ASX ANNOUNCEMENT

21/09/2022

TARUGA

RARE EARTH DRILLING COMPLETED AT MORGANS CREEK

HIGHLIGHTS

- A Rotary Air Blast (RAB) drilling program has been completed at the Morgans Creek clay-hosted REE Prospect (100% TAR)
- Drilling aimed at targeting strike extensions of the Yednalue Quartzite, known from 2021 drilling to contain significant magnetic-REEs (**Nd + Pr + Dy + Tb**) in the weathering profile
- Drilling successfully intercepted the target unit, which is easily mappable, confirming its continuity along strike for at least 5km at Morgans Creek
- Drilling indicated several sub-parallel zones of interest within the target unit which contain a deep weathering profile and abundant clay minerals
- Assays have been sent to the lab and the Company awaits their return
- RAB and Aircore drilling have now commenced at the Shute prospect, which is prospective for REEs and copper

Figure 1. *Examples of clays intercepted in the deep weathering profile in multiple RAB drillholes during the recent drilling at Morgans Creek.*

Summary

Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) is pleased to advise that a Rotary Air Blast (RAB) drilling campaign has been completed at Morgans Creek (100% TAR), within the Mt Craig Project (MCP).

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The program was comprised of 2,156m of RAB drilling over 59 drillholes. Drilling (**Figure 2**) was focussed on testing strike extensions of clay-hosted rare earth element (REE) mineralisation intercepted at Hydrothermal Hill in 2021 in weathered Yednalue Quartzite.

The Yednalue Quartzite contains layers of reactive sediments including sandstone, siltstone and quartzite which have undergone intense oxidation, alteration and weathering. The unit appears to contain ideal qualities for scavenging metals including rare earth elements, lithium, cobalt, nickel and zinc. The upper weathered portions of the Yednalue Quartzite are being targeted for ionic adsorption clay (IAC) style REEs.

Drilling successfully intercepted weathered portions of the Yednalue Quartzite in multiple sections, confirming the continuity of the prospective unit north of Hydrothermal Hill over more than 1.5km. The Yednalue Quartzite is easily mappable and has been mapped at Morgans Creek for at least 5km of strike, including 2.5km to the south of Hydrothermal Hill, which remains largely untested.

Mapping and drilling indicate that other units, in addition to the weathered Yednalue quartzite, are prospective for REEs at Morgans Creek, and these along with other mapped exposures of Yednalue quartzite throughout the Mt Craig Project will now undergo reconnaissance exploration and drill targeting.

Exploration Plan

- Mapping of the Yednalue Quartzite unit (complete)
- Systematic RAB drill testing over the shallow weathered layers of Yednalue quartzite strike extensions from Hydrothermal Hill (Phase 1 complete)
- Review of drill results against radiometric geophysics for regional targeting (following assays)
- Phase 2 RAB drilling over Yednalue quartzite strike extensions (Q4 2022, following assays)
- Reconnaissance exploration for additional Yednalue quartzite and its analogues throughout the Mt Craig Project (underway)
- Investigate and target REE source rock
- Phase 3 drilling: new REE targets (Q1-Q2 2023)

About Morgans Creek

Two rounds of reconnaissance RC drilling were conducted at Morgans Creek by Taruga in 2021. Drilling was focussed on copper targeting, however clay hosted REE mineralisation was discovered in several drillholes at the Hydrothermal Hill prospect, which contained a high concentration of the high-value magnetic rare earth elements (MREOs: Nd + Pr + Tb + Dy). Significant intercepts of REEs have been recorded in sporadic drilling over an area of approximately 6km x 2km.

Weak acid leach testwork conducted in early 2022 indicated that the REE mineralisation has a very high proportion of readily soluble REEs, and as such it may be amenable to low-cost simplistic metallurgical flow sheet.

Taruga's current exploration model is to focus on weathered zones of clay and saprolite over the Yednalue Quartzite unit, which outcrops for more than 5km of strike at Morgans Creek, and a further 5km of mapped strike in the northern portion of the Mt Craig Project. Taruga anticipates that large volumes of Yednalue quartzite may be buried under shallow cover, and identification of further concealed prospects is underway. It is also apparent that REE mineralisation is not constrained to the Yednalue Quartzite, and so other units in the stratigraphic sequence are being investigated using soils geochemistry, magnetics and radiometrics geophysics.

