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Taruga Minerals Limited ACN 153 868 789

17 September 2020

NEW PROJECT ACQUISITION – MT CRAIG COPPER PROJECT

Highlights

- Taruga Minerals Option Agreement with Strikeline Resources Pty Ltd extended to include the Mt Craig Copper Project (**MCCP**)
- MCCP contains over 60 known copper occurrences and 32 historic small scale and artisanal copper mines over a continuous strike length of more than 34km
- Historic exploration and mining reports indicate significant potential for high-grade base metal mineralisation from surface, with additional gold and silver mineralisation
- Historic gravity, airborne magnetics, airborne electromagnetics (AEM) and induced polarisation (IP) to be reprocessed and modelled, with upcoming field reconnaissance work planned for Q4 2020

Taruga Minerals Ltd (Taruga or The Company) is pleased to announce the inclusion of the Mt Craig Copper Project (**MCCP**), (ELA2020/00077), as part of the option agreement to acquire 100% of Strikeline Resources Pty Ltd, with no changes to the acquisition terms. The MCCP (**Figure 1 (Area A)** and **Figure 2**) lies within the G2 structural corridor, and is located within the Adelaide Geosyncline (**AGS**). In addition, the project acquisition includes an extension to the Torrens IOCG Project shown as **Areas B and C** in **Figure 1**.

The MCCP contains over 60 known copper occurrences, of which 32 have been worked historically by way of artisanal and small-scale open cut and underground operations. Outcropping mineralisation is concentrated within a major structural feature known as the Worrumba Anticline (**Figure 2**), which is likely to be the main fluid pathway within the permit area. An ongoing review of historic exploration and mining data indicates the presence of high-grade copper mineralisation, along with gold, silver and zinc from surface. Taruga is continuing to review and digitize historic exploration data, including reports which have not previously been listed within the SA geological database, after which a detailed release will follow.

Much of the base metals focussed drilling in the MCCP project was shallow RAB and RC which was undertaken sporadically from 1968 – 2006, with evidence of a poor understanding of potential strike length connectivity between areas of identified mineralisation. Taruga plans to conduct a field reconnaissance program during Q4 2020 as part of its ongoing project review and mineralisation modelling.

