



30 July 2020

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Taruga Minerals Limited ACN 153 868 789

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2020

Taruga Minerals Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the June 2020 quarter.

HIGHLIGHTS:

- Taruga entered into 12-month Option Agreement with Strikeline Resources Pty Ltd, granting Taruga the ability to purchase a 100% interest in the Flinders Project, a highly prospective Iron-Oxide-Copper-Gold (IOCG)-style Project in South Australia.
- The Flinders Project lies at the intersection of two regional structural corridors which host the Olympic Dam and Carrapateena IOCG's (NW trending) and Beltana Zinc and Leigh Creek Copper (NE trending).
- Appointment of experienced South Australian based geologist and Flinders Project vendor, Thomas Line, as Chief Executive Officer.
- Following a placement to sophisticated and professional investors to raise \$600,000, the Company remains well funded with ~\$2 million cash on hand at the end of the quarter.

OPERATIONS

Australia

On 14 May 2020, the Company announced that the Company has entered into a 12 month Option Agreement, in which Taruga can purchase a 100% interest in Strikeline Resources Pty Ltd (**Strikeline**) and its Flinders IOCG-style Project (**Project**) located 80km north of Port Augusta, South Australia, 80km from Carrapateena and 160km from Olympic Dam IOCG's, with power and rail on the lease (**Option Period**). On executing the terms sheet with Strikeline, Taruga paid a cash consideration A\$15,000, with a further A\$25,000 payable within 6 months in the event the Company elects to extend the Option Period.

Subject to Taruga having paid the cash consideration and having incurred exploration expenditure totalling A\$250,000 across the Flinders Project prior to the first anniversary, Taruga will have earned the right to exercise the option to acquire 100% ownership of Strikeline and the Flinders Project.

Flinders Project, South Australia

Copper mining has been conducted on the Flinders Project from 1863-1909, and subsequently iron oxide was mined in the 1980's from Main Lode Prospect in the Warrakimbo Ranges.

DIRECTORS & MANAGEMENT

Thomas Line
CEO

Paul Cronin
Non-Executive Director

Mark Gasson
Non-Executive Director

Gary Steinepreis
Non-Executive Director

Eric De Mori
Non-Executive Director

Dan Smith
Company Secretary

ASX Code:
TAR

Shares on issue:
390,534,839

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

The Flinders Project covers 647km² along the eastern limit of the Gawler Craton in a similar structural setting as the nearby Olympic Dam and Carrapateena deposits. IOCG-style mineralisation has been mapped and sampled at surface at Flinders, however, and not under several hundred metres of sedimentary cover, as is often the case within the highly prospective G2 structural Corridor shown in **Figure 1**. Mineralisation usually occurs within diapiric and elongated breccia hosted within structures that crosscut the marine metasediments which dominate the prospect areas. The breccia is often associated with mineralised and altered intrusive meta-basalts and dolerites that can be mapped for over 6.4km along the dominant Mt Stephen Thrust (MST) (**Figure 2**). Reprocessing and interpretation of the governmental regional magnetic data has increased the potential mineralised strikelength to 15km with the inclusion of the Jenkins North and South anomalies. Sub-structures and fault splays which branch out from the MST have been proven to contain high-grade copper mineralisation, indicating the potential for a larger “fluid system” or mineralised network beneath the surface.

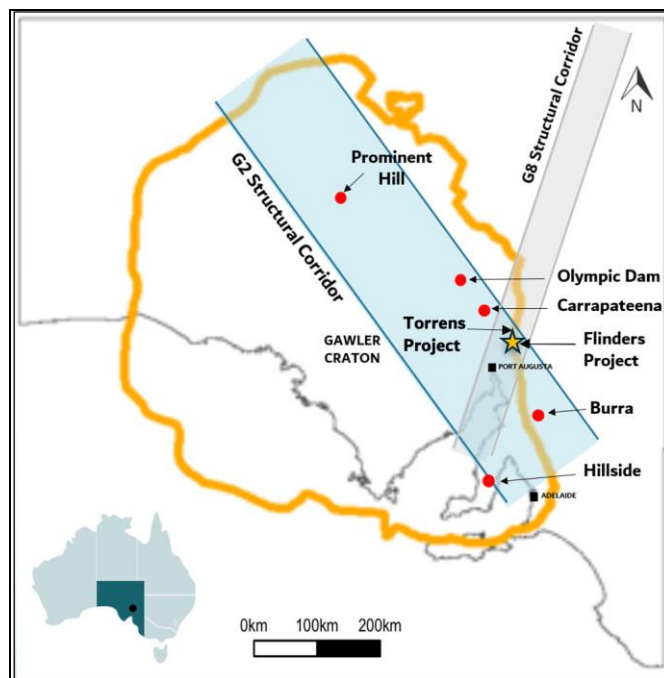


Figure 1: The Flinders Project Regional and Structural Setting including the Gawler Craton outline as published by the Geological Survey of South Australia in yellow

