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14 December 2020

Update on Manjimup Base Metal Project, Western Australia

Highlights

- Taruga Manjimup Project located in southwest of Western Australia in the emerging base metal exploration region
- Manjimup Project adjoins the area of the Chalice Mining/Venture Minerals Joint Venture that has confirmed copper and nickel sulphide mineralisation associated with ultramafic intrusions
- Field reconnaissance to the project area has identified low-level hand-held XRF anomalism (up to 136ppm Copper, 113ppm Nickel and anomalous Vanadium, Cobalt and Zinc) that requires systematic exploration to confirm and define targets for advanced testing
- Geophysics reprocessing has confirmed the presence of magnetic highs (interpreted to represent intrusive ultramafic bodies) on the margin of gravity anomalies. These priority targets require exploration to determine potential to host mineralisation.
- Taruga proceeding with Environmental Management plan to finalise the granting of the tenements.

Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) is pleased to provide shareholders this update on the Manjimup base metal project, Western Australia. The Company has completed field reconnaissance and re-processing of geophysics (aeromagnetics and gravity data) to highlight targets with potential to host base metal mineralisation.

Taruga CEO commented “These Taruga tenement applications are in an exciting region which is emerging as a focus for base metal exploration, including the adjoining Chalice Mining and Venture Minerals JV. The Julimar Ni-Cu-PGE discovery by Chalice Mining earlier this year highlighted the potential of the western margin of the Yilgarn Craton. The Manjimup Project is very under-explored, however recent exploration results are confirming the potential for significant discoveries in this frontier province.

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ASX Code:
TAR

Shares on issue:
457,201,506

35,000,000 (Ex. \$0.025
before 18 February 2024)

Historic geological mapping and exploration has identified the presence of ultramafic units that have the potential to host nickel, copper and PGE mineralisation, and the reinterpretation of geophysical data is identifying priority targets within the E70/5029 Taruga tenement application. The Chalice Mining/Venture Minerals JV “Odin Prospect” sits only 5km to the west where recent drilling intersected anomalous nickel and copper-sulphides in ultramafic units which strike for at least 10km. The Manjimup Project represents another step in Taruga’s strategic growth plan as we continue to expand and diversify our portfolio of highly prospective Australian base metal projects.”



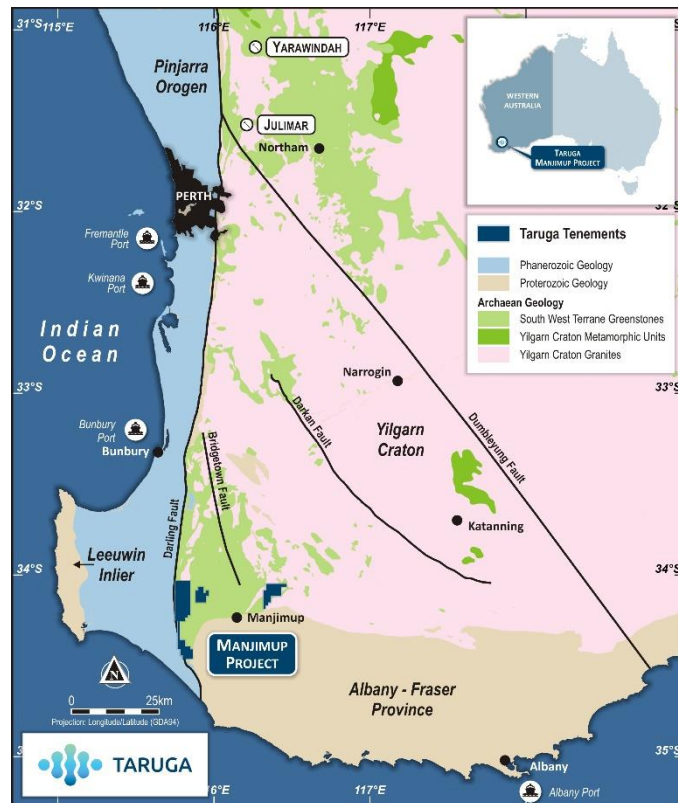


Figure 1: Manjimup Project – Location plan and Regional Geology

Manjimup Project Details

The project is located approximately 300km south of Perth in the southwest region of Western Australia. The region is emerging as a base metal exploration zone through the recognition of a similar geological setting to the recent Julimar Ni-Cu-PGE discovery made by Chalice Mining Limited.

