

**Haranga Resources Limited**

**ABN 83 141 128 841**

**Interim Report - 30 June 2022**

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### **General information**

The financial statements cover Haranga Resources Limited as a consolidated entity consisting of Haranga Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Haranga Resources Limited's functional and presentation currency.

Haranga Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

7/63 Shepperton Road  
Victoria Park WA 6100

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 September 2022.

Directors

Michael Davy (Non-Executive Chairman)  
John Davis (Non-Executive Director)  
Hendrik Schloemann (Non-Executive Director)

Company secretary

Kyla Garic

Registered and principal place of  
business

Suite 7, Shepperton Road  
Victoria Park WA 6100

Share register

Automatic Share Registry  
Level 5, 191 St Georges Terrace  
Perth WA 6000

Auditor

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

Stock exchange listing

Haranga Resources Limited shares are listed on the Australian Securities Exchange (ASX code: HAR)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Haranga Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2022.

#### **Directors**

The following persons were directors of Haranga Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Michael Davy - Non-Executive Chairman (appointed 11 April 2022)  
Mr John Davis - Non-Executive Director  
Dr Hendrik Schloemann - Non- Executive Director  
Mr Peter Youd - Executive Chairman (resigned 11 April 2022)

#### **Company Secretary**

Ms Kyla Garic (appointed 11 April 2022)  
Ms Nerida Schmidt (resigned 11 April 2022)

#### **Review of results**

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$2,021,136 (30 June 2021: profit of \$140,560).

#### **Review of operations**

During the half year ended 30 June 2022, the following activities occurred:

##### *Corporate*

The Company was admitted to the official list on the Australian Securities Exchange (ASX) on 25 January 2022 and its securities commenced trading on 27 January 2022. The Company also commenced trading on the Frankfurt Stock Exchange (FSE), under the code 65E0.

On 11 April 2022, Mr Michael Davy was appointed as nominee Non-Executive Chairman of the Company, following resignation of Mr Peter Youd and Ms Kyla Garic was appointed as Company Secretary, following resignation of Ms Nerida Schmidt.

##### *Saraya Uranium Project*

In the first three months during the half year the Company completed a termite mound orientation survey including 1,363 samples covering the known uranium mineralisation at the Saraya prospect. The work consisted of sampling deeply rooted "cathedral" termite mounds to detect bedrock derived uranium anomalies in the deeper portion of the saprolite.

The survey yielded anomalous uranium concentrations between 7ppm and 41ppm, confirming that the cost-effective surface sampling of the termite mounds can detect uranium mineralisation in the bedrock below the thick saprolite cover.

The positive results of this orientation program were particularly important because historical geochemical surveys during the 1970s, 1980s and early 2000s did not include the sampling of termite mounds and were inconclusive in areas where thick saprolite cover masks any potential uranium mineralisation in the underlying rock.

The acquisition of a 40 person exploration camp, immediately adjacent to the Saraya Uranium prospect, has been completed. The camp has accommodation and messing facilities along with sample and core storage sheds and is being upgraded to a core cutting and sample preparation base for exploration activities at the Saraya Prospect.

The camp is central to the Saraya Project and will provide a base for ongoing exploration activities in SE Senegal.

In the last three months of the half year, the Company continued the regional termite mound sampling program over the permit.

RSC Global Pty Ltd, Perth based Exploration and Mining Consultants, were engaged to review the acquired Historical Saraya data which is comprised of data for 61,437m of drilling, exploration results, prospects and resource estimations and to propose a diamond drilling program to validate and extend known uranium mineralization leading to a Mineral Resource Estimate (MRE) under JORC Guidelines.

## Review of operations (continued)

### *Saraya Uranium Project (continued)*

Preparation commenced for the upcoming Saraya Diamond Drilling program including:

- Establishment of a downhole probing procedure with a geophysical service provider
- Preparation of sampling protocols
- Ongoing discussions with local communities
- Securing a diamond drilling Contract with IDC Drilling

Further upgrades to the Saraya Exploration Camp and sample preparation facility were completed.

