ASX ANNOUNCEMENT

11/11/2021

TARUGA

Drilling Commenced at Morgan's Creek

HIGHLIGHTS:

- 2,000m Reverse Circulation (RC) drilling program has commenced at Morgan's Creek
- RC program will target **Kipushi-Style polymetallic** mineralisation and **Burra-Style polymetallic** mineralisation (along with **associated REE's and Critical Metals**) both associated with diapiric breccia system exposed across the project
- **Hydrothermal Hill** and **New Burra** prospects were identified from an intensive reconnaissance sampling and mapping program which highlighted multi-element geochemical anomalies over a strike of more than 3km, along the western margin of the diapiric breccia at Morgan's Creek, in the same geological setting as the nearby Burra Monster Mine (**75kt Cu metal –** never tested for Rare Metals) ~ 160km south, and the same geological setting as the African Copperbelt Kipushi Polymetallic Deposit (**40 Mt @ 18% Cu Eq ~ 52% Zn Eq,** includes Rare Metals mineralisation)
- Recent Diamond drilling at Hydrothermal Hill intercepted **chalcopyrite mineralisation** within **mafic-ultramafic** intrusions, along with **contact skarn** alteration (**assays pending** ~ late December). In addition:
    - **Strong Cu, REE, Li, Co** and **Zn in rock chip anomalism** has been returned from samples collected over Hydrothermal Hill prospect and the surrounding dolomites
    - **Strong REE-Zn-Li** in **soils anomalism** is zoned around the intrusion at Hydrothermal Hill, and over surrounding dolomites
    - **Large breccia system** and **structural fluid pathways** surrounding the prospect
- The **New Burra Prospect** is a **3km linear extension** (south) from the Hydrothermal Hill prospect, and is comprised of **highly reactive dolomites** of the Skillogalee Dolomite, known to be a **favourable unit for economic metal deposition** (e.g. Burra Monster Mine)
- Reconnaissance sampling (rock chips + soils) has recently returned strong Co, REE, Li, and Cu anomalism at the Oxide Hill prospect, where recent drilling intercepted REE's-Li-Zn-Cu-Sc-V mineralisation, both within, and zoned around a large mafic-ultramafic intrusion

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Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) is pleased announce that a 2,000m RC drilling program has commenced at Morgan's Creek, one of 7 sub-project areas within the Mt Craig Copper Project (MCCP).

Taruga CEO Thomas Line commented: *"We are seeing everything an exploration team would hope to see at Morgan's Creek. Morgan's Creek has an analogous geological setting as the giant Kipushi polymetallic deposit in the Central African Copperbelt, which boasts 40Mt @ 52% Zn equivalent, and that of the nearby Burra Monster Mine which was the world's largest operating Cu mine during its peak. These are just a few examples of deposits which are associated with the rare diapiric breccia systems which dominate Morgan's Creek, and we know that at least some of these deposits contain rare metals (such as REE's and Critical Metals) like we are seeing at Morgan's Creek. The combination of strong geochemical anomalies with strong geophysical support, along with encouraging drill intercepts from recent RC and diamond drilling, has highlighted new priority drill targets at Morgan's Creek that we are very excited to test."*

