TARUGA

REGISTERED OFFICE
Unit 5, 1 Centro Avenue | Subiaco
Western Australia | 6008
p +61 (8) 9486 4036
f +61 (8) 9486 4799

POSTAL ADDRESS
PO Box 1970 | West Perth
Western Australia | 6872
e admin@tarugaminerals.com.au
w tarugaminerals.com.au

Taruga Minerals Limited ACN 153 868 789

12 July 2018

DRILLING AND SAMPLING UPDATE AT KAMILOMBE AND MWILU PROJECTS IN THE DEMOCRATIC REPUBLIC OF CONGO

Taruga Minerals Limited (ASX: **TAR, Taruga** or the **Company**) is pleased to announce that 5 diamond holes at Kamilombe for a total of 999.3m, and 6 diamond holes at Mwilu for a total of 857m have been completed. The ongoing seventh hole plus two additional diamond holes at Mwilu will complete the due diligence drilling programmes.

A total of 1,322 half core samples have been submitted to the ALS Global sample preparation facility in Lubumbashi, DRC. Of these, the first hole from Kamilombe has been despatched to ALS Global's assay facility in Johannesburg, South Africa, with first results expected within the next few weeks.

Kamilombe

As part of the 6 month due diligence program Taruga proceeded to twin 5 of the KCC/Gecamines holes shown in Figure 1, which covered a potential strike length of 1,000m to better understand previously reported results.

Niton XRF results for sample pulps prepared for KMDD001 have defined an upper 30m zone mineralised in cobalt at the same level as that defined by KCC/Gecamines and a further 4 zones mineralised in copper. Two of these zones totaling roughly 35m were not previously reported by KCC.

The Company has reviewed the Niton results and while mineralisation is demonstrated, the variations in readings and comparative check samples indicate that it is unreliable to report numbers. The Company has dispatched samples to ALS Global and will report these laboratory analysis to avoid doubt. It is suspected that the variation in Niton results is due to a higher iron content. The remaining 4 holes at Kamilombe demonstrate stratigraphic correlation with the existing drill holes, however slight variations are noted due to faulting and was easily identified in the core. Black oxides and anomalous spot Niton results were generally observed where expected. Thicknesses of the mineralized intersections are close to true thickness as bedding in the highly weathered stratigraphic units appears to be flat.

All samples have been sent to ALS Global's laboratory in Lubumbashi where a representative pulp from each sample will be sent to their accredited laboratory in Johannesburg for 4 acid digest and ICP-AES finish. All results are expected in 3 to 4 weeks.

REGISTERED OFFICE
Unit 5, 1 Centro Avenue | Subiaco
Western Australia | 6008
p +61 (8) 9486 4036
f +61 (8) 9486 4799

POSTAL ADDRESS
PO Box 1970 | West Perth
Western Australia | 6872
e admin@tarugaminerals.com.au
w tarugaminerals.com.au