DIRECTORS & MANAGEMENT

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ASX Code:
TAR

Shares on issue:
457,201,506

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



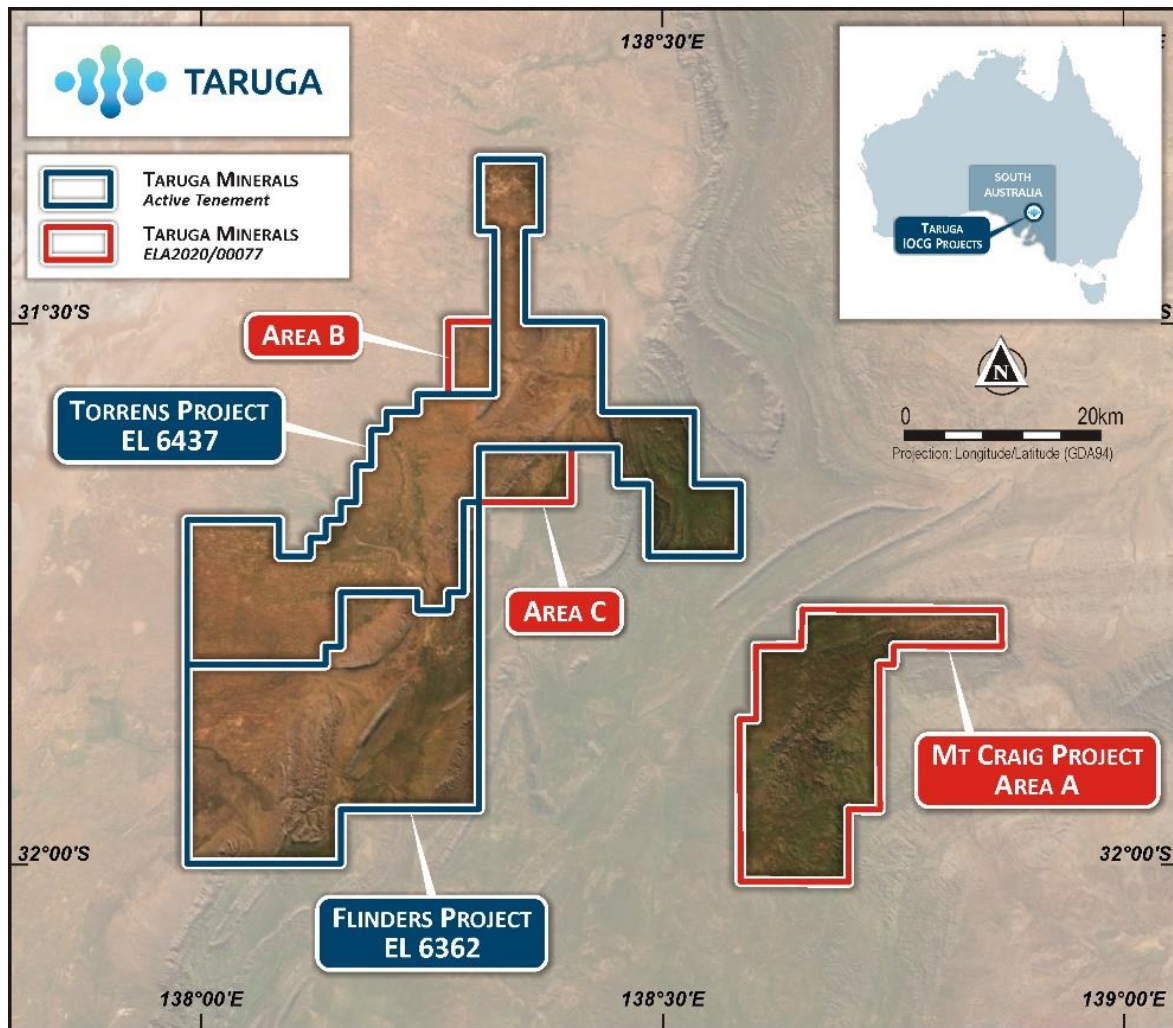


Figure 1: Tenement Map showing the MCCP (Area A) in relation to the Flinders and Torrens Projects. Note ELA2020/00077 is comprised of 3 areas: Area A, Area B and Area C. Areas B and C are Extensions of the Torrens IOCG Project.

Regional Setting

The MCCP is situated within the Adelaide Geosyncline (AGS), which lies within the G2 structural corridor. The G2 structural corridor is host to all of South Australia's past and present major copper projects including Prominent Hill, Olympic Dam and Carrapateena as shown in **Figure 3**. The AGS has hosted over 800 historic copper mines or workings, and multiple polymetallic mines since the 1840's. Copper-gold associations are common within the AGS, with many of the old copper mining ventures not recognising the presence of gold. Modern exploration has continued to uncover significant large-scale, polymetallic, base and precious metal potential around historic mining regions within the AGS, which have undergone limited exploration and development since initial mining ceased in the late 1800's.

