



TARUGA

Taruga Minerals Limited

ACN 153 868 789

**NOTICE OF GENERAL MEETING AND EXPLANATORY
MEMORANDUM**

Wednesday, 30 March 2022

3:00pm (WST)

Ascent Capital
Level 1, 33 Ord Street
West Perth WA 6005
Australia

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 (8) 9486 4036.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Taruga Minerals Limited will be held at the Ascent Capital, Level 1, 33 Ord Street, West Perth WA 6005, on 30 March 2022 at 3:00 pm (WST).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28 March 2022 at 4:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum can be found in the Definitions section at page 15.

AGENDA

Resolution 1 – Ratification of Placement – Listing Rule 7.1

To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 4,088,117 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement participants) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Ratification of Placement – Listing Rule 7.1A

To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 51,206,000 Shares on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement participants) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Participation of Eric De Mori in the Placement

To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,941,176 Shares to Eric De Mori (or his nominee) on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr De Mori (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Participation of David Chapman in the Placement

To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 588,235 Shares to David Chapman (or his nominee) on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Chapman (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Ratification of Prior Issue – Lead Manager Options

To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 2,500,000 options on the terms and conditions set out in the Explanatory Memorandum "

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved (namely Foster Stockbroking Limited); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

Resolution 6 – Participation of Paul Cronin in the Placement

To consider and if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,400,000 Shares to Paul Cronin (or his nominee) on the terms and conditions set out in the Explanatory Memorandum"

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Cronin (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 23 February 2022

BY ORDER OF THE BOARD



Gary Steinepreis

Director

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of members of Taruga Minerals Limited (**Taruga**) in connection with the business to be conducted at the General Meeting to be held on Wednesday, 30 March 2022 commencing at 3:00pm (WST) at Ascent Capital, Level 1, 33 Ord Street, West Perth WA 6005.

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

Shareholders should note that all the Directors approved the proposal to put the resolutions to Shareholders as outlined in the Notice of General Meeting and to prepare this Explanatory Memorandum.

The purpose of this Explanatory Memorandum is to provide information for Shareholders in deciding whether or not to pass the Resolutions in the Notice of General Meeting.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

In light of the status of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach local public health laws and regulations.

2.2 Voting by proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion

or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies, which are not voted will automatically default to the Chair, who must vote the proxies as directed.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (<https://www.automicgroup.com.au/>).

2.4 Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 28 March 2022.

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

2.5 Voting via poll

All Resolutions under this Notice will be determined by poll.

2.6 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at dan.smith@minervacorporate.com.au by 4:00 pm (WST) on 23 March, 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting). The

Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Background to Resolutions 1 to 6

On 14 February 2022, the Company announced that it had received commitments to raise up to a total of \$2,000,000 (before costs) through a placement of 58,823,530 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of 3.4 cents per Share (**Placement**). The Placement was split into two tranches: \$1,880,000 to unrelated investors (the subject of Resolutions 1 & 2) and up to \$120,000 from related investors (the subject of Resolutions 3 & 4). On 15 March 2022, the Company announced an additional resolution (new Resolution 6), for the approval of director Mr Paul Cronin to participate in the Placement.

- (a) the first tranche comprises 55,294,117 Shares which were issued on 22 February 2022 (**Tranche 1 Placement**) as follows:
 - (i) 4,088,117 Shares were issued pursuant to the Company existing placement capacity under ASX Listing Rule 7.1 (ratification of which is sought pursuant to Resolution 1); and
 - (ii) 51,206,000 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 26 November 2020 ASX Listing Rule 7.1A (ratification of which is sought pursuant to Resolution 2); and
- (b) the second tranche comprises up to 3,529,411 Shares (**Tranche 2 Placement**) to be issued as follows:
 - (i) 2,941,176 Shares to be issued to a director of the Company, Mr Eric De Mori (or his nominee) subject to Shareholder approval being sought under Resolution 3; and
 - (ii) 588,235 Shares to be issued to a director of the Company, Mr David Chapman (or his nominee) subject to Shareholder approval being sought under Resolution 4.

The purpose of the Placement is to raise up to \$2,000,000 before costs which the Company intends to apply towards advancing exploration at its highly prospective South Australian projects. More specifically, funds to be used for:

- RC/Diamond drilling at Morgan's Creek & Wyacca
- Preliminary metallurgical testwork on REE's
- Airborne and ground-based geophysical surveys
- General working capital

The Company engaged the services of Foster Stockbroking (ACN 088 747 148) (AFSL 223687) (**Foster Stockbroking**) (the **Lead Manager**) to act as lead manager to the Placement by way of a lead manager mandate (**Mandate**). The material terms of the Mandate are as follows:

- (a) (**Fees**) in consideration for the Lead Manager services the Company will pay:
 - (i) a 1% lead manager fee; and
 - (ii) a 5% selling fee.