Taruga Minerals Limited ACN 153 868 789

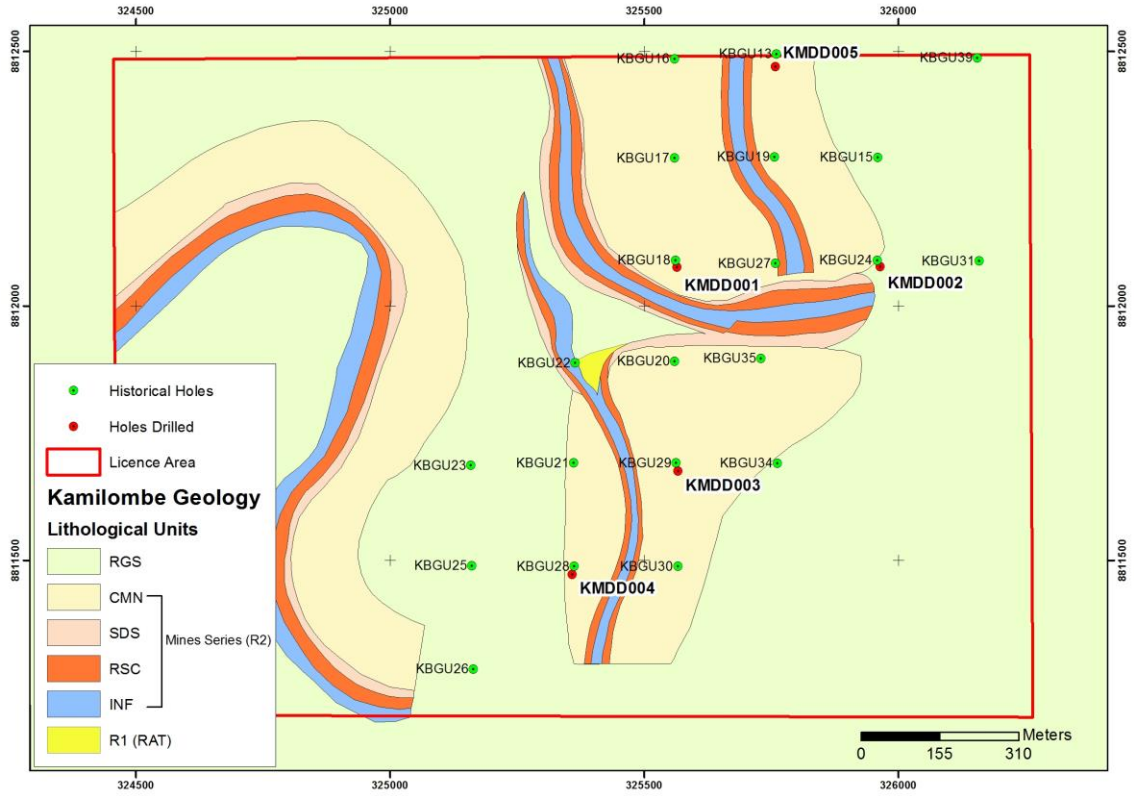

Figure 1: Interpreted geology from Gecamines showing historic KCC/Gecamines diamond holes and 5 twinned diamond holes completed by Taruga

Mwilu

Four inclined shallow holes were drilled at Mwilu to test near surface cobalt grades of Mines R2 series lithologies exposed in two ridges at Mwilu. The holes were planned to evaluate the potential for early stage, small scale, near surface production. All completed and pending holes at Mwilu are shown in Figure 2.

Both diamond holes which targeted the northern ridge intersected mineralised lower R2 Mines series stratigraphy before intersecting a major thrust fault. Two diamond holes drilled below the southern ridge showed that mineralised Mines R2 series were duplicated through thrusting and could potentially host a broad zone of mineralisation.

All holes have showed varying amounts of black oxide which potentially includes heterogenite (cobalt mineral). Copper in the form of malachite was observed at depth in many of the holes, especially along fault zones.

Two remaining diamond holes spaced 200m will test potential mineralisation at depth to the south of the southern ridge at Mwilu.

REGISTERED OFFICE
Unit 5, 1 Centro Avenue | Subiaco
Western Australia | 6008
p +61 (8) 9486 4036
f +61 (8) 9486 4799

POSTAL ADDRESS
PO Box 1970 | West Perth
Western Australia | 6872
e admin@tarugaminerals.com.au
w tarugaminerals.com.au

Taruga Minerals Limited ACN 153 868 789

Samples from the first 3 holes at Mwilu have been submitted to ALS Global's laboratory in Lubumbashi from where a representative pulp from each sample will be sent to their accredited laboratory in Johannesburg for 4 acid digest and ICP-AES finish. First results are expected within 4 weeks.

