

ASX ANNOUNCEMENT

16/06/2022



STATE GOVERNMENT FUNDING SECURED FOR TARUGA IONIC RARE EARTH PROJECT

HIGHLIGHTS

- Taruga has been successful in securing \$325,000 funding from the South Australian State government, to explore for ionic adsorption clay (IAC) style rare earth elements (REE's) at its Mt Craig Project
- The Mt Craig Project includes Morgan's Creek, where IAC style REE's were discovered during 2021 drilling which was co-funded by a previous round of the Accelerated Discovery Initiative
- The funding comes under the Accelerated Discovery Initiative (ADI), aimed at accelerating new mineral discoveries for key commodities in regional and frontier provinces of South Australia
- Taruga are one of 13 companies to secure the funding, which included Oz Minerals Ltd

Taruga CEO, Thomas Line commented: "We are extremely pleased to have been successful in securing this highly competitive funding, which will go toward exploration for clay-hosted rare earth elements at our massive Mt Craig Project which now spans more than 850km². I would like to thank the South Australian Government and Minister Koutsantonis for their support".

Minister for Energy and Mining, Tom Koutsantonis commented: "These grants will allow companies to use innovative technologies and concepts to fast-track new exploration ideas and techniques across South Australia. The information gathered and shared from these programs bring forward thinking and collectively move the dial for exploration in South Australia."

REE's in the Mt Craig Project

Clay hosted rare earth elements were discovered by Taruga during 2021 drilling at Morgan's Creek (Figure 1), which was focussed on copper exploration. Morgan's Creek forms part of the 850km² Mt Craig Project (Figure 2), which remains largely unexplored. The geological setting which hosts the REE's at Morgan's Creek expand across a significant portion of the Mt Craig Project, however targeted REE exploration drilling has never before been conducted at the Mt Craig Project. The government funding represents validation of the huge potential for Mt Craig Project to host significant clay hosted REE deposits. The ADI funding will accelerate the development of the REE targets at the Mt Craig Project.

CAPITAL STRUCTURE

578,048,240
Shares on Issue

46,750,000
Options on issue
(various ex. prices
and dates)

BOARD & MANAGEMENT

Thomas Line
CEO

Paul Cronin
Non-Executive Director

Gary Steinepreis
Non-Executive Director

David Chapman
Non-Executive Director

Eric De Mori
Non-Executive Director

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

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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.

