TARUGA

ACN 153 868 789

ANNUAL REPORT 2023

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COMPANY INFORMATION

ACN	153 868 789	
Directors	Gary Steinepreis	Non-Executive Director
	Paul Cronin	Non-Executive Director
	Eric de Mori	Non-Executive Director
	David Chapman	Non-Executive Director
Company Secretary	Daniel Smith	
Registered Office	Level 8, 99 St Georges Terrace Perth, WA 6000	
	Telephone:	+61 8 9486 4036
	Facsimile:	+61 8 9486 4799
Share Registry	Automic Group Level 2, 267 St Georges Terrace Perth, WA 6000	
	Telephone:	1300 288 664
	Facsimile:	+61 2 8583 3040
Auditor	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth, WA 6000	
	Telephone:	+61 8 9227 7500
	Facsimile:	+61 8 9227 7533
Bankers	Westpac Banking Corporation 116 James Street Northbridge Perth, WA 6000	

Securities Exchange Listing

Taruga Minerals Limited Shares are listed on the Australian Securities Exchange.
The home exchange is Perth, Western Australia.
ASX Code: TAR

Website	www.tarugaminerals.com.au

REVIEW OF OPERATIONS

Company Overview

Taruga Minerals Limited (**Taruga** or the **Company**) is a greenfields exploration and resource development company with a large portfolio of copper and rare earth elements (REE) focussed exploration projects in South Australia's mineral rich Gawler Craton and Adelaide Fold Belt, and Western Australia's Yilgarn Craton.

Board and Management

Paul Cronin | *Non-Executive Director*
Mr Cronin is a co-founder and the Managing Director of Balkans polymetallic developer Adriatic Metals Ltd (ASX:ADT, LSE:ADT1), which was the best performing IPO of 2018 and recently admitted to the ASX All Ordinaries Index. Mr Cronin has over 20 years of experience in corporate finance, investment banking, funds management, and commodity trading. Currently a Director of Black Dragon Gold (ASX:BDG).

Eric de Mori | *Non-Executive Director*
Mr de Mori has over 15 years' experience in ASX listed corporate finance specialising in natural resources. He has held Directorships with numerous ASX listed companies including as a co-founder and former Director of Balkans polymetallic developer Adriatic Metals (ASX:ADT, LSE:ADT1), which was the best performing IPO of 2018.

Gary Steinepreis | *Non-Executive Director*
Chartered Accountant with over 20 years' experience with ASX-listing rules, corporate governance and equity capital raisings. Gary provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries.

David Chapman I *Non-Executive Director*
Geologist and senior executive with over 40 years of international resource industry experience in diverse roles and commodities covering all aspects of the mining industry from exploration, operations and business development, through to feasibility studies, financing and construction.

Daniel Smith | *Company Secretary*
Director of Minerva Corporate, a boutique corporate advisory firm. Has advised on and been involved in over two dozen IPOs, RTOs and capital raisings on the ASX and AIM. Director and/or company secretary of numerous ASX and AIM listed companies.

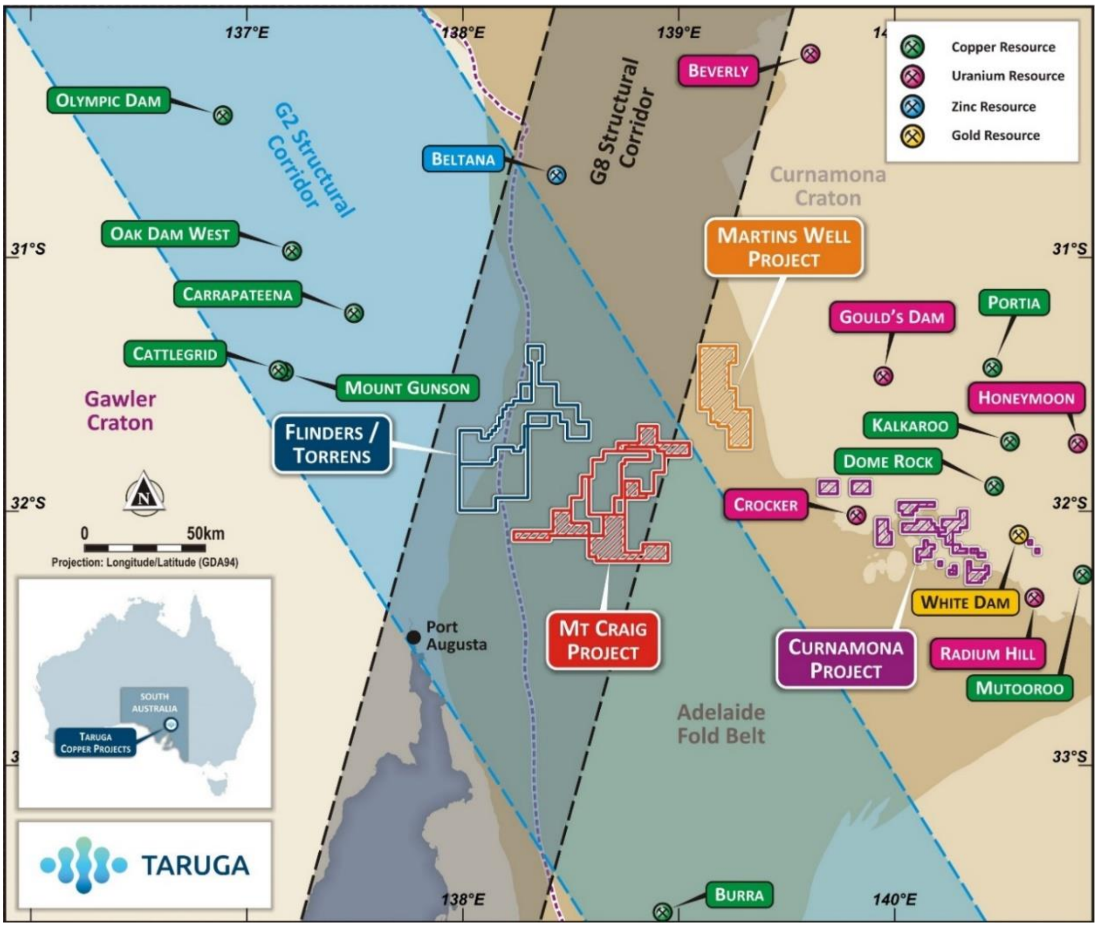

Figure 1. Tenement Map showing Taruga's South Australian projects and the regional and structural setting including the Gawler Craton outline as published by the Geological Survey of South Australia in purple.

The Mt Craig Project (100% TAR)

The MCP is situated within the Adelaide Geosyncline (AGS) (**Figure 1**), and lies at the intersection of the G2 and G8 structural corridors (lineaments).

On 5 September 2022, the Company announced that a rotary air blast (RAB) drilling program was underway at Mt Craig. Drilling focussed on testing strike extensions of clay-hosted REEs at Morgans Creek. All drilling is co-funded by the South Australian government under the Accelerated Discovery Initiative (ADI), under which Taruga was awarded $650,000 in funding for REEs and sediment-hosted copper exploration at the Mt Craig Project.

Drilling intercepted high-grade clay-hosted REEs from surface, with many holes ending in mineralisation. Results extended the strike at Hydrothermal Hill to 4.3km, with large zones still remaining untested. Multiple peripheral targets remain untested at Morgans Creek, which will may be targeted in future drilling.

Metallurgical Test Results (Morgans Creek)

In mid-December 2022, Taruga announced preliminary ANSTO metallurgical outcomes with initial results providing extractions of up to 70% MREO, 60% HREO and 59% TREO.

Further optimisation work is ongoing.