Historic Mining and Exploration

A range of copper and iron occurrences have been identified within and adjacent to the Flinders Project area historically. Mining in the licence area started in 1863 and focussed on artisanal mining of the high-grade copper mineralisation occurring in hematite-altered breccia at the Warrakimbo Main Lode (WML) which received limited development over the next 50 years due to low copper prices, with almost no modern exploration. Later operations focused on developing the rare industrial-grade micaceous iron oxide present within the breccia at WML.

Recent Exploration

Recent work carried out by Taruga (announced 14 May 2020, 1 June 2020 and 22 June 2020) during the Quarter at Flinders has included rock-chip sampling at the Woolshed/Metabase prospects, Warrakimbo Main Lode, the newly identified Rainy Day Prospect, Rambla and the Jenkins Prospect. Results from this program highlighted the high-grade copper and gold potential of Flinders, including maximum results of **52.5% Cu, 4.73g/t Au and 17.7g/t Ag. Mineralisation has been defined over a potential width of 90m** at Woolshed/Metabase, and up to 4.5% Cu at Rainy Day (**Table 1**).

Table 1: New Rock Chip Sample Result Highlights (announced 22 June 2020).

Prospect	Sample ID	Sample Location	Cu %	Au g/t	Ag g/t
Woolshed	WK206	Surface	18.5	0.08	14.4
Woolshed	WK210	Surface	18.3	0.20	17.7
Woolshed	WK211	Surface	16.4	0.09	10.6
Woolshed	WK215	Surface	11.3	0.01	3.2
Woolshed	WK204	Surface	11.0	0.19	6.0
Woolshed	WK209	Surface	10.7	0.10	8.9
Woolshed	WK207	Surface	10.5	0.30	6.0
Woolshed	WK201	Surface	10.4	0.31	7.4
Woolshed	WK199	Surface	9.9	0.03	6.2
Woolshed	WK208	Surface	9.4	0.08	7
Woolshed	WK205	Surface	9.2	0.06	9.7
Woolshed	WK218	Surface	8	0.14	10.6
Rainy Day	WK191	Surface	4.5	0.01	0.0
Rainy Day	WK192	Surface	3.7	0.01	0.0
Rainy Day	WK193	Surface	3.3	0.01	0.0
Rambla	WK162	Mine Spoils	4.8	0.01	7.7
Rambla	WK223	Mine Spoils	4.6	0.01	8.8

