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TARUGA

24 May 2021

7km VTEM Anomaly and 15km Strike Identified at Wyacca Copper Discovery

Highlights

- 7km VTEM (Versatile Time Domain Electromagnetic) anomaly identified at the Wyacca Copper Discovery
- VTEM anomaly directly coincident with the host Tindelpina Shale (Tapley Hill Fm) and recent high-grade drill intercepts (remains open along strike)
- Review of government mapping confirms the host Tindelpina Shale strikes for 15km
- Entire VTEM anomaly and mapped strike extensions are contained within Taruga's permit EL6541 (Mt Craig Project)
- Crosscutting structures clearly highlighted by EM data
- VTEM anomaly intensifies downdip, indicating ~1.5km across-strike/downdip extent of the host Tindelpina Shale, potentially extending further beyond VTEM survey depth limitations
- Intense 2 x 1km late-time VTEM anomaly potentially representing source mineralisation at depth in the east (open)
- 3D Compilation of VTEM data currently underway
- RC and diamond drilling planned to test VTEM anomalies along strike and downdip
- Remaining 25 assays from recent RC drilling expected before the end of the May

Taruga Minerals Ltd (**Taruga**, **TAR** or the **Company**) is pleased to announce that a review of historical (2013) Versatile Time Domain Electromagnetic (**VTEM**) data has identified a 7km VTEM anomaly coincident with the high-grade Wyacca copper discovery, within the Mt Craig Copper Project (**MCCP**), South Australia.

The VTEM short-mid time anomaly is directly coincident with the recent shallow high-grade drill results at the Wyacca prospect, which included **5m** at **2.4% Cu** from **17m**, including **1m** at **9.5 % Cu** from **18m** (WCRC006), **11m** at **1.5 % Cu**, including **4m @ 2.7% Cu** from 85m including **1m @ 5.9% Cu** from 88m (WCRC021), and **7m @ 1.8% Cu** from 85m, including **4m @ 3.1% Cu** from 87m (WCRC017), covering 900m of strike which is open along strike and downdip (refer ASX announcement 3 May 2021). Mid-late time and late time VTEM anomalies indicate an intensification of the chargeability downdip, with a strong anomaly zone in the east, with >90% of the anomaly remaining undrilled.

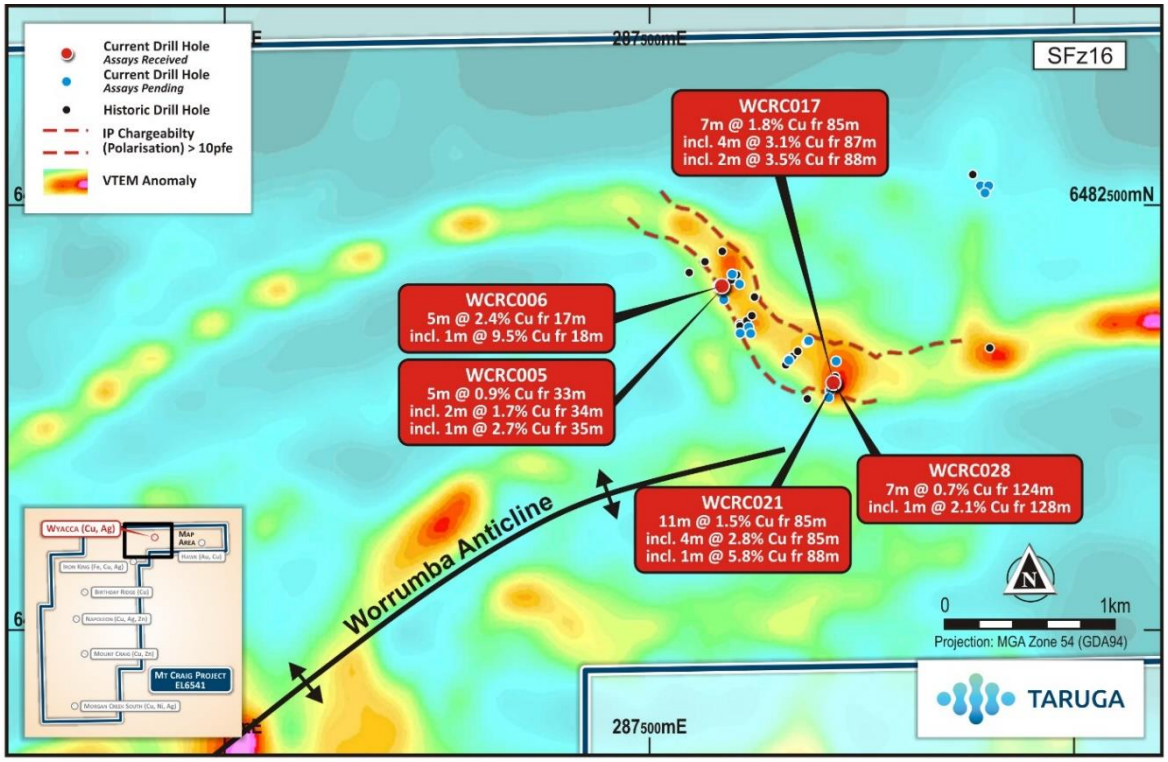

Figure 1. Image of the Vertical Component dB/dt Amplitude for Window 16 - 0.126 mSec, Highlighting 7km Early-Time VTEM Anomaly Coincident with IP Anomaly and Recent High-Grade Drill Results.

