

29/1/2024



## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

Taruga Minerals Limited (ASX: **TAR**, **Taruga** or the **Company**) is pleased to present its quarterly activities report for the December 2023 quarter.

### **Mt Craig Project (MCP), South Australia (TAR 100%)**

The Mt Craig Copper Project (MCCP) spans more than 850km<sup>2</sup> centered around a major structure – the Worumba Anticline. The Project is considered prospective for copper and rare earth elements (REE's).

### **Morgan Creek REE Exploration**

Morgan's Creek (Morgan's) sits at the southern end of the MCCP. The Morgan Creek geology includes large exposures of highly reactive trap rocks such as the Skillogalee Dolomite and the Yednalue Quartzite. Taruga's exploration has been investigating the scope and characteristics of the REE occurrences intercepted in earlier Taruga RC and Aircore drilling programs. Metallurgical testwork that has been progressing indicates no material change to results and recoveries previously reported (ASX release 15/12/2022).

Taruga continues to evaluate the broader Mt Craig Project for potential REE mineralisation to add to the Morgan Creek REE occurrence.

### **Mt Craig – Wyacca Copper Exploration**

The Wyacca prospect sits on the western limb within the northern section of the Worumba Anticline. Mapping and drill results coupled with geophysical data was incorporated into advanced mapping and structural interpretations to define the potential and targeting of copper mineralisation.

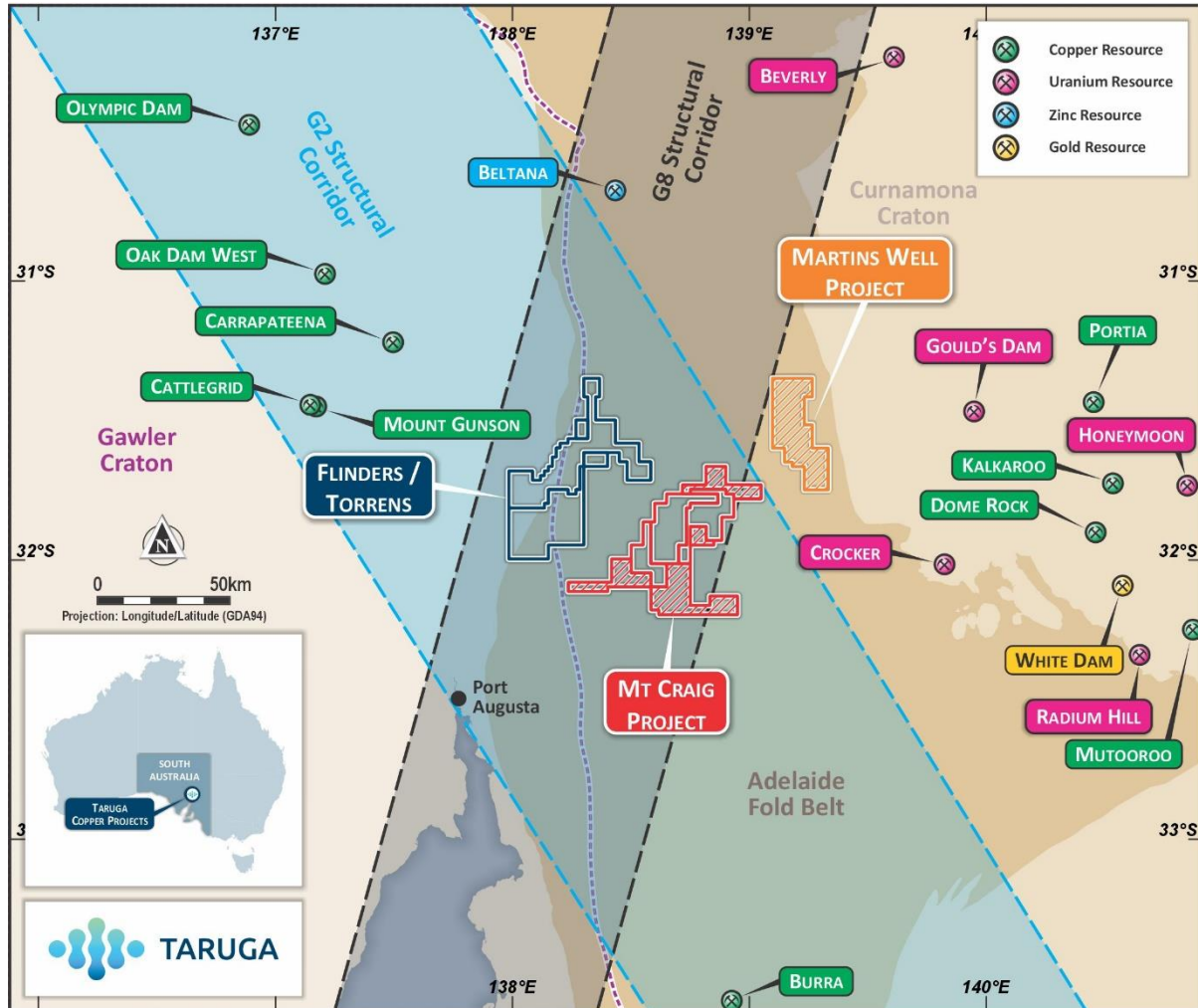
The stratigraphy in the Wyacca Prospect area consists of the Tapley Hill formation overlying the Wilyerpa formation, with the Tapley Hill formations Tindelpina Shale member at the base of the Tapley Hill Formation. The various structural features including radial faults cross cutting stratigraphy and stratigraphic shears combine to provide potential zones of brecciated permeable stratigraphy and pathways for fluid movement which is reflected in the known copper mineralisation exposed at surface. This generation work has highlighted targets for copper mineralisation, being the subsurface intersection of radial faulting, stratigraphic shearing and the stratigraphic contact of the Tindelpina shale and the Wilyerpa sandstone.