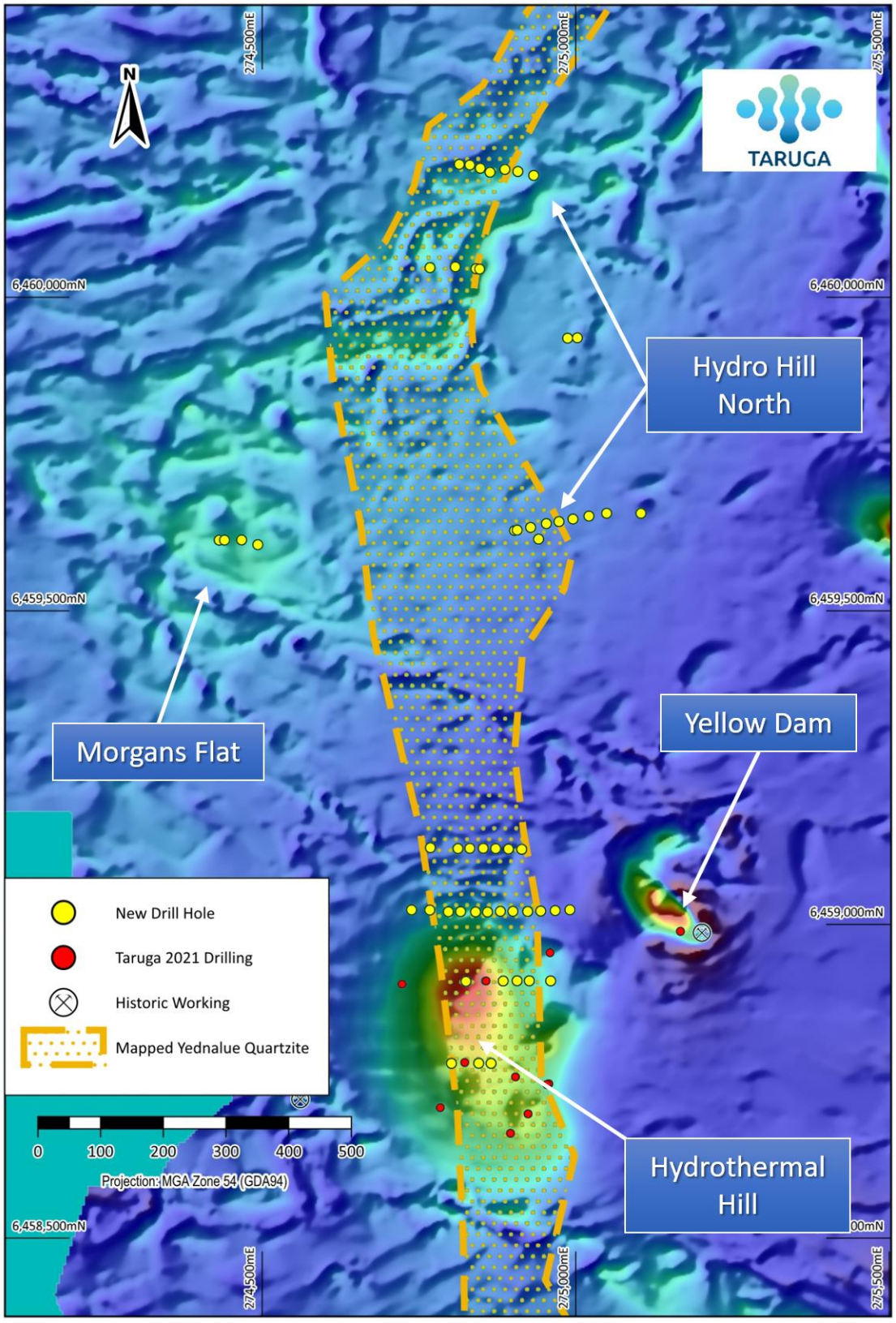

***Figure 2**. Morgans Creek RAB drill plan, showing the mapped Yednalue Quartzite unit, previous Taruga 2021 drilling, and high-resolution ground magnetics TMI image.*