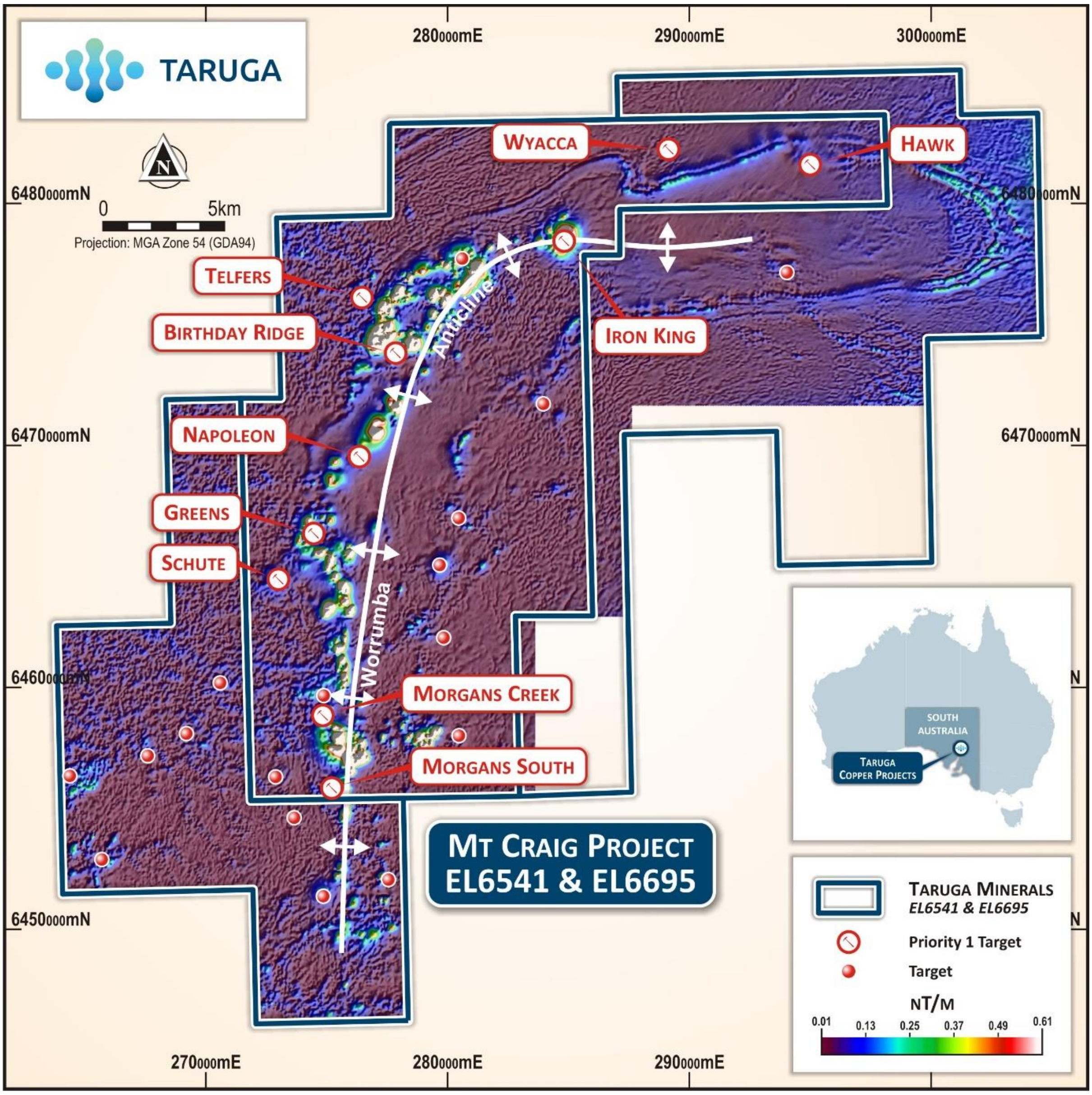

Figure 2. MCP Project outline showing priority exploration targets, the main structural feature being the Worrumba Anticline, and the Analytical Signal magnetics image.

Flinders IOCG Project, South Australia

Taruga (via Strikeline Resources Pty Ltd) **(Strikeline)** is awaiting a decision on authorisation under Section 23 of the Aboriginal Heritage Act 1988 (SA). The Section 23 authorisation will resolve uncertainty in areas where Native Title has not been determined at the Flinders Project. This authorisation would confirm full drilling authorisation.

On 27 October 2021, a public consultation meeting chaired by the Department of Aboriginal Affairs was held in Port Augusta, where Strikeline presented to interested parties and took questions about the project.

Strikeline was advised by the Aboriginal Affairs and Reconciliation (**AAR**) division of the South Australian Department of Premier and Cabinet of a further extension to the Public Consultation period originally ending

30 September 2021, until 5 December 2021. The further extension was to allow interested parties additional time to consult with AAR and Strikeline regarding the Section 23 and 21 authorisations sought under the *Aboriginal Heritage Act 1988* (SA) (**authorisations**). AAR advised that this extension would not further delay the authorisation process.

The State Aboriginal Heritage Committee (SAHC) met on 13 January 2022 to review Strikeline's applications and prepare a recommendation to the Minister for Aboriginal Affairs (the Minister). Strikeline is still awaiting a decision from the Minister on whether the authorisation will be granted, and if so, any conditions that may apply.

Torrens Project, South Australia (100%)

Work was limited to further desktop review of historical datasets for the Torrens Project for the period.

Curnamona Project, South Australia (100%)

On 25 August 2022, the Company announced that the exploration licence application for the Curnamona Project had been offered to Taruga by the South Australian Department of Energy and Mining. The acquisition of the Curnamona Project is consistent with Taruga's focus on underexplored prolific polymetallic mineral provinces in close proximity to a number of world-class copper, gold and uranium resources.

Martins Well Project, South Australia (100%)

On 31 August 2022, the Company advised that it has lodged a successful bid for the Martins Well Project under the competitive release process. Taruga competed with other South Australian companies for the project, which Taruga considers may be prospective for clay hosted rare earth elements (REEs), copper-gold-silver, and zinc-lead.

Western Australian projects

Meekatharra, Western Australia *(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. Perak Minerals Ltd (ASX: PUA) holds an 80% interest in E51/1832. Peak have since taken responsibility for managing the exploration program at Meekatharra which forms part of Peak's "Green Rocks Project" (see PUA corporate presentation released on the 21 October 2021).

On 20 May 2022, the Company provided an update on the Meekatharra project. Peak identified a strong, previously unidentified, EM conductor (500m x 300m) 250m below surface at Target B. Broad nickel anomalism intersected above the Target B conductor showed **17m @ 0.29% Ni** from 56m (GRAC0037) and **10m @ 0.32% Ni** from 50m (GRAC0038).

Manjimup Project (100% TAR)

Taruga holds 3 exploration licence applications in the Greenbushes area of Western Australia (the Manjimup Project). E70/5029 adjoins the Chalice Mining / Venture Minerals JV (announced 21/5/2020) in a similar geological setting to the "Odin Prospect" with identified nickel, copper & PGE mineralisation.

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 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.

RISK MANAGEMENT

The Board of Directors review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key material risks faced by the Company include:

Exploration and development

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Company is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Company, its business, prospects, results of operations and financial condition.

Economic Conditions

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Company's projects, the profit margins from any potential development and the Company's share price.

Reliance on key personnel

The Company's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Company's. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available.

Future funding risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

Unforeseen expenditure risk

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

Environmental, weather & climate change

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

Cyber Security and IT

The Company relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

CORPORATE

Management Changes

On 15 February 2023, the Company provided a corporate update and management changes. As a result of this re-alignment of priorities by the Board, Thomas Line, Taruga's CEO, tendered his resignation.

Capital raisings

On 13 January 2023, the Company advised that it had issued 8,035,717 fully paid ordinary shares at $0.028 each, raising $225,000.

Shareholder Meetings

The Company held its 2022 Annual General Meeting on 24 November 2022. All resolutions were passed by way of a poll.

DIRECTORS' REPORT

Your Directors submit their report on the Group consisting of Taruga Minerals Limited and its controlled entities (**Taruga**) for the year ended 30 June 2023.

DIRECTORS

The following persons were Directors of Taruga Minerals Limited during the year and up to the date of this report unless otherwise stated:

		In office from	In office to
Gary Steinepreis	Non-executive Director	15 July 2016	present
Paul Cronin	Non-executive Director	27 July 2020	present
Eric De Mori	Non-executive Director	27 July 2020	present
David Chapman	Non-executive Director	1 October 2021	present

PARTICULARS OF DIRECTORS

Gary Steinepreis **Non-Executive Director** **B.Com, CA**

Qualifications and experience

Mr Steinepreis has in excess of 20 years' experience with ASX-listing rules, corporate governance and equity capital raisings. Mr Steinepreis is a Chartered Accountant and holds a Bachelor of Commerce from University of Western Australia. Mr Steinepreis is currently a Non-Executive Director of CFOAM Limited and Lachlan Star Limited.