- (b) **(Expenses)**: the Company will reimburse the Lead Manager for reasonable expenses arising in connection with its engagement. Individual expenses over \$2,000 will only be reimbursed if approved in advance by the Company.

The Mandate otherwise contains terms and conditions that are standard for an agreement of its nature.

4. Resolutions 1 & 2 – Ratification of Prior Issue of Shares - Placement

4.1 Background

As detailed in Section 3, Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 58,823,530 Shares issued under the Placement at an issue price of 3.4 cents per Share to raise \$1,880,000 before costs (**Placement Shares**).

4.2 ASX Listing Rule Requirements

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

4.3 Technical information required by ASX Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolutions 1 and 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

4.4 Technical information required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to Resolutions 1 and 2:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of the Lead Manager. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 55,294,117 Shares were issued on the following basis;
 - (iii) 4,088,117 Shares were issued pursuant to ASX Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (iv) 51,206,000 Shares were issued pursuant to ASX Listing Rule 7.1A (ratification of which is sought under Resolution 2),
- (d) the issue price was 3.4 cents per Placement Share under both the issues of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (e) the Tranche 1 Placement Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing Shares on issue;
- (f) the Shares were issued on 22 February 2022;
- (g) the purpose of the issue was to raise up to \$2,000,000 before costs, which the Company intends to use in manner as set out in Section 1 of this Notice; and
- (h) the Placement Shares were issued under the Mandate. A summary of the material terms of the Mandate is set out in Section 3.

5. Resolutions 3, 4 & 6 – Participation of Directors in the Placement

5.1 Background

As detailed in Section 3, Directors, being Eric De Mori, David Chapman and Paul Cronin wish to participate in the Placement on the same terms as the unrelated participants in the Placement.

Resolutions 3, 4 & 6 seek Shareholder approval for the issue of:

- (a) up to 2,941,176 Shares to Eric De Mori (or his nominee);

- (b) up to 588,235 Shares to David Chapman (or his nominee); and
 - (c) up to 2,400,000 Shares to Paul Cronin (or his nominee),
- (together, **Director Placement Shares**).

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issues of the Director Placement Shares would constitute the giving of a financial benefit and Messrs De Mori and Chapman are related parties of the Company by virtue of being Directors.

The Directors (other than Mr De Mori who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 3 because the Shares will be issued to Mr De Mori (or his nominee) are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

The Directors (other than Mr Chapman who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 4 because the Shares will be issued to Mr Chapman (or his nominee) are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

The Directors (other than Mr Cronin who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 6 because the Shares will be issued to Mr Cronin (or his nominee) are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms, an exception under section 210 of the Corporations Act.

5.3 ASX Listing Rule Requirements

ASX Listing Rule 10.11 also requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Directors are related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Resolutions 3, 4 & 6 seek Shareholder approval for the issues of the Director Placement Shares under and for the purposes of Listing Rule 10.11.

If Resolutions 3, 4 & 6 are passed, the Company will be able to proceed with the issue of the Director Placement Shares within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and will raise additional funds (of \$201,600) which will be used in the manner set out in Section 1 above.

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Director Placement Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3, 4 & 6 are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares.

5.4 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) the Director Placement Shares will be issued to the following persons:
 - (i) Eric De Mori (or his nominees) (Resolution 3);
 - (ii) David Chapman (or his nominees) (Resolution 4); and
 - (iii) Paul Cronin (or his nominees) (Resolution 6),each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Director Placement Shares to be issued is 5,929,411 in the following proportions:
 - (i) 2,941,176 Shares to Eric De Mori (or his nominees) (Resolution 3);
 - (ii) 588,235 Shares to David Chapman (or his nominees) (Resolution 4); and
 - (iii) 2,400,000 Shares to Paul Cronin (or his nominees) (Resolution 6),
- (c) the Director Placement Shares issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;
- (d) the Company will issue the Director Placement Shares by no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the issue price will be 3.4 cents per Director Placement Share, being the same as all other Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Director Placement Shares is to raise a further \$201,600 before costs under the Placement which the Company intends to use in manner as set out in Section 3 of this Notice;
- (g) the Director Placement Shares to be issued are not intended to remunerate or incentivise the Directors;

- (h) the Director Placement Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in respect of Resolutions 3, 4 & 5.