The Company was notified of the Renewal of the Saraya Uranium Permit for a further 3 years. The renewal process required a 25% reduction of the size of the permit. The portion of the permit that is prospective for uranium was fully retained.

### *Issia-Buyo Gold Project*

In the first three months during the half year the Company completed an infill soil sampling program covering parts of the Issia-Buyo permit with assay results received for 4,249 samples.

The soil samples returned significant gold concentrations, clustered over both the Noukpoudou sheared corridor (up to 4.9 g/t Au) and Buyo Lake shear zone (up to 10.0 g/t Au). Seventy-eight anomalous values (>30 ppb Au) averaged 228 ppb Au and coincide with a sheared contact between granite and basalt near the Noukpoudou village. An additional cluster of anomalous gold values, averaging 255 ppb Au, is located along the Abujar - Buyo Lake shear zone.

Reconnaissance field mapping also confirmed the central Noukpoudou shear system, crossing the permit from north-north-east to south-south-west and the existence of alteration and sulphide mineralisation in the sheared basalts.

Following the initial infill soil sampling, the company continued reviewing the soil geochemistry assay results at Issia/Buyo and carried out further infill and resampling using a new analytical laboratory and new methodology including:

- Re-assaying of some historical samples – 2044 samples including QAQC
- Sampling of infill grid (400m x50m): central area grid – 3321 samples including QAQC
- Sampling of infill grid (400m x50m): north-west area grid – 2220 samples including QAQC
- Sampling of infill grid (200m x50m and 400m x50m) – 2268 samples including QAQC
- Receiving of assays and interpretation

The work carried out during the half year ended 30 June 2022 resulted in the definition of five geochemical targets for ground-truthing and follow-up exploration. Bedrock in the area is typically covered by thick laterite, and the company's technical team is presently considering a cost-effective exploration programme to further test selected targets.

### *Burkina*

During the half year there was limited activity Burkina due to coup and the Company continues to monitor the situation.

### Significant changes in the state of affairs

On 17 January 2022, the Company completed the acquisition of 100% of the issued share capital of Loropeni Resources SARL (Loropeni) by a way of a Share Sale Agreement. Under the terms of the agreement, the consideration for the acquisition included the issue of 13,000,000 ordinary fully paid shares in the Company, 6,500,000 unlisted options exercisable at \$0.30, expiring 3 years from admission to ASX and 5,000,000 performance rights.

On 17 January 2022, the Company completed the acquisition of 70% of issued capital of Mandinga Resources SARL (Mandinga) by a way of a Share Sale Agreement. Under the terms of the agreement, the consideration for the acquisition included 5,000,000 ordinary fully paid shares and 2,500,000 unlisted options exercisable at \$0.30, expiring 3 years from admission to the ASX.

On 27 January 2022, the Company commenced trading on the Australian Securities Exchange, following completion of Initial Public Offer under which the Company issued 32,500,000 ordinary fully paid shares at \$0.20 to raise \$6,500,000 (before costs).

Other than that, there were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

### Matters subsequent to the end of the financial half-year

Subsequent to balance date the following events occurred:

Following a review of historical drilling and exploration results carried out by the Company's independent resource development consultants, RSC, Saraya has been identified as a highly prospective uranium target. A comprehensive diamond drilling programme to verify the historical results is anticipated to commence in September 2022, potentially leading to the estimation of a maiden Mineral Resource, classified in accordance with the JORC Code (2012).

A thorough review of historical drilling has highlighted the strong uranium prospectively at Saraya, culminating in a Significant Exploration Target being identified within the syenite zones. The Exploration Target is confined to the main syenite zones in the centre of the Company's 1,650 km<sup>2</sup> licence and was defined over only ~0.2 km<sup>2</sup> area and to a maximum depth of ~200 vertical metres from the ~61,500 m historical drilling database, containing a total of 514 holes drilled in the '70s, '80s and 2009.