Interest in Shares and Options

Fully Paid Shares – 12,090,719
Performance Rights – Nil
Options – 5,000,000

Special Responsibilities

None.

Directorships held in listed entities

Company Name	Appointed	Resigned
CFOAM Limited	30 March 2016	-
Lachlan Star Limited	18 January 2018	-

Paul Cronin **Non-Executive Director** **B.Com, MBA**

Qualifications and experience

Mr Cronin is a co-founder and Managing Director of Balkans polymetallic developer Adriatic Metals PLC (ASX:ADT, LSE:ADT1), which was the best performing IPO of 2018. Mr Cronin has over 20 years of experience in corporate finance, investment banking, funds management, and commodity trading. Mr Cronin was Vice President of RMB Resources, the resource investment arm of First Rand Bank, and has a

B.Com and MBA from the Queensland University of Technology. Mr Cronin is also a Non-Executive Director of Black Dragon Gold (ASX:BDG) and Global Atomic Corporation (TSX:GLO).

Interest in Shares and Options

Fully Paid Shares – 9,471,429
Performance Rights – Nil
Options – 9,000,000

Special Responsibilities

None.

Directorships held in listed entities

Company Name	Appointed	Resigned
Adriatic Metals Plc	3 February 2017	-
Black Dragon Gold Limited	10 July 2017	-
Global Atomic Corporation	December 2017	July 2021

Eric de Mori **Non-Executive Director**

Qualifications and experience

Mr de Mori has over 15 years' experience in ASX listed corporate finance specialising in natural resources. He has held Directorships with numerous ASX listed companies including as a co-founder and former Director of Balkans polymetallic developer Adriatic Metals (ASX:ADT, LSE:ADT1), which was the best performing IPO of 2018.

Interest in Shares and Options

Fully Paid Shares – 27,771,441
Performance Rights – Nil
Options – 13,000,000

Special Responsibilities

None.

Directorships held in listed entities

Company Name	Appointed	Resigned
Invictus Energy Ltd	11 December 2017	27 November 2020

David Chapman **Non-Executive Director**

Qualifications and experience

Mr. Chapman is a Geologist and senior executive with over 40 years of international resource industry experience in diverse roles and commodities covering all aspects of the mining industry from exploration, operations and business development, through to feasibility studies, financing and construction. Most recently, David spent 5 years as the Managing Director of Australia's leading geophysical consultancy firm, Southern Geoscience Consultants (SGC).

Interest in Shares and Options

Fully Paid Shares – 1,481,095
Performance Rights – Nil
Options – 5,000,000

Special Responsibilities

None.

Directorships held in listed entities

None.

Information on Company Secretary

Daniel Smith
Mr Smith is a Chartered Secretary who holds a BA, is a Fellow member of the Governance Institute of Australia, and has in excess of 15 years primary and secondary capital markets expertise. Mr Smith is currently a Director and/or Company Secretary of several AIM-listed and ASX-listed companies.

OPERATING AND FINANCIAL REVIEW

A review of the operations of the Group during the financial year is contained in the Review of Operations section of this Annual Report.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was mineral exploration in Australia.

Operating Results

The consolidated loss after tax for the financial year is $964,151 (2022: $1,325,720).

Financial Position

At 30 June 2023 the Company had cash reserves of $3,220,789 (2022: $2,145,295).

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

No matters have arisen since 30 June 2023 that in the opinion of the directors has significantly affected or may significantly affect in future financial years (i) the Group's operations, or (ii) the results of those operations, or (iii) the Group's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Exploration and evaluation work on the Company's projects continues.

Subject to approval from the Minister for Aboriginal Affairs under Section 23 of the Aboriginal Heritage Act, drilling would recommence at Flinders IOCG project within the 2023 year.

The Yagahong North Project is currently subject to a farm-in agreement with Peak Resources Ltd. It is anticipated that drill testing would be conducted during the current reporting period.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2023, and the number of meetings attended by each Director.

	Number eligible to attend	Number attended
Gary Steinepreis	2	2
Paul Cronin	2	2
Eric De Mori	2	2
David Chapman	2	2

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director and "Key Management Personnel" of Taruga Minerals Limited.

The report has been subject to audit. Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, including any director.

Remuneration policy

The Board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines benefits to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold securities in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre Directors and employees. Company officers and Directors are remunerated to a level consistent with the size of the Company. The Company has not used external remuneration consultants during the year.

Performance-based remuneration

To ensure that the Company has appropriate mechanisms in place to continue to attract and retain the services of suitable directors and employees, the Company has issued options and performance rights to key personnel.

Details of remuneration for year ended 30 June 2023

Directors' Remuneration

No salaries, commissions, bonuses or superannuation were paid or payable to Directors during the year. Remuneration was by way of fees paid monthly in respect of invoices issued to the Company by the Directors or companies associated with the Directors in accordance with agreements between the Company and those entities.

Details of the agreements are set out below.

Agreements in respect of cash remuneration of Directors:

Non-executive Directors

The Company's constitution provides that the Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate sum determined by a general meeting. The aggregate remuneration has been set at an amount of $300,000 per annum.

Mr Gary Steinepreis is on a contract dated 15 July 2017, which provides for a fixed fee of $3,000, increasing to $4,000 per month from October 2020.

Mr Paul Cronin is on a contract dated 26 July 2020, which provides for a fixed fee of $3,000, increasing to $4,000 per month from October 2020.

Mr Eric de Mori is on a contract dated 26 July 2020, which provides for a fixed fee of $3,000, increasing to $4,000 per month from October 2020.

Mr David Chapman is on a contract dated 30 September 2021, which provides for a fixed fee of $4,000 per month.

All Director's fees were put on hold from February 2023 to conserve the Company's cash balance. Fees are not accruing during this period.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties. Executive Directors may be paid on commercial terms as the Directors see fit.

The total remuneration paid to Key Management Personnel is summarised below:

Year ended 30 June 2023

Director	Associated Company	Short-term Benefits Fees $	Short-term Benefits Cash Bonus $	Short-term Benefits Share Based Payments(2) $	Performance Rights (2) $	Post-employment benefits Super-annuation $	Total $	Performance related %
Gary Steinepreis	Leisurewest Consulting Pty Ltd	28,000	-	-	-	-	28,000	-
Paul Cronin		28,000	-	-	-	-	28,000	-
Eric de Mori		25,339	-	-	-	2,661	28,000	-
David Chapman	Parati Pty Ltd	28,000	-	22,709		-	50,709	44.78%
		109,339	-	22,709	-	2,661	134,709	-
Other KMP								
Thomas Line (Chief Executive Officer)[1]		236,313	-	55,614	6,865	19,902	318,694	19.60%
Total		345,652	-	78,323	6,865	22,563	453,403	-

(1) Thomas Line resigned on 15 February 2023.

(2) Refer to note 22 of the financial statements for further details.

Year ended 30 June 2022

Director	Associated Company	Short-term Benefits Fees $	 Cash Bonus $	 Share Based Payments[2] $	 Performance Rights [2] $	Post-employment benefits Super-annuation $	Total $	Performance related %
Gary Steinepreis	Leisurewest Consulting Pty Ltd	48,000	-	30,982	-	-	78,982	-
Paul Cronin		48,000	-	30,982	-	-	78,982	-
Eric de Mori		43,636	-	30,982	-	4,364	78,982	-
David Chapman [1]	Parati Pty Ltd	36,000	-	86,294	-	-	122,294	-
		175,636	-	179,240	-	4,364	359,240	-
Other KMP								
Thomas Line (Chief Executive Officer)		225,000	-	-	18,854	22,500	266,354	7%
Total		400,636	-	179,240	18,854	26,864	625,594	-

(1) David Chapman was appointed on 1 October 2021.
(2) Refer to note 22 of the financial statements for further details.