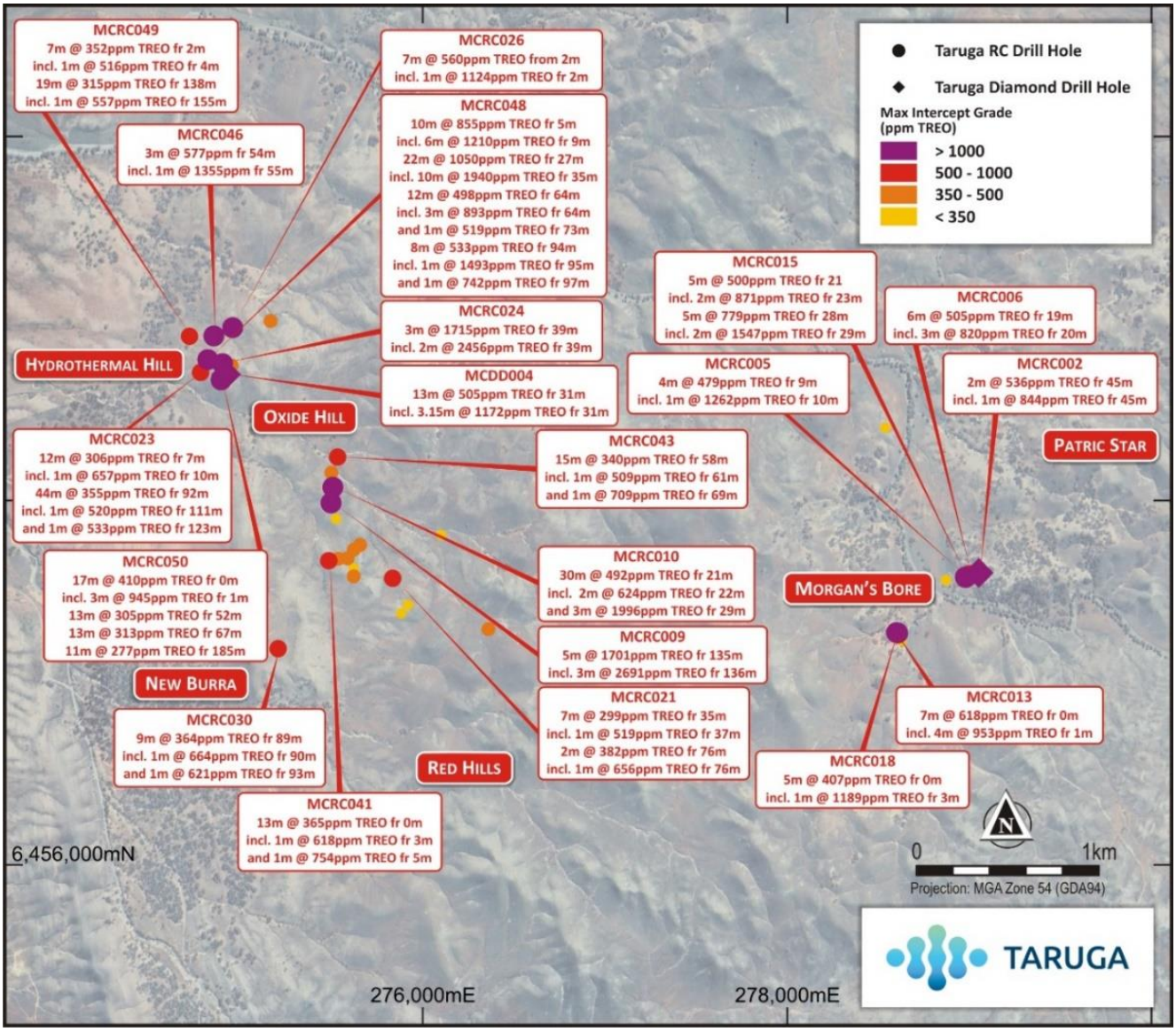

***Figure 3**. REE Drill results from Taruga's 2021 drilling at Morgans Creek with collars colour coded by maximum TREO grade (purple represents >1000ppm TREO).*

Western Plains - Shute Prospect (100% TAR)

RAB/Aircore drilling has commenced at the newly defined Shute prospect (**Figure 4**), which sits within the Western Plains area of the Mt Craig project. The Western plains area is a large flat area overlain by transported cover, which expands for over 200km^2 on the western side of the Mt Craig Project. Shute is one of several prospects along strike in the Western Plains area and is defined by a circular magnetic feature approximately 500m in diameter at the junction of 3 interpreted major structures. Shute sits offset from the exposed mafic intrusions within the Worrumba diapir to the east. The underlying geology is interpreted to be reactive sedimentary rocks. RAB/Aircore drilling will be trialed over Shute prospect to characterise the anomaly, obtain geochemical information, and determine depth to basement. Shute is believed to be prospective for clay-hosted REEs. The basement rocks at Shute may also be prospective for copper.