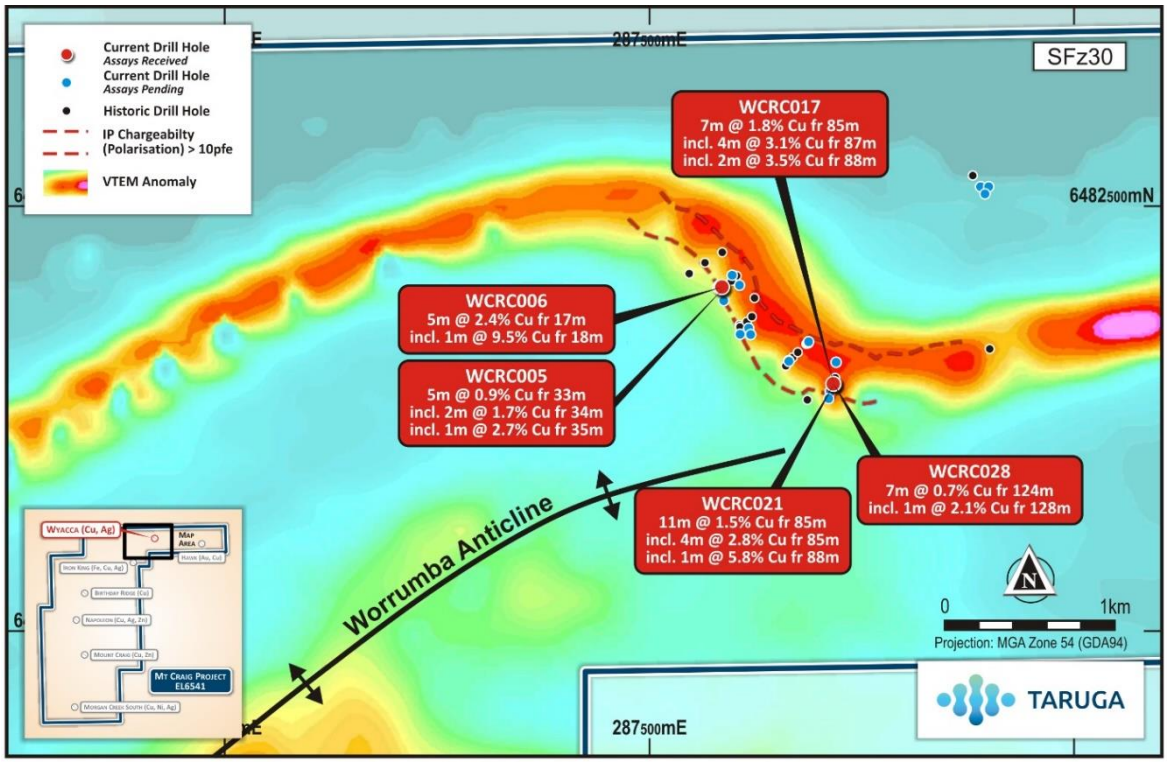

Figure 2. Image of the Vertical Component dB/dt Amplitude for Window 30 - 0.88 mSec, highlighting 7km Mid-Time VTEM Anomaly Intensifying with Depth.