[4] Performance Rights Valuation

In 2021 the company agreed a revised remuneration package with the former Chief Executive Officer, Mr Thomas Line. The terms of Mr Line's remuneration package were as follows:

Remuneration	Base Salary of $225,000 per annum plus superannuation, effective 1 July 2021.
Incentives	
Short-term (**STI**)	Effective 1 July 2021, earn up to 100% of Base Salary (excluding super) as measured by performance against annually determined KPI's, including OH&S, environmental, ESG, stakeholder engagement, and corporate
Long-term (**LTI**)	The awarding of 2,000,000 performance rights, vesting over three years (31 August 2022, 31 August 2023, 31 August 2024) on meeting LTI KPI's. At, or following the Review Date, the Board may, in its absolute discretion, give to the Executive a Vesting Notice in respect of a number of Performance Rights up to, but not exceeding, the maximum Performance Rights amount set out for that Review Date in the Performance Rights vesting table. If the Board gives a Vesting Notice in respect of any Performance Rights, those performance rights will vest on the giving of that Vesting Notice. If the Company has not given a Vesting Notice for an amount of Performance Rights equal to the maximum performance rights amount in respect of a Review Date by the corresponding Expiry Date, that number of Performance Rights that are not the subject of a Vesting Notice will be forfeited on that Expiry Date.

The above performance rights were subject to market and non-market based vesting conditions. The performance rights with market-based conditions were valued in the prior year as follows:

Item	**Tranche 1**	**Tranche 2**	**Tranche 3**
Value of underlying security	$0.054	$0.054	$0.054
Exercise price	nil	nil	nil
Valuation date	15 September 2021	15 September 2021	15 September 2021
10-Day VWAP barrier	$0.1404-$0.2340	$0.1404-$0.2340	$0.1404-$0.2340
Life of the Rights (years)	0.79	1.79	2.79
Volatility	109%	109%	109%
Risk-free rate	0.026%	0.013%	0.113%
Dividend yield	nil	nil	nil
Share price targets	Note [1]	Note [1]	Note [1]
Value per Right	$0.0181	$0.0342	$0.0417
Number of Rights	666,666	666,666	666,666
Weighting on total LTIP	61.6%	61.6%	61.6%
Weighted no. of securities	410,666	410,666	410,666

Value per Tranche	$7,433	$14,045	$17,125
Expensed at 30 June 2023	($5,716)	$3,830	$3,022

[1] Share price targets – 20-day volume weighted average price of at least $0.0966 (being 50% increase from benchmark VWAP of $0.0644) for 25% to vest, $0.1288 (being 100% increase from benchmark VWAP of $0.0644) for 50% to vest and $0.1610 (being 150% increase from benchmark VWAP of $0.0644) for 100% to vest.

Thomas Line resigned on 15 February 2023. No further vesting expense was recognised past this date.

Shareholdings of Key Management Personnel:

	Balance 30 June 2022	Balance on Appointment	Additions/ (disposals)[1]	Balance on Resignation	Balance 30 June 2023
Gary Steinepreis	10,305,004	-	1,785,715	-	12,090,719
Paul Cronin	5,900,000	-	3,571,429	-	9,471,429
Eric de Mori	25,985,726	-	1,785,715	-	27,771,441
David Chapman	588,235	-	892,858	-	1,481,093
Thomas Line	28,833,644	-	-	(28,833,644)	-
	71,612,609	-	8,035,717	(28,833,644)	50,814,682

[1] Directors participation in Placement following shareholder approval at General Meeting 23 December 2022.

Option holdings of Key Management Personnel:

2023	Balance 30 June 2022	Balance on appointment	Additions	Balance on Resignation	Balance 30 June 2023
Gary Steinepreis	5,000,000	-	-	-	5,000,000
Paul Cronin	9,000,000	-	-	-	9,000,000
Eric de Mori	13,000,000	-	-	-	13,000,000
David Chapman	5,000,000	-	-	-	5,000,000
Thomas Line	-	-	-	-	-
	32,000,000	-	-	-	32,000,000

No options were exercised or lapsed during the year.

2022	Balance 30 June 2021	Balance on appointment	Additions	Balance on Resignation	Balance 30 June 2022
Gary Steinepreis	5,000,000	-	-	-	5,000,000
Paul Cronin	9,000,000	-	-	-	9,000,000
Eric de Mori	13,000,000	-	-	-	13,000,000
David Chapman[1]	-	-	5,000,000	-	5,000,000
Thomas Line	-	-	-	-	-
	27,000,000	-	5,000,000	-	32,000,000

[1]Mr Chapman was appointed on 1 October 2021.

Performance rights holdings of Key Management Personnel:

	Balance 30 June 2022	Balance on appointment	Additions	Issues/ (Expiry)	Balance on Resignation	Balance 30 June 2023
Thomas Line	2,000,000			(666,666)	(1,333,334)	-
	2,000,000	-	-	(666,666)	(1,333,334)	-

[1] See note 23 for details of performance rights and options issued to directors and management.

End of remuneration report

ENVIRONMENTAL ISSUES
The Group has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The Group aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

OPTIONS

At the date of this report, there were 57,750,000 unlisted options on issue.

The names of persons who currently hold options are entered in a register pursuant to Section 170 of the Corporations Act 2001. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of the Company or any other corporation. Subsequent to year end no options have been issued or exercised.

INDEMNIFICATION OF DIRECTORS

The Company has in place Deeds of Indemnity with each of the Directors.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

There were no non-audit services provided during the current year by our auditors, HLB Mann Judd.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the financial report. This Independence Declaration is set out on page 23 and forms part of this directors' report for the year ended 30 June 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

G Steinepreis

Gary Steinepreis
Non-Executive Director

Dated Perth 29 September 2023

CORPORATE GOVERNANCE STATEMENT

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council.

The following corporate governance charters, codes and policies have been implemented and are available on the Company's website at www.tarugaminerals.com.au:

- Board Charter
- Corporate Code of Conduct
- Diversity, Nomination and Remuneration Committee Charter
- Audit and Risk Committee Charter
- Shareholder Communication Guidelines and Policy
- Disclosure Policy
- Securities Trading Policy

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Taruga Minerals Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**N G Neill**
29 September 2023	**Partner**

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

AND CONTROLLED ENTITIES

	Note	CONSOLIDATED	
		Year to 30 June 2023	Year to 30 June 2022
		$	$
Revenue		44,037	1,064
Depreciation	2	(64,370)	(24,722)
Consultants		(157,787)	(218,528)
Employee benefits expense		(154,962)	(442,549)
Professional fees		(150,287)	(142,562)
Travel and accommodation		(43,361)	(15,505)
Office and communication costs		-	(1,579)
Share-based payments	2	(111,473)	(222,001)
Exploration expenditure expensed		(89,182)	(4,589)
Foreign exchange loss		(907)	(1,524)
Other expenses		(235,859)	(247,372)
Loss from continuing operations before income tax		(964,151)	(1,319,867)
Income tax expense	3	-	-
Net loss for the period from continuing operations		(964,151)	(1,319,867)
Loss from discontinued operations net of tax		-	(5,853)
Net loss for the period		(964,151)	(1,325,720)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange gain/(loss) on translation of foreign subsidiaries		-	(5,662)
Total comprehensive loss for the period		(964,151)	(1,331,382)
Basic and diluted loss per share (cents per share)	18	(0.15)	(0.25)
Basic and diluted loss per share from continuing operations (cents per share)	18	(0.15)	(0.25)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

TARUGA AND CONTROLLED ENTITIES

		CONSOLIDATED	
	Note	30 June 2023 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents	4	3,220,789	2,145,295
Trade and other receivables	5	31,664	56,493
Total Current Assets		3,252,453	2,201,788
NON CURRENT ASSETS			
Mineral exploration and evaluation	7	9,334,516	8,200,267
Plant and equipment	8	213,713	87,451
Other assets	9	110,000	80,000
Total Non-Current Assets		9,658,229	8,367,718
TOTAL ASSETS		12,910,682	10,569,506
CURRENT LIABILITIES			
Trade and other payables	10	200,639	290,582
Total Current Liabilities		200,639	290,582
TOTAL LIABILITIES		200,639	290,582
NET ASSETS		12,710,043	10,278,924
EQUITY			
Issued capital	11	35,136,895	31,876,464
Reserves	12	3,498,863	3,364,024
Accumulated losses	12	(25,925,715)	(24,961,564)
TOTAL EQUITY		12,710,043	10,278,924