Haranga has been granted the highly prospective Ibel South gold permit in SE Senegal. The permit is located approximately 80 km southwest of Teranga Gold Corporation (TSX: TGZ) Sabodala-Massawa gold mine and 30km south of the Resolute Mining (ASX: RSG) Mako gold mine.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Michael Davy  
Non-Executive Chairman  
Dated: 9 September 2022

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF HARANGA RESOURCES LIMITED

As lead auditor for the review of Haranga Resources Limited for the half-year ended 30 June 2022, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Neil Smith  
Director

BDO Audit (WA) Pty Ltd

Perth

9 September 2022

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**Haranga Resources Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2022**



	Note	30 June 2022 \$	30 June 2021 \$
Other income	4	587	286,712
Exploration expenditure	5	(1,184,278)	-
Corporate costs		(267,787)	(122,412)
General and administrative expenses		(130,333)	(23,740)
Share based payment expense	19	(537,637)	-
<b>Profit/(loss) before income tax expense</b>		<b>(2,119,448)</b>	<b>140,560</b>
Income tax expense		-	-
<b>Profit/(loss) after income tax expense for the half-year</b>		<b>(2,119,448)</b>	<b>140,560</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		39,342	-
Other comprehensive income for the half-year, net of tax		39,342	-
<b>Total comprehensive income for the half-year</b>		<b>(2,080,106)</b>	<b>140,560</b>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		(98,312)	-
Owners of Haranga Resources Limited		(2,021,136)	140,560
<b>Total Profit/(loss) for the half-year</b>		<b>(2,119,448)</b>	<b>140,560</b>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(106,239)	-
Owners of Haranga Resources Limited		(1,973,867)	140,560
<b>Total comprehensive income for the half year</b>		<b>(2,080,106)</b>	<b>140,560</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	18	(3.67)	0.39
Diluted earnings per share	18	(3.67)	0.39

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



	Note	30 June 2022 \$	31 December 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,425,093	6,317,495
Trade and other receivables		74,614	25,712
Financial assets	7	-	640,910
Other current assets		46,243	677
<b>Total current assets</b>		<b>3,545,950</b>	<b>6,984,794</b>
<b>Non-current assets</b>			
Property, plant and equipment		200,641	-
Exploration and evaluation	8	6,053,034	-
<b>Total non-current assets</b>		<b>6,253,675</b>	<b>-</b>
<b>Total assets</b>		<b>9,799,625</b>	<b>6,984,794</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		536,232	983,031
Finance Liabilities	9	-	7,354,000
<b>Total current liabilities</b>		<b>536,232</b>	<b>8,337,031</b>
<b>Total liabilities</b>		<b>536,232</b>	<b>8,337,031</b>
<b>Net assets/(liabilities)</b>		<b>9,263,393</b>	<b>(1,352,237)</b>
<b>Equity</b>			
Issued capital	10	51,003,731	40,372,231
Reserves	11	8,229,525	6,662,871
Accumulated losses		(50,408,475)	(48,387,339)
Equity/(deficiency) attributable to the owners of Haranga Resources Limited		8,824,781	(1,352,237)
Non-controlling interest	12	438,612	-
<b>Total equity/(deficiency)</b>		<b>9,263,393</b>	<b>(1,352,237)</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**Haranga Resources Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2022**



	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total deficiency in equity \$
Balance at 1 January 2021	40,834,231	6,127,871	(47,202,049)	-	(239,947)
Profit after income tax expense for the half-year	-	-	140,560	-	140,560
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	140,560	-	140,560
Balance at 30 June 2021	<u>40,834,231</u>	<u>6,127,871</u>	<u>(47,061,489)</u>	-	<u>(99,387)</u>