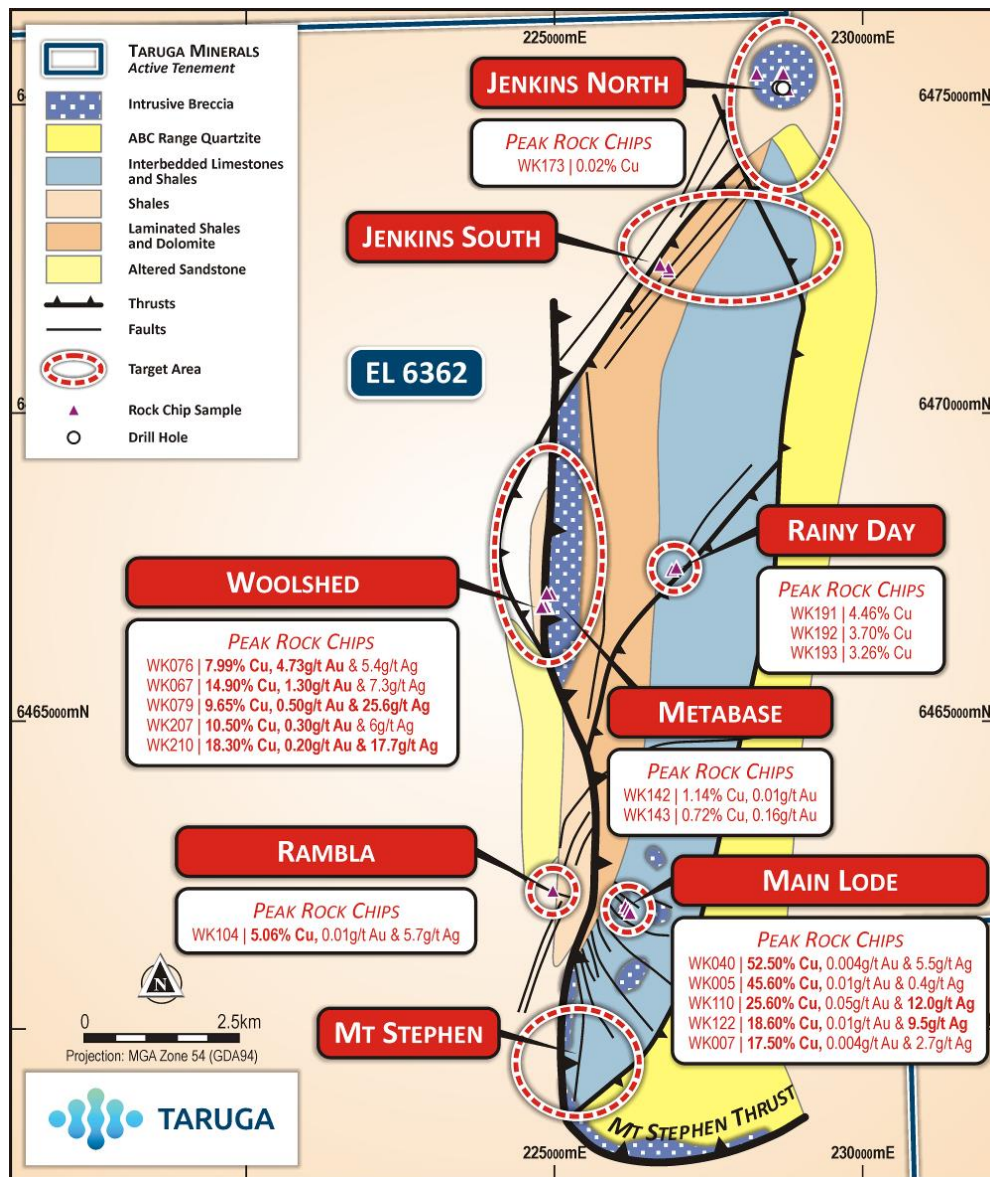


Figure 2: Detailed Geology Map for the Flinders Project Target Area showing Prospects, Rock Chip Sample Results, Breccias and Historic Drillhole Locations.

Torrens Project, South Australia

The Torrens Iron-Oxide-Copper-Gold (IOCG) Project (EL6437), forms part of the 100% option agreement with Strikeline Resources Pty Ltd. The Torrens Project borders the Flinders Project to the north of Flinders (**Figure 3**) and is situated within the G2 Structural corridor which hosts the nearby Olympic Dam and Carrapateena IOCGs.

Strong magnetic and gravity anomalies have been identified at Torrens, which have had limited or no drilling. The magnetic anomalies at Torrens, which are currently being reprocessed, are similar to those at Flinders to the south where significant grades of copper and gold mineralisation have been reported from surface exposures. Historic drilling at Torrens intersected anomalous copper, gold, LREE's and precious metals across several metres in various drill holes, often associated with altered breccias similar to those which host IOCG-style mineralisation identified at the Flinders Project.

Taruga is in the process of assessing the integrity of the drilling data including quality control procedures and assay methods.

