

31 July 2019

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Taruga Minerals Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the June quarter.

CORPORATE

Cash Position

As at 30 June 2019, the Company had approximately \$407,000 of cash and nil debt.

OPERATIONS

Kamilombe and Mwilu

Finalisation of the Kamilombe and Mwilu licence acquisitions continue to experience delays due to no Provincial Government or National Parliament appointments, other than that of the President, Prime Minister and Provincial Governors being made since the elections in December 2018. Although this has caused a lack of high-level availability and decision making for the finalisation of new license agreements, Taruga's partners in DRC have made considerable progress with current licence owners, Gecamines, for the finalisation of these agreements. In addition to the extra mining squares at Kamilombe, the new agreements will include additional licences which are highly prospective for copper and cobalt.

Diamond drilling and geological mapping completed by Taruga demonstrated the extension of high-grade cobalt-copper mineralised structures beyond the boundary of the Kamilombe licence as defined in the heads of agreement with the consortium of Mint-Master and the Lualaba Government ("Consortium"). Taruga and the Consortium have negotiated for additional blocks to be added to the Kamilombe licences and this additional ground will cover the strike continuity of defined mineralised structures and provide additional area for mine development infrastructure. Taruga and the Consortium have been working through these additions to the heads of agreement, with the finalised revised agreements subject to governmental approvals.

As soon as new agreements are signed the Company will have 60 days to conclude its legal due diligence. A Deed of Variation signed by the parties allows Taruga, at its election, to acquire an interest in each selected permit from the Consortium following the conclusion of the due diligence and a decision to continue working on the permit or

permits by making a non-refundable payment of US\$1,000,000 to the Consortium for each of the Kamilombe Project and Mwilu Project or an acceptable replacement project to TAR. Payments are due within 14 days of the successful conclusion of due diligence on each project.

Metallurgical test work

On 31 January 2019, Taruga received results for provisional metallurgical studies on the DStrat stratigraphic unit at Kamilombe. The results demonstrate the potential for concentrate grades of 4.1% Co to 12.6% Co and cobalt recoveries between 59% and 70% from simple gravity beneficiation. The DStrat unit occurs as highly friable sandy material and would therefore not require crushing, thus reducing processing costs

Taruga will conduct further metallurgical studies on the silica/dolomite (RSC stratigraphic unit) samples currently held by ALS Global in Perth on completion of the due diligence and a decision to continue. The RSC unit reported grades of 46.6m at 0.52% Co in KMDD005 from surface.

The testwork has provided early indications of how the orebody may be processed to maximise economic returns from an early, shallow mining operation. Cashflow generated from shallow mining would be used towards a deeper resource drilling programme and feasibility studies at Kamilombe. Taruga is hopeful that a simple flowsheet and an economical processing facility can be confirmed in more detail following further testwork on exploration drill core.

PEPM 2315 – Soil sampling programme

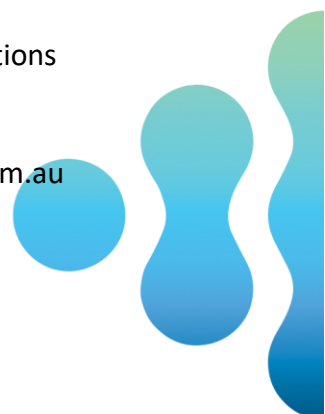
First pass and infill soil sampling programmes have been undertaken on a 100m x 50m grid on licence PEPM 2315, located to the south of the town of Kolwezi. The programmes were designed to define potential cobalt and copper anomalies across prospective geology, with selected samples to be sent to a reputable laboratory for check analyses.

All approvals have been received for the conversion of PEPM 2315 to exploitation permit PE 2315, with the granting of the final licence permit pending.

For further information see the Company's website www.tarugaminerals.com.au or contact:

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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 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 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.

Annexure 1: Taruga Minerals Limited – tenements held directly by Taruga Minerals or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
E51/1832	-	-	100%	Granted – Western Australia
E70/5029	-	-	100%	Application – Western Australia
E70/5030	-	-	100%	Application – Western Australia
E70/5031	-	-	100%	Application – Western Australia
PEPM 2315	-	-	Due diligence and Option to acquire 70%	DRC - Kolwezi
Kamilombe	-	-	Due diligence and Option to acquire 60%	DRC - Kolwezi
Mwilu	-	-	Due diligence and Option to acquire 60%	DRC - Kolwezi