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 January 2022	40,372,231	6,662,871	(48,387,339)	-	(1,352,237)
Loss after income tax expense for the half-year	-	-	(2,021,136)	(98,312)	(2,119,448)
Other comprehensive income for the half-year, net of tax	-	47,269	-	(7,927)	39,342
Total comprehensive income for the half-year	-	47,269	(2,021,136)	(106,239)	(2,080,106)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares (net of cost) (note 10)	6,531,500	-	-	-	6,531,500
Issue of shares and options on the asset acquisition (note 14)	3,600,000	976,748	-	-	4,576,748
Issue of shares on conversion of convertible note (note 9)	500,000	-	-	-	500,000
Share based payments (note 19)	-	542,637	-	-	542,637
Non-controlling interest (note 14)	-	-	-	544,851	544,851
Balance at 30 June 2022	<u>51,003,731</u>	<u>8,229,525</u>	<u>(50,408,475)</u>	<u>438,612</u>	<u>9,263,393</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Haranga Resources Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 30 June 2022**



	Note	30 June 2022 \$	30 June 2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(969,180)	(112,471)
Payments for exploration and evaluation		(1,088,029)	-
Interest received		587	2
		<u>(2,056,622)</u>	<u>(112,469)</u>
<b>Cash flows from investing activities</b>			
Cash acquired on asset acquisition	14	51,168	-
Payments for property, plant and equipment		(73,903)	-
		<u>(22,735)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from share issue		200,000	-
Payment for capital raising costs		(462,000)	-
Repayment of borrowings		(549,000)	-
Advances to third parties		-	(139,502)
Proceeds from convertible note		-	500,000
		<u>(811,000)</u>	<u>360,498</u>
Net cash from/(used in) financing activities		<u>(811,000)</u>	<u>360,498</u>
Net increase/(decrease) in cash and cash equivalents		(2,890,357)	248,029
Cash and cash equivalents at the beginning of the financial half-year (note 6)		12,442	87,610
Cash and cash equivalents at the beginning of the financial half-year - restricted (note 6)		6,305,053	-
Effects of exchange rate changes on cash and cash equivalents		(2,045)	-
		<u>3,425,093</u>	<u>335,639</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>3,425,093</u></u>	<u><u>335,639</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

### **Note 1. Corporate information**

The financial report consists of the consolidated financial statements of Haranga Resources Limited and its subsidiaries for the half-year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 9 September 2022.

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 principal activities of the consolidated entity are described in the Directors' Report.

The acquisition of LRS and the MRS are not deemed to be business combination. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase acquisition and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset

### **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

#### **Basis of preparation**

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

## **Note 2. Significant accounting policies (continued)**

### **Asset acquisition**

On 17 January 2022, the Company completed the acquisition of 100% of the issued share capital of Loropeni Resources SARL (Loropeni) and the acquisition of 70% of issued capital of Mandinga Resources SARL (Mandinga) by a way of a Share Sale Agreement.

Loropeni shareholders received a combined 13,000,000 ordinary fully paid shares in the Company, 6,500,000 unlisted options exercisable at \$0.30 expiring on 27 January 2025 and 5,000,000 performance rights as detailed in Note 11.

Mandinga shareholders received a combined 5,000,000 ordinary fully paid shares in the Company and 2,500,000 unlisted options exercisable at \$0.30 expiring on 27 January 2025.

As the acquisition of Loropeni and Mandinga is not deemed a business combination, the transaction must be accounted for as a share-based payment for the net assets acquired.

The acquisition of LRS and the MRS are not deemed business combination. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase acquisition and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Refer to further details in note 14.

### **New or amended Accounting Standards and Interpretations adopted**

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

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

### **Going concern**

The interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss for the half year ended 30 June 2022 of \$2,119,448 (2021: profit of \$140,560) and net cash outflows from operating activities of \$2,056,622 (2021: \$112,469).

The Directors have prepared a cash flow forecast, which indicates that the entity will be required to raise funds to provide additional working capital and to continue to fund its business activities. The ability of the consolidated entity to continue as a going concern is dependent on securing additional funding by capital raise or other means.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity'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.

