

30 January 2020

Results of Auger Program, Yagahong North, Western Australia

Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) is pleased to provide shareholders with an update regarding the recently completed auger drilling program at its Yagahong North gold and base metal project, Western Australia.

Yagahong North

Exploration licence E51/1832 is located 30km southeast of the regional centre of Meekatharra in the Murchison region of Western Australia (Figure 1). The Company has previously undertaken a review of the historic exploration activity in the region and reviewed aeromagnetic data (Figure 2) to prepare an updated geological model.

Following this review, the Company undertook an auger drilling geochemical sampling program at Yagahong North (refer announcement 18 November, 2019). The sampling program was undertaken on a wide spaced grid (sample spacing of 80m and 500m between grid lines) to test and follow up on the anomalous cobalt geochemical samples registered in historical GSWA sampling, as well as to test for gold and base metal mineralisation (Figure 3).

A total of 277 samples (258 auger location + 19 QAQC samples) were dispatched to ALS Laboratories in Perth, and were analysed for gold and base metals in addition to cobalt and pathfinder minerals due to the project location and the presence of ultramafic units.

The results of the auger program are shown in **Figure 4** and **Figure 5**, and highlight low level gold anomalism (peak value 44ppb Au) and anomalous values that are potentially related to structures identified in the magnetic data. The tenement area is covered by alluvial sheetwash and “hardpan” transported cover that masks the bedrock geology, and is interpreted to have muted the geochemical response. In addition to the gold anomalism, a zone of coincident Nickel, Copper and Cobalt anomalism has been defined in the north-west portion of the sampled area. The new zone remains open to the west and south and again is interpreted to relate to bedrock geological features.

Following the encouraging results, the Company plans to extend the auger sampling programme to the western boundary to ensure complete coverage of the source of the coincident Au, Ni, Co and Cu anomalies identified in this initial auger sampling programme. The Company will also undertake a future infill programme to follow up on identified anomalies, and will extend the auger sampling program to cover the dominant magnetic anomaly in the south and additional interpreted structural targets.

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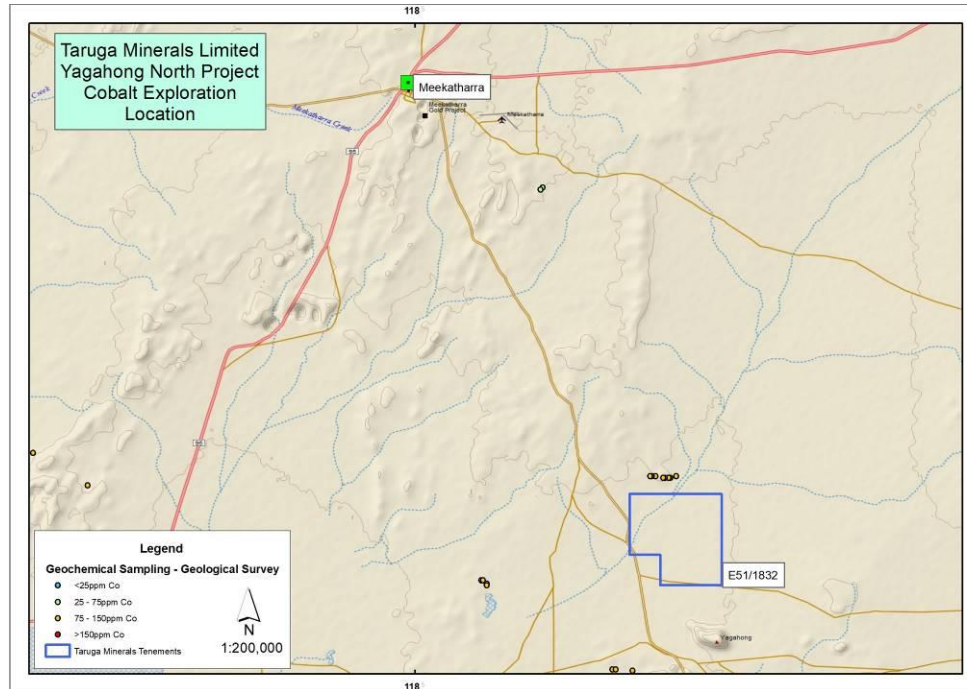


