

30 April 2019

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2019

Taruga Minerals Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the March quarter.

HIGHLIGHTS

- Progress made on finalisation of a new license agreement on high grade Kamilombe and Mwilu projects
- Provisional metallurgical study results demonstrate the potential for concentrate grades of **4.1% Co to 12.6% Co** and cobalt recoveries between **59% and 70%**
- Soil sampling programmes undertaken on a 100m x 50m grid on license PEPM 2315

CORPORATE

Cash Position

As at 31 March 2019, the Company had approximately \$732,000 of cash and nil debt.

OPERATIONS

Mwilu and Kamilombe

Over the course of the quarter Taruga, together with Mint-Master and the Lualaba Government (“Consortium”), continued to make progress in the finalisation of a new licence agreement on its high grade Kamilombe and Mwilu cobalt projects.

Taruga and the Consortium negotiated for additional blocks to be added to the Kamilombe licences, which will cover the strike continuity of defined mineralised structures and provide additional area for mine development infrastructure. Taruga and the Consortium have been working through these additions to the heads of agreement, with the finalised revised agreements subject to governmental approvals.

As announced 2 January 2019, initial delays in governmental approvals were due to the Presidential elections being delayed by 1 week. These delays have continued to date due to no Provincial Government or National Parliament appointments, other than that of the President, being made since the elections in December 2018. Consequently, there has been a lack of high-level availability and decision making to finalise the licence agreements.

As soon as new enlarged licences are finalised the Company will have 4 weeks to conclude its legal due diligence.

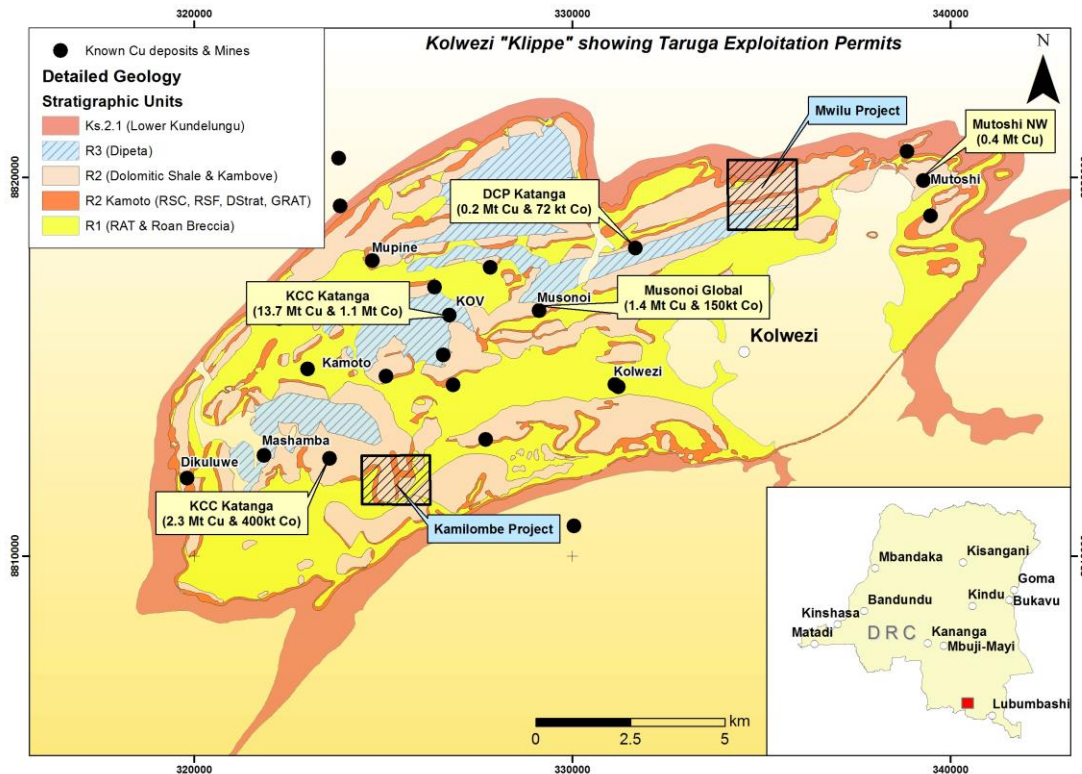


Figure 1: Geological map of the Kolwezi "Klippe" showing the Mwilu and Kamilombe project areas and known mines and deposits

Mwilu and Kamilombe lie within the Kolwezi "Klippe" shown in Figure 1 within the Central African Copper Belt, which hosts many of the largest known copper-cobalt deposits both in the south-eastern DRC and Zambia. Mwilu and Kamilombe are currently being mined at shallow levels by artisanal miners to generate income for the Consortium including Mint-Master and the Government of Lualaba Province to fund ongoing development projects.