The Directors believe that there will be sufficient funds available to continue to meet the consolidated entity's working capital requirements as at the date of this report the Directors expect the consolidated entity to be successful in securing additional funds through debt or equity issues, when required, further:

- The consolidated entity has the ability to reduce its expenditure to conserve cash.
- The consolidated entity has historically demonstrated its ability to raise funds and is expected to be successful in the future.

**Note 2. Significant accounting policies (continued)**

Should the consolidated 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 or raise additional capital through equity or debts raisings and that the interim 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 and meet its debts as and when they become due and payable. The directors plan to continue the consolidated entity's operations on the basis as outlined above and believe there will be sufficient funds for the consolidated entity to meet its obligations and liabilities for at least twelve months from the date of this report.

**Significant accounting judgement and key estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these half-yearly statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were in relation to share based payments and accounting for asset acquisitions. Judgement was involved in assessing the consideration associated with the performance rights issued as noted in note 14. Management concluded it was appropriate to assign no value to these Performance Rights

**Note 3. Operating segments**

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.

The nature of operations and principal activities of the consolidated entity are exploration in Senegal, Ivory Coast and Burkina Faso. Given, the nature of the consolidated entity, its size and current operations, management does not treat any part of the consolidated entity as a separate operating segment.

Internal financial information used by the consolidated entity's chief operating decision maker is presented as a consolidated entity without dissemination to any separate identifiable segment.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environment in which it operates.

**Note 4. Other income**

	30 June 2022	30 June 2021
	\$	\$
Fees forgiven	-	286,710
Interest income	587	2
Other income	<u>587</u>	<u>286,712</u>

**Note 5. Exploration expenditure**

	30 June 2022	30 June 2021
	\$	\$
Wages and consulting fees	229,534	-
Expenditure of Issia Project	450,667	-
Expenditure on Saraya Uranium Project	479,628	-
Other	24,450	-
	<u>1,184,279</u>	<u>-</u>

**Note 6. Cash and cash equivalents**

	30 June 2022	31 December 2021
	\$	\$
<i>Current assets</i>		
Cash at bank	3,425,093	12,442
Cash at bank - restricted	-	6,305,053
	<u>3,425,093</u>	<u>6,317,495</u>

**Note 7. Financial assets**

Prior to settlement of Loropeni and Mandinga acquisition, the Company agreed to loan the entities funds pre settlement to continue activities and expenses such as in-country exploration and general working capital purposes. At 31 December 2021 the balance of the loans was \$640,910. The loans were interest free, unsecured and contributed toward the exploration commitment expenditures.

The loans were satisfied through the issue of shares in Loropeni and Mandinga to the Company.

**Note 8. Exploration and evaluation**

	30 June 2022	31 December 2021
	\$	\$
<i>Non-current assets</i>		
Exploration asset	<u>6,053,034</u>	<u>-</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	\$
Balance at 1 January 2022	-
Acquisition Loropeni (note 14)	4,041,172
Acquisition Mandinga (note 14)	2,011,862
	<u>6,053,034</u>
Balance at 30 June 2022	<u>6,053,034</u>

**Note 9. Finance Liabilities**

	30 June 2022	31 December 2021
	\$	\$
<i>Current liabilities</i>		
Loan from director related entities and third parties (a)	-	549,000
Convertible loans (b)	-	500,000
Unissued shares (c)	-	6,305,000
	<hr/>	<hr/>
Total borrowings	-	7,354,000
	<hr/> <hr/>	<hr/> <hr/>

**9 (a) Advances from former director related entities and third parties**

As at 31 December 2021 \$549,000 had been advanced from third parties. A total of \$220,000 had been advanced by third parties and \$329,000 by entities related to former director Peter Youd. These advances were repaid in January 2022. The advances were to fund ongoing work with the exploration projects in Senegal and Côte d'Ivoire. The advances were not secured and carried no interest payment.