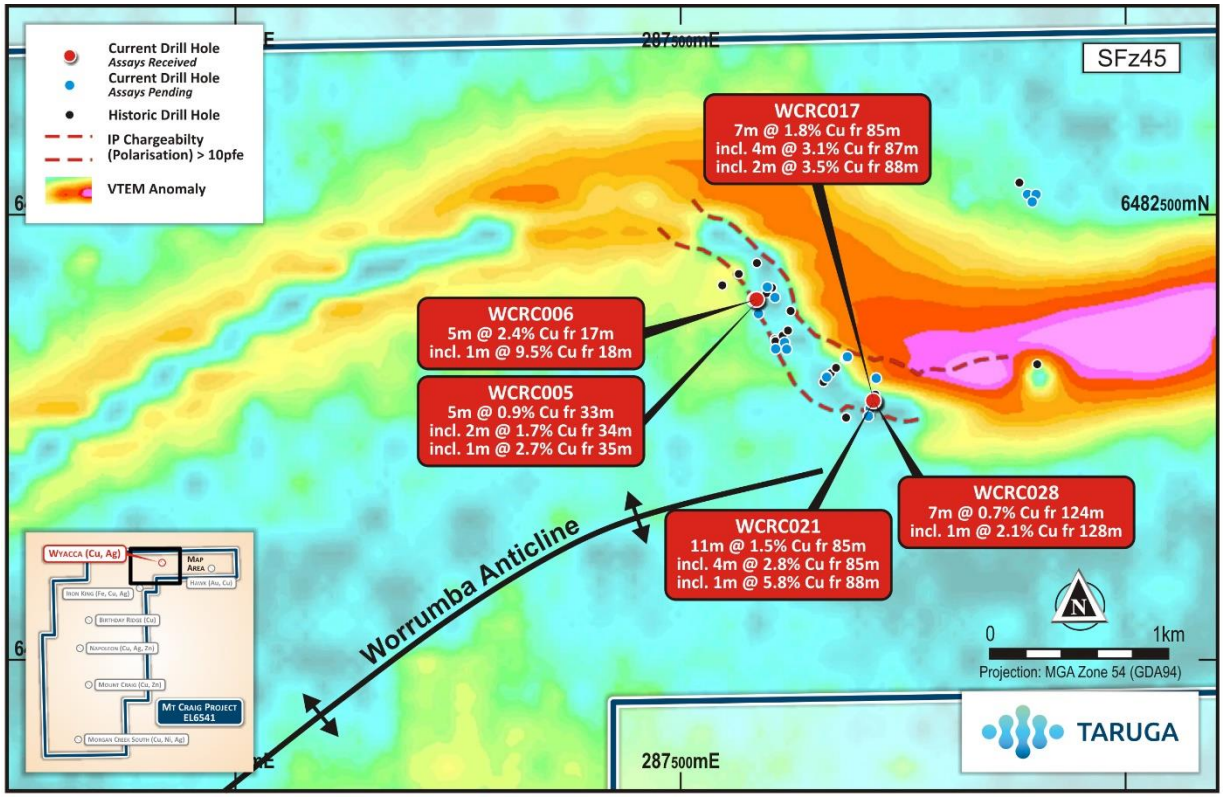

Figure 3. Image of the Vertical Component dB/dt Amplitude for Window 45 – 7.036 mSec, Highlighting 7km Late Time VTEM Anomaly, with an Intensified 2km x 1km VTEM anomaly in the east, which remains open along strike beyond the survey limits.

The Early-Time SFz16 VTEM anomaly image (**Figure 1**) shows a strong correlation between the recent high-grade drill intercepts and the IP chargeability anomaly, along with highlighting a cross-cutting structure leading from the main Wyacca strike to the offset Worrumba 21 mine to the north-east (**Figure 4**). The Mid-Late time SFz30 VTEM anomaly image (**Figure 2**) indicates an intensification of the VTEM anomaly down-dip, and highlights a series of cross-cutting structures where the anomaly pinches and swells along strike. The Late Time SFz45 VTEM anomaly image (**Figure 3**) reveals an intense 2 x 1km late-time VTEM anomaly in the east of the recent Wyacca drilling, with the anomaly remaining open along strike to the east.

Review of Geological Survey of South Australia (GSSA) mapping combined with the EM data confirms the host Tindelpina Shale unit crops out for a total of 15km strike on the northern side of the Worrumba Anticline, with the entire strike contained within the Taruga permit EL6541. The VTEM survey comes back into contact with the mapped Tindelpina Shale along strike to the south-west, where it again is highlighted as a VTEM anomaly. Another outcropping copper occurrence is mapped along strike along the contact between the Tindelpina Shale and the Wilyerpa Formation (Fm), 8km from the recent high-grade drill intercepts at Wyacca.

Thomas Line CEO commented "The acquisition and review of historical EM data has provided invaluable data which will assist us with drill targeting at the Wyacca high-grade copper discovery. While the IP survey only extended for 1.7km along strike at Wyacca, the VTEM data extends for approximately 15km along strike at the top of the Mt Craig Project, covering the entire Wyacca, and penetrates far greater depths that the IP survey, highlighting further down-dip extensions of the host Tindelpina Shale. The combined review of the VTEM data and historical Government mapping confirms a 15km continuous strike of the host Tindelpina Shale, both east and west along strike from Wyacca, where only limited drilling has been conducted over 900m of strike to date.

"The early-time VTEM anomaly, which represents shallow depth responses, is coincident with the IP anomaly, where the locations of the recently returned high-grade drill intercepts show up as "hot zones" at these shallow depths. The anomaly response intensifies in the mid-time VTEM image, in the down-dip direction of the Tindelpina Shale along the entire 7km strike, and may reflect an increase in the anomaly signal at depth. The late time VTEM image highlights an intensified VTEM anomaly in the far east of the Wyacca prospect area, where no drilling has been conducted, and this anomaly is open to the east beyond the survey limits, where likely extensions are also contained within Taruga's Exploration Permit. Here, the intensified anomaly becomes somewhat isolated, and we look forward to targeting this and other newly identified VTEM anomalies in the upcoming RC program."