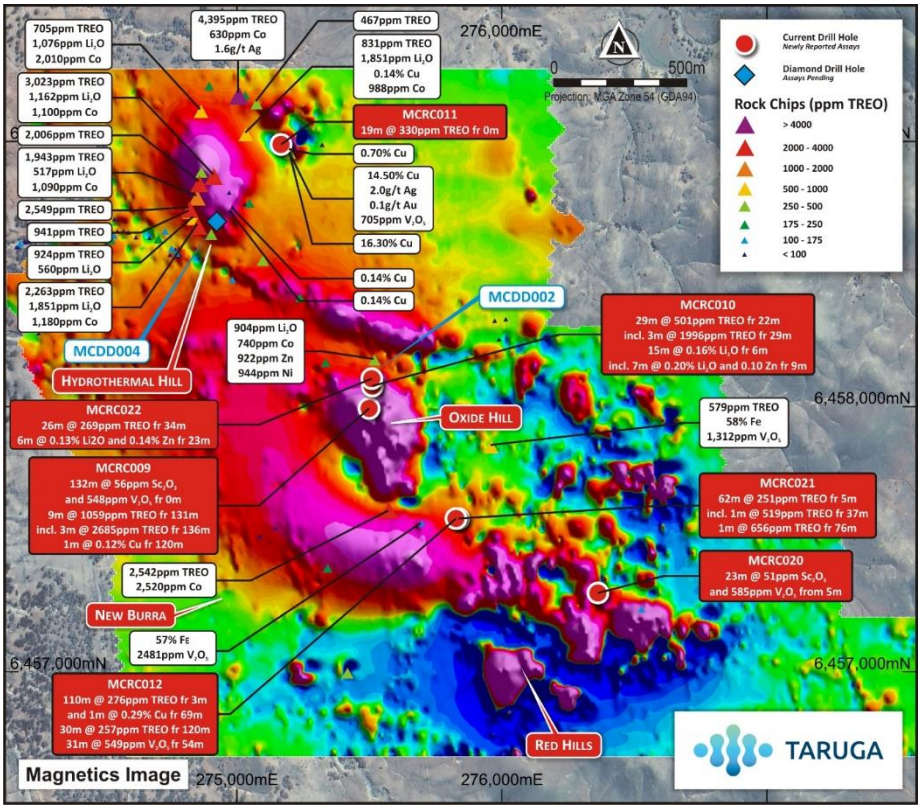

***Figure 1**. High-resolution ground magnetics TMI image at Morgan's Creek West, showing the priority drill targets for the current program, being Hydrothermal Hill, the New Burra prospect – a 3km linear geochemical anomaly running south along strike from Hydrothermal Hill, and Oxide Hill, where the best recent REE, Li and Zn intercepts were returned from recent reconnaissance drilling. The magnetics data allows us to see magnetic bodies such as intrusions, and areas of magnetic (and non-magnetic, or remnant magnetic) alteration which may be related to mineralisation. Together, gravity and magnetics form core exploration tools which enhance targeting efficiency.*

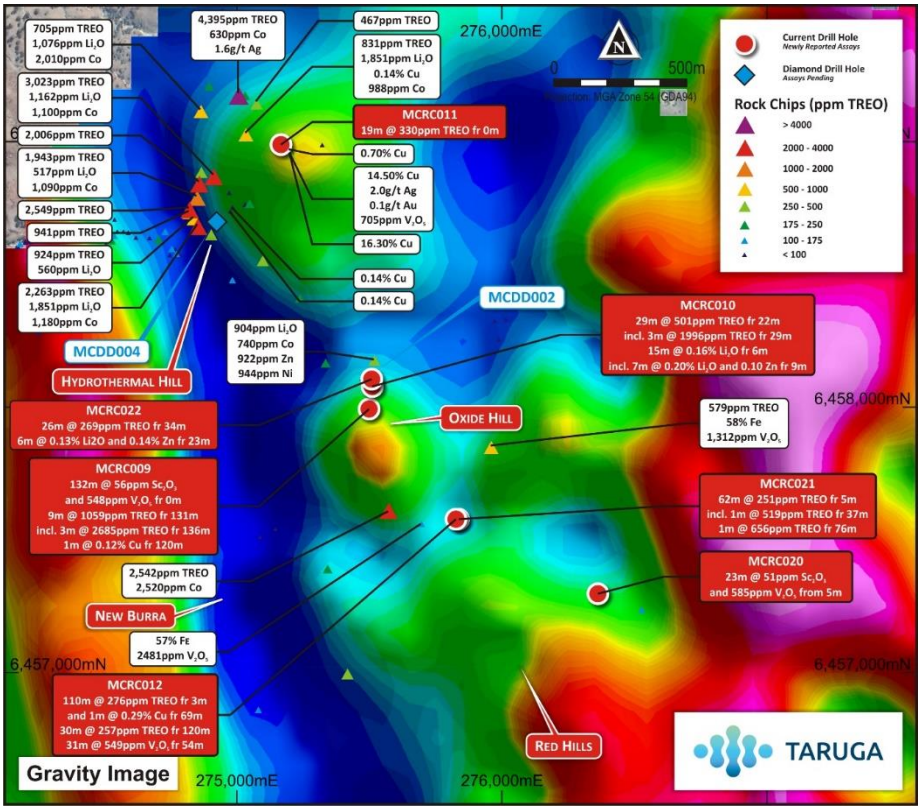

***Figure 2**. High-resolution ground gravity 1VD image at Morgan's Creek West, showing the priority drill targets for the current program, being Hydrothermal Hill, the New Burra prospect – a 3km linear soil anomaly, also represented by an elongate gravity low, running south along strike from Hydrothermal Hill; and Oxide Hill, where the best recent REE, Li and Zn intercepts were returned from recent reconnaissance drilling. The Gravity data has highlighted different lithologies and structures in the subsurface, and together with the magnetics allows us to see areas of alteration and potential mineralisation, which causes variations in density and magnetism.*

