

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2023**

Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) is pleased to present its quarterly activities report for the June 2023 quarter.

### **Mt Craig Project (MCP), South Australia (TAR 100%)**

On 16 June 2022, the Company announced that it was successful in securing funding for both REE and Copper exploration initiatives from the South Australian state government under the Accelerated Discovery Initiative (ADI), aimed at new mineral discoveries in key commodities. Taruga has completed the planned programs and extensive data reporting during the quarter and has received a co-contribution funding reimbursement of \$587,000 (plus GST).

During the quarter ongoing assessment of REE extensions and exploration potential at Morgans Creek continued. Detailed mapping and portable XRF analysis of available lithological and alteration exposures is providing guidance on potential for REE extents and in conjunction with previous drilling assays and metallurgical results will guide decisions on further programs.

Copper exploration continued during the quarter. Regional reconnaissance was conducted over magnetic and gravity anomalies as ongoing program advancement to identify alteration and geological variations in support of potential copper mineralisation models and future targeting. The Wyacca Copper Prospect continues to advance. Portable XRF analysis on available samples is adding further detail to the development of an advanced mineralisation model. This model takes into account lithology, geophysics and structural relationships to provide potential targets for high grade copper mineralisation.

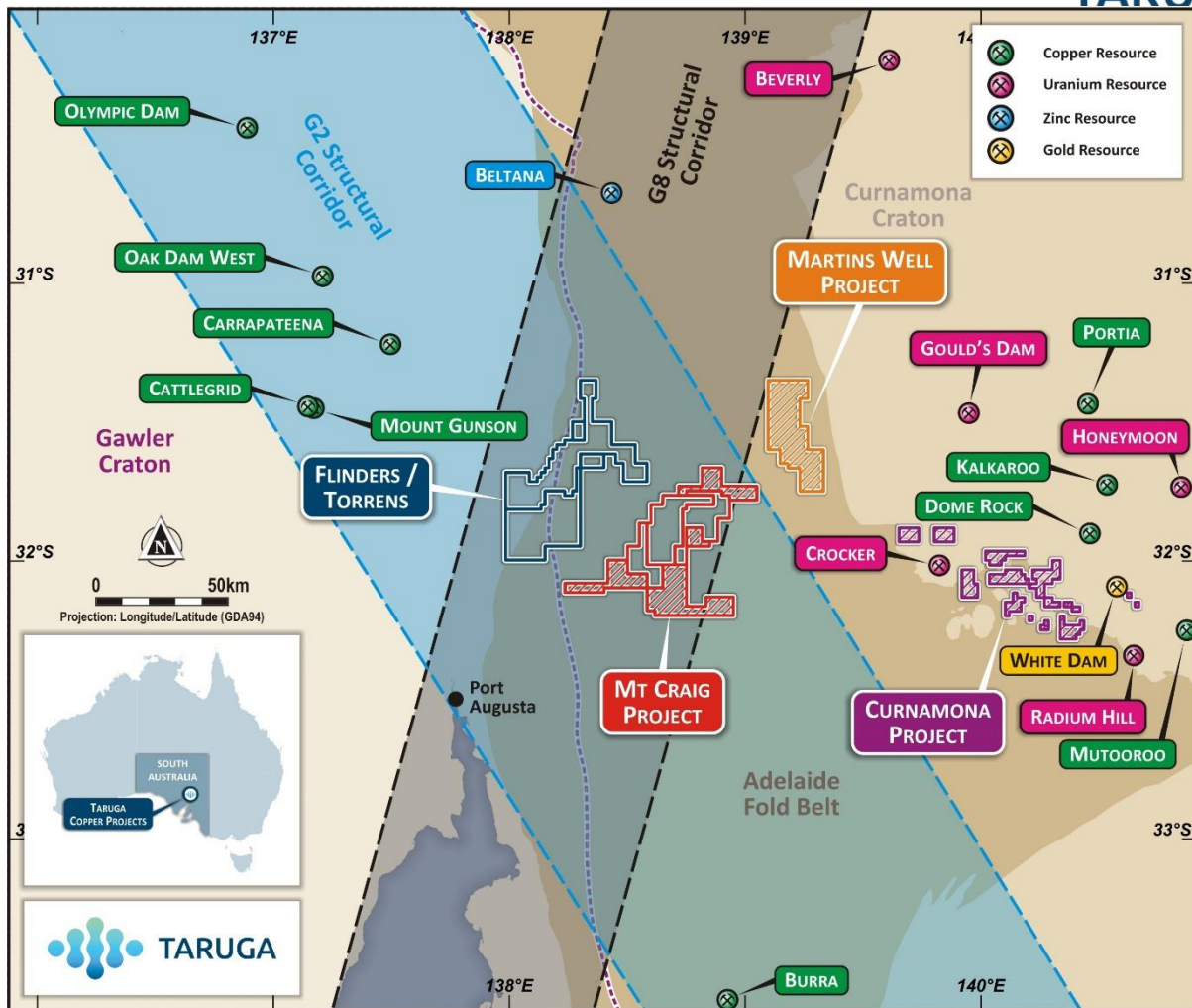
### **Metallurgical Studies (Morgans Creek)**