### **Flinders Project, South Australia (TAR 100%)**

On 15 January 2024, Taruga provided an update in relation to authorisations sought pursuant to sections 21 and 23 of the Aboriginal Heritage Act 1988 (SA) (Act) with respect to the Flinders Project, South Australia.

Through its 100% owned subsidiary Strikeline Resources Pty Ltd, the Company sought approval to continue exploration in two prospect areas in the north of the Flinders Project (EL 6362) called Jenkins and Woolshed. Taruga made the applications for authorisations in March 2021 and were advised of an estimated timeframe to receive a determination of 6-9 months.

On the 12<sup>th</sup> of January 2024, a determination period of nearly three years, Taruga received a letter from the Minister for Aboriginal Affairs (SA), the Hon Kyam Maher MLC, advising that he has decided not to grant the authorisations requested under sections 21 and 23 of the Act.



**Figure 1:** Tenement Map showing Taruga's South Australian projects and the regional and structural setting including the Gawler Craton outline as published by the Geological Survey of South Australia in purple.

### Torrens and Martins Well Projects, South Australia (TAR 100%)

Work was limited to reviewing historical data and known geology relating to the Martins Well Project during the quarter. No work was completed on the Torrens Project during the quarter.

### Manjimup Project, Western Australia (TAR 100%)

Taruga holds 3 exploration licence applications in the Greenbushes area of Western Australia (the Manjimup Project). The Manjimup Project tenements have potential for Thor and Odin type Ni-PGE mineralisation, Volcanic Hosted Massive Sulphide (VHMS) polymetallic mineralisation, and Greenbushes tin-tantalum-lithium style of mineralisation.

On 17 January 2024, the Company provided an update on the Manjimup Project. Taruga has undertaken a detailed review of available historical data, with a focus on the lithium potential and occurrences of pegmatites and LCT pegmatite pathfinder minerals in the project area.

Taruga's previous historic data review had focused on base metals and the potential for sulphide mineralisation, largely due to the close proximity of the Eastern licence to the "Thor" and "Odin" prospects currently being explored by Chalice Mining (JV with Venture Minerals).

However, recent exploration activities in the area have also been targeting pegmatite occurrences with a focus on the Greenbushes-style tin-tantalum lithium potential. Upon completion of its extended evaluation of historic data, Taruga has identified several areas of interest for hosting pegmatites and potential lithium mineralisation.

