

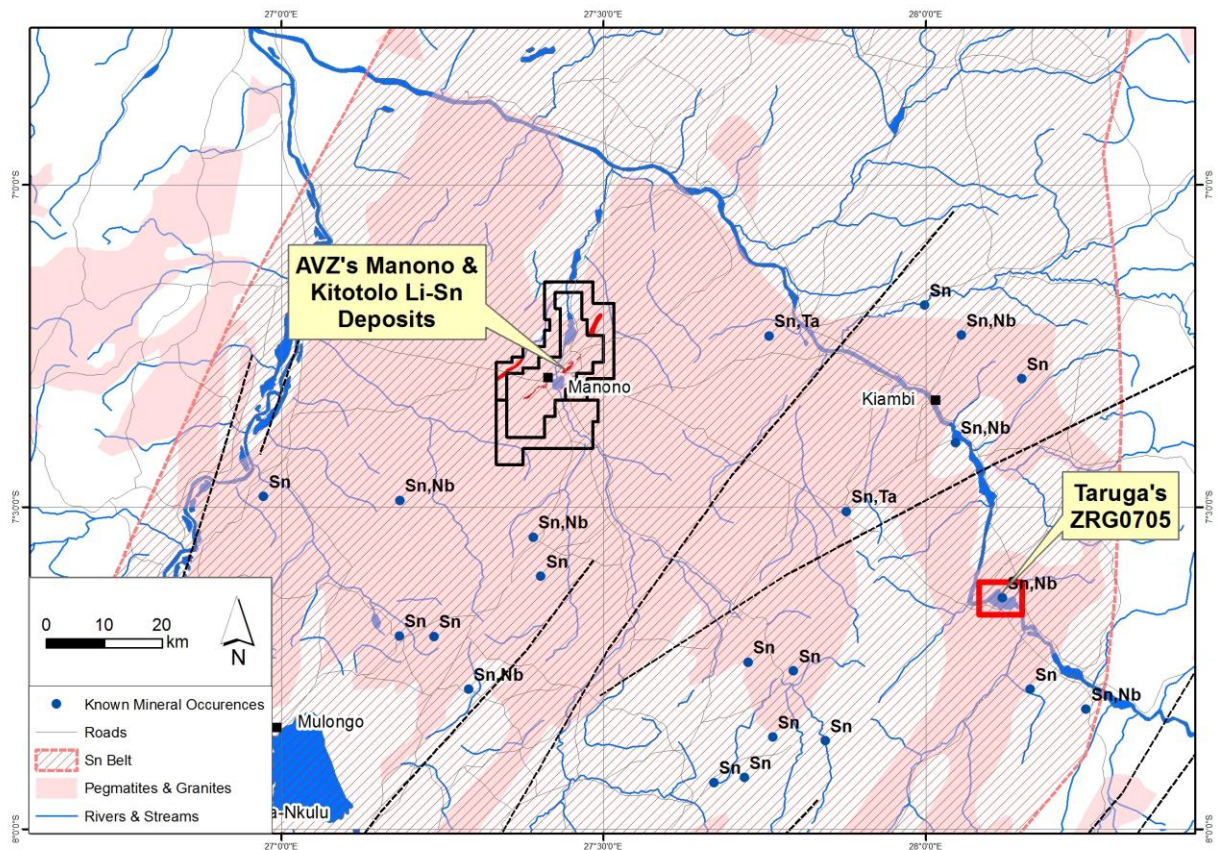
5 October 2017

**TARUGA TO ACQUIRE UP TO A 65% INTEREST IN A HIGH POTENTIAL LITHIUM, TIN  
AND TANTULUM PROJECT  
IN THE DEMOCRATIC REPUBLIC OF CONGO**

- Taruga has entered a Binding Agreement to acquire, subject to due diligence, up to a 65% interest in permit ZRG0705 in the Manono Tin Tantalum Mining District in the Tanganyika Province, east-central Democratic Republic of Congo (Project)
- ZRG0705 is located within the Katanga Tin Belt a world renowned region for pegmatite hosted Lithium, Tin and Niobium-Tantalite deposits
- The Project covers an area 40.8 km<sup>2</sup> with abundant alluvial tin and tantalum workings noted
- No previous exploration for Lithium known within Project area, and limited geological data available. Taruga to commence reconnaissance exploration work during the 3 month due diligence period
- Project is located within 80km of the Manono-Kitotolo Li-Sn deposits (currently being explored by ASX listed AVZ, ASX:AVZ) where latest drill results reported up to 250.93m at 1.48% Li<sub>2</sub>O and 913ppm Sn
- Consideration payable of 12 million shares, if the transaction proceeds