About the Wyacca Prospect (Cu-Ag)

The Wyacca Mines are located in the northern portion of the MCCP and were the first operational small-scale mines in the MCCP area, being first discovered and developed in 1863. Incomplete mining production records indicate that Wyacca was operating with a run of mine grade of **40% Cu** during the early years of production after which higher tonnages at an average grade of **3% Cu** were mined for a total 306 tonnes of ore. It is likely however, that further unrecorded mining occurred across the series of shafts and pits present throughout the Wyacca area. Historical mining was focused on oxide mineralisation hosted within a gossanous outcropping breccia, along the contact of the base of the Tapley Hill Fm and the Wilyerpa Fm.

Recent drilling by Taruga intercepted shallow high-grade copper mineralisation (**Figure 4**) at the base of the Tapley Hill Fm, within the Tindelpina Shale (host unit). The host unit crops out at surface, where mineralisation is concentrated along its contact with the underlying Wilyerpa Fm.

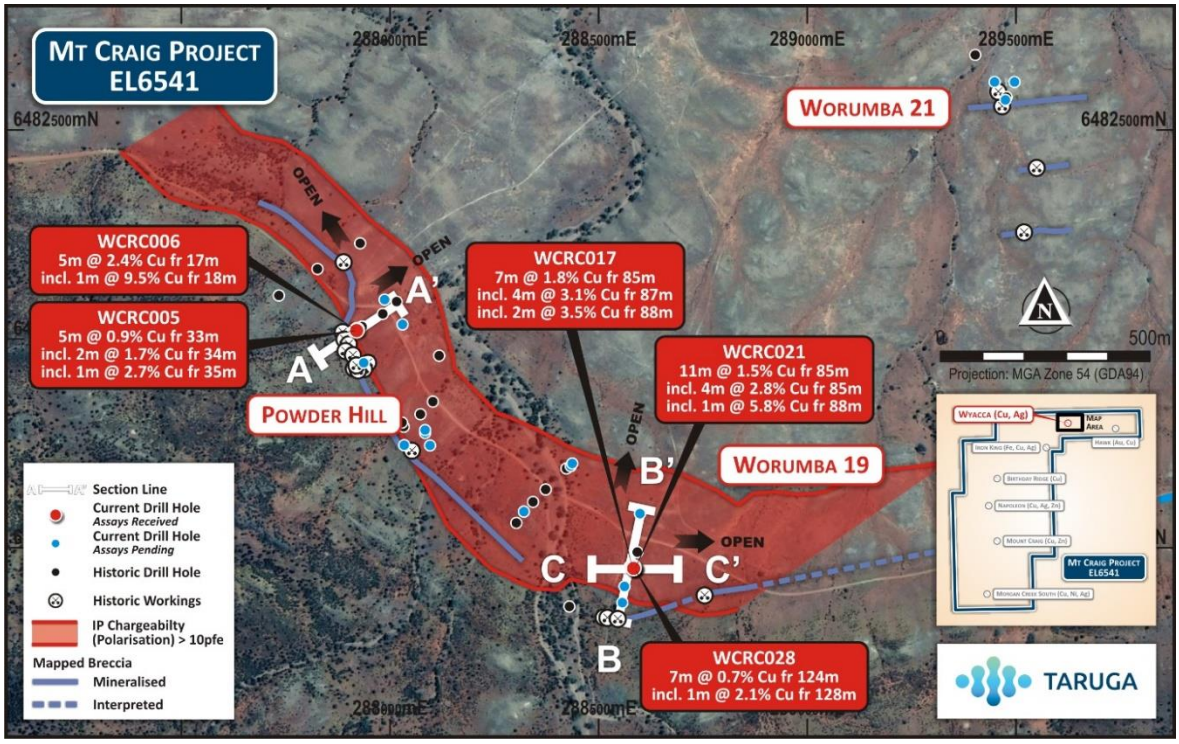

Figure 4. Plan View of the Wyacca Drill Results Showing Best Intercepts and IP Chargeability Anomaly.