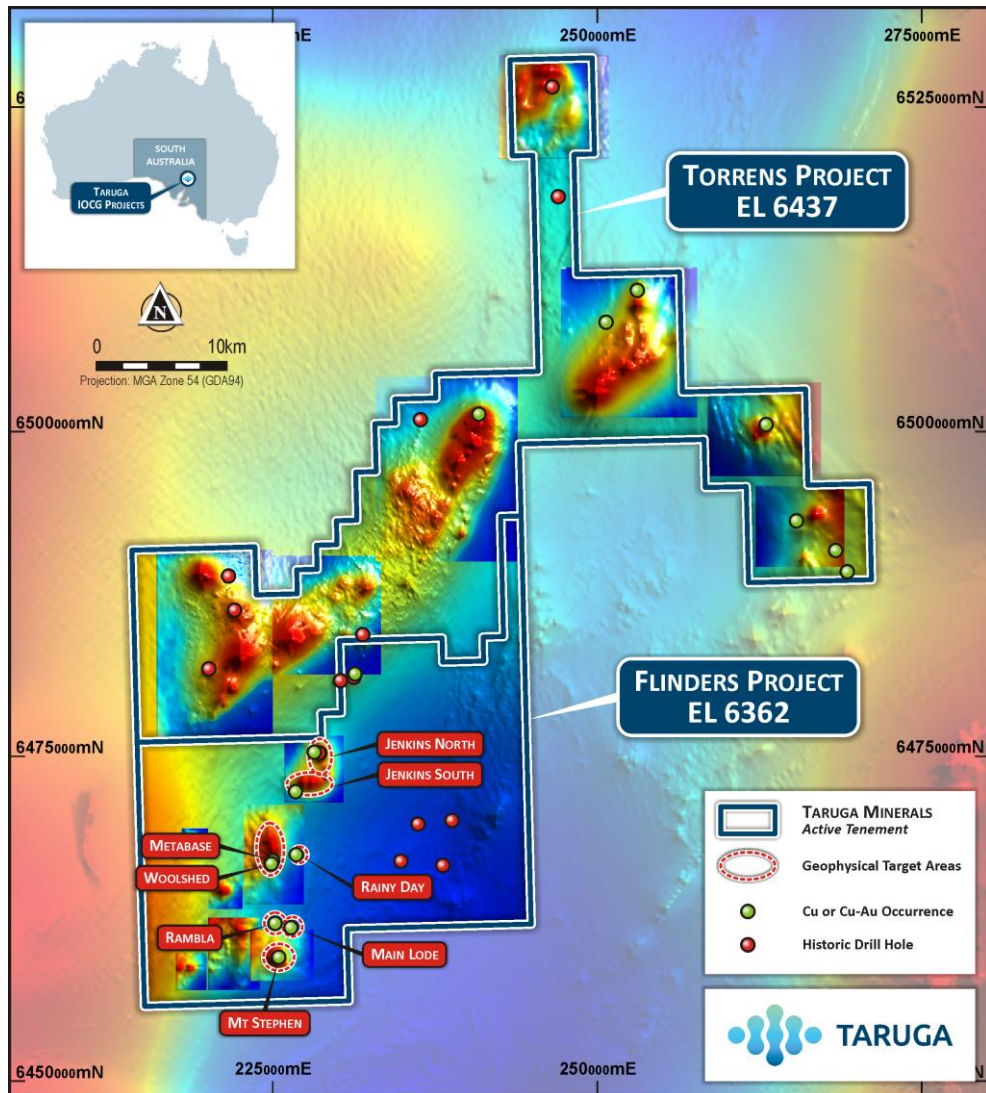


Figure 3 – Location of Torrens Project

Greenbushes, Western Australia

Taruga holds 3 exploration applications in the Greenbushes area of Western Australia. The tenements have potential for Greenbushes tin-tantalum-lithium and base metal types of mineralisation. Nickel and copper mineralisation in the area is hosted in mafic intrusive volcanics while lithium is hosted in pegmatites.

E70/5029 adjoins the recently announced Chalice Mines / Venture Minerals JV in a similar geological setting to the “Odin Prospect” with identified nickel, copper & PGE mineralisation (**Figure 4**).