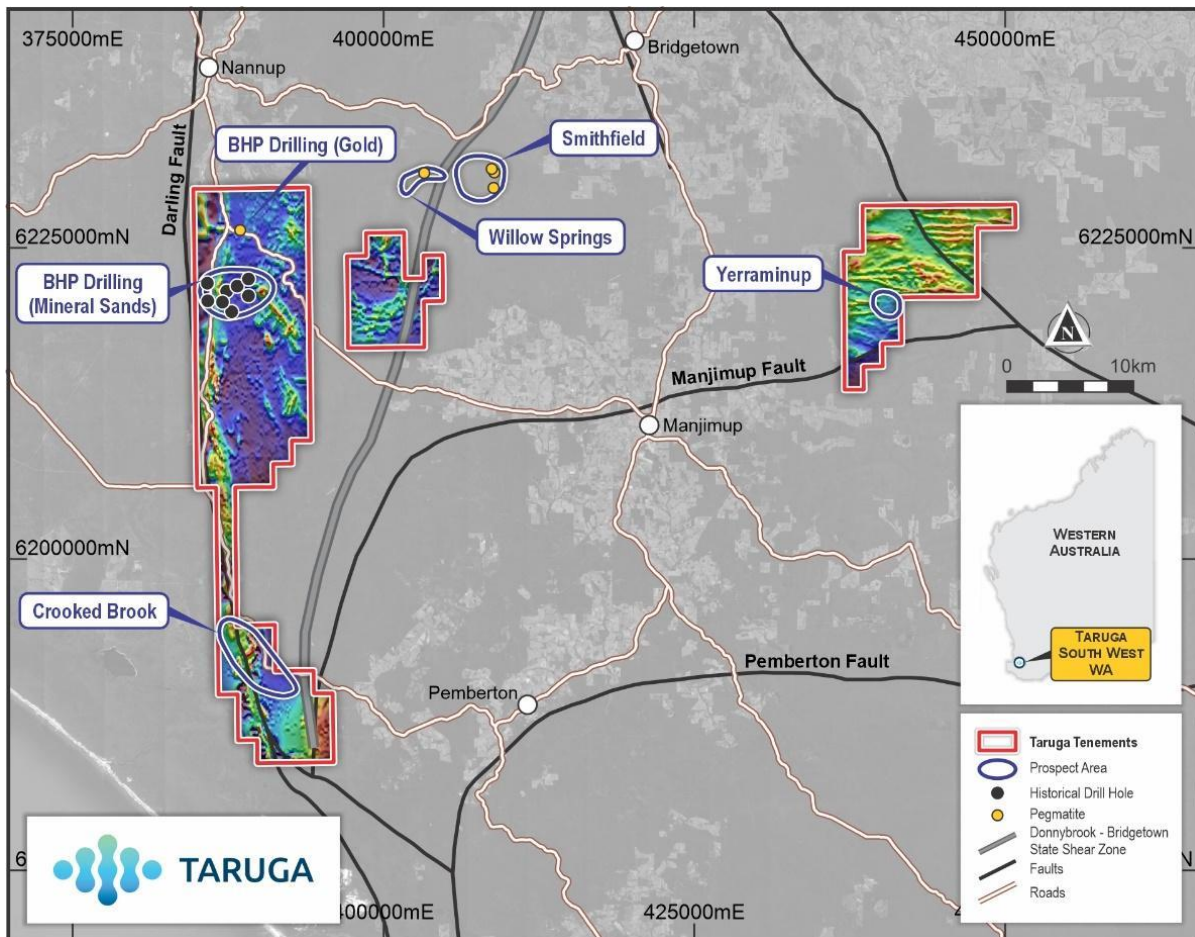


Figure 2: Projects with underlying magnetics image.

BHP explored the Darling Fault for gold, expanding from the historical Donnybrook Goldfields down to the south of Nannup along the Darling Fault. As part of the work program, BHP carried out magnetic surveys, stream sediment, soils and drilling. Within Taruga's western tenement application area (ELA70/5031), BHP tested epithermal quartz veining and related structures.