The tenements are applications that are being progressed to grant through the development of an Environmental Management plan, with initial meetings completed with the WA Department of Environment. The field reconnaissance visit focused on tenement E70/5029 and noted that access to, and within, the tenement is excellent and that reconnaissance and follow-up exploration can be undertaken utilizing existing tracks and access with little or no impact on the environment.

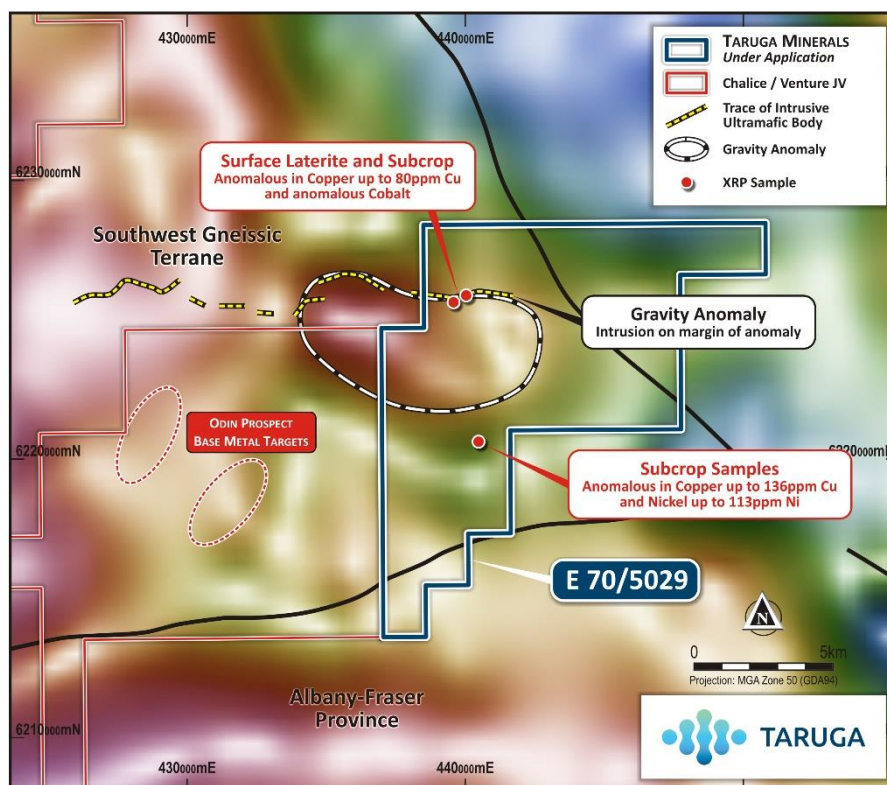
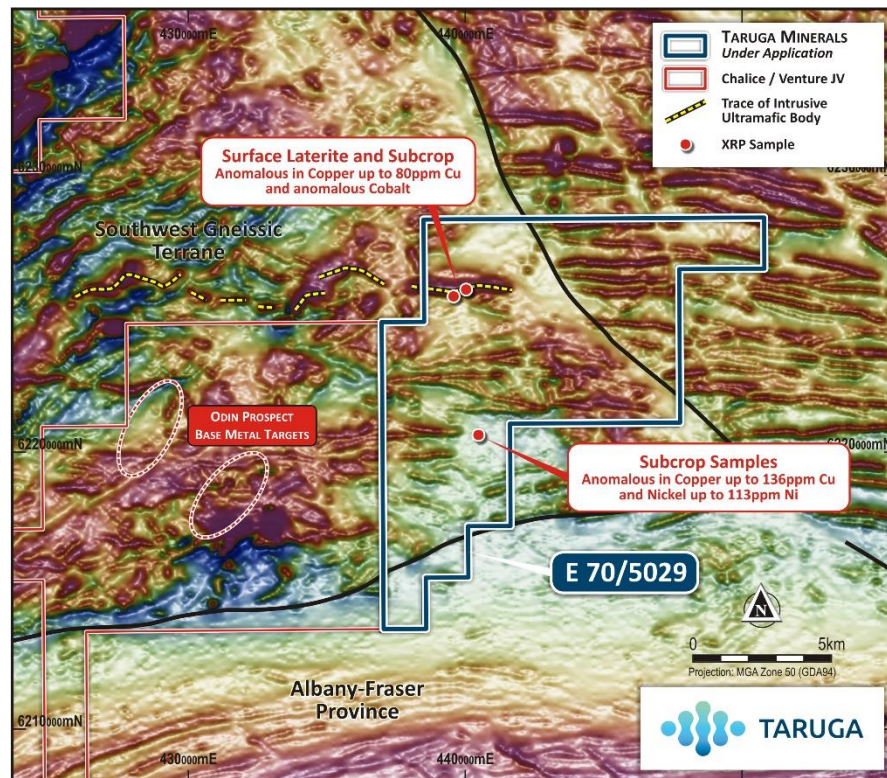