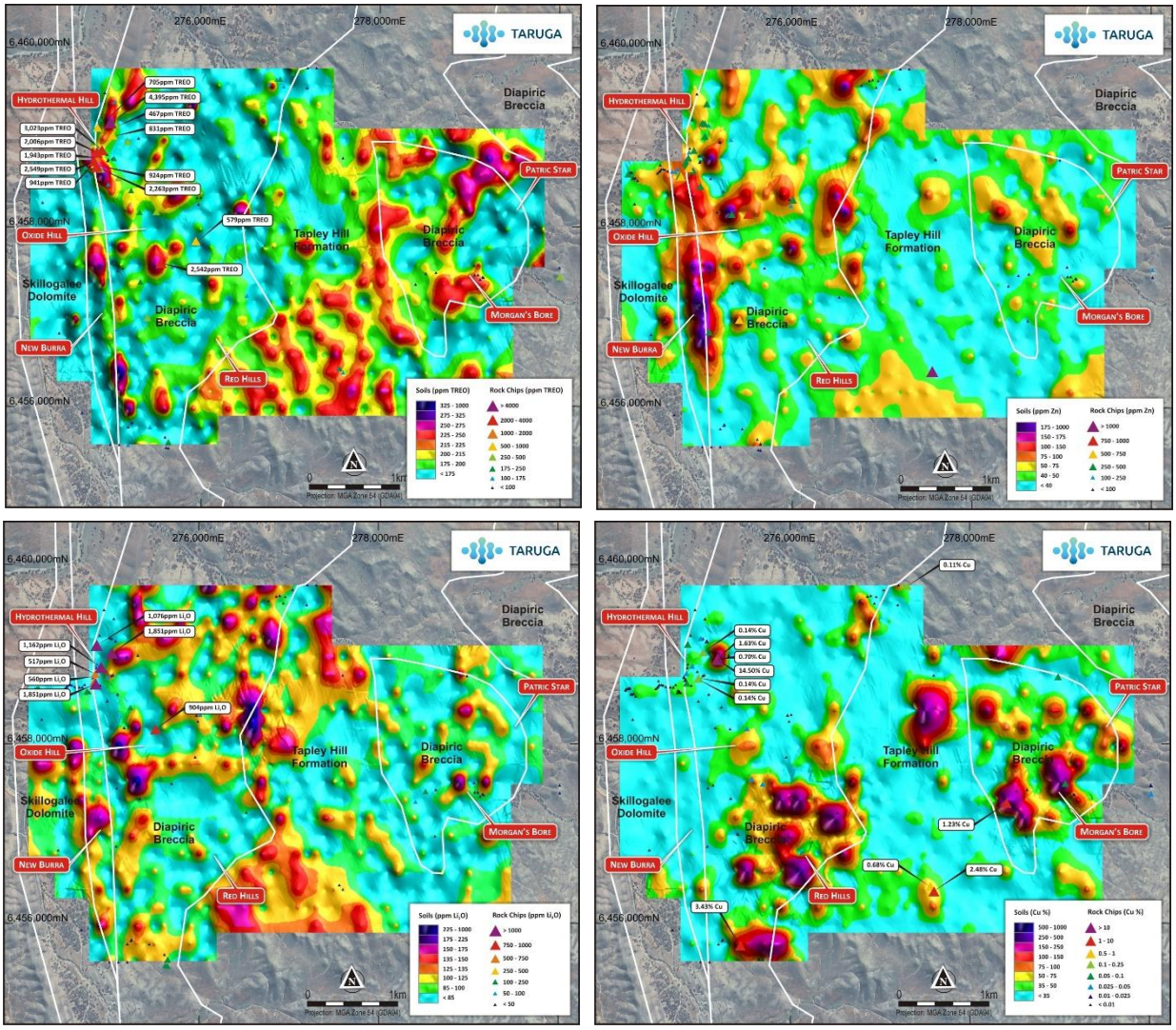

***Figure 3**. REE (top left) Zn (Top right) Li (bottom left) and Cu (bottom right) in soils anomalies over Morgan's Creek, showing key prospects, the locations of the diapiric breccias, and rock chip highlights. Note the strong zoned linear REE anomaly extending from Hydrothermal Hill southward along the New Burra prospect strike, which marks the contact between the diapir and basal unit of the Skillogalee Dolomite – the same structural and lithological setting as the nearby Burra Monster Mine (75kt Cu produced).*

Table 1. Morgan's Creek Target Priorities.