Figure 1: Yagahong North Project – E51/1832 Location plan

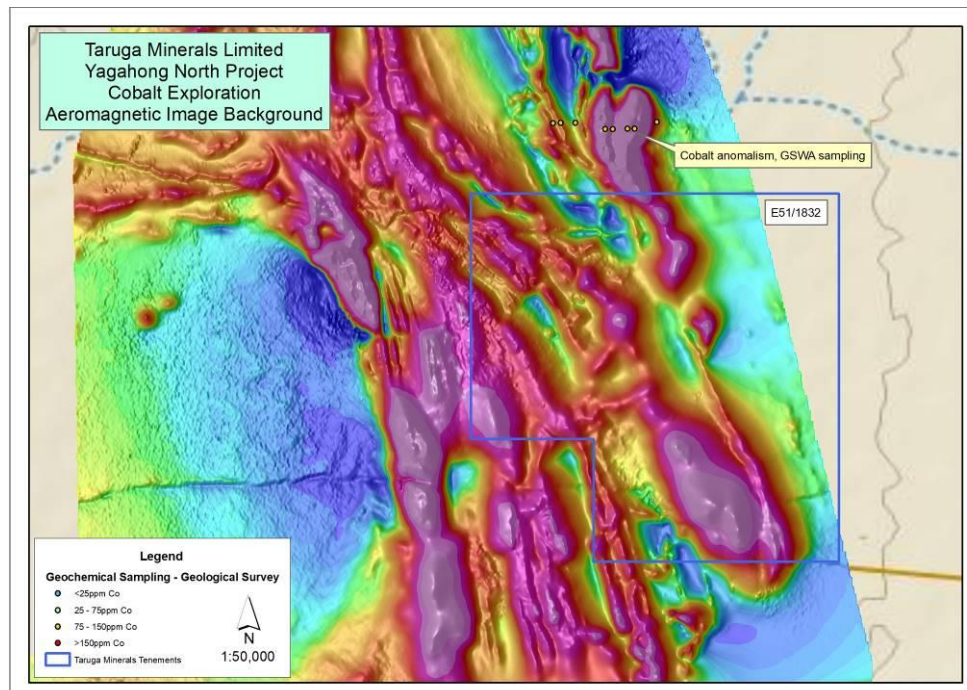


Figure 2: Yagahong North Project – Aeromagnetic data, reprocessed and historical geochemical sampling