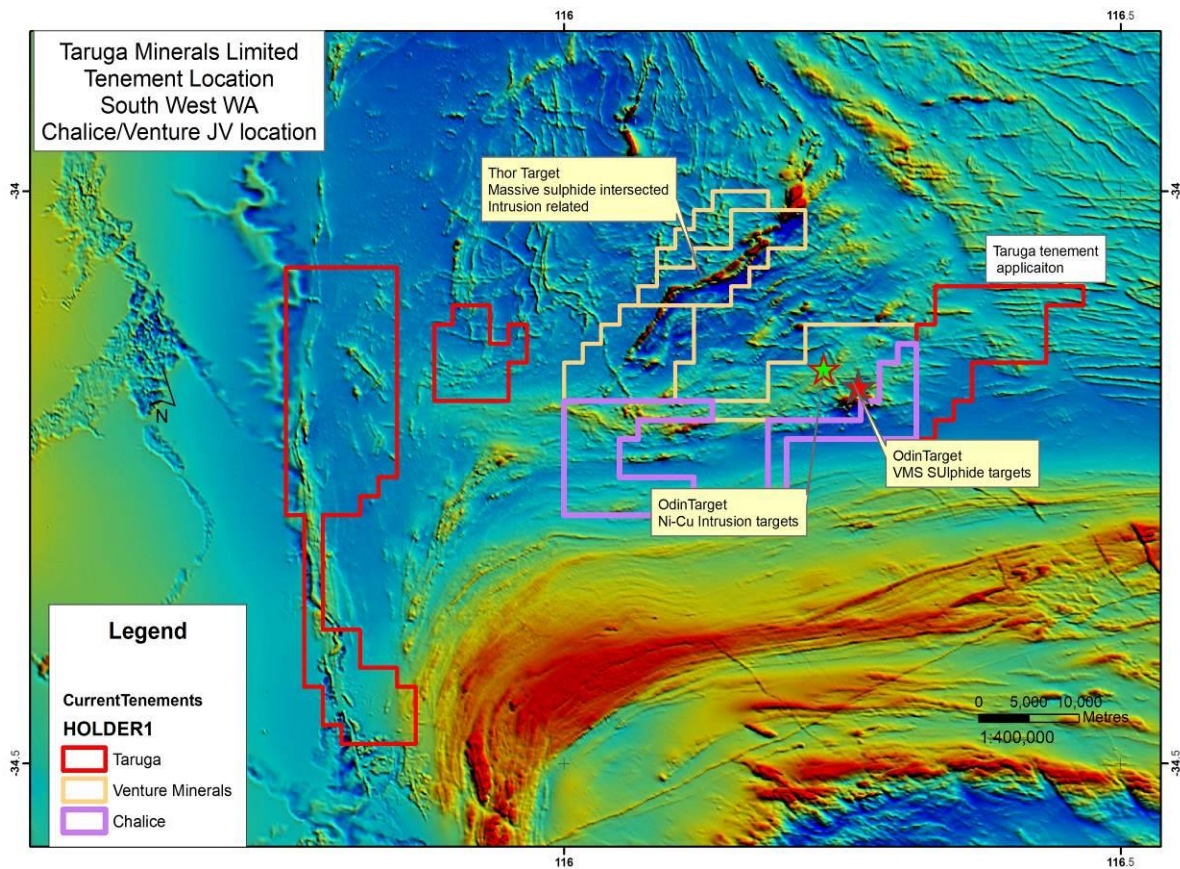


Figure 4: Taruga tenement location relative to Venture Minerals and Chalice Gold Mines

Yagahong North, Western Australia

Exploration licence E51/1832 is located 30km southeast of the regional centre of Meekatharra in the Murchison region of Western Australia (**Figure 5**).

A total of 277 samples (258 auger locations + 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 tenement location and the presence of ultramafic units.

The results of the auger program highlighted 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.