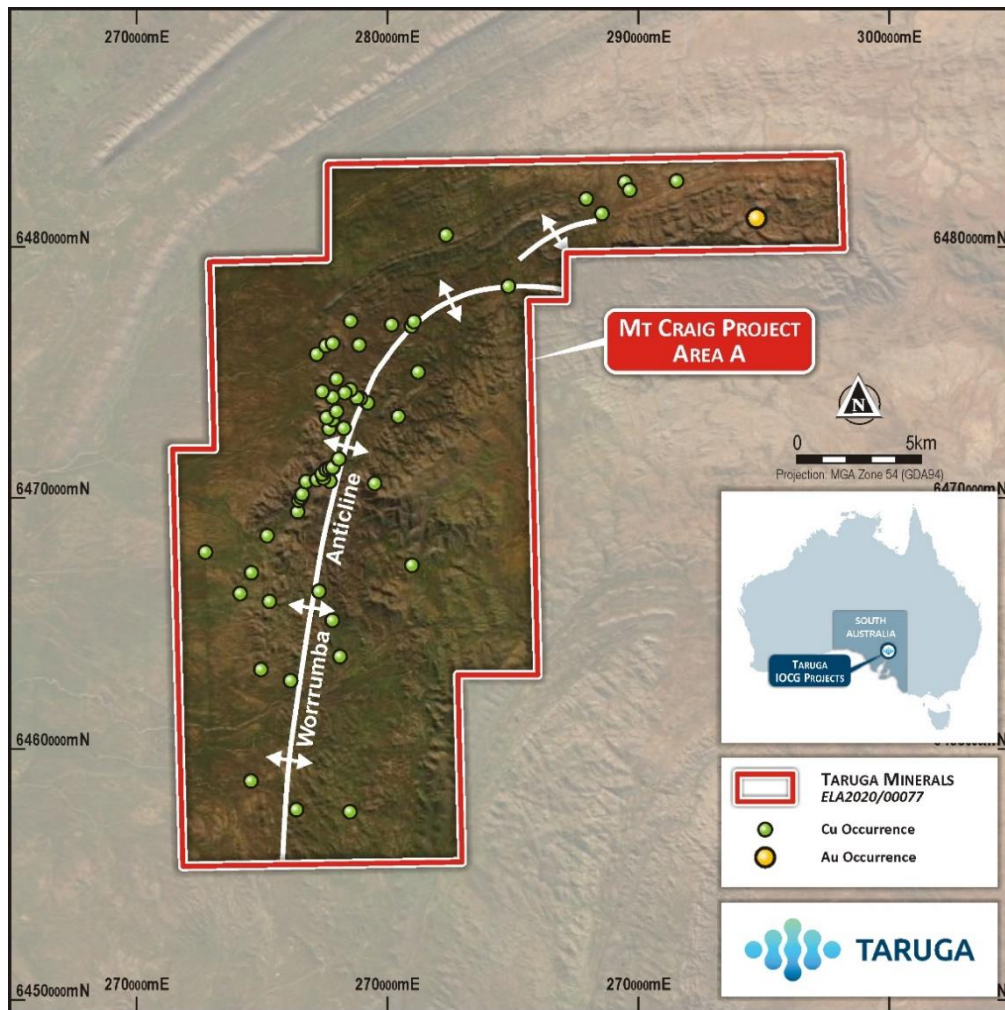


Figure 2: MCCP Project Outline showing Historic Copper and Gold Mineral Occurrences & Mines, and the Main Structural Feature being the Worrumba Anticline.

Notable Past and Present Mines within the AGS (Figure 3):

- *Kanmantoo Polymetallic Mine*: Kanmantoo is a Cu-Au-Ag-Bi deposit owned and operated (currently on C&M) by Hillgrove Resources Ltd. Kanmantoo was discovered in 1845, and is situated approximately 40km east of Adelaide, within the G2 structural Corridor. Kanmantoo had a resource of 34.5Mt @ 0.6% Cu (211kt Cu metal), 0.1g/t Au with silver and bismuth credits. Recent near-mine exploration has identified potential for additional resources, which are currently being tested and developed.
- *Burra Copper Mine*: Historically referred to locally as the “Monster Mine.” Burra is located within the G2 structural corridor and was the largest copper/metal mine in Australia until 1860. Historic grades of up to 27% Cu are reported, with approximately 2.7Mt of copper ore produced between 1845-1877, and later between 1970-1981 for a total of ~75Kt Cu metal. Burra is currently being explored by AUSMEX Mining Ltd with an expectation that it has potential to be associated with a larger IOCG system.