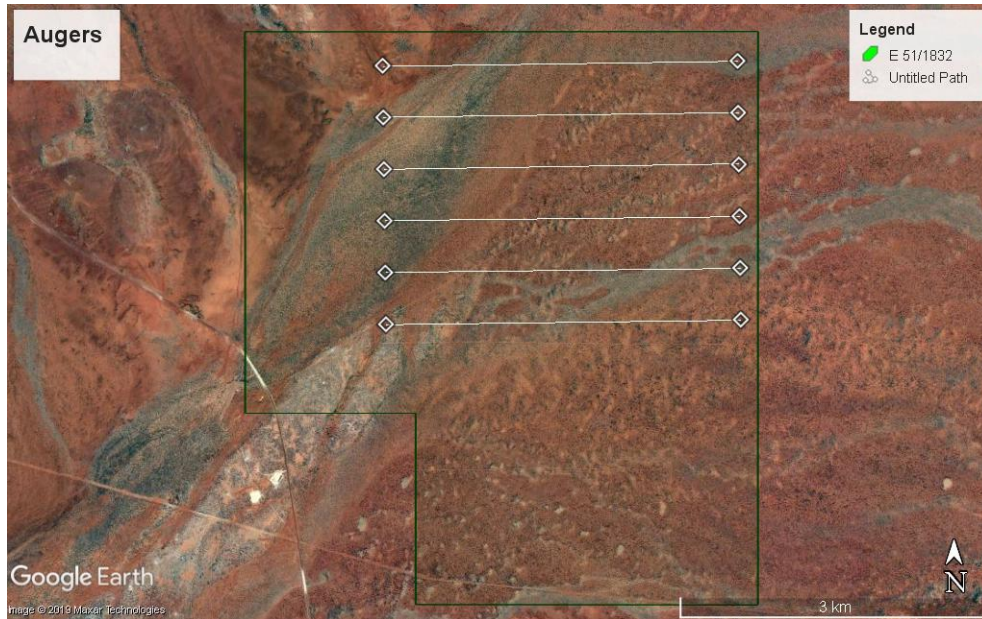


Figure 3: Auger drilling sampling lines

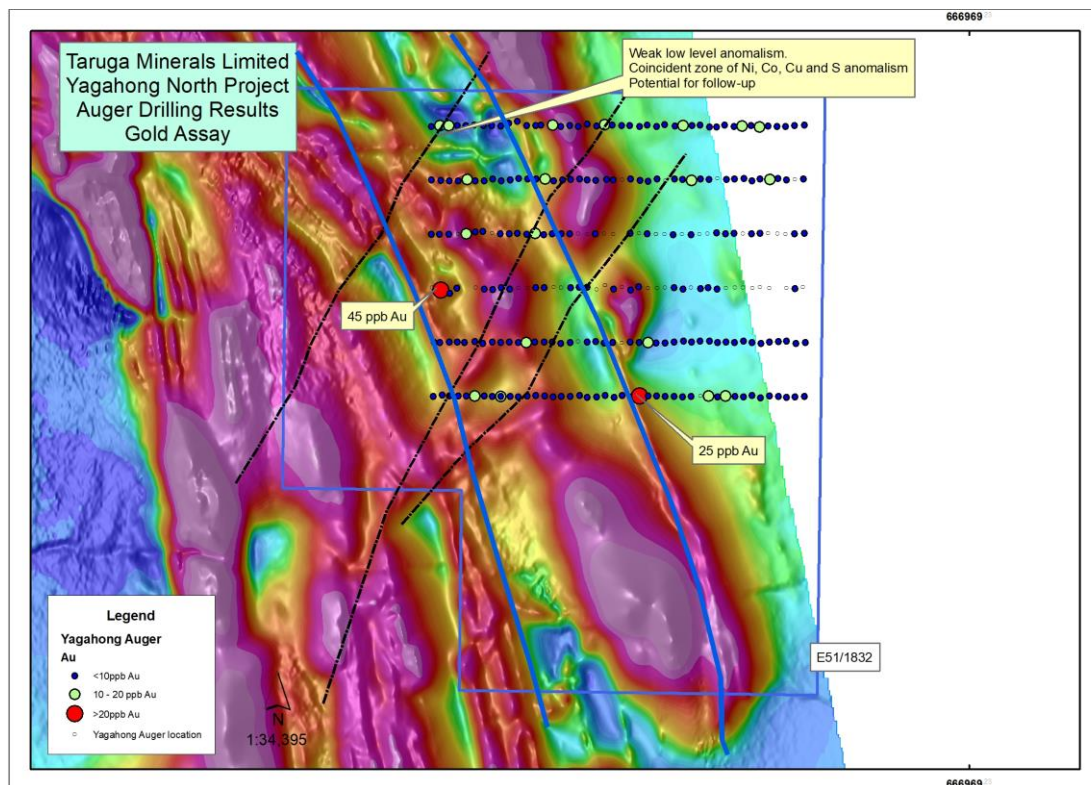


Figure 4: Gold assay results over magnetic data

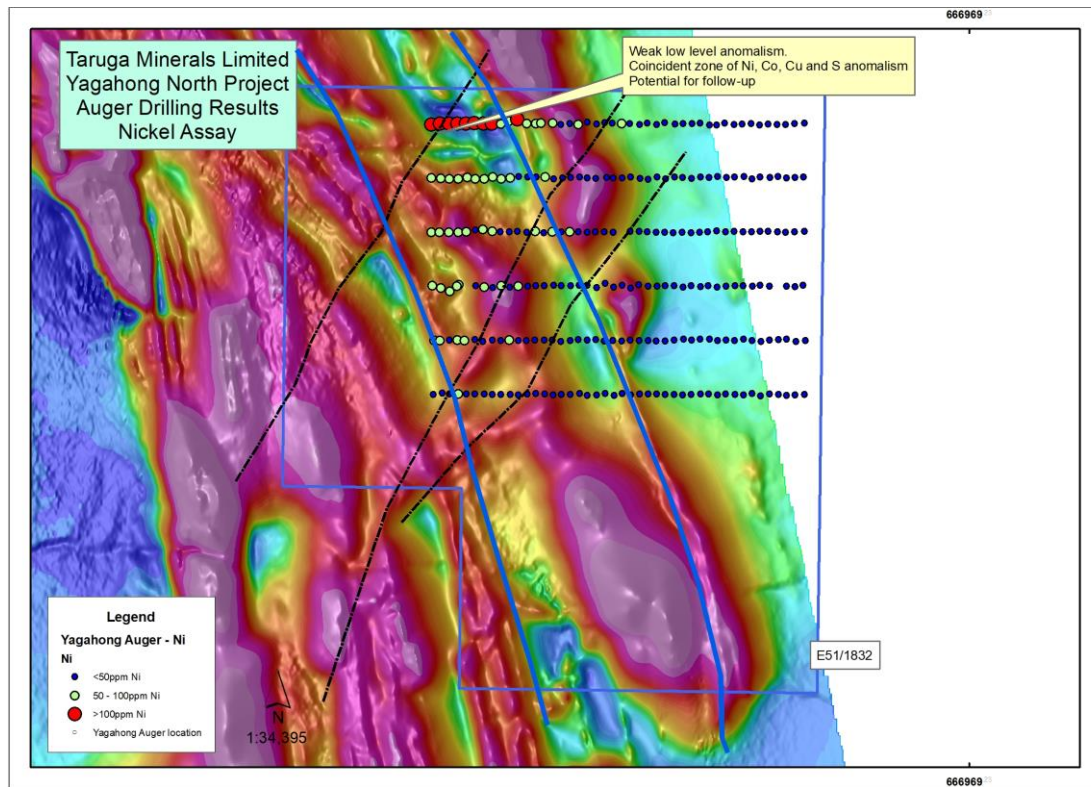


Figure 5: Nickel assay results over magnetic data

This ASX release has been approved for release by Dan Smith on behalf of the Board of Directors.