Two drillholes DP40 and DP41 were collared within the project area, testing an outcropping siliceous zone within a structure. **BHP's reporting included drill logs which noted pegmatites intercepted in drilling (36-37m and EOH)** along with alteration assemblages of quartz, green mica and plagioclase that may include weathered pegmatites across a broad interval in section.

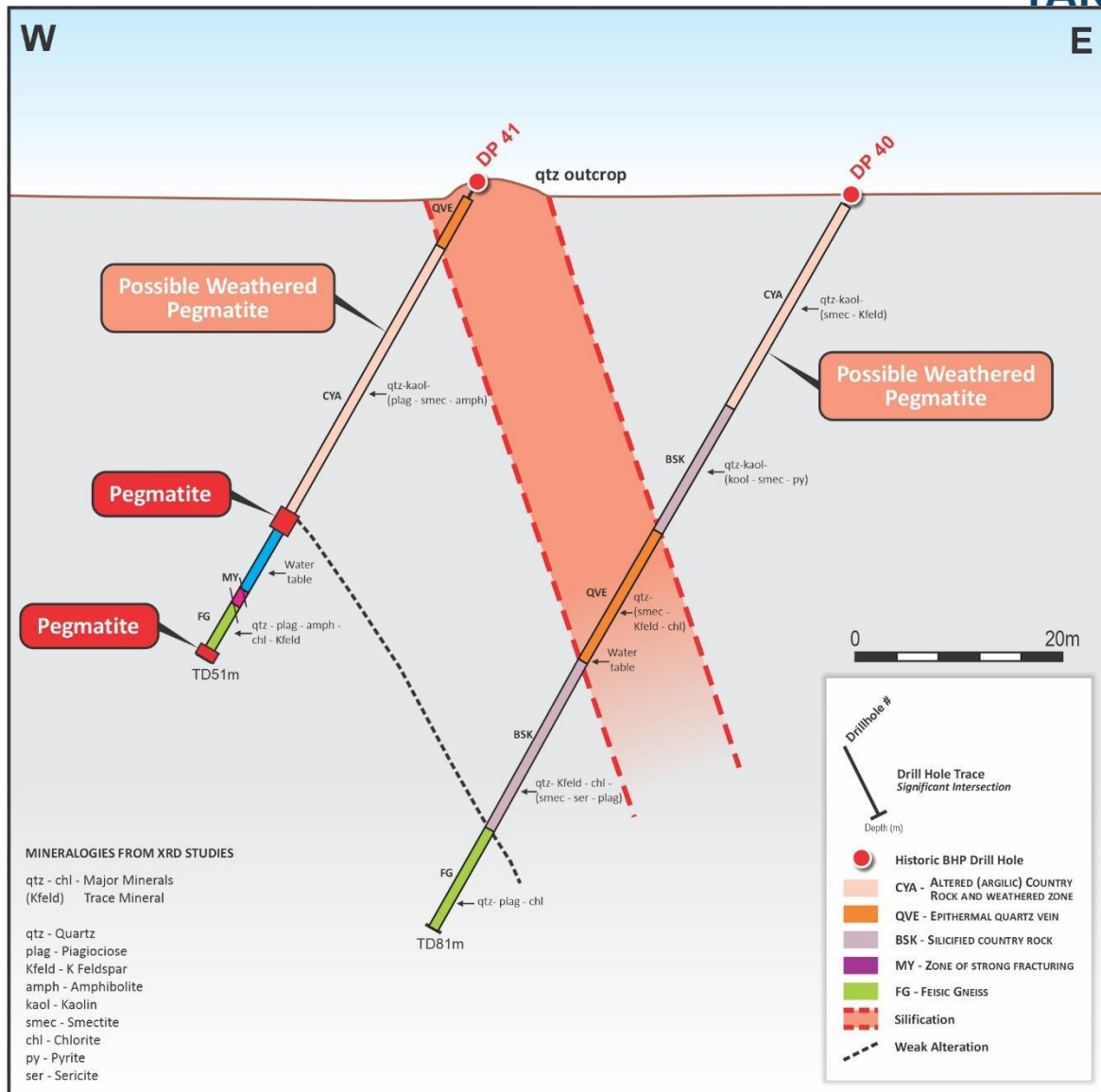


Figure 3: Cross section of BHP gold drilling (1987) intersecting pegmatites in DP41.