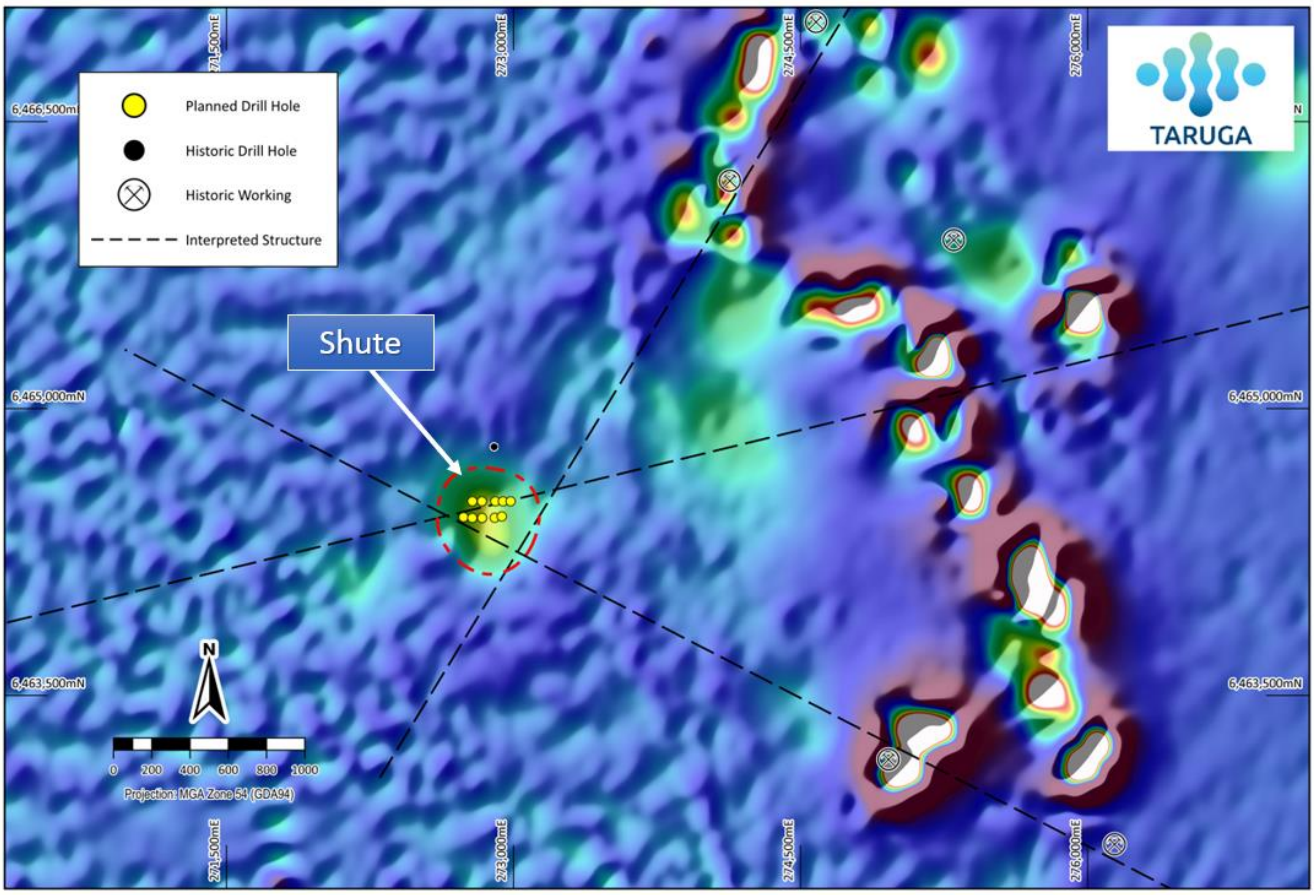

***Figure 4**. Shute Prospect RAB drill plan, showing the interpreted structures and a historical drillhole, over TMI image. Note several historical copper workings align with the interpreted structures, where rocks outcrop to the east of Shute.*

This announcement was approved by the Board of Taruga Minerals Limited.

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Competent person's statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Brent Laws, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Laws is the Exploration Manager of Taruga Minerals Limited. Mr Laws has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Laws consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

**Refer to announcements dated 10/03/2022 "polymetallic drill results at Hydrothermal Hill Skarn; and 07/02/2022 "partial drill results from MCCP". Taruga confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Taruga confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

Forward looking statements

This announcement contains certain forward-looking statements and comments about future events, including the Company's expectations about the proposed transaction, the proposed tenements and the performance of its

businesses. Forward looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors which can cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements and many of these factors are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this announcement nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Except as required by law or the ASX Listing Rules, the Company assumes no obligation to provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.

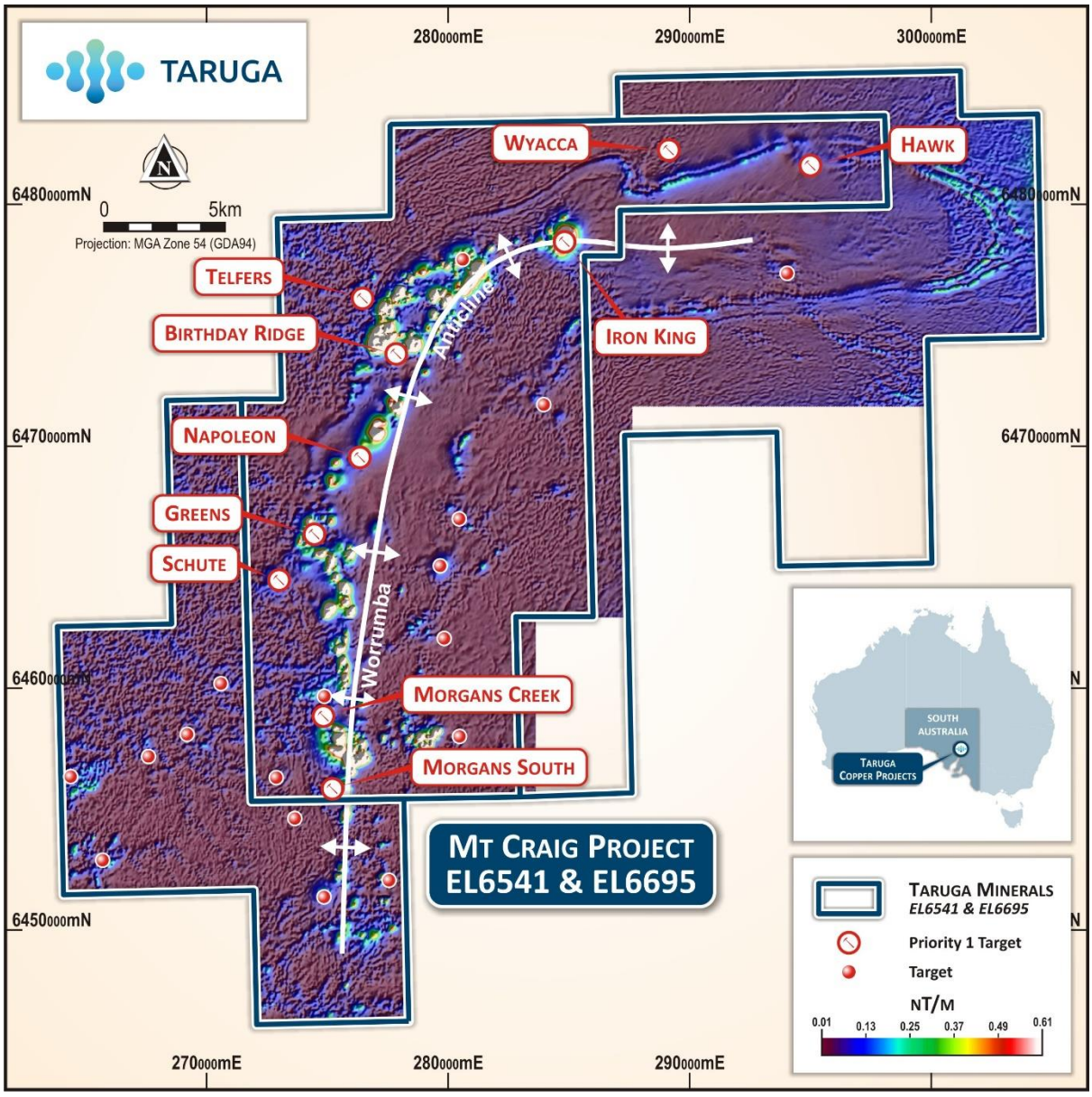

Figure 5. *MCP Project outline showing priority exploration targets, the main structural feature being the Worrumba Anticline, and the Analytical Signal magnetics image.*

