | **841** | **484,525,904** |

There were 680 holders of ordinary shares holding less than a marketable parcel.

**Top Twenty Share Holders**
The names of the twenty largest holders of quoted equity securities are listed below:

| Name | Number of shares held | % |
|---|---|---|
| GOLDEN RAIN HOLDINGS LIMITED | 152,164,088 | 31.40% |
| ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C> | 58,963,645 | 12.17% |
| AMARBAATAR CHULTEM | 39,202,454 | 8.09% |
| J P MORGAN NOMINEES AUSTRALIA LIMITED | 26,626,554 | 5.50% |
| MS BYAMBAA ZOLZAYA | 16,571,449 | 3.42% |
| GEOTRASS LLC\C | 13,067,485 | 2.70% |
| BRING ON RETIREMENT LTD | 12,798,678 | 2.64% |
| BNP PARIBAS NOMS PTY LTD <DRP> | 8,511,670 | 1.76% |
| MR TAIVAN BAYASGALAN | 6,000,000 | 1.24% |
| CITICORP NOMINEES PTY LIMITED | 5,966,554 | 1.23% |
| MR GEORGE LKHAGVADORJ TUMUR | 5,012,500 | 1.03% |
| MR BILGUUN AMARBAATAR | 4,760,415 | 0.98% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 3,570,782 | 0.74% |
| GA & AM LEAVER INVESTMENTS PTY LTD <GA & AM LEAVER S/FUND A/C> | 3,000,001 | 0.62% |
| MISS KRUTI BHAGANI | 3,000,000 | 0.62% |
| PETERSVIEW PTY LTD | 3,000,000 | 0.62% |
| NTJ INVESTMENTS PTY LTD <NTJ INVESTMENT A/C> | 2,999,997 | 0.62% |
| MS MARNIE EDDINGTON | 2,950,000 | 0.61% |
| MR ERDENE TSENGELBAYAR | 2,613,498 | 0.54% |
| MR ZHENGWEI YANG | 2,544,850 | 0.53% |
| **Total** | **373,324,620** | **77.05%** |

**Unquoted Equity Securities**

**Options**

| Class | Number of Options | Holders | Holders with more than 20% |
|---|---|---|---|
| Options over ordinary shares exercisable at $0.05 on or before 31 December 2017 | 15,000,000 | 1 | Golden Rain Holdings Limited |
| Options over ordinary shares exercisable at $0.20 on or before 30 June 2018 | 8,750,000 | 8 | Robert Wrixon, Kerry Griffin, Erdene Tsengelbayar |

**Substantial Shareholders**
The names of shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001*:

| Shareholder Name | No. of Ordinary Shares | Percentage % |
|---|---|---|
| Golden Rain Holdings Limited | 152,164,088 | 31.40 |
| Amarbaatar Chultem | 39,202,454 | 8.09 |

**On-Market Buy Back**
There is no current on-market buy back.

**Voting Rights**
All ordinary shares carry one vote per share without restriction. Options have no voting rights. On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

# Tenement Table

**Tenement Table** – as at 31 March 2017

| The Status of Mineral Licenses | | | | | |
|---|---|---|---|---|---|
| **License Holder** | **License No.** | **Date of issue** | **License area /ha/** | **Current year** | **Valid until** |
| **Haranga Khuder LLC** | MV-018934 | 19-Jun-15 | 3,480.70 | 2 | 2045* |
| **Haranga Khuder LLC** | XV-011335 | 10-Feb-06 | 616.96 | 11 | 2018 |

**under ML status*