An extended suite of samples from Morgans Creek are currently being analysed for REE metallurgical leaching characteristics. Selected samples cover a broader range of attributes to the initial samples previously assessed by ANSTO. Samples under assessment cover lithological and alteration variations, a variety of REE grade ranges and considerations regarding spatial distribution. Leach results and assessment is to be completed in the next quarter.

### **Flinders Project, South Australia (TAR 100%)**

Taruga continues to engage positively with the South Australian State Government and the Department for Aboriginal Affairs and Reconciliation (AAR) in regard to applications for Authorisation under the *Aboriginal Heritage Act* required to complete the planned drilling program at Flinders Project.

Taruga is respectful of the process being undertaken by AAR and the State Government. The Company will continue to engage with the South Australian Government to seek a timely resolution of this matter.



**Figure 1:** Tenement Map showing Taruga's South Australian projects and the regional and structural setting including the Gawler Craton outline as published by the Geological Survey of South Australia in purple.

### Torrens Project, South Australia (TAR 100%)

Work was limited to review of historical datasets and data comparison with known geology relating to the Torrens Project for the June quarter.

### Manjimup Project, Western Australia (TAR 100%)

Taruga holds 3 exploration licence applications in the Greenbushes area of Western Australia (the Manjimup Project). The Manjimup Project tenements have potential for Thor and Odin type Ni-PGE mineralisation, Volcanic Hosted Massive Sulphide (VHMS) polymetallic mineralisation, and Greenbushes tin-tantalum-lithium style of mineralisation.

Taruga are now looking for a Joint Venture partner to develop the Manjimup Project (or divestment) while we remain focussed on REE and copper exploration across our South Australian assets.

### Meekatharra Magmatic Ni-Cu Project, Western Australia (PUA 80% / TAR 20%)

The Meekatharra Project (Exploration licence E51/1832) is located 30km southeast of the regional centre of Meekatharra in the Murchison region of Western Australia. Peak Minerals Ltd (ASX: PUA) holds an 80% interest in E51/1832.

## **CORPORATE**

### **Cash Position**

As at 30 June 2023, the Company had approximately ~\$3.2 million of cash and nil debt.

### **Summary of Exploration Expenditure**

In accordance with Listing Rule 5.3.1, the Company reports that there was ~\$257,000 exploration expenditure incurred during the June quarter.

### **Note 6 to Appendix 5B**

Payments to related parties of the entity and their associates: during the June quarter \$4,000 was paid to Directors and associates for director and consulting fees.

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

### **For more information contact:**

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### **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 Brent Laws, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Laws is the Exploration Manager of Taruga Minerals Limited. Mr Laws 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 Laws consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.*

**Annexure 1: Interests in tenements held directly by Taruga Minerals or subsidiary company**

Tenements	Held	Country
E70/5029	100% (In application)	Australia
E70/5030	100% (In application)	Australia
E70/5031	100% (In application)	Australia
EL6362 (Flinders)	100%	Australia
EL6437 (Torrens)	100%	Australia
EL6541 (MCP)	100%	Australia
EL6695 (MCP)	100%	Australia
EL6843 (Martins Well)	100%	Australia
EL6828 (Curnamona Project)	100%	Australia
EL6836 (Curnamona Project)	100%	Australia
EL6829 (MCP)	100%	Australia
E51/1832	20%	Australia

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Taruga Minerals Limited

ABN

19 153 868 789

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	13	21
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(197)	(1,010)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	58	55
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(118)</b>	<b>(913)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(189)
	(d) exploration & evaluation	(257)	(1,676)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other <sup>1</sup>	587	557
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>330</b>	<b>(1,308)</b>

<sup>1</sup> The refund received from the South Australian Government for expenditure at the Company's Mt Craig copper project is disclosed in 2.5. In the financial statements it is classified as a credit to carrying value of the exploration asset.

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(203)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>3,297</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,009	2,145
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(118)	(913)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	330	(1,308)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,297

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,221</b>	<b>3,221</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	101	73
5.2	Call deposits	3,120	2,936
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,221</b>	<b>3,009</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	4
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Fees paid to directors and/or director related entities (net of GST).</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(118)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(257)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(375)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,221
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,221
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	8.59
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023

Authorised by: The board of directors of Taruga Minerals Limited

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.