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TARUGA

FOR THE YEAR ENDED 30 JUNE 2023

AND CONTROLLED ENTITIES

	Consolidated				
	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$	$
Year to 30 June 2022					
As at 1 July 2021	29,475,236	(23,635,844)	3,101,320	40,512	8,981,224
Loss for the year	-	(1,325,720)	-	-	(1,325,720)
Other comprehensive income/(loss)	-	-	-	(5,662)	(5,662)
Total comprehensive loss for the year	-	(1,325,720)	-	(5,662)	(1,331,382)
Issue of shares net of costs - placement	2,097,537	-	-	-	2,097,537
Issue of shares net of costs - acquisition	194,316	-	-	-	194,316
Issue of shares net of costs – exercise of options	109,375	-	-	-	109,375
Share-based payments – Performance Rights/Options	-	-	227,854	-	227,854
As at 30 June 2022	31,876,464	(24,961,564)	3,329,174	34,850	10,278,924
Year to 30 June 2023					
As at 1 July 2022	31,876,464	(24,961,564)	3,329,174	34,850	10,278,924
Loss for the year	-	(964,151)	-	-	(964,151)
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive loss for the year	-	(964,151)	-	-	(964,151)
Issue of shares net of costs - placement	3,176,802	-	-	-	3,176,802
Issue of shares net of costs – exercise of options	83,629	-	-	-	83,629
Share-based payments – Performance Rights/Options	-	-	134,839	-	134,839
As at 30 June 2023	35,136,895	(25,925,715)	3,464,013	34,850	12,710,043

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

AND CONTROLLED ENTITIES

	Note	CONSOLIDATED Year to 30 June 2023 $	Year to 30 June 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		21,030	-
Payments to suppliers		(863,086)	(947,811)
Interest income received		23,007	1,064
Net cash used in operating activities	15	(819,049)	(946,747)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure	7	(1,198,621)	(2,482,522)
Payments for property, plant & equipment	8	(190,632)	(32,870)
Net cash used in investing activities		(1,389,253)	(2,515,392)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,500,000	2,352,975
Share issue transaction costs		(216,204)	(134,893)
Net cash provided by financing activities		3,283,796	2,218,082
Net increase/(decrease) in cash held		1,075,494	(1,244,057)
Cash and cash equivalents at the beginning of the year		2,145,295	3,390,011
Effect of exchange rate fluctuations on cash held		-	(659)
Cash and cash equivalents at the end of the year		3,220,789	2,145,295

The accompanying notes form part of these financial statements.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. Historical cost is based on the fair values of the consideration given in exchange for assets.

The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activity is mineral exploration.

The accounting policies detailed below have been consistently applied to all of the periods presented unless otherwise stated. The financial statements are for the Group consisting of Taruga Minerals and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Group is a for profit entity.

The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Statement of Compliance

The financial report was authorised for issue on 29 September 2023.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2023

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2022. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Accounting Policies

(a) Basis of Consolidation

A controlled entity is any entity controlled by Taruga Minerals Limited. Control exists where Taruga Minerals Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Taruga Minerals Limited to achieve the objectives of Taruga Minerals Limited. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities in the Group, including any unrealised profit or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the Group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Notwithstanding the fact that the Group incurred an operating loss of $964,151 for the year ended 30 June 2023, and a net cash outflow from operating activities amounting to $819,049, the Directors are of the opinion that the Company is a going concern and will have access to sufficient cash, from equity issues or loans, as and when required to enable it to fund administrative and other committed expenditure.

(c) Income Tax

The charge for current income tax expenses is based on the result for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Plant and Equipment
Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets including capitalised lease assets, but excluding computers, is depreciated on a reducing balance commencing from the time the asset is held ready for use. Computers are depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset:	Depreciation Rate:
Plant and Equipment	15 – 50%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Exploration and Evaluation Expenditure
Exploration and evaluation expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised where the requirements under AASB 6 for so doing are satisfied. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas, sale of the respective areas of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.
Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the areas is made.
When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.
A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.
Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(f) Impairment of Assets

At each reporting date, the Directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Provisions

Provisions are recognised where there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the statement of financial position are shown inclusive of GST.

(l) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(m) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(n) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Taruga Minerals Limited.

Critical accounting estimates and judgements
The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key Estimates – Impairment
The Directors assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

An impairment of $770,559 (including foreign exchange movement during the year of $19,711) is recognised in respect of prepaid acquisition consideration repayable to the Group (note 6) due to the uncertainty surrounding the timing of the repayment to the Group.

Key Estimates – Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 22.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

(o) Share based payments – shares and options
The fair value of shares and share options granted is recognised as an expense with a corresponding increase in equity. Fair value is measured at grant date and recognised over the period during which the grantees become unconditionally entitled to the shares or share options.
The fair value of share grants at grant date is determined by the share price at that time.
The fair value of share options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, any vesting and performance criteria, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.
Upon the exercise of the option, the balance of the share-based payments reserve relating to the option is transferred to share capital.

(p) Foreign currency translation
Both the functional and presentation currency of Taruga Minerals Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.
All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.
Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.
Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.
The functional currency of the subsidiary MGS Ghana is CFA Francs. The functional currency of the subsidiary Taruga Congo SARLU was Congalese Franc.

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Taruga Minerals Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(q) Parent entity financial information

The financial information for the parent entity, Taruga Minerals Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements, except for Investments in subsidiaries which are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

NOTE 2 – LOSS FROM CONTINUING ACTIVITIES BEFORE INCOME TAX

	Consolidated	
	2023	**2022**
	$	**$**
Expenses		
Depreciation of non-current assets continuing operations:		
Plant and Equipment	58,270	4,176
Office furniture and equipment	4,796	18,807
Motor vehicles	1,304	1,739
Total depreciation of non-current assets	64,370	24,722
Share-based payments:		
Share-based payments to directors and consultants/employees (Note 22)	111,473	222,001

NOTE 3 – INCOME TAX

The prima facie tax expense at 30% on loss from continuing activities is reconciled to the income tax expense in the financial statements as follows:

	2023	2022
	$	**$**
Loss from continuing operations	(964,151)	(1,325,720)
Prima facie income tax expense at 30% (2022: 30%)	(289,245)	(397,716)
Tax effect of permanent differences		
Share-based payments	33,442	66,600
Other non-deductible expenses	-	-
Income tax expense adjusted for permanent differences	(255,803)	(331,116)
Deferred tax asset not brought to account	255,803	331,116
Income tax expense	-	-

NOTE 3 – INCOME TAX (CONTINUED)

Income tax benefit

The directors estimate the cumulative unrecognised deferred tax asset attributable to the company and its controlled entity at 30% is as follows:	Consolidated	
Deferred tax assets	2023 $	2022 $
Revenue losses after permanent differences	3,539,159	2,881,177
Capital losses	800,113	800,113
Capital raising costs yet to be claimed	146,150	119,202
Accruals	7,200	9,600
Exploration	(1,558,355)	(1,218,080)
Other	6,299	8,038
Deferred tax asset	2,940,566	2,600,050

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2023 as the Directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

(a) The company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses and the unrecouped exploration expenditure to be realised;
(b) The company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and
(c) No changes in tax legislation adversely affect the company and its controlled entity in realising the benefit from the deductions for the tax losses and unrecouped exploration expenditure.

Franking Credits

No franking credits are available at balance date for the subsequent financial year.

NOTE 4 – CASH AND CASH EQUIVALENTS	2023 $	2022 $
Cash at bank and on hand	3,220,789	2,145,295

Cash at bank earns interest at floating rates based on daily deposit rates.

NOTE 5 – TRADE AND OTHER RECEIVABLES	2023 $	2022 $
Current		
GST receivable	-	28,478
Other receivables	29,830	26,181
Other current assets	1,834	1,834
	31,664	56,493

No credit losses are expected at balance date.