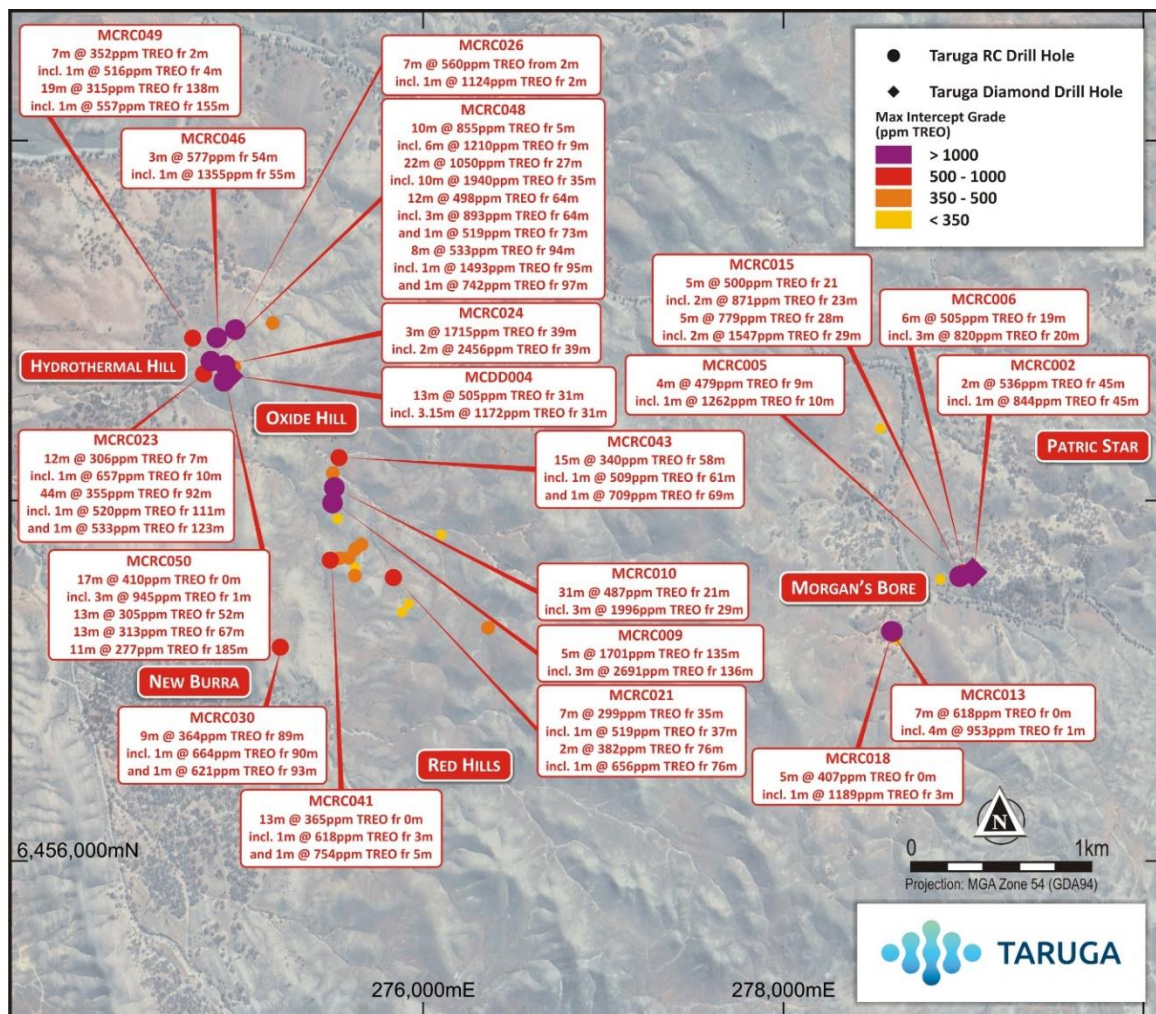


Figure 1. Morgan's Creek REE drilling results from 2021 Taruga drilling where REE mineralisation was discovered across a wide area, despite not being targeted during the program.

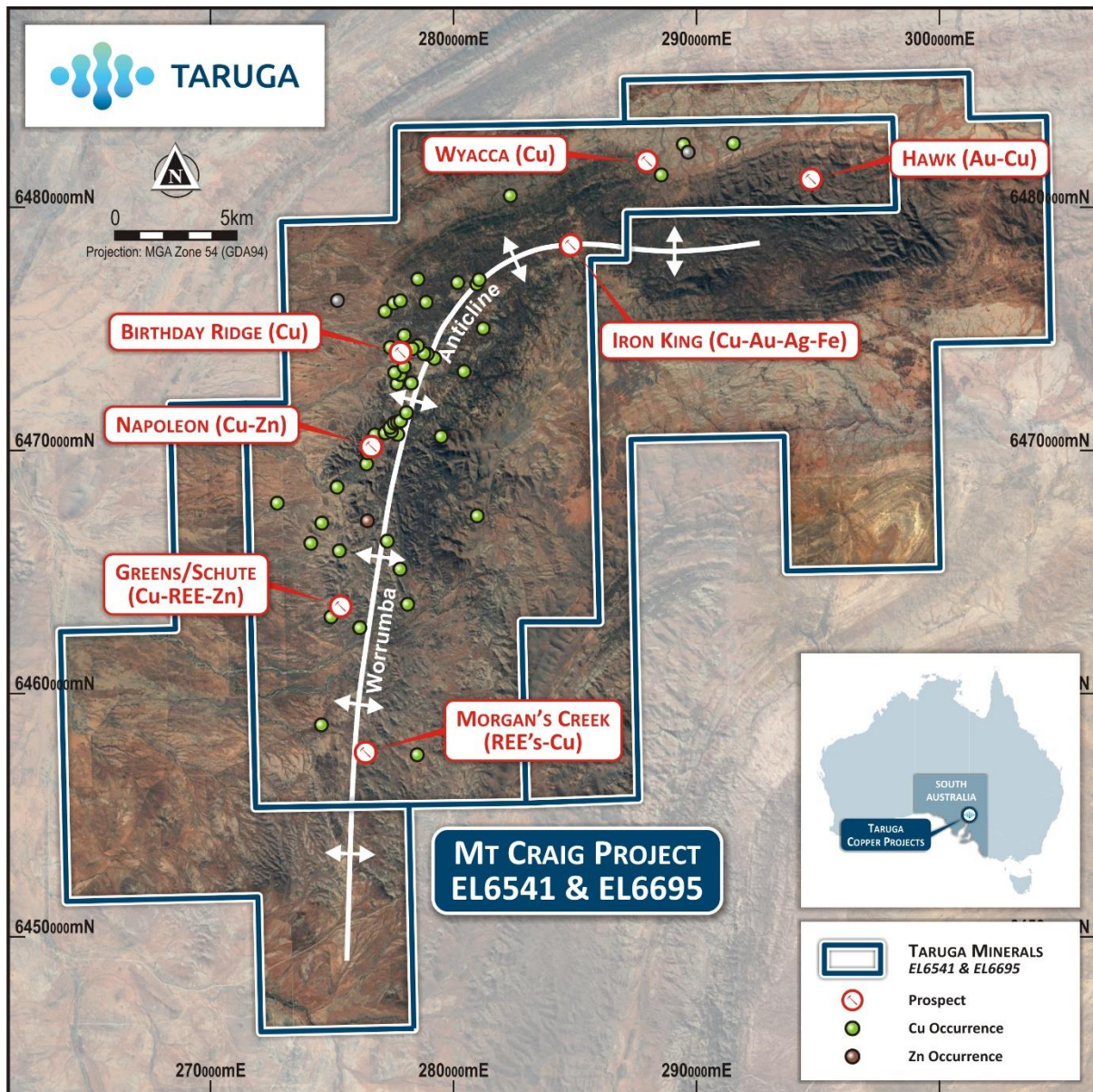


Figure 2. The Mt Craig Project which covers 850km², with very limited historical drilling and no REE focussed exploration ever conducted.