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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 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.



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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> 	Samples are auger drilled geochemical samples. Samples are collected from a target depth of 1.8m below surface (average 1.17m) and a representative sample collected.
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> 	Samples are auger drilled geochemical samples
Drill sample	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries</i> 	Samples are collected from bottom of hole and are a representative



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Criteria	JORC Code explanation	Commentary
recovery	<p><i>and results asses</i></p> <ul style="list-style-type: none"> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <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> 	sample collected.
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> 	Sample points are logged for geological material (alluvium, hardpan or bedrock geology), colour and grainsize.
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</i> 	No sub-sampling was undertaken. Samples were collected from the auger using industry standard techniques.



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Criteria	JORC Code explanation	Commentary
	<i>being sampled.</i>	
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 of accuracy (i.e. lack of bias) and precision have been established.</i> 	<p>Samples were analysed by ALS Laboratories, Perth for Gold and multi-element (33 elements). Gold analysis is by Fire Assay technique, multi-element analysis is by four acid digest.</p> <p>QAQC samples were introduced into the samples consisting of a Blank and field duplicates with a total of 19 QAQC samples (7% check). QAQC samples indicate reliability of assay results.</p>
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> 	<p>No verification was carried out and no adjustments were made as the release pertains to geochemical sampling completed on a reconnaissance scale.</p>
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> 	<p>All auger drill hole locations are recorded using sub-5m accuracy GPS. Coordinates are reported in the GDA94-MGA Zone 50 Grid system.</p>
Data spacing and	<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</i> 	<p>Samples are collected on a reconnaissance grid spacing of 500m between grid lines and 80m sample spacing along lines.</p> <p>This spacing is suitable for reconnaissance surface geochemical</p>



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Criteria	JORC Code explanation	Commentary
distribution	<p><i>Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <i>Whether sample compositing has been applied.</i> 	sampling.
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> 	Sampling grid is planned approximately perpendicular to geological strike.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	Samples were collected by contract auger drill operator and taken directly to the ALS laboratory in Kalgoorlie. Samples were then transported to Perth for analysis.
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.



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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. 	Sampling was completed on Exploration licence E51/1832. The licence is 100% owned by Taruga Minerals Limited (held in the name of Taruga Gold Limited pre company name change) and was granted on the 5/10/2018. The tenement is in good standing and there are no impediments to operate.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	The tenement is located approximately 30km southeast of the township of Meekatharra. The area is known for historic and current gold mining, however due to the extensive surface transported cover little previous exploration has occurred on the tenement area. GSWA sampling to the north of the tenement area highlight low level cobalt anomalism associated with mafic to ultramafic geology units and this was the focus of the reconnaissance exploration.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The reconnaissance geochemical exploration focussed on gold and base metal targets. The tenement is located within greenstone belt geology and the target type is typical mesothermal gold mineralisation that has strong structural and lithological control.</p> <p>In addition the Base metal mineralisation targeted was following geological units of mafic to ultramafic lithology and targeting areas of structural complexity. The area has extensive surface transported cover and the reconnaissance programme was designed to provide information on geochemical response and possible correlation to observed structures in the aeromagnetic data.</p>
Drill hole	<ul style="list-style-type: none"> A summary of all information material to the understanding of the 	Geochemical sampling locations are provided on appropriate plan.



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Criteria	JORC Code explanation	Commentary
Information	<p>exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. <ul style="list-style-type: none"> • 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. 	
Data aggregation methods	<ul style="list-style-type: none"> • 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. 	No data aggregation
Relationship between mineralisation widths and intercept	<ul style="list-style-type: none"> • 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. 	Samples are surface geochemical samples. Samples are point samples and no attempt is made to correlate to mineralisation.



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lengths	<ul style="list-style-type: none"> 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'). 	
Diagrams	<ul style="list-style-type: none"> 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 diagrams of location, surface features and results are provided in the report.
Balanced reporting	<ul style="list-style-type: none"> 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. 	Announcement reports geochemical assays from reconnaissance grid sampling. Reporting is balanced.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	No additional exploration data to be reported.
Further work	<ul style="list-style-type: none"> 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. 	<p>A programme of extension and infill auger sampling is planned to attempt to add definition to the anomalies defined in the reconnaissance sampling.</p> <p>Geological review and mapping will be completed to assist with the interpretation.</p>