NOTES TO THE FINANCIAL STATEMENTS

TARUGA

	Consolidated 2023 $	2022 $
NOTE 6 – OTHER ASSETS		
Share subscription receivable		
Prepaid acquisition consideration at 1 July 2019	770,559	740,336
Impairment [1]	(770,559)	(740,336)
	-	-

[1] Prepaid acquisition consideration totalling US$510,000 towards due diligence costs, and the acquisition of the Kamilombe Project and adjacent tenure in the DRC. During 2020, management decided not to pursue completing the acquisition and sought repayment of these advances. Due to concerns on the timing of the repayment, which raises doubts about recoverability, management impaired the balance in full. Management continues to work on a repayment plan for these advances with the unrelated third party.

NOTE 7: MINERAL EXPLORATION AND EVALUATION

	Note	Consolidated 2023 $	2022 $
Opening balance		8,200,267	5,720,931
Project acquisition costs	(i)	-	189,000
Capitalised exploration expenditure	(ii)	1,134,249	2,290,336
Acquisition costs in respect of areas of interest in the exploration phase		9,334,516	8,200,267

The recoverability of deferred project acquisition costs is dependent upon the successful development and commercial exploitation, or alternately the sale of the areas of interest.

(i) On 11 May 2021 the Company completed the acquisition of Strikeline Resources Pty Ltd and the Flinders, Torrens and Mt Craig Projects in South Australia. The acquisition consideration consisted of the issue of 40 million shares at a share price of $0.09 to the vendors of Strikeline and 3,900,000 shares to the advisors of the transaction at a share price of $0.09. Strikeline Resources Pty Ltd's only asset was exploration assets and no liabilities, and has therefore been accounted for as an acquisition of exploration expenditure.

On 15 July 2021 the Company issued an additional 2,100,000 share to the advisors of the transaction at a share price of $0.09.

In addition to the above acquisition consideration Taruga will also make the following milestone payments to the sellers of Strikeline. The probability and timing of these milestones cannot be reliably estimated and have not been included in the acquisition consideration in the above table.

Performance Milestone 1: Following Taruga delineating a JORC Indicated Resource (as defined in JORC 2012) of 150,000t Cu Equivalent (Cu, Au, Ag) at the Project, Taruga will make a milestone payment to the sellers of A$400,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX;

NOTE 7: MINERAL EXPLORATION AND EVALUATION (CONTINUED)

Performance Milestone 2: Following Taruga completing a positive Bankable Feasibility Study (as defined in JORC 2012) in relation to the Project, Taruga will make a milestone payment to the sellers of A$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX; and

Performance Milestone 3: Following Taruga commencing commercial production (being first concentrate sales) at the Project, the Company will make a payment to the sellers of A$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX.

In accordance with the NSR agreement the Company will grant to the Vendors a 1% NSR in respect of all precious, industrial minerals and base metals produced, sold and proceeds received from the Project. Taruga will have the right to buy back the NSR from the sellers for total consideration of A$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 30-day VWAP of Taruga's Share price as traded on the ASX.

(ii) The Company has capitalised exploration costs of $1,134,249 in respect of the above projects.

Includes a refund received of $586,889 from the South Australian government during the year for expenditure at the Company's Mt Craig copper project.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest as well as maintaining rights of tenure.

TARUGA

NOTE 8 – PLANT AND EQUIPMENT

	Consolidated			
Cost	Motor Vehicles $	Computer Equipment $	Plant & Equipment $	Total $
2023				
Balance Brought Forward	14,033	19,827	98,105	131,965
Additions	-	1,551	189,081	190,632
Balance Carried Forward	14,033	21,378	287,186	322,597
Accumulated Depreciation				
Balance Brought Forward	8,815	7,173	28,526	44,514
Charge	1,304	4,796	58,270	64,370
Balance Carried Forward	10,119	11,969	86,796	108,884
Net Book Value 30 June 2023	3,914	9,409	200,390	213,713

NOTE 8 – PLANT AND EQUIPMENT (CONTINUED)

	Consolidated			
Cost	Motor Vehicles $	Computer Equipment $	Plant & Equipment $	Total $
2022				
Balance Brought Forward	14,033	14,572	69,909	98,514
Additions	-	5,255	28,196	33,451
Balance Carried Forward	14,033	19,827	98,105	131,965
Accumulated Depreciation				
Balance Brought Forward	7,076	2,997	9,719	19,792
Charge	1,739	4,176	18,807	24,722
Balance Carried Forward	8,815	7,173	28,526	44,514
Net Book Value 30 June 2022	5,218	12,654	69,579	87,451

NOTES TO THE FINANCIAL STATEMENTS

TARUGA

NOTE 9 – OTHER ASSETS

	2023 $	2022 $
Environmental bonds	110,000	80,000
	110,000	80,000

NOTE 10 – TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade creditors	45,241	136,593
GST Payable	61,681	-
Other payables	93,717	153,989
	200,639	290,582

Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTE 11 – ISSUED CAPITAL

	2023 $	2022 $
(a) Issued capital		
Shares fully paid	35,136,895	31,876,464

Movements in ordinary share capital of the Company were as follows:

	Number	$
Opening balance at 30 June 2021	505,476,505	29,475,236
Placement	65,988,235	2,243,600
Issue of shares - employee	108,500	5,316
Issue of shares – advisor	2,100,000	189,000
Exercise of options	4,375,000	109,375
Issue costs - cash	-	(146,063)
Closing balance at 30 June 2022	578,048,240	31,876,464

	Number	$
Opening balance at 30 June 2022	578,048,240	31,876,464
Placement	125,000,000	3,500,000
Issue of shares – performance rights	154,000	1,717
Issue of shares – in lieu of employee bonus’	2,824,545	81,912
Issue costs - cash	-	(323,198)
Closing balance at 30 June 2023	706,026,785	35,136,895

Movements in options were as follows:

	Number
Closing balance at 30 June 2021	48,625,000
9-Aug-21 Exercise of options	(4,375,000)
30-Nov-21 Incentive options issued to directors	5,000,000
22-Feb-22 Options issued to brokers	2,500,000
Closing balance at 30 June 2022	51,750,000
11-Nov-22 Options issued to broker (note 22)	6,000,000
	57,750,000

NOTE 11 – ISSUED CAPITAL (CONTINUED)

(b) Voting and dividend rights

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Consolidated	
	2023	2022
	$	$
NOTE 12 – RESERVES AND ACCUMULATED LOSSES		
Share-based Payments Reserve	3,464,013	3,323,321
Foreign Currency Translation Reserve	34,850	40,703
	3,498,863	3,364,024

Accumulated Losses	**2023**	**2022**
	$	$
Balance at beginning of the year	24,961,564	23,635,844
Net loss from ordinary activities	964,151	1,325,720
Balance at end of the year	25,925,715	24,961,564

Share-based Payment Reserve	**2023**	**2022**
	$	$
Balance at beginning of the year	3,329,174	3,101,320
Reserve arising on share-based payments (expensed)	27,845	216,684
Reserve arising on share-based payments (included in equity)	106,994	11,170
Balance at end of the year	3,464,013	3,329,174

Foreign Currency Translation Reserve	**2023**	**2022**
	$	$
Balance at beginning of the year	34,850	40,512
Reserve arising on translation of foreign subsidiaries	-	(5,662)
Balance at end of the year	34,850	34,850

Nature and purpose of Reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

This share-based payments reserve is used to record the value of equity benefits provided to employees, Directors and consultants as part of their remuneration.

NOTE 13 – INVESTMENT IN CONTROLLED ENTITIES

	Registered Number	Country of Incorporation	Interest Held		Value of investment	
			2023	2022	2023 $	2022 $
Parent						
Taruga Minerals Limited	153 868 789	Australia				
Subsidiaries						
Taruga Congo SARLU	01-122-N31711L	DRC	100%	100%	-	-
MGS Ghana Limited	CA-80, 601	Ghana	100%	100%	-	-
Strikeline Resources Pty Ltd (note 7)	631 241 355	Australia	100%	100%	4,140,000	4,140,000

NOTE 14 – SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

The accounting policies of the reportable segments are the same as Group accounting policies.