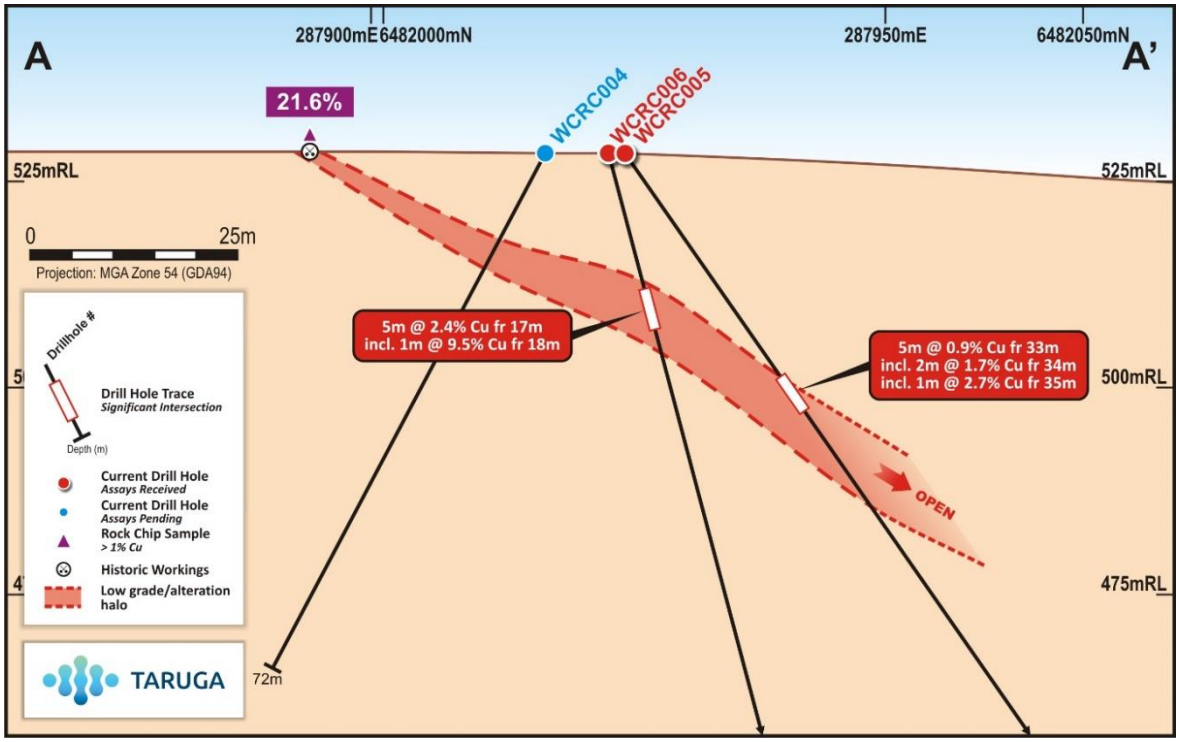

Figure 5. Cross Section A-A' Showing Best Intercepts, the Target Unit Outline and Rock Chip Highlight from Historical Workings.

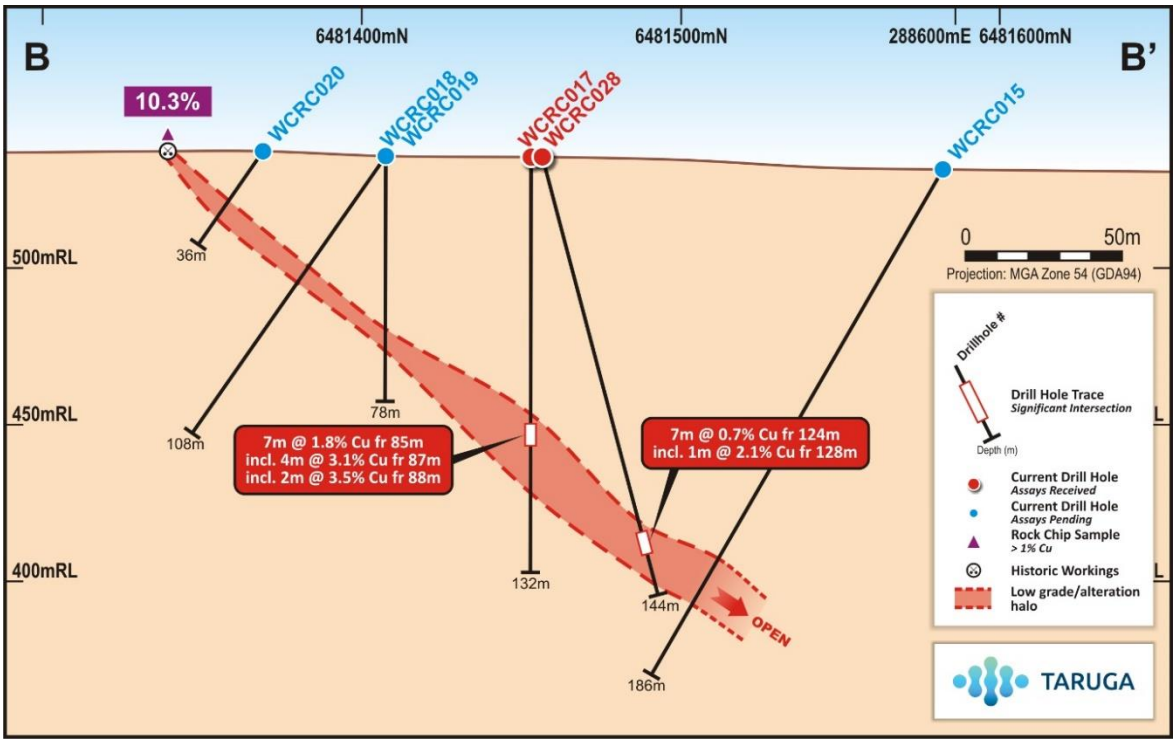

Figure 6. Cross Section B-B' Showing Best Intercepts, the Target Unit Outline and Rock Chip Highlight from Historical Workings.