Priority	Prospect	Target Commodities	Geochem Anomaly	Target Style	Significant Intercepts	Comments
1	**Hydrothermal Hill**	Cu, REE, Co, Zn, Li	Cu, REE, Co, Zn, Li	Layered ultramafic, contact skarn, Burra-style Cu	1 diamond hole: Chalcopyrite and magnetite alteration	Awaiting Assays - **RC drill testing currently**
2	**New Burra**	REE, Zn, Cu, Li	REE, Zn, Li	Burra -style Cu, Kipushi Style polymetallic	No Drilling	**RC drill testing currently**
3	**Oxide Hill**	REE, Li, Zn, Sc, V	REE, Li, Zn, Sc, V	Contact skarn, sed-Cu, Alkaline REE	REE, Li, Zn, V, Sc, Cu	**RC drill testing currently** - extend mineralisation
4	**Morgan's Bore**	Cu, REE	Cu, REE, Li	Sed-Cu, Burra-style Cu, Alkaline REE	Cu, REE, Sr, V, Sc	RC drill Q2 2022- extend mineralisation
5	**Patric Star**	REE, Cu, Li	REE, Cu, Li	Layered ultramafic, contact skarn, sed-Cu, Kipushi-style polymetallic, Alkaline REE	No Drilling	RC drill testing Q4 2021
6	**Red Hills**	Cu	Cu	Intrusion-related Cu-Au, Contact Skarn, Alkaline REE	No Drilling	RC drill testing Q2 2022

Table 2. Morgan's Creek Prospect Status.

Prospect	Mapping	Soils/Recon Sampling	Grav Geophys	Mag Geophys	First Pass RC Drilling	Diamond Drilling	Extensional RC Drilling	Resource Drilling
Oxide Hill	Complete	Complete	Complete	Complete	Complete	Complete	**Q4 2021**	TBA
Morgan's Bore	Complete	Complete	Complete	Complete	Complete	Complete	Q2 2022	
Hydrothermal Hill	Complete	Complete	Complete	Complete	**Q4 2021**	Complete	**Q4 2021**	
Patric Star	Complete	Complete	Complete	Complete	TBA	TBA	TBA	
New Burra Prospect	Complete	Complete	Complete	Complete	**Q4 2021**	TBA	TBA	
Red Hills	Complete	Complete	Complete	Complete	Q2 2022	TBA	TBA	

About the MCCP

The Mt Craig Copper Project (MCCP) is host to seven major sub-projects, prospective for a range of mineralisation styles, including polymetallic (Cu-Zn-Pb-Ag-Au) and critical mineral (REE, Li, V, Sc, Co) suites.

Prospective Mineralisation Styles at MCCP:

- Central African Copperbelt style sediment hosted Cu-Co-Ag

- Burra Monster Mine style Cu
- Mt Gunson style sediment hosted Cu-Co-Ag
- Beltana style Zn
- Kipushi style polymetallic (Cu-Zn-Pb-Ag-Au)
- Intrusion Related Mineral System (IRMS)
- Contact skarn
- Alkaline intrusion related REE's
- Ionic clay style REE
- Layered mafic-ultramafic intrusion related Cu-Ni-PGE-V-Co