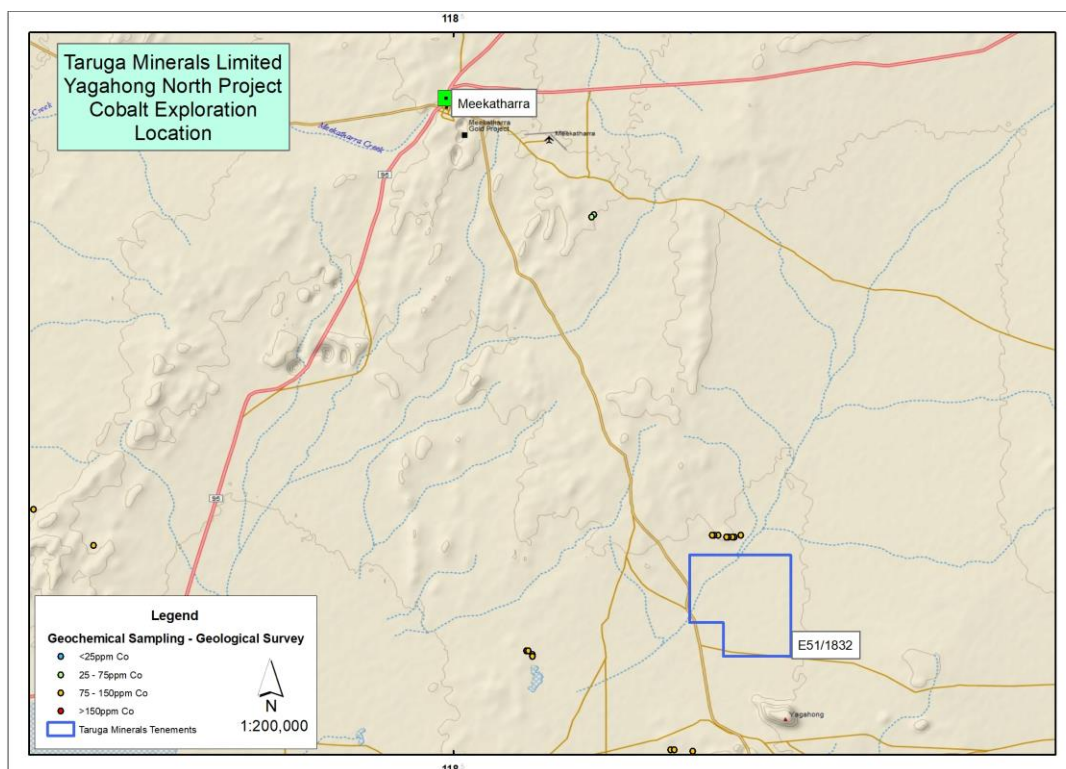


Figure 5: Yagahong North Project – E51/1832 Location plan

Democratic Republic of Congo (DRC)

On 2 April 2020, the Company advised that it had notified the consortium of Mint-Master and the Lualaba Government (Consortium) that the Company has decided to withdraw its interest in the Kamilombe copper-cobalt project, DRC. The Company announced the conditional acquisition of Kamilombe in February 2018. Since that time, the Company had been working closely with the Consortium regarding the successful signing of new title agreements.

The Company has wound down its activities in the DRC.

CORPORATE

Capital Raising

During the June quarter, the Company raised \$600,000 (before expenses) through the issue of 60,000,000 shares at 1 cent each to sophisticated and professional investors (**Placement**). The Placement was managed by Shaw and Partners and Ashanti Capital. The funds raised from the Placement will be used towards meeting the expenditure commitments at the Flinders Project.

Option Expiry

On 19 June the Company announced that 11,749,999 options exercisable at \$0.30 each had expired unexercised.



CEO Appointment

Following quarter end, the Company announced on 2 July 2020 that it had appointed experienced South Australian based geologist, Thomas Line as Chief Executive Officer of Taruga. Thomas has been working as the Project Manager for Taruga in leading the exploration program on the Flinders project and has been instrumental in the acquisition of both the Flinders and Torrens Projects. Prior to this appointment Thomas worked for SIMEC Mining as a Senior Exploration Geologist on the 10mtpa iron ore mine in the Middleback Ranges in South Australia.

Board Changes

Following quarter end, the Company announced on 27 July 2020 that Mr Paul Cronin and Mr Eric de Mori had been appointed as Non-Executive Directors of the Company. Mr Cronin has over 20 years of experience in corporate finance, investment banking, funds management, and commodity trading. Mr Cronin was Vice President of RMB Resources, the resource investment arm of First Rand Bank, and has a B.Com and MBA from the Queensland University of Technology. Mr de Mori has over 15 years' experience in corporate finance for ASX listed companies, and is the Head of Natural Resources for advisory firm Ashanti Capital.

Simultaneously with the appointment of Mr Cronin and Mr de Mori as Directors of the Company, Mr Cameron Williams and Mr Stefan White have offered to step down.

Cash Position

As at 30 June 2020, the Company had approximately ~\$2 million of cash and nil debt. The Company retains sufficient funding to carry out its activities over the coming quarters.

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the quarter \$27,000 was paid to Directors and associates for director and consulting fees.

This announcement has been authorised for release by Dan Smith, Company Secretary of Taruga Minerals Limited.

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

Thomas Line
CEO
Phone: +61 8 9486 4036

Eric de Mori
Non-Executive Director
Phone: +61 8 9486 4036

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.

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
EL6362 (Flinders)	-	-	Option to acquire 100%	Granted – South Australia
EL6437 (Torrens)	-	-	Option to acquire 100%	Granted – South Australia
E51/1832	-	-	100%	Granted – Western Australia
E70/5029	-	-	100%	Application – Western Australia
E70/5030	-	-	100%	Application – Western Australia
E70/5031	-	-	100%	Application – Western Australia