A mineral sands focussed BHP exploration report was also identified by Taruga that outlines drilling carried out predominantly on the western Phanerozoic sediments of the Perth Basin, but which also included drilling east of the Darling Fault into basement rocks of the Balingup Metamorphic Belt (which hosts the Greenbushes Mine). The BHP mineral sands exploration program included eleven (11) holes drilled within the western tenement area approximately five (5) kilometres south of the previously mentioned BHP gold target and drillholes. The mineral sands geochemistry report included lithium results for seven (7) of the holes, of which, two (2) holes appear to have low-level but elevated lithium results compared to expected background levels. The subtle lithium anomalism from within the deeply weathered profile identified quartz and mica, and provides encouragement that a lithium bearing pegmatite might be proximal to the area.

In the southern portion of the western tenement application area (ELA70/5031) is the Crooked Brook prospect. Saprolite layers appear to cover much of the prospect area. Historical surface laterite sampling and mineral sands focussed drilling were completed in the area by Pancontinental Mining. The surface laterite sampling contained what appear to be elevated



tin, tantalum and niobium (Sn, Ta, Nb). The 1992 and 1995 annual reporting discussion stated that the infill laterite sampling was completed with the conclusion that the zone of tin, niobium and tantalum anomalism could represent the presence of a pegmatite in the immediate area.

Recent exploration and drilling by Kula Gold to the north of the Western permit and along strike of the Darling Fault has identified a 3.2km by 500m wide pegmatite called the Cobra prospect.

Taruga is progressing its applications towards grant, noting that the Southwest area contains a high level of land use (e.g. farming, state forest) and requires careful consideration. Taruga will continue its assessment and review process with a near term focus on the lithium potential in the known pegmatites and the potential for additional pegmatites in the area.

### **Meekatharra Magmatic Ni-Cu Project, Western Australia (PUA 80% / TAR 20%)**

The Meekatharra Project (Exploration licence E51/1832) is located 30km southeast of the regional centre of Meekatharra in the Murchison region of Western Australia. Peak Minerals Ltd (ASX: PUA) holds an 80% interest in E51/1832.

## **CORPORATE**

### **Cash Position**

As at 31 December 2023, the Company had approximately ~\$2.6 million of cash and nil debt.

### **Summary of Exploration Expenditure**

In accordance with Listing Rule 5.3.1, the Company reports that there was ~\$117,000 exploration expenditure incurred during the December quarter.

### **Note 6 to Appendix 5B**

Payments to related parties of the entity and their associates: during the December quarter \$8,000 in fees were paid to Directors and associates for director and consulting fees.

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

### **For more information contact:**

David Chapman  
Technical Director  
+61 8 9486 4036

### **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.*



**TARUGA**

**Annexure 1: Interests in tenements held directly by Taruga Minerals or subsidiary company**

Tenements	Held	Country
E70/5029	100% (In application)	Australia
E70/5030	100% (In application)	Australia
E70/5031	100% (In application)	Australia
EL6362 (Flinders)	100%	Australia
EL6437 (Torrens)	100%	Australia
EL6541 (MCP)	100%	Australia
EL6695 (MCP)	100%	Australia
EL6843 (Martins Well)	100%	Australia
EL6829 (MCP)	100%	Australia
E51/1832	20%	Australia

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Taruga Minerals Limited

ABN

19 153 868 789

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	4
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(94)	(185)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(12)	(74)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(104)</b>	<b>(245)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(117)	(393)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other <sup>1</sup>	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(117)</b>	<b>(393)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,804	3,221
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(104)	(245)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(117)	(393)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,583</b>	<b>2,583</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	64	34
5.2	Call deposits	2,519	2,770
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,583</b>	<b>2,804</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	8
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Fees paid to directors and/or director related entities (net of GST).</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(104)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(117)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(221)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,583
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,583
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	11.69
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2024

Authorised by: The board of directors of Taruga Minerals Limited

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.