During the period there was only one reportable segment, being the exploration of minerals in Australia.

NOTE 15 – NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated 2023 $	2022 $
Reconciliation of loss after income tax to net operating cash flows		
Loss from ordinary activities	964,151	1,325,720
Depreciation	(64,370)	(24,722)
Exploration expenditure expensed	(89,182)	(4,589)
Exchange loss	(906)	(1,524)
Share-based payments	(111,473)	(222,001)
Movement in assets and liabilities		
Receivables	(24,830)	(51,015)
Payables	145,659	(75,122)
Net cash used in operating activities	819,049	946,747

The cashflows for exploration expenditure have been reclassified as investing activity cashflows in the annual report, these cashflows were previously classified as operating activity cashflows in the Appendix 5B quarterly cashflows.

NOTE 16 – RELATED PARTY INFORMATION

a) Transactions with Key Management Personnel

The transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

b) Directors and Executives Disclosures

The aggregate compensation made to directors and other key management personnel of the Group is set out below:

	2023 $	2022 $
Short-term employee benefits	345,652	400,636
Share based payments	78,323	179,240
Performance rights	6,865	18,854
Post-employment benefits	22,563	26,864
	453,403	625,594

NOTE 17 – REMUNERATION OF AUDITORS

	2023 $	2022 $
Auditing and reviewing of the financial statements of Taruga Minerals Limited and of its controlled entities.	33,662	35,213
	33,662	35,213

NOTE 18 – LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	Consolidated 2023 $	2022 $
Loss for the year	964,151	1,325,720
Loss for the year from continuing operations	964,151	1,319,867
Loss for the year from discontinued operations	-	5,853
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	658,265,186	519,806,220

There are no potential ordinary shares on issue at the date of this report.

NOTE 19 – FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and hire purchase liabilities.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst maintaining potential adverse effects on financial performance. The Group has developed a framework for a risk management policy and internal compliance and control systems that covers the organisational, financial and operational aspects of the group's affairs. The Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk.

NOTE 19 – FINANCIAL INSTRUMENTS

Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in the market, interest rate and the effective weighted average interest rate on these financial assets, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	Consolidated			
	2023	**2022**	**2023**	**2022**
Financial Assets			**$**	**$**
Cash at Bank	1.499%	0.008%	3,220,789	2,145,295
Total Financial Assets			3,220,789	2,145,295

There are no financial liabilities subject to interest rate fluctuations.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Interest Rate Sensitivity Analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks.

At 30 June 2023 the effect on the loss and equity as a result of changes in the interest rate with all other variables remaining constant is as follows:

	Consolidated	
	2023	**2022**
	$	**$**
Change in Loss		
• Increase in interest by 1%	32,207	21,452
• Decrease in interest by 1%	(32,207)	(21,452)
Change in Equity		
• Increase in interest by 1%	32,207	21,452
• Decrease in interest by 1%	(32,207)	(21,452)

NOTE 19 – FINANCIAL INSTRUMENTS (CONTINUED)

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Consolidated			
Currency	Liabilities 2023 $	Assets 2023 $	Liabilities 2022 $	Assets 2022 $
US Dollars	-	-	-	-

Foreign currency

Other than translational risk the Group has no significant exposure to foreign currency risk at the balance date.

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows. All liabilities are expected to be settled in 3 to 6 months.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statement.

In the case of cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority Supervision.

The Group does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

Capital Management Risk

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

NOTE 19 – FINANCIAL INSTRUMENTS (CONTINUED)

Net Fair Values
For financial assets and liabilities, the net fair value approximates their carrying value. The Group has no financial assets or liabilities that are readily traded on organised markets at balance date and has no financial assets where the carrying amount exceeds net fair values at balance date.

NOTE 20 - MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

No matters have arisen since 30 June 2023 that in the opinion of the directors has significantly affected or may significantly affect in future financial years (i) the Group's operations, or (ii) the results of those operations, or (iii) the Group's state of affairs.

NOTE 21 - PARENT ENTITY DISCLOSURES

Financial Position	**2023**	**2022**
	$	**$**
Total Current Assets	3,182,019	1,876,788
Total Non-current assets	9,346,784	8,367,718
TOTAL ASSETS	12,528,803	10,244,506
Total Current Liabilities	141,953	290,581
TOTAL LIABILITIES	141,953	290,581
NET ASSETS	12,386,850	9,953,925
EQUITY		
Issued capital	35,136,895	31,876,464
Reserves	3,464,913	3,329,174
Accumulated losses	(26,214,958)	(25,251,713)
TOTAL EQUITY	12,386,850	9,953,925
Financial Performance		
Loss for the year	963,245	1,650,697
Total comprehensive loss	963,254	1,650,697

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries, has no contingent liabilities, and has no commitments for acquisition of plant and equipment.

TARUGA

NOTE 22 – SHARE-BASED PAYMENTS

Share Based Payment Expense:	
Shares issued to employees	81,912
Share based payments expense – Performance rights	6,853
Share based payments expense - options	22,709
	111,474
Share based payments – capital raising costs	106,994
Reserve movement:	
Share based payments	136,556
Less conversion to shares	(1,717)
	134,839

Performance Rights Valuation

In 2021 the company agreed a revised remuneration package with the former Chief Executive Officer, Mr Thomas Line. The terms of Mr Line's remuneration package were as follows:

Remuneration	Base Salary of $225,000 per annum plus superannuation, effective 1 July 2021.
Incentives	
Short-term (**STI**)	Effective 1 July 2021, earn up to 100% of Base Salary (excluding super) as measured by performance against annually determined KPI's, including OH&S, environmental, ESG, stakeholder engagement, and corporate
Long-term (**LTI**)	The awarding of 2,000,000 performance rights, vesting over three years (31 August 2022, 31 August 2023, 31 August 2024) on meeting LTI KPI's. At, or following the Review Date, the Board may, in its absolute discretion, give to the Executive a Vesting Notice in respect of a number of Performance Rights up to, but not exceeding, the maximum Performance Rights amount set out for that Review Date in the Performance Rights vesting table. If the Board gives a Vesting Notice in respect of any Performance Rights, those performance rights will vest on the giving of that Vesting Notice. If the Company has not given a Vesting Notice for an amount of Performance Rights equal to the maximum performance rights amount in respect of a Review Date by the corresponding Expiry Date, that number of Performance Rights that are not the subject of a Vesting Notice will be forfeited on that Expiry Date.

NOTE 22 – SHARE-BASED PAYMENTS (CONTINUED)

The above performance rights were subject to market and non-market based vesting conditions. The performance rights with market-based conditions were valued in the prior year as follows:

Item	Tranche 1	Tranche 2	Tranche 3
Value of underlying security	$0.054	$0.054	$0.054
Exercise price	nil	nil	nil
Valuation date	15 September 2021	15 September 2021	15 September 2021
10-Day VWAP barrier	$0.1404-$0.2340	$0.1404-$0.2340	$0.1404-$0.2340
Life of the Rights (years)	0.79	1.79	2.79
Volatility	109%	109%	109%
Risk-free rate	0.026%	0.013%	0.113%
Dividend yield	nil	nil	nil
Share price targets	Note [1]	Note [1]	Note [1]
Value per Right	$0.0181	$0.0342	$0.0417
Number of Rights	666,666	666,666	666,666
Weighting on total LTIP	61.6%	61.6%	61.6%
Weighted no. of securities	410,666	410,666	410,666
Value per Tranche	$7,433	$14,045	$17,125
Expensed at 30 June 2023	($5,716)	$3,830	$3,022

[1] Share price targets – 20-day volume weighted average price of at least $0.0966 (being 50% increase from benchmark VWAP of $0.0644) for 25% to vest, $0.1288 (being 100% increase from benchmark VWAP of $0.0644) for 50% to vest and $0.1610 (being 150% increase from benchmark VWAP of $0.0644) for 100% to vest.

Thomas Line resigned on 15 February 2023. No further vesting expense was recognised past this date.