Figure 2: Manjimup Project – E70/5029 re-processed geophysics images. Note magnetic (upper image) high located on margin of gravity anomaly (lower).

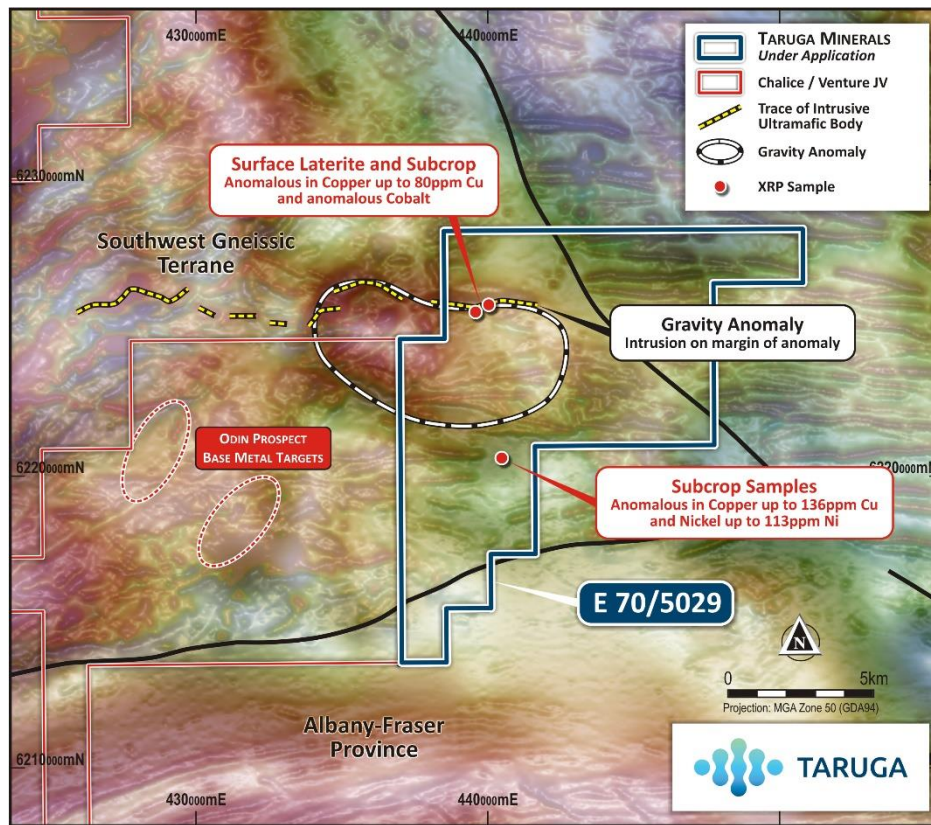


Figure 3: Combined aeromagnetic image overlying gravity image.

Field reconnaissance completed within E70/5029 revealed limited outcropping geology with the majority of the tenement masked by lateritic weathered residual and transported material and areas of transported alluvium and scree. The tenement includes areas covered by vegetation, however also includes cleared farmland, state forest and plantation forest with an extensive network of tracks, fence lines and pipelines allowing access for exploration.