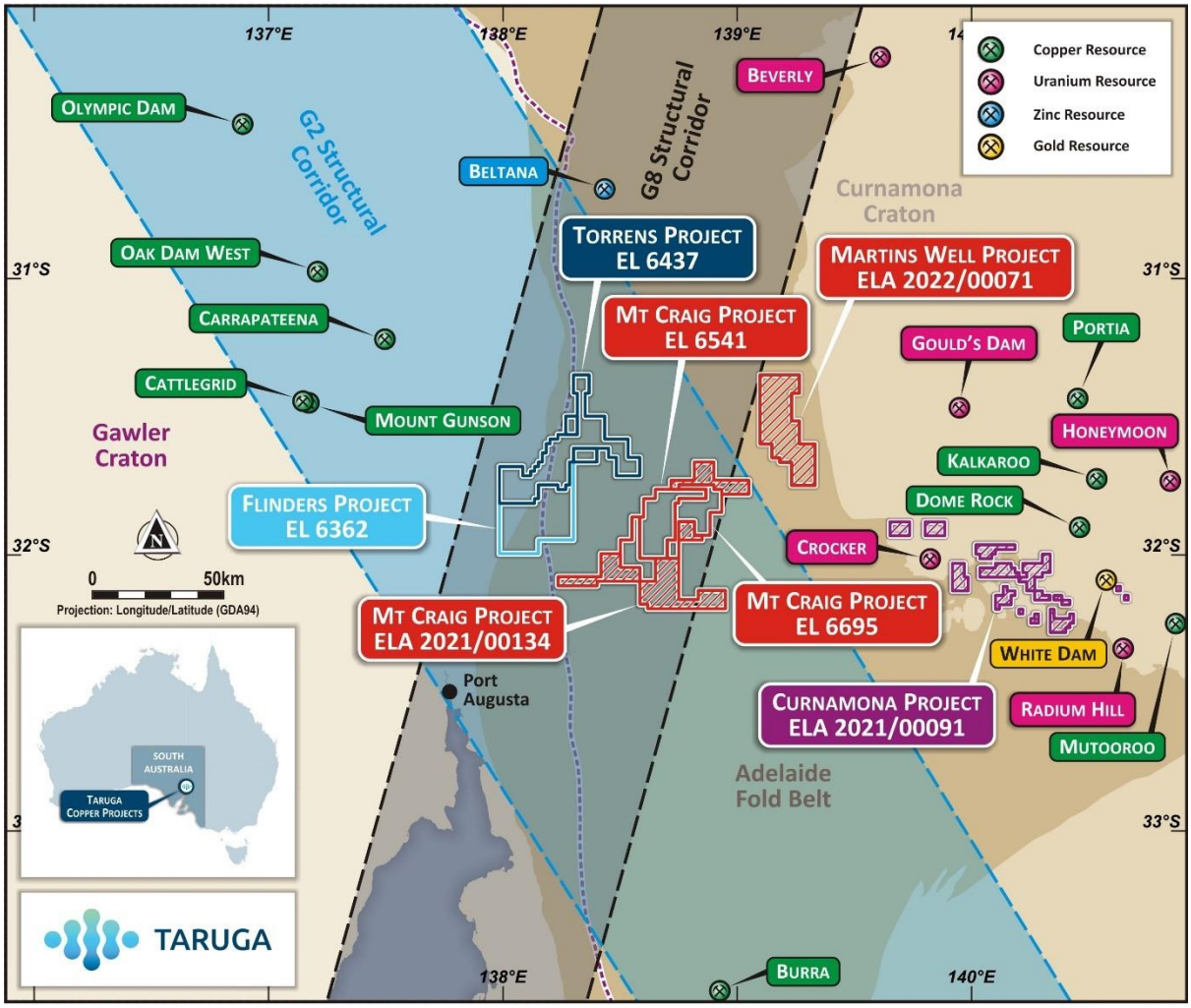

Figure 6. *Tenement Map showing Taruga's South Australian projects.*

Table 1. *Drill collar data table*

Hole ID	*Hole Depth (m)*	*Easting (GDA94/WGS54)*	*Northing (GDA94/WGS54)*	*Azimuth (True)*	*Dip*
MCRB001	31	274493.04	6459605.53	90	-60
MCRB002	70	274467.16	6459613.07	90	-60
MCRB003	42	274439.89	6459612.87	360	-90
MCRB004	29	274431.39	6459612.79	360	-90
MCRB005	25	274831.16	6460210.95	92	-60
MCRB006	16	274814.29	6460212	93	-60
MCRB007	19	274847.78	6460205.76	301	-60
MCRB008	26	274863.39	6460199.41	283	-60
MCRB009	22	274887.03	6460203.93	280	-60
MCRB010	46	274907.72	6460200.56	285	-60
MCRB011	28	274933.03	6460194.31	286	-60
MCRB012	16	274767.61	6460047.24	269	-60
MCRB013	25	274808.06	6460048.58	275	-60
MCRB014	7	274840.87	6460045.53	275	-60
MCRB015	27	274846.76	6460045.02	275	-60
MCRB016	40	274987.13	6459934.79	268	-60
MCRB017	38	275002.64	6459935.35	268	-60