- Angas Polymetallic Mine: The Angas polymetallic mine is a SEDEX (Zn-Cu-Pb-Ag-Au) deposit owned by Terramin Resources. It was discovered in 1991 by Aberfoyle Exploration and is located in the south-eastern AGS. Angas, currently on C&M, however, previously produced 400Ktpa of high-grade polymetallic ore which was sold as concentrate (total of 2.4Mt) between 2008-2013. Angas has a remaining indicated and inferred resource of 1.2Mt at 5.8% Zn equivalent, implying an initial discovery resource of >4Mt at > 6% Zn Equivalent. The Angas Zinc mine sits on the edge of the G2 Structural Corridor.
- Beltana Zinc Mine: The Beltana Zinc Mine is a high-grade Zn-Pb deposit hosted in brecciated limestones within the Beltana Diapir (intrusive breccia), in the G8 structural Corridor, Northern Flinders Ranges. Beltana is one of the highest-grade zinc deposits in the world, with an open cut resource of 1Mt at 30% Zn, which is sold as Direct Shipping Ore without requiring processing. Beltana is owned and operated by Perilya Ltd.
- Mt Gunson (Cattlegrid) – Mt Gunson is not located within the AGS, (Stuart Shelf), but is hosted in the same Tapley Hill Formation which outcrops at the MCCP.

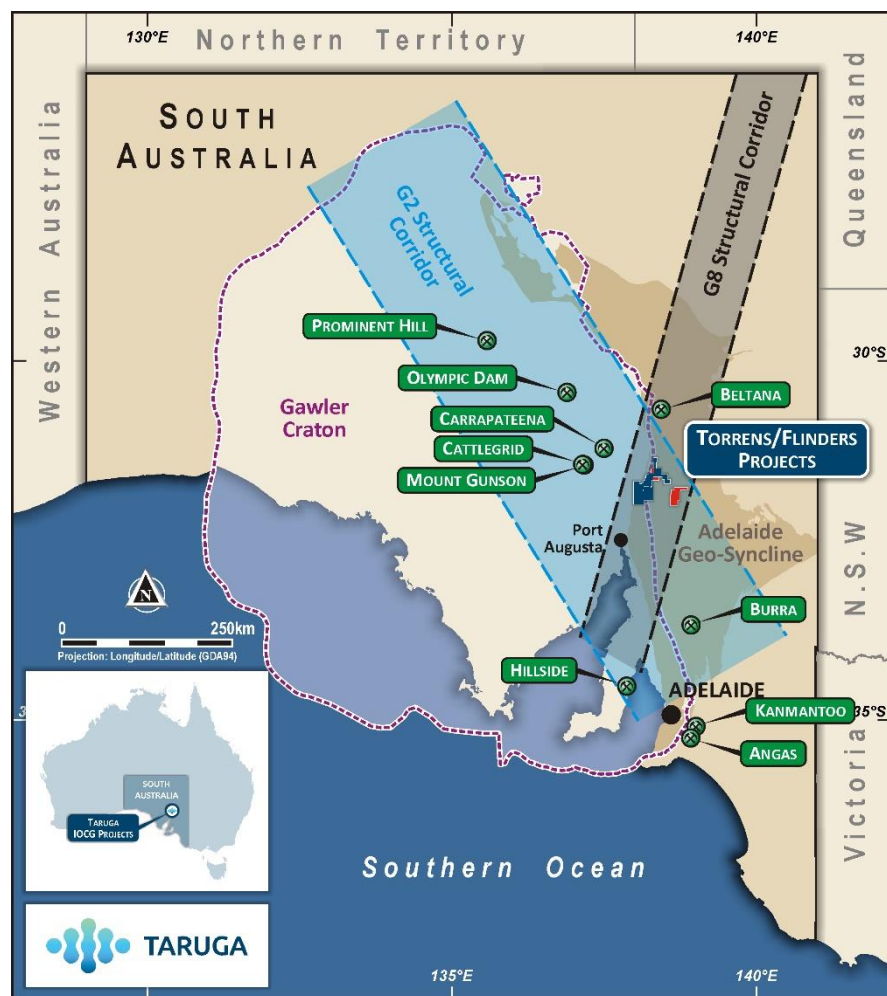


Figure 3: Regional Map showing the MCCP (in red) location within the Adelaide Geosyncline and G2 Structural Corridor within the Gawler Craton and Significant Mines/Deposits Nearby.



For more information contact:

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

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 a 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.

Forward Looking Statements and Important Notice

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Taruga's control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Taruga has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Taruga makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