Option Valuation

The following options were issued to directors and management during the previous period:

Number	Grant Date	Expiry Date	Exercise Price $	Fair Value at grant date $	Vesting date Tranche A	Vesting date Tranche B
5,000,000	30/11/21	30/11/24	0.065	109,003	31/05/22	30/11/22

The fair value of the equity-settled share options is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

NOTE 22 – SHARE-BASED PAYMENTS (CONTINUED)

Value of underlying security	$0.0405
Exercise price	$0.0650
Valuation date	30/11/21
Life of the Rights (years)	3.00
Volatility	103%
Risk-free rate	0.25%
Dividend yield	nil
Value per Option	$0.022
Expensed during the 2023	$22,709

The following options were issued to brokers during the year:

Number	Grant Date	Expiry Date	Exercise Price $	Fair Value at grant date $
6,000,000	01/11/22	01/11/25	0.045	106,994

The fair value of the equity-settled share options is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

Value of underlying security	$0.0290
Exercise price	$0.0450
Valuation date	01/11/21
Life of the Rights (years)	3.00
Volatility	116%
Risk-free rate	0.25%
Dividend yield	nil
Value per Option	$0.018
Expensed during 2023 (included in equity)	$106,994

NOTE 23 – COMMITMENTS

Exploration expenditure commitments

In order to maintain rights of tenure to its Australian located mineral tenements, the Group is required to outlay certain amounts in respect of rent and minimum expenditure requirements. The Group's commitments to meet this minimum level of expenditure is approximately $836,500 (2022: $278,000) annually.

NOTE 24 – CONTINGENT LIABILITIES

In addition to the acquisition consideration detailed in note 8 the Group will also make the following milestone payments to the sellers of Strikeline Resources Pty Ltd. The probability and timing of these milestones cannot be reliably estimated and have not been included in the acquisition consideration.

Performance Milestone 1: Following Taruga delineating a JORC Indicated Resource (as defined in JORC 2012) of 150,000t Cu Equivalent (Cu, Au, Ag) at the Project, Taruga will make a milestone payment to the sellers of A$400,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX;

Performance Milestone 2: Following Taruga completing a positive Bankable Feasibility Study (as defined in JORC 2012) in relation to the Project, Taruga will make a milestone payment to the sellers of A$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX; and

Performance Milestone 3: Following Taruga commencing commercial production (being first concentrate sales) at the Project, the Company will make a payment to the sellers of A$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX.

In accordance with the NSR agreement the Company will grant to the Vendors a 1% NSR in respect of all precious, industrial minerals and base metals produced, sold and proceeds received from the Project. Taruga will have the right to buy back the NSR from the sellers for total consideration of A$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 30-day VWAP of Taruga's Share price as traded on the ASX.

The Company had no other contingent liabilities at 30 June 2023 or 30 June 2022.

DIRECTORS' DECLARATION

TARUGA

In the opinion of the directors of Taruga Minerals Limited ("the Company"):

1) The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and

   (b) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the period then ended; and

2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

4) This declaration has been made after reviewing the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Gary Steinepreis
Non-Executive Director

Dated Perth 29 September 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of Taruga Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Taruga Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of mineral exploration and evaluation Refer to Note 7	
The Group has capitalised mineral exploration and evaluation expenditure of $9,334,516 as at 30 June 2023. Our audit procedures determined that the carrying value of capitalised mineral exploration and evaluation expenditure was a key audit matter as it was an area which required a significant amount of audit effort and communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the carrying value of the capitalised mineral exploration and evaluation expenditure; - We tested a sample of mineral exploration and evaluation expenditure capitalised during the year; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We examined the exploration budget and discussed with management the nature of planned ongoing activities; and - We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Taruga Minerals Limited for the year ended 30 June 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
29 September 2023

ANALYSIS OF SHAREHOLDING as at 21 September 2023

			Shareholders	Shares
1	-	1,000	206	71,089
1,001	-	5,000	86	276,869
5,001	-	10,000	114	937,738
10,001	-	100,000	627	27,295,454
100,001	-	or more	445	677,445,635
Total			1,478	706,026,785

The number of shareholdings held in less than marketable parcels is 789, holding 10,762,850 shares.

Voting Rights

Article 16 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

a) for every fully paid share held - one vote
b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares

Substantial Shareholders

The following substantial shareholders have notified the Company in accordance with Corporations Act 2001.

Nil.

Directors' Shareholding

The interest of each director in the share capital of the Company is detailed in the director's report.

Securities Subject to Escrow

Nil.

TOP TWENTY SHAREHOLDERS

Position	Holder Name	Holding	% IC
1	MR PHILIP ALAN SPEAKMAN	30,000,000	4.25%
2	GLAMOUR DIVISION PTY LTD <HAMMER A/C>	27,771,441	3.93%
3	MR THOMAS LINE <THOMAS LINE FAMILY A/C>	26,442,870	3.75%
4	MOUTIER PTY LTD	20,029,120	2.84%
5	TWO TOPS PTY LTD	19,982,512	2.83%
6	MR DONG CHEN	19,527,609	2.77%
7	RANCHLAND HOLDINGS PTY LTD <R C STEINEPREIS FAMILY A/C>	16,146,903	2.29%
8	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	16,071,429	2.28%
9	MCNEIL NOMINEES PTY LIMITED	15,469,068	2.19%
10	BNP PARIBAS NOMS PTY LTD <DRP>	15,415,249	2.18%
11	CITICORP NOMINEES PTY LIMITED	14,474,611	2.05%
12	ADRA FUTURE CO LIMITED	11,527,892	1.63%
13	MR MARK GASSON	11,500,000	1.63%
14	BOTSKY PTY LTD <N BOTICA NO 3 FAMILY A/C>	10,206,176	1.45%
15	REPLAY HOLDINGS PTY LTD <SUNSET SUPER FUND A/C>	10,000,000	1.42%
15	SL CURTIS PTY LTD <THE RICHARD IAN RICE A/C>	10,000,000	1.42%
16	OAKHURST ENTERPRISES PTY LTD	9,004,049	1.28%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,388,501	1.19%
18	MR MATTHEW DAVID DUNN & MRS TRACY JANE DUNN	8,000,000	1.13%
19	SDMO AUSTRALIA PTY LTD <THE BOTICA SUPER FUND A/C>	7,000,000	0.99%
19	SAMLISA NOMINEES PTY LTD	7,000,000	0.99%
20	MR EDWARD FRANK DAVISON	6,555,059	0.93%
	Total	**320,512,489**	**45.40%**
	Total issued capital - selected security class(es)	**706,026,785**	**100.00%**

The name of the Company Secretary is Daniel Smith.

The address of the registered office is: Level 8, 99 St Georges Terrace, Perth WA 6000.

Registers of securities are held by Automic Group, Level 2/267 St Georges Terrace WA 6000

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange Ltd (ASX:TAR).

There are nil securities currently subject to escrow.

Unquoted Securities

Options
There are 26,250,000 unlisted options exercisable at $0.025 each on or before 18 February 2024 and 18,000,000 unlisted options exercisable at $0.065 each on or before 1 December 2024.

Options Exercisable at $0.025 expiring 18/02/24	**% Interest**

Glamour Division Pty Ltd	30.48%
Talltree Holdings Pty Ltd <D Steinepreis Family A/C>	25.71%

Options Exercisable at $0.065 expiring 1/12/24	**% Interest**
Gary Steinepreis	27.78%
Paul Cronin	27.78%
Glamour Division Pty Ltd	27.78%

Performance Rights
There are 2,000,000 performance rights on issue subject to various vesting conditions

Interests in tenements held directly by Taruga Minerals or subsidiary company

Tenements	Held	State / Country
E51/1832	20%	Western Australia
E70/5029	100% (In application)	Western Australia
E70/5030	100% (In application)	Western Australia
E70/5031	100% (In application)	Western Australia
EL6362 (Flinders)	100%	South Australia
EL6437 (Torrens)	100%	South Australia
EL6541 (MCP)	100%	South Australia
EL6695 (MCP)	100%	South Australia
ELA2022/00071 (Martins Well)	100%	South Australia
EL6828 (Curnamona Project)	100%	South Australia
EL6836 (Curnamona Project)	100%	South Australia
EL6829 (MCP)	100%	South Australia