Taruga Gold Limited (ASX: TAR) (**Taruga**) is pleased to announce that it has entered into a Binding Agreement to acquire, subject to completion of due diligence, up to a 65% interest in permit ZRG0705 (the **Project**) which is highly prospective for lithium, tin and tantalite. The agreement is with local DRC company TIEX SA. The Project lies within the renowned “Katanga Tin Belt” where both primary and alluvial tin and tantalum have been mined since early 1900’s. Re-evaluation of the region highlights the potential for high grade extensive lithium mineralisation hosted within the Sn-Ta-Li pegmatite bodies that potentially occur throughout the belt where all previous exploration focus was on tin and tantalum mineralisation.

The most significant hard rock deposit in the region is the Manono-Kitotolo deposit where 185,000 tonnes of tin was mined from weathered pegmatites. The current exploration programme by ASX listed AVZ is the first to actively explore for lithium mineralisation and the results of this programme confirm the prospectivity of the region. Recent drilling by AVZ has confirmed a dominance of spodumene (5-25%) in the drill core with minor cassiterite and coltan.



**Figure 1: Locality of Taruga's licence within the Katanga Tin Belt showing all known tin, niobium and tantalum occurrences most commonly found in pegmatites.**

## Project Summary

The Project is located in the Manono District, Tanganyika Province, approximately 500km north of Lubumbashi and 80km southeast of Manono in the Democratic Republic of Congo. The project is accessed by road from Manono and is covered by gentle granitic hills and transgressed by the Luvua River in a west-easterly direction.

Regionally the Project lies within the renowned SW-NE striking, mid-Proterozoic Kibaran Belt, which stretches over 500km in the DRC where it is referred to as the "Katanga Tin Belt". The belt stretches from near Kolwezi in the southwest to Kalemie in the northeast and contains numerous pegmatite hosted deposits of which the Manono-Kitotolo body is the most significant extending for over 14km in strike and up to 200m in width.

The Kibaran belt was intruded by at least 3 phases of granite of which the last phase, the "Katangan Cycle" dated at 900-950 million years, introduced pegmatites rich in tin, tungsten, tantalum, niobium, lithium and beryllium. Pegmatites comprised essentially of muscovite, quartz and feldspar are either sheeted (Manono-Kitotolo) or occur as pegmatite veins intruding the country rock. The pegmatites are developed

throughout the belt and are the primary source of lithium, tin and tantalum mineralisation.

Locally, although the geology is poorly understood, tin, tantalum and wolframite (tungsten) is recovered from extensive informal alluvial operations which are prevalent throughout the licence area. It is reported that a Japanese Geological Survey used aster optique satellite imagery in June 2016 to identify muscovite on the property thereby enhancing the potential to find pegmatites on the project area.

An independent consultant, who has extensive experience in pegmatite exploration and a focus on lithium mineralisation, will conduct initial mapping and sampling programmes during the 90 day due diligence period.

### **Term sheet**

The principal terms of the terms sheet for Taruga to acquire up to a 65% interest in the Project from TIEX SA are as follows:

1. TAR to fund all exploration to completion of a DFS within 5 years of the commencement date.
2. TIEX SA to convert ZRG0705 into a Permis de Recherche during the due diligence period.
3. The Company has received warranties that are generally expected in a transaction of this nature.
4. Agreement is subject to TAR completing a due diligence review to its satisfaction within 90 days, or such period as extended by the parties.

### **DRC Project Review**

As previously announced Taruga has appointed Klaus Eckhof and Mark Gasson to act as strategic consultants to identify opportunities in the DRC for a period of 12 months and has agreed to issue to these parties or nominees, who are not related parties of Taruga, 12,000,000 fully paid ordinary shares in the Company. It has been agreed that these shares will only be issued when Taruga proceeds with the acquisition of a new project introduced by the consultants.

### **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 Bernard Aylward, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Aylward is a Director of Taruga Gold Limited. Mr Aylward 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 Aylward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

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