Hole ID	Hole Depth (m)	Easting (GDA94/WGS54)	Northing (GDA94/WGS54)	Azimuth (True)	Dip
MCRB018	43	274953.2	6459639.14	264	-60
MCRB019	30	274928.1	6459633.02	80	-60
MCRB020	3	274906.69	6459628.87	80	-60
MCRB021	25	274902.46	6459628.13	367	-90
MCRB022	42	274940.84	6459614.48	82	-60
MCRB023	38	274973.3	6459642.3	259	-60
MCRB024	31	274995.58	6459646.42	260	-60
MCRB025	33	275021.07	6459651.16	260	-60
MCRB026	39	275049.3	6459655.6	261	-60
MCRB027	52	275104.04	6459655.56	91	-60
MCRB028	96	274990.72	6459023.43	88	-60
MCRB029	40	274967.29	6459022.22	89	-60
MCRB030	40	274944.17	6459021.37	88	-60
MCRB031	40	274923.4	6459020.73	89	-60
MCRB032	37	274899.87	6459020.95	89	-60
MCRB033	40	274879.84	6459020.93	89	-60
MCRB034	33	274859.4	6459019.85	90	-60
MCRB035	33	274840.3	6459020.06	90	-60
MCRB036	52	274816.44	6459020.55	90	-60
MCRB037	31	274796.95	6459020.32	90	-60
MCRB038	43	274767.26	6459023.01	92	-60
MCRB039	40	274738.21	6459023.23	91	-60
MCRB040	55	274801.855	6458778.571	90	-60
MCRB041	13	274864.999	6458778.634	90	-60
MCRB042	7	274845.302	6458778.791	89	-60
MCRB043	40	274913.895	6459119.864	91	-60
MCRB044	43	274892.746	6459120.367	91	-60
MCRB045	40	274872.392	6459121.103	91	-60
MCRB046	34	274852.496	6459121.465	92	-60
MCRB047	39	274831.107	6459121.426	89	-60
MCRB048	40	274812.224	6459121.133	90	-60
MCRB049	34	274768.243	6459122.443	90	-60
MCRB050	34	274960.027	6458910.084	91	-60
MCRB051	40	274926.014	6458910.204	90	-60
MCRB052	49	274906.529	6458910.256	90	-60
MCRB053	31	274884.327	6458909.905	90	-60
MCRB054	30	274825.012	6458909.383	90	-60
MCRB055	58	275506.513	6458052.317	181	-60
MCRB056	46	275454.241	6458073.018	179	-60
MCRB057	51	275176.824	6456071.029	90	-60
MCRB058	51	275148.598	6456071.782	91	-60
MCRB059	53	275181.04	6455788.94	77	-60

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Rotary Air Blast (RAB) drill sampling was completed with drill sample collected at 1m intervals with sample collected from an onboard cyclone as a bulk sample that is later sub sampled using conventional spear sampling techniques for a representative sample. B samples were also collected for statistical comparison for assessing sampling repeatability. RAB drilling can have some limitations including depth, unstable ground and blocked sampled return which can lead to holes ending earlier than full target depth. • 2021 Reverse Circulation (RC) drill sampling completed at 1m intervals with sample returned through an on-board static cone splitter generating a bulk reference sample and 2 representative A and B samples for analysis and QAQC. • A and B sample weights were on average >3kg. • Samples were analysed at Bureau Veritas, Adelaide for broad suite multi-element analysis using 4-acid digest ICP-MS. Gold and PGE analysis was by Fire Assay ICP-OES.REE specific analysis from RAB samples were not analysed for Gold or PGE via Fire Assay. • Each metre is geologically logged including a pXRF and magsus reading. • 2021 HQ Core is sampled after geological and structural logging. Core is cut to ½ core through a standardised procedure that includes consistent sampling of the same side of the cut core. Core is sampled to lithological, structural and mineralised boundaries with sample intervals between 30cm and 1m in length to allow sufficient sample for representative analysis. Intervals selected for laboratory analysis are identified through

Criteria	JORC Code explanation	Commentary
		visual logging by a geologist and utilises a handheld XRF to confirm the presence of mineralisaton. • Each geological interval identified was logged separately including selective pXRF readings to support mineral identification or regular 5cm spaced readings for indicative mineralisation trends over select intervals. • Selective rock-chip samples were collected as in-situ, surface lag and float samples. Both visibly mineralised and un-mineralised samples were collected with the aim of obtaining representation of all rock types in the target area. Rock sample size is greater than 1kg per sample.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling methods included RAB with a 4" diameter bit, RC drilling with a 5 ½" diameter bit with sample returned through a cone splitter generating a bulk reference sample and 2 representative A and B samples for analysis and QAQC. • The drill rigs used include onboard air and for RC an auxillary compressor. The RAB drill rig is capable of depths of 120m in ideal conditions, the RC drill rig was capable of drilling to a maximum depth of 350m. • Drilling methods included Diamond Core HQ size drilled from surface with a nominal 63.5mm core diameter. • Where possible core was orientated to allow for structural measurements. • Downhole surveys were not taken for RAB drill holes whilst RC and Diamond Core drill holes had downhole surveys taken at 6m (collar), 30m and every subsequent 30m drilled with a final survey at end of hole depth.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results asses* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RAB drill sampling was completed with drill sample collected at 1m intervals with sample collected from an onboard cyclone as a bulk sample that is later sub sampled using conventional spear sampling techniques for a representative sample. RC drill sample was collected as 1 metre intervals downhole from a cone splitter in pre-numbered sample bags. • A bulk sample was used for logging rock type and field recordings whilst 2 representative samples of 3-4kg each were