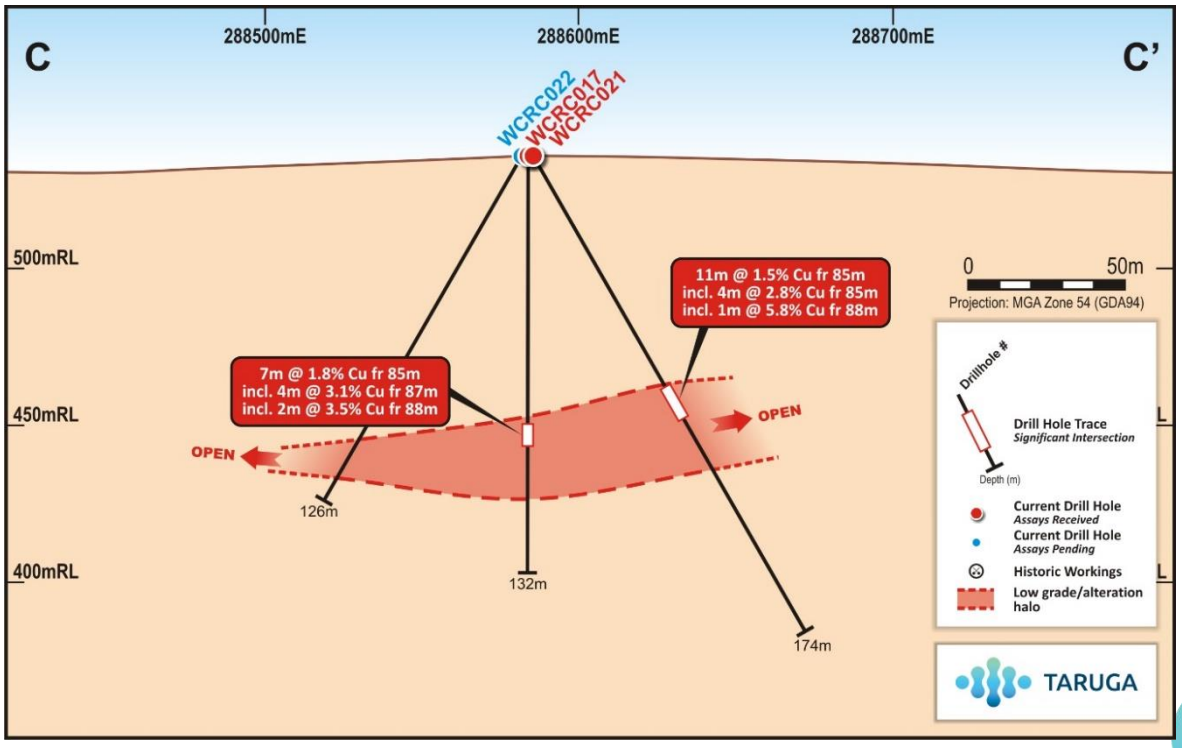

Figure 7. Long Section C-C' Showing Best Intercepts and the Target Unit Outline.

Geology and Geophysics

Mineralisation is hosted within Tapley Hill Formation sediments. Reduced pyritic black shales of the Tindelpina Shale Member (TSM) conformably overly dolomite altered siltstones of the upper Wilyerpa Formation (Wilyerpa Fm), where mineralisation is focused along the contact. Gossanous outcrop of the Wilyerpa/TSM contact contains malachite, chalcopyrite and minor bornite, which was the focus of historical mining (**Figure 7**). Downdip, chalcocite rich zones are present along the supergene/hypogene boundary. Further downdip the primary/hypogene zone is dominated by chalcopyrite with accessory bornite. Cross cutting structures appear to have some influence on the grade and thickness of mineralisation within the Wilyerpa Fm.

The historical IP data was recently reprocessed and inverted using 3D inversion software, to produce modelled chargeability shells. The 1.7km long IP anomaly highlights both the TSM (due to the presence of pyrite) and the underlying Wilyerpa Fm (due to the presence of chalcopyrite). The IP modelling therefore serves as a valuable proxy for the mineralised horizon. The historical IP survey was completed over a 1.7km survey area along strike, and the anomalies are open at either end of the survey indicating the target unit strike length exceeds 1.7km.