Hand-held XRF analysis was used on traverses across the identified magnetic high unit and returned anomalous levels of nickel and copper, however, the unit is completely masked by lateritic material. It is expected that auger geochemical sampling on existing tracks will provide a reliable first pass test of the area.

In the southern portion of the tenement, the transported cover was reduced and a small amount of subcropping geology was located. Hand-held XRF analysis again confirmed anomalous copper (up to 136ppm Cu) and nickel (up to 116ppm Ni) that requires follow-up exploration. These anomalous zones are located on the southern margin of the interpreted gravity anomaly and may represent extensions of the “Odin Base Metal” targets identified on the Chalice Mining/Venture Minerals JV tenements located immediately to the west.

The field reconnaissance also reviewed the regional geology and confirmed the presence of ultramafic units that have the potential to host base metal mineralisation. These units are interpreted to extend into the Taruga tenements and represent priority exploration targets.



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The next stage for the Manjimup Project is to complete the Environment Management plan and progress the grant of the tenements, with E70/5029 being the priority tenement. Following grant, a programme of surface geochemistry and detailed geological mapping will be undertaken to identify and define targets for detailed exploration. Follow-up geophysical programs including ground-based EM program will also be evaluated.

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

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Competent Person's Statement – Exploration Results

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Bernard Aylward, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Aylward is a Consultant to Taruga Minerals Limited. Mr Aylward 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 Aylward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 1: Hand-held XRF Analysis summary

| Reading | Lat | Long | Cu ppm | Ni ppm | Co ppm | Cr ppm | Ti ppm | V ppm | Pb ppm | S ppm | Fe |
|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|----------|--------|
| 17 | -34.15367 | 116.35446 | 136 | 0 | 181 | 53 | 8,386 | 115 | 0 | 184 | 9.96% |
| 18 | -34.15365 | 116.35450 | 20 | 14 | 0 | 0 | 2,329 | 364 | 5 | 182 | 5.14% |
| 19 | -34.15366 | 116.35443 | 14 | 113 | 141 | 26 | 1,159 | 0 | 10 | 1,292 | 2.22% |
| 20 | -34.15365 | 116.35440 | 12 | 0 | 0 | 0 | 848 | 0 | 0 | 608 | 0.18% |
| 23 | -34.10589 | 116.34952 | 60 | 0 | 275 | 0 | 3,669 | 84 | 0 | 347 | 12.75% |
| 24 | -34.10598 | 116.34956 | 80 | 0 | 527 | 76 | 7,451 | 166 | 32 | 758 | 26.87% |
| 25 | -34.10607 | 116.34947 | 65 | 0 | 213 | 37 | 6,221 | 218 | 36 | 1,467 | 25.93% |
| 26 | -34.10821 | 116.34457 | 0 | 0 | 0 | 0 | 1,967 | 0 | 42 | 350 | 24.37% |

Notes: Samples are field recorded hand held XRF (Olympus Vanta M Series – Geochemical suite) analysis. Element tables are selected representative elements. Readings tabled are collected on the 3/11/2020. Rocks analysed are representative of the site collected. Samples are not regarded as sufficient quality for reporting, sample analysis is regarded as sufficient quality to assist in future exploration programme development. Elements reported are base metal values, sulphur and iron readings. Other major elements recorded are Aluminium, Silica, Calcium and Manganese. All remaining elements are very low level or below detection.



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 | <ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> | <p>Sampling reported is from field reconnaissance hand-held XRF analysis. Hand held XRF is an Olympus Vanta M-series, geochemical setting.</p> <p>Rocks analysed are representative of area.</p> <p>Limited samples due to extensive surficial cover, transported and residual laterite and vegetation</p> |
| Drilling techniques | <ul style="list-style-type: none"> <i>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).</i> | No drilling undertaken. Exploration activity is geological mapping |
| Drill sample recovery | <ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results asses</i> <i>Measures taken to maximise sample recovery and ensure</i> | No drilling undertaken. Exploration activity is geological mapping |



| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <p><i>representative nature of the samples.</i></p> <ul style="list-style-type: none"> <i>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.</i> | |
| Logging | <ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> | <p>Exploration activity is field reconnaissance completed on available access tracks and field traverses. Geological notes were made to be included in an interpretation.</p> <p>No drill logging was completed</p> |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | No sub-sampling was undertake |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels</i> | <p>No laboratory analysis completed.</p> <p>Samples collected will be reviewed for submission to an accredited laboratory for comparison with hand-held XRF sample analysis.</p> <p>Analysis is hand-held XRF analysis and is a reconnaissance tool not reported as accurate laboratory analysis.</p> |



| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <i>of accuracy (i.e. lack of bias) and precision have been established.</i> | |
| Verification of sampling and assaying | <ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> | No verification was carried out and no adjustments were made. |
| Location of data points | <ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> | Sample points are located by GPS ± 5 m accuracy |
| Data spacing and distribution | <ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> | Sample spacing is random and is dependant of field access, traverses and limited outcrop |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> | No grid utilised. Field traverses were attempted perpendicular to the interpreted geological strike. |
| Sample security | <ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> | Samples analysed on site with hand-held XRF. Sample location recorded and photographed. Samples to be assessed for Laboratory analysis and locations are recorded |
| Audits or reviews | <ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> | No audits completed. |



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 | <ul style="list-style-type: none"> 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. | <p>Taruga Minerals Ltd has applied for three tenements in the Manjimup area. All tenements are 100% owned by Taruga, and were acquired as vacant ground. Tenements are E70/5029, 5030 and 5031.</p> <p>All tenements are in application stage, with correspondence and an Environmental Management plan to be prepared following discussion with the Department of Environment.</p> |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. | <p>Exploration directly within the application tenements is extremely limited. Historical geophysical surveys (aeromagnetic) and gravity surveys completed by government cover the tenements</p> <p>No evidence of previous sampling, drilling or exploration activity with the tenements has been located.</p> <p>Exploration in the area has targeted Tin/Tantalum/Lithium mineralisation, and there is a reported historical working with E70/5029.</p> <p>Exploration in the area has targeted base metal and PGE mineralisation</p> <p>Historical gold mining and prospecting has occurred adjacent to E70/5031</p> |
| Geology | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <p>The Manjimup project is considered prospective for base metal mineralisation including Cu-Ni-Co and potentially PGE mineralisation. In addition exploration on adjacent tenements has identified potential VMS style mineralisation, and finally the Company will also review the potential for Tin/Tantalum/Lithium mineralisation associated with pegmatite veins.</p> <p>The geological model is appropriate as the geological setting of proximity to a craton margin (Yilgarn Craton), association with structural</p> |



| Criteria | JORC Code explanation | Commentary |
|---------------------------------|--|--|
| | | <p>complexity and recognition of intrusive mafic and ultramafic units. The Government geological mapping has identified mafic and ultramafic units within the project area, and field reconnaissance completed by Taruga has observed these units in the area, and interpreted from aeromagnetics that these units may continue within the Taruga applications.</p> <p>The proposed exploration program has been designed to target this style of mineralisation and includes geological mapping, geochemical sampling, geophysical survey and re-processing (completed and reported in this announcement). This approach has been demonstrated to be successful in the southwest terrane of Western Australia</p> |
| Drill hole Information | <ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>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.</i> | No drill hole data. Appropriate figures are included in the announcement. |
| Data aggregation methods | <ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> | No data aggregation |



| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> | Announcement refers to field reconnaissance and geophysical review. No reference is made to mineralisation |
| Diagrams | <ul style="list-style-type: none"> • <i>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.</i> | Appropriate diagrams of location, surface features and results are provided in the report. |
| Balanced reporting | <ul style="list-style-type: none"> • <i>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.</i> | Announcement reports initial field reconnaissance, limited field hand-held XRF analysis and geophysical re-processing. Taruga intends to continue a systematic exploration program to evaluate the project. |
| Other substantive exploration data | <ul style="list-style-type: none"> • <i>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.</i> | No additional exploration data to be reported. |
| Further work | <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <p>An exploration program consisting of:</p> <p>Finalisation of Environmental Management plan to facilitate granting of licences</p> <p>Geological mapping, interpretation and Rock chip sampling</p> <p>Geochemical sampling to consist of auger geochemical sampling and multi-element analysis where existing access tracks are available</p> <p>Geophysical interpretation and review of further geophysical surveys.</p> |