Criteria	JORC Code explanation	Commentary
		collected simultaneously for primary analysis and QAQC as well as secondary B sample reference. Sample validity included comparison of sample weights to ensure sample recovery was within acceptable limits, with intervals of poor recovery and possible causes such as groundwater intercepts being recorded. The cone splitter was regularly cleaned and assessed to minimise potential sample contamination. • Core recovery was assessed through measurement of core in relation drilled depths and core blocks. Core recoveries were above acceptable industry standard limitations with >98% core recovery. • No sample quality issues are expected outside of the standard variances between drilling and sampling methods.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill chips were field logged per metre and representative reference material retained in chip trays which were photographed for a digital reference. Subsequent review of chips and field logging was conducted to ensure records are consistent and accurate. Each metre included a magsus reading from the bulk sample bag and a corresponding pXRF reading to guide drilling and sampling decisions. • Core drill holes were geologically logged by industry standard methods, including lithology, structure, alteration and mineralisation. All core trays were photographed wet and dry. • The logging is qualitative in nature and of sufficient detail supporting the current interpretations. • Rock chip samples were field logged with the assistance of historical mapping and petrology work. Samples are reviewed for petrology using a hand lens or microscope. • Review of logging is conducted following the return of geochemical results.
Sub-sampling techniques	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the*	• Rotary Air Blast (RAB) drill sampling was completed with drill sample collected at 1m intervals with sample collected from an onboard cyclone as a bulk sample that is later sub sampled using conventional spear sampling techniques for a representative sample. RC drill sample taken from a cone splitter

Criteria	JORC Code explanation	Commentary
and sample preparation	*sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	per metre downhole is to industry standard and appropriate for the lithologies being intercepted. The simultaneous collection of bulk sample and 2 representative A and B samples of 3-4kg each maximises the sample quality and ensures samples are representative. • All samples were dry before sending for analysis. Any wet sample was still collected by the same method to ensure consistency with excess moisture sun dried prior to laboratory submission. Additional cleaning was completed on the cone splitter after introduction of wet sample. • Core is cut to ½ core through a standardised procedure that includes consistent sampling of the same side of the cut core. Core is sampled to lithological, structural and mineralised boundaries with sample intervals between 30cm and 1m in length to allow sufficient sample for representative analysis. Intervals selected for laboratory analysis are identified through visual logging by a geologist and utilises a handheld XRF to confirm the presence of mineralisaton. • A Vanta pXRF was used with reference standards (CRM) to ensure accuracy of readings. No results reported are from pXRF sampling.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Samples are analysed at Bureau Veritas, Adelaide for broad suite multi-element analysis using 4-acid digest ICP-MS. Gold and PGE analysis was by Fire Assay ICP-OES. • Sampling QA/QC includes standards (6 different CRM to cover low mid and higher-grade material of various elements including but not limited to copper, zinc, scandium, cerium, lanthanum, and neodymium) and duplicates were included in each sample despatch and reported in the laboratory results. QA/QC samples included Company selected CRM material including blank material and duplicate samples. Laboratory QAQC has additional checks including standards, blanks and repeat samples that were conducted regularly on every batch. Company standards are included every 25th sample and a duplicate every 30th.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Taruga's geologists have sufficient experience to carry out core processing and logging and have experienced senior geologists and technical consultants available for verification and validation of results and measurements. • Significant intercepts are reported by Company representatives based on best practice and available information. • All significant intercepts are reported as downhole lengths and are not necessarily indicative of true thickness unless stated. • Logs and measurements were all recorded in hard copy on paper before digital data entry. All data is stored securely with digital backups. All data entry procedures include data validation.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All RAB drillholes were surveyed using a DGPS for accurate collar locations. All prior drillhole collars were surveyed after drilling using a handheld GPS. Datum used is GDA94 Zone 54. • Downhole surveys were not taken for RAB drill holes. RC and Diamond Core downhole surveys were taken at 6m (collar), 30m and every subsequent 30m drilled with a final survey at end of hole depth. Downhole surveys were taken with a reflex single shot or gyroscopic hole survey tool when available.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data is insufficient to be used in a Mineral Resource Estimate. The drilling is reconnaissance style exploration with data collected sufficient to guide and define further exploration activities. • RAB and RC sample intervals and analysis are single metre interval samples; no sample compositing has been used. • Core sample intervals are based on lithological, structural and mineralised boundaries. • Rock sample samples are to be considered as being collected on a selective basis.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a*	• The previous and current drilling being reported has identified and defined a variable sedimentary package within the Worumba diapir mega breccia including various rafted blocks in differing orientation. Outcrop of the dolomite metasediments on the