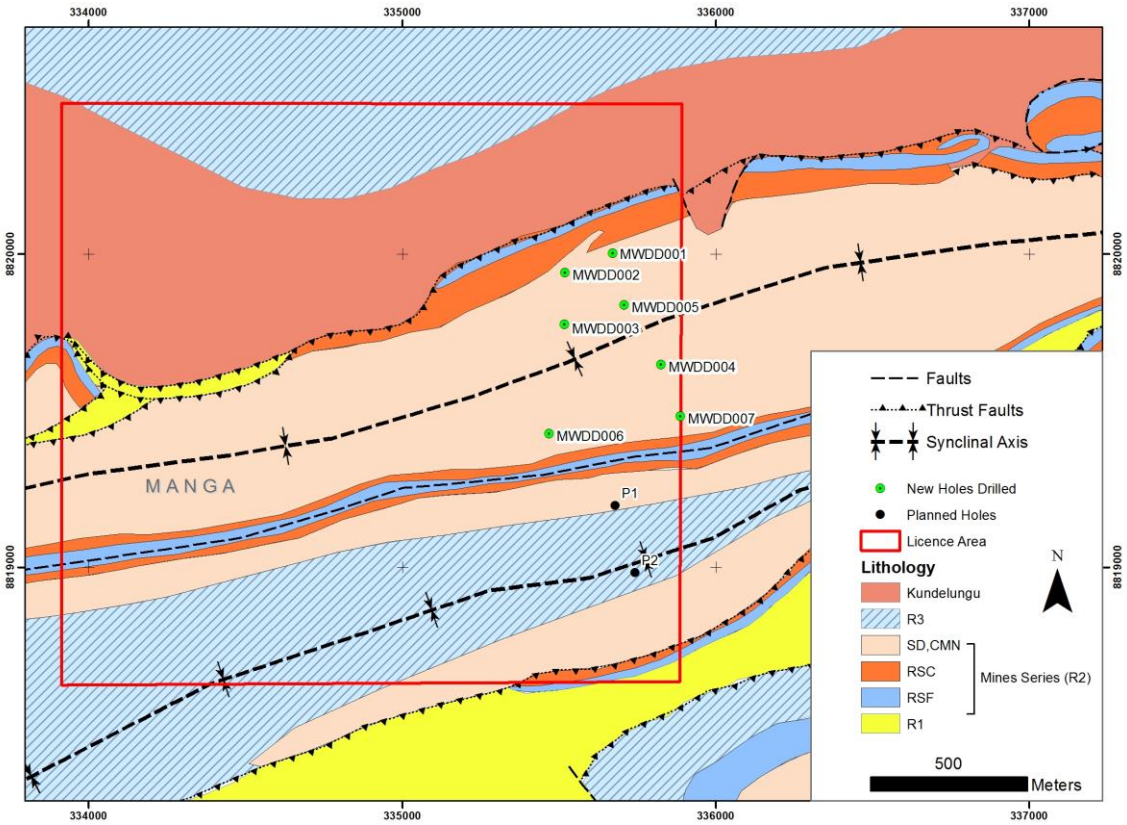

Figure 2: Interpreted geology from Gecamines showing completed holes and planned holes (P1 and P2) at Mwilu. MWDD007 currently being drilled.

Mwilu and Kamilombe lie within the Kolwezi "Klippe", within the Central African Copper Belt, which hosts many of the largest known copper-cobalt stratiform deposits both in the south-eastern DRC and Zambia. Channel sampling and drilling to date has confirmed that both Mwilu and Kamilombe have potential to host high grade cobalt mineralisation and low grade copper.

Due Diligence – Madini Licences and PR12423

The ongoing due diligence on the Madini licences and PR12423 is progressing with a decision to continue expected within coming weeks.

REGISTERED OFFICE
Unit 5, 1 Centro Avenue | Subiaco
Western Australia | 6008
p +61 (8) 9486 4036
f +61 (8) 9486 4799

POSTAL ADDRESS
PO Box 1970 | West Perth
Western Australia | 6872
e admin@tarugaminerals.com.au
w tarugaminerals.com.au

Taruga Minerals Limited ACN 153 868 789

For more information contact:

Mark Gasson
Executive Director
Phone: +33 640 612 921
Email: mark@tarugaminerals.com.au

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 discovery of an economic ore deposit. Even if an

TARUGA

REGISTERED OFFICE
Unit 5, 1 Centro Avenue | Subiaco
Western Australia | 6008
p +61 (8) 9486 4036
f +61 (8) 9486 4799

POSTAL ADDRESS
PO Box 1970 | West Perth
Western Australia | 6872
e admin@tarugaminerals.com.au
w tarugaminerals.com.au

Taruga Minerals Limited ACN 153 868 789

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.

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.*	All core is halved with half remaining at Taruga's in country premises and the remaining half submitted for assay. Sampling of core is according geology. Samples have a maximum sample size of 50cm in HQ and PQ core and 1m in NQ core. Half cores are submitted to ALS Global Laboratory in Lubumbashi for sample preparation. A representative sample from each sample is returned to Taruga for Niton analysis. A second sample is sent to ALS Global in Johannesburg for analysis using 4 acid digest and ICP-AES finish. QAQC samples including standards, blanks or repeat samples are included as every 10th sample. Historical geochemical data is being reviewed and will be validated during the Due Diligence period.
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).*	Due diligence diamond drilling has been completed at Kamilombe and ongoing at Mwilu. Holes are collared using PQ size and then reduced to HQ and finally NQ size as drilling conditions deteriorate. Drilling muds and chemicals are used to ensure maximum core recoveries. The Company has received written geological logs for the drilling, including sampling information at Kamilombe announced 1 March 2018. Drill holes are vertical. Geological logs have been reviewed during the assessment process, however the Company has commenced drilling during the Due Diligence period to twin holes and verify information.