**9 (b) Convertible Loan**

On 3 June 2021, the Company entered into an interest free, converting loan agreement with First Growth Funds Limited ("FGFL") in the amount of \$500,000 ("Loan") which had been fully drawn down as at 31 December 2021. The Loan was repayable within 12 months, subject to Haranga completing an Initial Public Offer ("IPO") and being re-admitted to the official list of the ASX by 3 June 2022. Within 5 days of re-listing, the Company was required to issue FGFL with shares at the IPO price, plus one free attaching option for every 2 shares issued.

The Company chose to designate the convertible note as a financial liability at fair value through the Profit and Loss account. The carrying value of the convertible note approximated the fair value as at 31 December 2021. The loan was secured against all of company's present and future acquired property including any assets in respect of which the company has a right to grant a security interest under the Personal Property Securities Act 2009. The converting note liability is removed from the statement of financial position when the obligations specified in the contract are discharged. This can occur upon the option holder exercising their option or the option period lapses requiring the Company to discharge the obligation.

On 17 January 2022 the Company issued 2,500,000 fully paid ordinary shares and 1,250,000 options to FGFL in satisfaction of the Loan.

**9 (c) Unissued shares**

On 29 October 2021 the Company lodged a prospectus with the Australian Securities and Investment Commission ("ASIC") which offered up to 32,500,000 shares at an issue price \$0.20 per Share to raise up to \$6,500,000 together with one (1) free attaching option for every two (2) Shares subscribed for and issued, exercisable at \$0.30 per Option expiring three (3) years from the date of Admission. The offer was closed fully subscribed and as at 31 December 2021 the Company was awaiting completion of the Pre-Quotation Disclosure ("PQD") requirements for admission of the Company's shares to trading on the Australian Securities Exchange ("ASX"). The approval for admission was received on 25 January 2022 and the Company's shares commenced trading on the ASX on 27 January 2022.

At 31 December 2021 subscription funds totalling \$6,305,000 had been received. No shares had been issued at 31 December 2021. Shares were issued on 17 January 2022 and the Company's shares commenced trading on the ASX on 27 January 2022.



**Note 10. Issued capital**

	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Shares	Shares	\$	\$
Issued capital	60,120,285	7,120,285	51,003,731	40,372,231

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Opening Balance	1 January 2022	7,120,285		40,372,231
Shares issued under the Initial Public Offer (IPO)	17 January 2022	32,500,000	\$0.20	6,500,000
Shares issued for acquisition on Loropeni Resources SARL (note 14)	17 January 2022	13,000,000	\$0.20	2,600,000
Shares issued for acquisition of Mandinga Resources SARL (note 14)	17 January 2022	5,000,000	\$0.20	1,000,000
Shares issued on conversion of Convertible Loan (note 9)	17 January 2022	2,500,000	\$0.20	500,000
Capital raising costs adjustment	1 January 2022	-	\$0.00	31,500
Closing Balance	30 June 2022	60,120,285		51,003,731

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 11. Reserves**

	30 June 2022	31 December 2021
	\$	\$
Foreign currency reserve (a)	(7,426)	(54,694)
Share-based payments reserve	8,236,951	6,717,565
	8,229,525	6,662,871

	30 June 2022	31 December 2021
(a) Foreign currency reserve		
Opening balance	(54,694)	(54,694)
Difference arising from translation	47,268	-
Closing balance	(7,426)	(54,694)

**Note 11. Reserves (continued)**

	Number	\$
(a) Option reserve		
Opening balance on 1 January 2021	-	6,182,565
Options issued to directors and key management personnel	5,000,000	535,000
Closing balance on 31 December 2021	<u>5,000,000</u>	<u>6,717,565</u>
Opening balance on 1 January 2022	5,000,000	6,717,565
Issue of free attaching IPO options	16,250,000	-
Issue of options on acquisition of Loropeni Resources SARL (note 19)	6,500,000	705,429
Issue of options on acquisition of Mandinga Resources SARL (note 19)	2,500,000	271,319
Issue of free attaching convertible loan options	1,250,000	-
Issue of broker options (note 19)	5,000,000	542,637
Closing balance on 30 June 2022	<u>36,500,000</u>	<u>8,236,950</u>

**Note 12. Non-controlling interest**

Non-controlling interest has arisen from the acquisition of Mandinga Resources SARL, refer to note 14.