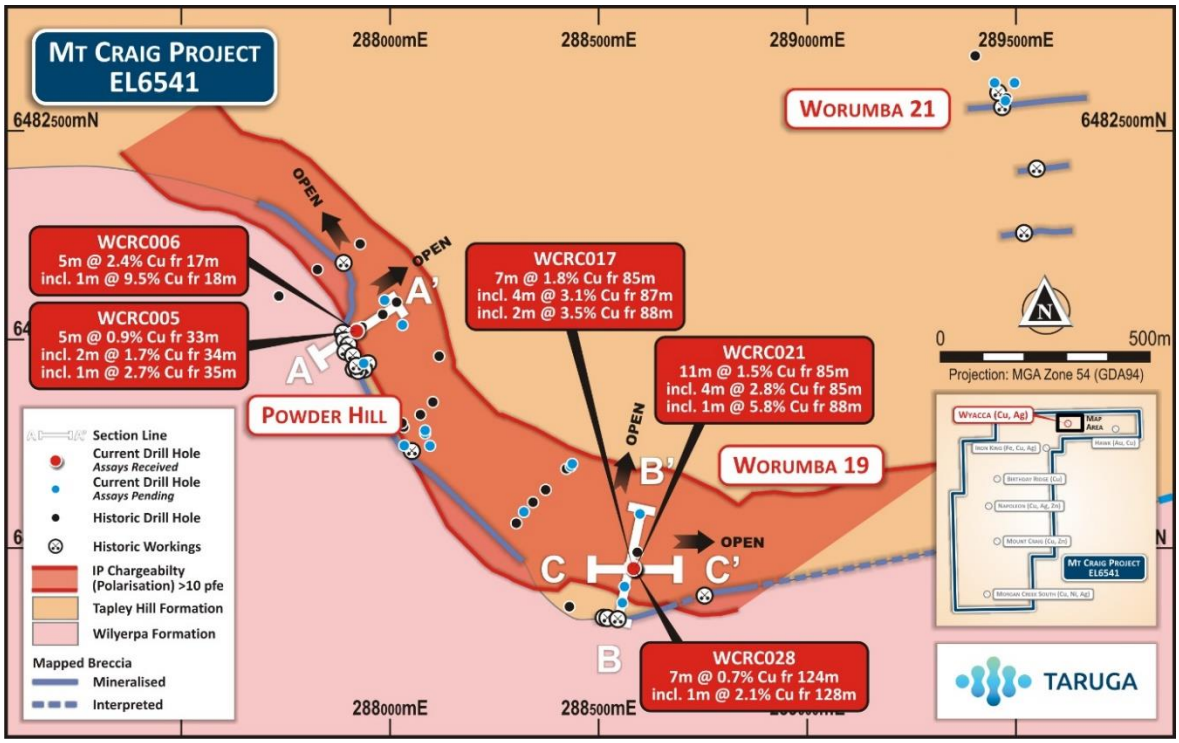

Figure 7. Plan View of the Wyacca Drill Results Showing Geology, Best Intercepts, and IP Chargeability Anomaly.

Historical (2013) Airborne Electromagnetic (EM) data covering the northern portion of the MCCP, including the Wyacca area, has confirmed a 7km VTEM anomaly which is coincident with the high-grade drill intercepts and mapped Tindelpina Shale. Review of government mapping confirms the Tindelpina Shale crops out for 15km strike length, and is further highlighted by a VTEM anomaly

along strike to the south-west where the VTEM survey area comes back into alignment with the mapped outcrop.

Further Work

A follow-up RC drilling program is being planned at Wyacca, to extend the mineralised footprint along strike and downdip. Downhole EM and IP will also be employed to better define the mineralised unit.

About the MCCP

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 5**. The AGS has hosted over 800 historical 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 historical mining regions within the AGS, which have undergone limited exploration and development since initial mining ceased in the late 1800's.

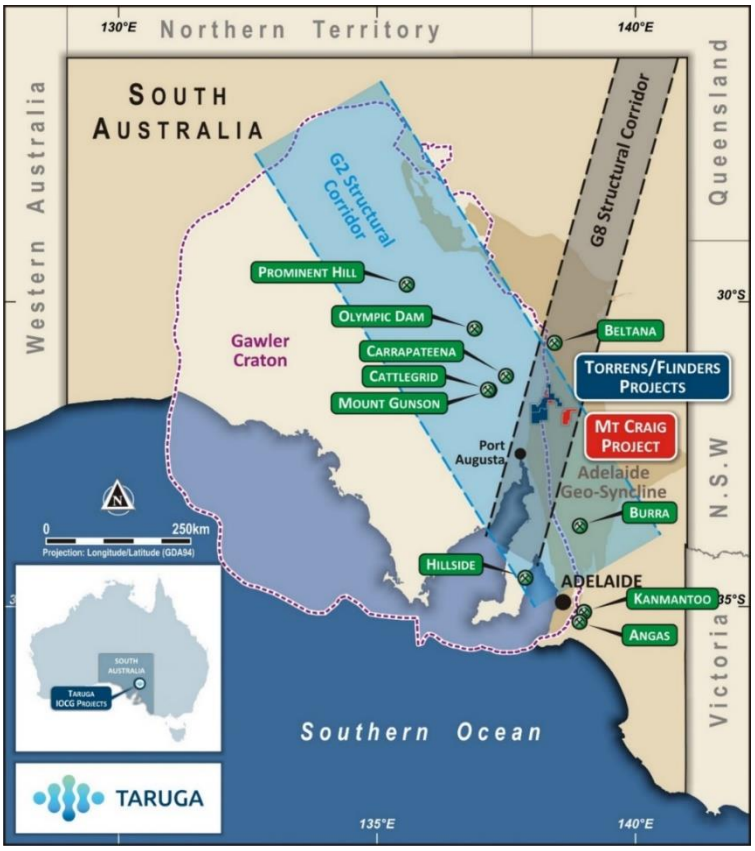

Figure 8: Regional Map showing the MCCP (in red) location within the Adelaide Geosyncline and G2 Structural Corridor within the Gawler Craton and Significant Mines/Deposits Nearby.