Criteria	JORC Code explanation	Commentary
		Additional data relating to the drilling is being pursued during the Due Diligence period.
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.*	Recoveries are measured at the drill rig by measuring actual length of core recovered verse core drilled. Holes are collared using PQ size and then reduced to HQ and finally NQ size as drilling conditions deteriorate. Drilling muds chemicals are used to ensure maximum core recoveries. One stratigraphic unit, the RSC, is particularly vuggy and broken making it extremely difficult to attain 100% core recoveries. At Kamilombe, the unit is mineralised. Special care is taken by the drillers to maximise core recoveries within the unit. Historical drilling information is referred to in this announcement and this information has been received as geological logs of the drill holes. No comments regarding samples recoveries are noted. No comment is made on the relationship between recovery and grade. Taruga will review this information during the Due Diligence period.
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.*	Core logging is geological. Because rocks are weathered down to depths exceeding 250m it is not possible to orientate the core which limits structural information. All core is logged in detail according to geology and visible mineralisation and all core is photographed. Taruga has received historic geological logs of the previous diamond drilling. No information is supplied regarding the geotechnical logging of the core.
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*	All core is halved with half remaining at Taruga's in country premises and the remaining half submitted for assay. Sampling of core is according geology. Samples have a maximum sample size of 50cm in HQ and PQ core and 1m in NQ core. Half cores are submitted to ALS Global Laboratory in Lubumbashi for sample preparation. A representative sample from each sample is returned to Taruga for Niton analysis. A

Criteria	JORC Code explanation	Commentary
	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.*	second sample is sent to ALS Global in Johannesburg for analysis using 4 acid digest and ICP-AES finish. QAQC samples including standards, blanks or repeat samples are included as every 10th sample. No sub-sampling has occurred. For the historic drilling data sampling data is reported in the geological drill logs, however no comment is made on percentage of core sampled. No QAQC information is available. Taruga has completed drilling of the twin holes at Kamilombe during the Due Diligence period, and has incorporated appropriate QAQC to provide confidence in the data.
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.*	No diamond core samples have been assayed. For the historical drilling data referred to in the announcement no details of assaying technique are available. No details of QAQC are available. Taruga's diamond drilling programme during the Due Diligence period has included appropriate QAQC sampling. QAQC samples including standards, blanks or repeat samples which were included as every 10th sample.
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.* • *Discuss any adjustment to assay data.*	Historical drilling data relating to the Kamilombe prospect relates to geological logs received by Taruga. Intersections listed in this announcement have been reviewed and Taruga personnel. Taruga has twinned 5 historic holes during the Due Diligence period to verify the historic drilling. Taruga has received geological logs. No digital data of historic drilling is available. Taruga intends to create a digital database of historic data.

Criteria	JORC Code explanation	Commentary
		No adjustment has been made to any assay information.
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.*	All diamond holes for the due diligence drilling at Mwilu and Kamilombe were located using a Garmin GPS. All holes will be located using a differential GPS with cm accuracy prior to any resource work. Taruga is negotiating a Lidar survey which will assist in defining the exact position on the ground prior to the differential GPS survey. Coordinates are reported in the WGS84-UTM35N Grid system. Historical collar positions were observed in field reconnaissance. No surveying was completed.
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.*	Historic drilling at the Kamilombe prospect is completed on a 200m x 200m grid with vertical drill holes. Data is not considered suitable at this stage appropriate for a Mineral Resource and Ore Reserve estimation. On completion of the due diligence drilling, and assuming Taruga continues with Mwilu and Kamilombe, Taruga will drill all holes on a 100 x 100m grid pattern. Taruga believes that this will be adequate for initial Mineral Resource Estimation. No sample compositing has been applied.
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.*	All holes planned at Kamilombe are vertical. Drilling so far has shown this to be roughly perpendicular to the underlying stratigraphy. Holes at Mwilu will be drilled at differing angles to ensure drilling is perpendicular to the stratigraphic orientation wherever possible where the mineralised units are interpreted to occur as two parallel synclines. For the historic drilling no comment is made on the drill orientation (vertical) and geology. Taruga will review this during the Due Diligence period.
Sample	• *The measures taken to ensure sample security.*	Samples were collected by employees of TAR.