6. Resolution 5 – Ratification of Prior Issue – Lead Manager Options

6.1 ASX listing rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to the Ratification of the Placement Shares:

- (a) 2,500,000 Lead Manager Options were issued to Foster Stockbroking issued pursuant to ASX Listing Rule 7.1:
- (b) the Lead Manager Options were issued at a nil issue price, in consideration for the lead manager services provided by Foster Stockbroking;
- (c) the terms and conditions of the Lead Manager Options are set out in Annexure A;
- (d) the Lead Manager Options were issued to Foster Stockbroking. The Company confirms that Foster Stockbroking that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (e) the Lead Manager Options were issued on 22 February 2022; and
- (f) the Lead Manager Options were issued to Foster Stockbroking pursuant to the terms of the Lead Manager Mandate which is summarized in Section 3;
- (g) the purpose of the issue of Lead Manager Options was to satisfy the Company's agreement with Foster Stockbroking to issue the Lead Manager Options in

consideration for lead managing services provided in relation to the Placement the subject of Resolutions 1 and 2;

- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement has been included for the Resolution.

If Resolution 5 is passed, the Issue will be excluded in calculating Taruga's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If Resolution 5 is not passed, the Issue will be included in calculating Taruga's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Business Day has the meaning contained in the Listing Rules.

Chair or **Chairman** means the person appointed to chair the Meeting conveyed by this Notice.

Company means Taruga Minerals Limited (ACN 153 868 789).

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Listing Rules means the listing rules of ASX.

Meeting or General Meeting means the meeting convened by this Notice (as adjourned from time to time).

Notice or **Notice of General Meeting** means this notice of general meeting.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning given in the Listing Rules 7.2.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

Schedule 1 – Summary of terms of the Lead Manager Options

(a) Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option before the Expiry Date.

(b) Quotation of New Options

The Company will not apply to the ASX for Official Quotation of the New Options.

(c) Exercise Price

The amount payable on exercise of each New Option will be \$0.06 (Exercise Price):

(d) Expiry Date

The New Options will expire at 5.00pm (AEST) 36 months from issue (Expiry Date):

Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise Period

New Options may be exercised at any time prior to the Expiry Date (Exercise Period).

(f) Notice of Exercise

The New Options may be exercised by notice in writing to the Company (Exercise Notice) and payment of the Exercise Price, in Australian currency, for each New Option being exercised.

A minimum of 8,334 New Options (having a total exercise price of \$500) must be exercised at any time. Where a Shareholder holds less than 8,334 New Options then they must exercise their entire holding of New Options.

(g) Exercise Date

Any Exercise Notice received by the Company will be deemed effective on and from the later of: (i) the date of receipt of the Exercise Notice and (ii) the date of Company's receipt of the Exercise Price, for each New Option being exercised, in cleared funds (Exercise Date).

(h) Timing of Issue of Shares on Exercise

Within 15 Business Days after a New Option is validly exercised or such other period specified by the Listing Rules, the Company will:

- a. allot and issue that number of Shares pursuant to the exercise of the New Options; and
- b. if admitted to the official list of the ASX at the time, apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the New Options.

(i) Shares Issued on Exercise

Shares issued pursuant to the exercise of the New Options will rank equally with the then issued Shares of the Company.

(j) Quotation of Shares on Exercise

If admitted to the official list of the ASX at the time, the Company will apply for Official Quotation of the Shares issued pursuant to the exercise of the New Options.

(k) Participation in New Issues

There are no participation rights or entitlements inherent in the New Options and the holder will not be entitled to participate in new issues of capital to Shareholders during the currency of the New Options without exercising the New Options.

(l) Reconstruction of Capital

If at any time the issued share capital of the Company is reconstructed, all rights of a New Option holder will be varied to comply with the Corporations Act and the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) New Options Transferable

The New Options are transferable.

(n) Change in Exercise Price

A New Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(o) Adjustments for Rights Issues

If the Company makes a pro rate issue of Shares to existing Shareholders, there will be no adjustment to the Exercise Price of a New Option.

(p) Adjustment for Bonus Issue of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than in satisfaction of dividends or by way of dividend reinvestment):

- a. The number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the New Option holder had exercised the New Option before the record date for the bonus issue; and
- b. there will be no adjustment to the Exercise Price of a New Option.



Taruga Minerals Limited | ACN 153 868 789

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **3.00pm (WST) on Monday, 28 March 2022** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Contact	Return your completed form		All enquiries to Automic
	BY MAIL Automic GPO Box 5193 Sydney NSW 2001	IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	BY EMAIL meetings@automicgroup.com.au BY FACSIMILE +61 2 8583 3040

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online I/We being a Shareholder entitled to attend and vote at the General Meeting of Taruga Minerals Limited, to be held at 3.00pm (WST) on Wednesday, 30 March 2022 at Ascent Capital, Level 1, 33 Ord Street West Perth, WA 6005 hereby:
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote. Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1. Ratification of Placement – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Ratification of Placement – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Participation of Eric De Mori in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Participation of David Chapman in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Ratification of Prior Issue – Lead Manager Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Participation of Paul Cronin in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i>			

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
	Email Address:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Contact Daytime Telephone			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Date (DD/MM/YY)			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			