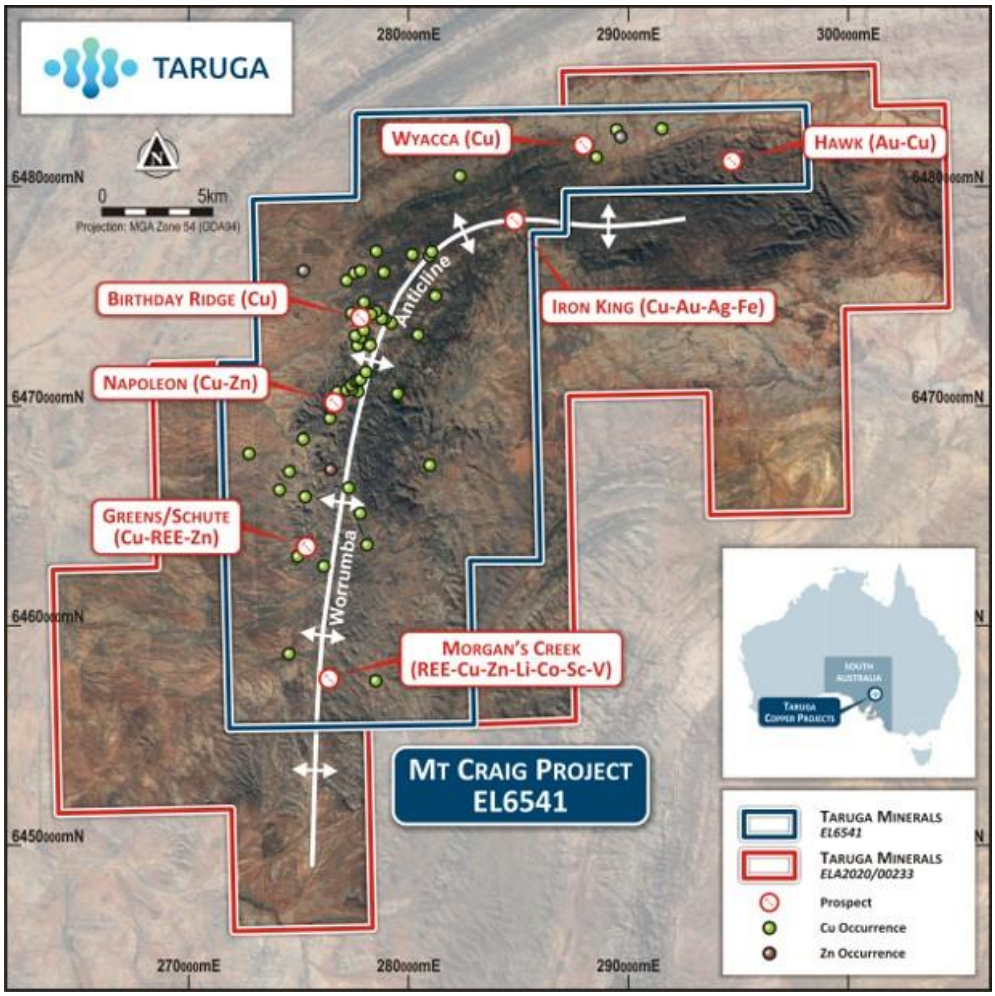

Figure 4. *MCCP Project Outline showing Priority Exploration Targets, Historical Cu and Zn Mineral Occurrences & Mines, and the Main Structural Feature being the Worrumba Anticline.*

Mineralisation and rocks are exposed from surface at MCCP, allowing a full spectrum of exploration techniques to be used in order to asses and prioritise targets. The MCCP has the ideal source rocks and trap sites for metal deposition, which is a result of a combination of geological factors, summarised below:

Prospective Geological Features and Deposit Associations at MCCP:

- A major structure (the Worrumba Anticline) extending the full length of the project. This has acted as a major fluid pathway for metalliferous fluids, and a conduit for intrusive igneous rocks and intrusive diapiric breccias to reach the surface and react with younger host rocks, depositing metals.

- Over 60 recorded copper occurrences, and over 30 historical artisanal and small-scale copper mines at surface.

- A large diapiric intrusive breccia system spanning the full 34km strike of the project, which has intruded along the Worrumba Anticline.
    - Nearby significant deposits associated with diapiric breccias include:
        - Burra Monster Mine (**75kt Cu metal**);
        - Beltana high-grade zinc deposit (**1Mt @ 29% Zn**);
        - Blinman Cu deposit (10kt Cu metal produced).
    - Global significant deposits associated with Diapiric breccias include:
        - Kipushi Polymetallic deposit – Congo (**40Mt @ 10% Cu, 18% Zn, 1% Pb** and **160g/t Ag**)
        - Tunisia Zn-Pb deposit (**5Mt Zn+Pb metal** produced) Northern Africa
        - Reocin Zn-Pb-Ag (**87Mt @ 11% Zn, 1% Pb**) Northern Spain

- Common presence of Neoproterozoic Callana Group mafic volcanics, which are known to be a source rock and host rock for significant Cu mineralisation within diapiric breccias throughout the Adelaide Fold Belt.

