

8 April 2019

Transaction Update

Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) together with its partners in DRC has made progress in the finalisation of a new licence agreement on its high grade Kamilombe and Mwilu cobalt projects.

Kamilombe and Mwilu

Finalisation of the Kamilombe and Mwilu licence acquisitions have experienced delays due to no Provincial Government or National Parliament appointments, other than that of the President, being made since the elections in December 2018. Consequently, there has been a lack of high-level availability and decision making to finalise the license agreements. New Government and Parliament positions are expected to be announced in mid-to-late April 2019.

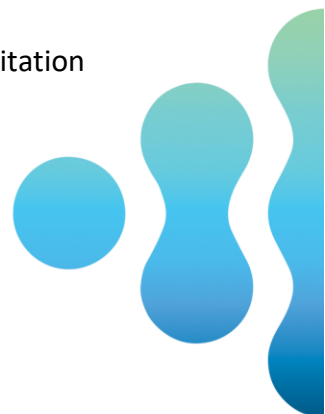
Diamond drilling and geological mapping completed by Taruga demonstrated the extension of high-grade copper-cobalt mineralised structures beyond the boundary of the Kamilombe licence as defined in the heads of agreement with the consortium of Mint-Master and the Lualaba Government ("Consortium"). Taruga and the Consortium have negotiated for additional blocks to be added to the Kamilombe licences and this additional ground will cover the strike continuity of defined mineralised structures and provide additional area for mine development infrastructure. Taruga and the Consortium have been working through these additions to the heads of agreement, with the finalised revised agreements subject to governmental approvals.

As soon as new enlarged licences are finalised the Company will have 4 weeks to conclude its legal due diligence.

PEPM 2315 – Soil sampling programme

First pass and infill soil sampling programmes have been undertaken on a 100m x 50m grid on licence PEPM 2315, located to the south of the town of Kolwezi. The programmes were designed to define potential cobalt and copper anomalies across prospective geology, with selected samples to be sent to a reputable laboratory for check analyses. Full results of the programmes will be released in coming weeks.

All approvals have been received for the conversion of PEPM 2315 to exploitation permit PE 2315, with the granting of the final licence permit pending.



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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.

Operating in the Democratic Republic of Congo

The main projects in which Taruga proposes to acquire are located in the Democratic Republic of Congo (DRC). The Company will be subject to the risks associated with operating in DRC. Such risks can include economic, social or political change, changes of law affecting foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to DRC mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in DRC may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

Exploration Risk

The mineral licences in which Taruga proposed to acquire are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the

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discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