Criteria	JORC Code explanation	Commentary
geological structure	*sampling bias, this should be assessed and reported if material.*	margin of the Worumba Diapir and rafted sediments within the diapir assist in drillhole design to best intercept the stratigraphy. • Where possible drillholes are angled towards the interpreted stratigraphic horizon so intercepts are generally reflective of true thickness although some holes drilled in a deliberate orientation to gain perspective of stratigraphic or structural orientation will not be a direct reflection of true thickness. All reported lengths are to be considered downhole lengths unless stated as calculated true thickness. • Rock sample samples are to be considered as being collected on a selective basis.
Sample security	• *The measures taken to ensure sample security.*	• The samples are collected, processed and despatched by the Supervising Geologist before being sent by courier to Bureau Veritas, Adelaide.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits completed. Internal processes routinely review the appropriate application of sampling techniques in relation to current knowledge of stratigraphy and mineralisation style.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Licence EL6541 (Mt Craig/MCCP) is 100% owned by Strikeline Resources Pty Ltd a fully owned subsidiary of Taruga Minerals Ltd. The tenement is in good standing with no known impediments to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical Exploration: Mt Craig Extensive small-scale historic mining for base metals occurred throughout the area. This occurred most prominently at the Wyacca Mine and Wirrawilka workings. Further historic shafts at Iron King are presumed to have mined Silver and Gold. From the 1960's onwards numerous companies have explored the region with soil, stream, rock chip & channel sampling, geophysics and drilling campaigns. The most prominent prior exploration was conducted by Cams Leases Pty Ltd., Copper Range (SA) Pty Ltd., Gold Copper Exploration Ltd., SAEI Triassic Coal Exploration & Utah Development Company Ltd.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mt Craig: The Morgan Creek prospect is dominated by the Worumba diapir which include large rafted blocks of sediments including those of the Tapley Hill Fm, also within the diapir are mafics of variable origin. The western margin includes a target contact between the dolomite metasediments and the Worumba Diapir. Dolomite is a common reactive rock type within the diapir related deposits, trapping mineralisation close to the diapir margins. Dissolved metalliferous brines from the diapir travel along structural conduits to sites of suitable reactive deposition. Exploration has identified skarn exposures at Morgan Creek, including recently drilled Hydrothermal Hill prospect intercepting a mafic-ultramafic skarn system with magnetite-pyrite skarn that includes PGE, REE and cobalt mineralisation. The Yednalue Quartzite contains layers of reactive sediments including

Criteria	JORC Code explanation	Commentary
		sandstone, siltstone and quartzite which have undergone intense oxidation, alteration and weathering. The unit appears to contain ideal qualities for scavenging metals including rare earth elements, lithium, cobalt, nickel and zinc.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All completed drillhole collar information is included in the report, appendices or has been previously released.
		• If applicable all rock chip samples are included with relevant analysis results in the appendices or has been previously released.
		• All available and drill assay data has previously been reported.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Where applicable when significant intercepts and aggregate data is are reported they are weighted average grades considering variable sampling lengths. Some significant intercepts are significant because of multiple anomalous elements. • Standard element to stoichiometric oxide conversion factors are used in calculating and reporting oxide equivalent elements. • Rare earth elements (REE) converted to oxide equivalents were aggregated as total rare earth elements TREE or total rare earth oxide elements TREO and combined as heavy rare earth elements (HREE/HREO), light rare earth elements (LREE/LREO), (CREE/CREO) critical rare earth elements or magnetic rare earth oxide (MREO) using industry standards. HREO, CREO and MREO as a percentage of TREO may also be reported. • Element-to-stoichiometric oxide conversion factors shown in table below: multiply wt% element by numerical value below for equivalent expressed as an oxide. • TREO refers to the sum of all 15 REE's in their respective oxide equivalent

Criteria	JORC Code explanation	Commentary
		• MREO refers to the 4 magnetic rare earth oxides (Nd2O3+Pr2O3+Dy2O3+Tb2O3) • HREO refers to the heavy rare earth oxides (Eu2O3+Gd2O3+Tb2O3+Dy2O3+Ho2O3+Er2O3+Tm2O3+Yb2O3+Y2O3+Lu2O3) • LREO refers to the light rare earth oxides (La2O3+Ce2O3+Pr2O3+Nd2O3+Sm2O3) • CREO refers to the light rare earth oxides (Nd2O3+Tb2O3+Dy2O3+Er2O3+Y2O3)
Relationship between mineralisation widths and	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• No sections useful for this report as assays pending. Previously released images have shown where possible interpreted potential mineralisation widths or has been noted within the document. Some holes drilled in a deliberate orientation to gain

Element	Oxide	Factor
Cerium	Ce_2O_3	1.1713
Dysprosium	Dy_2O_3	1.1477
Erbium	Er_2O_3	1.1435
Europium	Eu_2O_3	1.1579
Gadolinium	Gd_2O_3	1.1526
Holmium	Ho_2O_3	1.1455
Lanthanum	La_2O_3	1.1728
Lutetium	Lu_2O_3	1.1371
Neodymium	Nd_2O_3	1.1664
Praseodymium	Pr_2O_3	1.1703
Samarium	Sm_2O_3	1.1596
Terbium	Tb_2O_3	1.151
Thulium	Tm_2O_3	1.1421
Yttrium	Y_2O_3	1.2699
Ytterbium	Yb_2O_3	1.1387

Criteria	JORC Code explanation	Commentary
intercept lengths	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	perspective of structural or stratigraphic orientation and as such will not be a direct reflection of true thickness. All reported lengths are to be considered downhole lengths unless stated as calculated true thickness.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate plan diagrams of collar location, surface features and results are provided in the report. Appropriate sections will be available on return and review of pending assay data.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All relevant information is reported within the document or included in the appendices if not reported previously.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All relevant and meaningful recent exploration or known historical exploration data is included in this report or has been previously released.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Geochemical results are pending for recently submitted RAB drilling samples. The inclusion of this data when available will add to the developing geological model. Follow up exploration activities including further drilling will be guided by the improved data set. Initial exploration would focus on using drilling techniques to extend to base of weathering those current holes that failed to reach required depth whilst extended exploration using available drill information and geophysical data are being used for reconnaissance style exploration targeting similar geological settings for further potential REE accumulations similar to those currently being drilled.