**Note 13. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 14. Asset acquisition**

*Acquisition of Loropeni Resources SARL*

On 17 January 2022, the Company completed the acquisition of 100% of the issued share capital of Loropeni Resources SARL (Loropeni) by a way of a Share Sale Agreement. Under the terms of the agreement, the consideration for the acquisition included the following:

- Loropeni shareholders received a combined 13,000,000 ordinary fully paid shares in the Company;
- Loropeni shareholders received 6,500,000 unlisted options with exercise price of \$0.30 and expiry date of 27 January 2025; and
- Loropeni shareholders received 5,000,000 performance rights with certain performance milestones as detailed below at (a).

	\$
Cash and cash equivalents	46,438
Trade and other receivables	11,428
Plant and equipment	9,688
Exploration assets (note 8)	4,041,172
Trade and other payables	<u>(803,297)</u>
Net assets acquired	<u>3,305,429</u>
Consideration	\$
Shares issued on completion - 13,000,000 ordinary shares at \$0.20	2,600,000
Unlisted options issued on completion - 6,500,000 exercisable at \$0.30 (note 19)	<u>705,429</u>
Total consideration	<u>3,305,429</u>

**Note 14. Asset acquisition (continued)**

(a) The Performance Rights will be able to convert into a Share, subject to the Company announcing to the ASX the achievement of a minimum inferred JORC compliant Mineral Resource of 500,000 oz AU at >1g/t in relation to the Loropeni Projects, as accepted by the Independent Directors of the Company, within 48 months of the date of settlement of the Loropeni Acquisition.

The value of Performance Rights based on the issue price of \$0.20 is estimated to be \$1,000,000. Due to significant uncertainty of meeting the performance milestone which is based on future events no value has been allocated to the Performance Rights.

*Acquisition of Mandinga Resources SARL*

On 17 January 2022, the Company completed the acquisition of 70% of issued capital of Mandinga Resources SARL (Mandinga) by a way of a Share Sale Agreement. Under the terms of the agreement, the consideration for the acquisition included the following:

- Mandinga shareholders received a combined 5,000,000 ordinary fully paid shares in the Company; and
- Mandinga shareholders received 2,500,000 unlisted options with exercise price of \$0.30 and expiry date of 27 January 2025

	\$
Cash and cash equivalents	4,730
Plant and equipment	1,006
Exploration assets (note 8)	2,011,862
Trade and other payables	(201,428)
Net assets acquired	<u>1,816,170</u>
Consideration	
Shares issued on completion 5,000,000 ordinary shares @ \$0.20	1,000,000
Unlisted options issued on completion 2,500,000	271,319
Non-controlling interest	544,851
Total consideration	<u>1,816,170</u>

**Note 15. Commitments**

	30 June 2022	31 December 2021
	\$	\$
<i>Exploration expenditure commitments</i>		
Within one year	221,731	-
One to five years	6,226,073	-
	<u>6,447,804</u>	<u>-</u>

**Note 16. Related party transactions**

*Parent entity*

Haranga Resources Limited is the parent entity.

*Subsidiaries*

The consolidated financial statements include the financial statements of Haranga Resources Limited and the subsidiaries Loropeni Resources SARL (100%) and Mandinga Resources SARL (70%) which were acquired during the half year ended 30 June 2022. Nomad Mining Limited which was dormant was deregistered during the half year.

**Note 16. Related party transactions (continued)**

*Key management personnel*

On 11 April 2022, Mr Peter Youd resigned as Executive Chairman of the consolidated entity and Mr Michael Davy was appointed as Non-Executive Chairman.