Criteria	JORC Code explanation	Commentary
security		Samples were transported to Lubumbashi under the supervision of TAR's senior employee before being submitted to ALS Global Laboratory in Lubumbashi for sample prep. No comment can be made on sample security of historic drilling.
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.*	This announcement relates to results reported from the Mwilu and Kamilombe Projects (portions of PE's 4960 and 11599 respectively) and an update on the due diligence on Madini's PEPM 2315, PR's 12726, 12727 and 13728 and PR 12423 located in the Democratic of Congo (DRC). The acquisition and deal terms were announced 1 March 2018. The permits covers an area of roughly 122km^2. The validity of the title has been reviewed on Government databases, however a proper legal opinion on the status of all licences will be provided as part of the Due Diligence process. All agreements are subject to due diligence periods of between 4 weeks and 6 months during which Taruga has committed to short drilling programmes.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	A diamond drilling programme was carried out by KCC Katanga and Gecamines which ended in 2013 on the Kamilombe project. No detailed information regarding logging, core recoveries, surveys, QAQC has been provided. The Company will twin a selection of these holes during the due diligence period to confirm grades and widths and true thickness of the results reported by Gecamines/KCC Katanga.

Criteria	JORC Code explanation	Commentary
		Early stage exploration consists of geochemical sampling. No other exploration is known to have been completed within the permit areas.
Geology	• *Deposit type, geological setting and style of mineralisation.*	All permits are located within the Central African Copper Belt. The Copper Belt extends over an area of 700km x 400km, from south-eastern DRC into Zambia. Mineralisation style is sediment hosted Copper-Cobalt mineralisation. Previous geological exploration within the Copper Belt targeted the lower sedimentary sequences (known as the "Mines Group"), however recent work has highlighted mineralisation in the overlying Mwashya and Nguba groups. Significant discoveries include the Kamoa deposit (Ivanhoe Mines) where mineralisation is hosted in the "Grand Conglomerate Formation" at the base of Nguba group (also referred to as the Lower Kundulungu). Locally the geology within the permit areas consist of carbonaceous shales and siltstones of the Kundulungo group and more than 28km of Roan Mines (R2) Series.

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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the*
		Diamond drilling has commenced at Mwilu and Kamilombe by Taruga. Drill hole collar data and main intervals will be included as tables in the body of the announcement.
		
		Elevation data will be recorded using a Garmin handheld GPS. Once the initial programme has been completed all drill hole collars will be surveyed with a DGPS to accurately establish position and elevation.
		
		Historical drilling has been completed at the Kamilombe prospect, however the company has received only preliminary information in the form of geological drill logs. Taruga intends to undertake validation drilling as part of the Due Diligence period and will also undertake a review of the historic drilling including survey of collars and creation of a database from geological logs as well as pursuing original geological

Criteria	JORC Code explanation	Commentary
	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.	databases that may contain additional information.
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.*	No data aggregation methods were provided.
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').*	For the historic drilling at the Kamilombe prospect no comment has been made as the geometry of the mineralisation. The drilling is wide spaced (200m x 200m grid) and drilling is vertical. Announcement refers to "Down hole length, true width not known".
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.*	No diagrams were included in the current release. Relevant diagrams were included in ASX announcements released on 1 March 2018 and 3 April 2018.
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.*	Maps showing the drill hole positions at Mwilu and Kamilombe are included in the body of this ASX announcement and provides a summary of all known exploration activity completed within the permit area. No information has been excluded.
Other	• *Other exploration data, if meaningful and material, should be reported*	No other relevant data.

Criteria	JORC Code explanation	Commentary
substantive exploration data	*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; 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.*	Historic exploration consists of geochemical sampling and drilling with partial cover of the permits. Taruga will confirm drill results from historic work as well as complete drilling programmes at the Mwilu and Kamilombe Projects during the 6 month due diligence period and will conduct soil geochemical and air core drilling programmes on all early stage projects on completion of the initial due diligence programmes. The immediate future work is a process of Due Diligence drilling, geochemical sampling with samples dispatched to a commercial laboratory for analysis and verification of the surface anomalies.