In the first half of FY2019 Taruga conducted diamond drilling programmes at both Mwilu and Kamilombe as part of the technical due diligence. Significant results included:

- 50.87m at 0.49% Co from 5.8m including **13.68m at 1.21% Co** from **30.47m** (Kamilombe)
- 31.21m at 0.52% Co from 33.1m including **3.04m at 1.45% Co** from **36.4m** and **5.18m at 1.05% Co** from **57.7m** (Kamilombe)

- 42.85m at 0.39% Co from 256.55m including **6.40m at 1.11% Co** from **282.45m & 8.40m at 2.7% Cu** from **269.15m** (Mwilu)

Drilling results confirmed the potential of both projects which are now undergoing a legal and tenure due diligence before resuming with infill resource drilling programmes on both projects.

Metallurgical test work

On 31 January 2019, Taruga received results for provisional metallurgical studies on the DStrat stratigraphic unit at Kamilombe. The results demonstrate the potential for concentrate grades of 4.1% Co to 12.6% Co and cobalt recoveries between 59% and 70% from simple gravity beneficiation. The DStrat unit occurs as highly friable sandy material and would therefore not require crushing, thus reducing processing costs.

The testwork has provided early indications of how the orebody may be processed to maximise economic returns from an early, shallow mining operation. Cashflow generated from shallow mining would be used towards a deeper resource drilling programme and feasibility studies at Kamilombe. Taruga is hopeful that a simple flowsheet and an economical processing facility can be confirmed in more detail following further testwork on exploration drill core.

PEPM 2315

All approvals were received for the conversion of PEPM 2315, located to the south of the town of Kolwezi, to exploitation permit PE 2315. As a result, first pass and infill soil sampling programmes were undertaken on a 100m x 50m grid. The programmes were designed to define potential cobalt and copper anomalies across prospective geology, with selected samples to be sent to a reputable laboratory for check analyses.

The granting of the final licence permit is pending.

Central African Copperbelt

All tenements are located within the Central African Copper Belt, which hosts many of the largest known copper-cobalt deposits both in the south-eastern DRC and Zambia.

The geology of the Copper Belt sequence has been well studied, and a substantial history of mining and exploration provides a strong platform for future development work. Cobalt-copper mineralisation was traditionally expected within the lower sedimentary sequences of the Lower Roan sub-group of rocks known as the Mines Group (R-2), although recent exploration has led to the discovery of several deposits in the overlying Mwashya (R-4) and Nguba Groups. The most significant example being Ivanhoe's Kamoia deposits (>25m tonnes of contained copper) hosted in the "Grand Conglomerate Formation" at the base of the Lower Kundulungu.

**REGISTERED OFFICE**

Level 8, 99 St Georges Terrace | Perth
Western Australia | 6000

p +61 (8) 9486 4036

f +61 (8) 9486 4799

POSTAL ADDRESS

PO Box 5638 | St Georges Terrace | Perth
Western Australia | 6831

e admin@tarugaminerals.com.au

w tarugaminerals.com.au

Taruga Minerals Limited ACN 153 868 789

These new discoveries have highlighted the potential for additional units with the geological formation to host major cobalt-copper mineralisation and significantly highlight large areas of prospective ground that has had little to no previous exploration. Taruga will fast track soil sampling and shallow air core drilling programmes on the early stage projects on the successful conclusion of the due diligence periods.

Western Australian Tenements***Cobalt Exploration***

The Company is planning for a broad geochemical survey targeting cobalt mineralisation on exploration licence E51/1832, following further ground reconnaissance.

Lithium Exploration

The Company has exploration licence applications in the Greenbushes region of Western Australia pending. The licences are subject to review by the Department of Environment relating to proposed activities and licence conditions.

For further information see the Company's website www.tarugaminerals.com.au or contact:

Mark Gasson
Executive Director
Taruga Minerals Limited
Phone: +33 640 612 921
Email: mark@tarugaminerals.com.au

Sheena Eckhof
Executive Director – Investor Relations
Taruga Minerals Limited
Phone: +61 439 696 591
Email: sheena@tarugaminerals.com.au



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 Mark Gasson, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Gasson is an Executive Director of Taruga Minerals Limited. Mr Gasson 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 Gasson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Operating in the Democratic Republic of Congo

The main projects in which Taruga proposes to acquire are located in the Democratic Republic of Congo (DRC). The Company will be subject to the risks associated with operating in DRC. Such risks can include economic, social or political change, changes of law affecting foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to DRC mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in DRC may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Exploration Risk

The mineral licences in which Taruga proposed to acquire are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

Annexure 1: Taruga Minerals Limited – tenements held directly by Taruga Minerals or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
E51/1832	-	-	100%	Granted – Western Australia
E53/1947	-	100%	-	Application – Western Australia
E70/5029	-	-	100%	Application – Western Australia
E70/5030	-	-	100%	Application – Western Australia
E70/5031	-	-	100%	Application – Western Australia
PEPM 2315	-	-	Due diligence and Option to acquire 70%	DRC - Kolwezi
Kamilombe	-	-	Due diligence and Option to acquire 60%	DRC - Kolwezi
Mwilu	-	-	Due diligence and Option to acquire 60%	DRC - Kolwezi