*Transactions with related parties*

The director fees paid during the half year ended 30 June 2022 totalled to \$82,666 (30 June 2021: \$ Nil).

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

During the half year ended 30 June 2022, the loan payable from 31 December 2021 of \$329,000 to entities related to Mr Peter Youd was repaid.

**Note 17. Events after the reporting period**

Subsequent to balance date the following events occurred:

Following a review of historical drilling and exploration results carried out by the Company's independent resource development consultants, RSC, Saraya has been identified as a highly prospective uranium target. A comprehensive diamond drilling programme to verify the historical results is anticipated to commence in September 2022, potentially leading to the estimation of a maiden Mineral Resource, classified in accordance with the JORC Code (2012).

A thorough review of historical drilling has highlighted the strong uranium prospectively at Saraya, culminating in a Significant Exploration Target being identified within the syenite zones. The Exploration Target is confined to the main syenite zones in the centre of the Company's 1,650 km<sup>2</sup> licence and was defined over only ~0.2 km<sup>2</sup> area and to a maximum depth of ~200 vertical metres from the ~61,500 m historical drilling database, containing a total of 514 holes drilled in the '70s, '80s and 2009.

Haranga has been granted the highly prospective Ibel South gold permit in SE Senegal. The permit is located approximately 80 km south-west of Teranga Gold Corporation (TSX: TGZ) Sabodala-Massawa gold mine and 30km south of the Resolute Mining (ASX: RSG) Mako gold mine.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 18. Earnings per share**

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
Profit/(loss) after income tax	(2,119,448)	140,560
Non-controlling interest	98,312	-
Profit/(loss) after income tax attributable to the owners of Haranga Resources Limited	<u>(2,021,136)</u>	<u>140,560</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>55,142,384</u>	<u>35,600,036</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>55,142,384</u>	<u>35,600,036</u>

**Note 18. Earnings per share (continued)**

	Cents	Cents
Basic earnings per share	(3.67)	0.39
Diluted earnings per share	(3.67)	0.39

**Note 19. Share-based payments**

During the half year ended 30 June 2022 the consolidated equity recorded the following share-based payments:

- The issue of 13,000,000 ordinary fully paid shares as consideration for the acquisition of Loropeni Resources SARL. The shares had a market value of \$0.20 and were issued on 17 January 2022.
- The issue of 6,500,000 unlisted options exercisable at \$0.30 and expiry date of 27 January 2025. The options were issued as consideration for the acquisition of Loropeni Resources SARL. The value of options using Black-Scholes model was \$705,429, the variables used in the valuation are summarised in table below.
- The issue of 5,000,000 ordinary fully paid shares as consideration for the acquisition of Mandinga Resources SARL. The shares had a market value of \$0.20 and were issued on 17 January 2022.
- The issue of 2,500,000 unlisted options with exercise price of \$0.30 and expiry date of 27 January 2025. The options were issued as consideration for the acquisition of Mandinga Resources SARL. The value of the options using the Black-Scholes model was \$271,319, the variables used in the valuation are summarised in table below.
- The issue of 5,000,000 broker options with exercise price of \$0.30 and expiry date of 27 January 2025. The options were issued for services provided relating IPO and vest immediately. The fair value of the associated services was unable to be measured. The value of the options using the Black-Scholes model was \$537,637, the variables used in the valuation are summarised in table below.

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
17/01/2022	27/01/2025	\$0.20	\$0.30	100.00%	-	1.14%	\$0.109
17/01/2022	27/01/2025	\$0.20	\$0.30	100.00%	-	1.14%	\$0.109
17/01/2022	27/01/2025	\$0.20	\$0.30	100.00%	-	1.14%	\$0.109

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Michael Davy".

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Michael Davy  
Non-Executive Chairman  
Dated: 9 September 2022

For personal

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Haranga Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Haranga Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating 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 conclusion is not modified in respect of this matter.

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#### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, faint BDO logo.

Neil Smith  
Director

Perth

9 September 2022