- Basal unit of the highly reactive Skillogalee Dolomite is present throughout the MCCP, and in places contacts on the margin of the diapiric breccia, forming the same setting as the nearby Burra Monster Mine (**75k Cu metal** produced).

- 58km of outcropping reduced black shales of the Tindelpina Shale Member (basal unit of the Tapley Hill Formation) along a rift margin environment, extending from the Wyacca Prospect, where high grade copper has been intercepted by recent drilling. This setting is an analogous to the Central African Copper Belt deposits, and Kuperschiefer Cu ore-host lithology, along with the nearby Mt Gunson and Windabout Cu-Co-Ag deposits.
    - Nearby relevant sed-Cu deposits hosted within Tapley Hill Formation include:
        - Mt Gunson (75 kt Cu metal produced +Co + Ag)
        - Windabout (250kt Cu metal equivalent: Cu + Co + Ag)
    - Globally relevant sediment-hosted Cu deposits include:
        - Kamoa (**760 Mt @ 2.73% Cu ~ 20Mt contained Cu** metal) Congo
        - Kuperschiefer deposits (**32 Mt Cu metal** and **3.1 Billion Oz Ag** metal collectively)

- Differentiated/layered mafic-ultramafic intrusions identified at Morgan's Creek. The geological setting at Morgan's Creek is that of a Continental Rift setting. Significant deposits associated with layered mafic-ultramafic intrusions in Continental Rift settings include:
    - Ni-Cu-PGE + Cr/V (Scandinavia)
        - Pechenga (**339Mt @ 1.18% Ni, 0.63% Cu, 0.3g/t PGE**)
        - Penikat (**15Mt @ 7.8 g/t Pt+Pd**)
    - Ni-Cu-Co (Canada)
        - Voisey's Bay (**124.4 Mt @ 1.66% Ni, 1.19% Cu and 0.13% Co**)
    - Vanadium (Australia)
        - Speewah (**4,712 Mt @ 0.3% V2O5**)
        - Gabanintha (**131 Mt @ 0.9% V2O5**)

        - Windimurra (**235 Mt @ 0.49% V2O5**)
    - Other layered ultramafic related Ni-Cu-Au-PGE (Australia)
        - Julimar (Resource pending – N-Cu-Au-PGE; Discovery hole **19m @ 2.6% Ni, 1.0% Cu, 8.4 g/t Pd and 1.1 g/t Pt**)

- Massive magnetite bodies with associated Cu-Ag-Au mineralisation are present across the MCCP, with the most notable exposure from surface being the Iron King prospect.

Major Sub-Projects at the MCCP:

- **Wyacca** (sediment-hosted Cu)
- **Morgan's Creek** (Burra style Cu; Kipushi style Cu-Zn-Pb-Ag; Central-African style sediment-hosted Cu; Layered mafic-ultramafic Cu-Ni-PGE-V-Co; Alkaline igneous REE's; Ionic clay REE's; Contact Skarn Cu-Zn-Co-Ag-REE)
- **Birthday Ridge** (sediment-hosted Cu; intrusion-related Cu-Au)
- **Iron King** 500m body of outcropping massive magnetite with associated copper and gold workings around its margins (Cu-Au-Ag-Fe)
- **Hawk** (Sediment-hosted Au-Cu)
- **Greens + Schute** (sediment-hosted Cu; Alkaline igneous REE, Ionic clay REE's)

The MCCP is situated within the Adelaide Fold Belt (**AFB**), and lies at the intersection of the G2 and G8 structural corridors (lineaments). The G2 and G8 lineaments mapped by O'Driscoll led to the discovery of Olympic Dam, and reflect the deep lithospheric structure of Australia, hosting the majority of South Australia's major base metal deposits. The AFB has hosted over 800 historical copper mines or workings, and multiple polymetallic mines since the 1840's. Copper-gold associations are common within the AFB, with many of the old copper mining ventures not recognising the presence of gold and other metals which were not assayed for. Modern exploration has continued to uncover significant large-scale, polymetallic, base and precious metal potential around historical mining regions within the AFB, which have undergone limited exploration and development since initial mining ceased in the late 1800's.

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

For more information contact:

Thomas Line	Eric de Mori
CEO	Director
+61 8 9486 4036	+61 8 6169 2668

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.