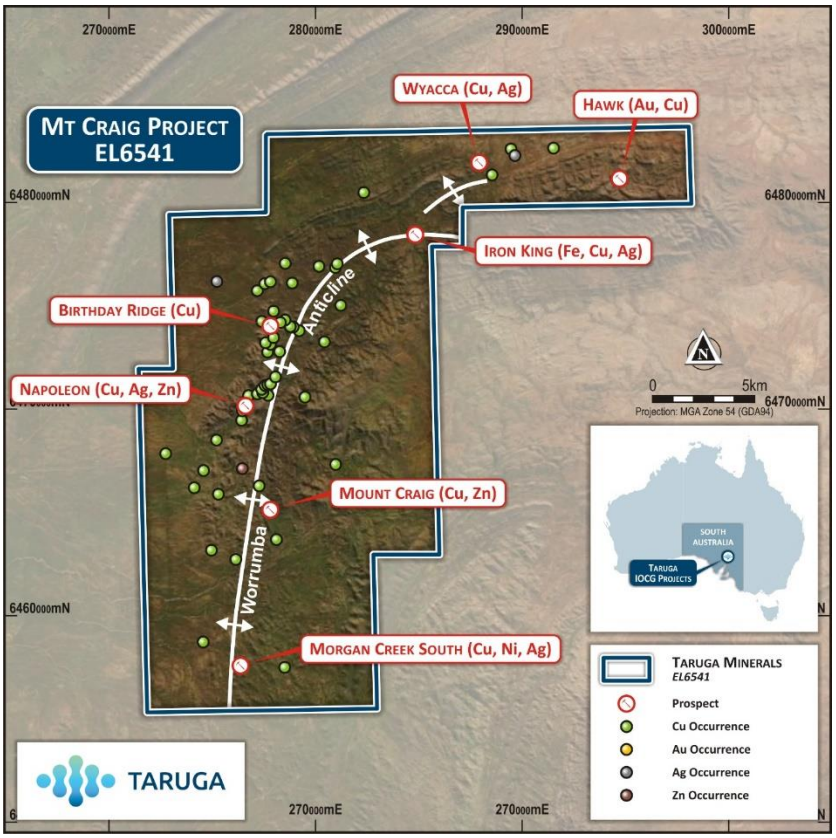

Figure 9: MCCP Project Outline showing Priority Exploration Targets, Historical Copper and Gold Mineral Occurrences & Mines, and the Main Structural Feature being the Worrumba Anticline.

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

For more information contact:

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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 Brent Laws, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Review of the geophysics has been conducted by Kim Frankcombe, a geophysical consultant to the Company through ExploreGeo. Mr Frankcombe is a member of the Australian Institute of Geoscientists (AIG) and is an experienced geophysicist

with over 40 years' experience. Mr Frankcombe has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration.

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". Both Mr Laws and Mr Frankcombe consent to the inclusion in this report of the matters based on their 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	N/A
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• N/A
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results asses* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• N/A
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• N/A
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• N/A
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• N/A

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• N/A
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• N/A
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• N/A
Sample security	• *The measures taken to ensure sample security.*	• N/A
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Licence EL6541 (Mt Craig/MCCP) is 100% owned by Strikeline Resources Pty Ltd. The tenement is in good standing with no known impediments to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical Exploration: Mt Craig - Extensive small-scale historic mining for base metals occurred throughout the area. This occurred most prominently at the Wyacca Mine and Wirrawilka workings. Further historic shafts at Iron King are presumed to have mined Silver and Gold. - From the 1960's onwards numerous companies have explored the region with soil, stream, rock chip & channel sampling, geophysics and drilling campaigns. The most prominent prior exploration was conducted by Cams Leases Pty Ltd., Copper Range (SA) Pty Ltd., Gold Copper Exploration Ltd., SAEI Triassic Coal Exploration & Utah Development Company Ltd.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mt Craig: The Wyacca target horizon at surface is a gossanous hematite/goethite breccia which can be traced along strike at surface where exposed. This mineralised horizon crops out and dips at 35-40 degrees to the North East within a sedimentary package of dominantly shales and underlying siltstones.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• All reported in previous ASX announcements.

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• N/A
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate plan and cross section diagrams of collar location, surface features and results are provided in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All relevant information is reported within the document or included in the appendices if not reported previously.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics;*	• Historical VTEM survey was flown by UTS Geophysics Pty Ltd and data reported by Geotech Ltd for Daktyloi Metals Pty Ltd in 2013. The survey was flown on 200m spaced, east-west lines

Criteria	JORC Code explanation	Commentary
	potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up RC drilling is being planned including potential diamond drilling targeting horizons identified from recent drill results, geophysical data and geological interpretation. • Collection of new IP and other downhole geophysical data is being planned to provide further insight and definition of key targets. New and historical data will be combined and used to finalise further programs.