

ASX ANNOUNCEMENT

27 November 2013



Taruga Gold Acquires Highly Prospective Mali Project from Newmont

Taruga Gold Limited (“Taruga” or “the Company”) (ASX: TAR) is very pleased to announce the acquisition of the highly prospective SLAM project located in southern Mali. Taruga will acquire 100% of the project from Newmont Ventures Limited (“Newmont”) who completed initial geochemical sampling that defined highly anomalous zones for initial drill testing. Taruga’s landholding in southern Mali has now increased to over 830km² (Figure 1).

Highlights

- Extensive geochemical anomalies up to **6.4g/t gold** with numerous **+1g/t gold** samples defining high-priority anomalous zones
- **Artisanal mining** in area highlights prospective geology and gold mineralised structures
- **SLAM project is more than 350km²** and consists of option agreements granting access over four granted concessions within 100kms of Bamako, the capital city of Mali.
- Project area located in **highly prospective margin of Siguiri Basin** – the host to major gold deposits including Siguiri (AngloGold Ashanti – 5.2Moz gold), Lefa (NordGold – 7.8Moz gold) and Tri-K (Avocet – 4Moz gold)
- Acquisition terms include:
 - Taruga to assume responsibility for Option Agreements
 - Newmont has first right of refusal on sale or transfer to third party
 - Newmont has claw-back agreement upon completion of 7,500m of RC and diamond drilling and 7,500m of aircore drilling. Clawback to maximum 51% by completing three times level of Taruga expenditure
 - 1% Net Smelter Royalty on any discovery exceeding 1Moz gold in Measured and Indicated Pit Constrained JORC compliant resource

“The acquisition of the SLAM project continues our focus on obtaining excellent ground holdings in highly prospective terrains for minimum cost. This allows us to focus our expenditure on high priority targets maximizing our chance for discovery,” Taruga’s Managing Director Bernard Aylward said.

“The SLAM project complements our existing Nangalasso and Diendo project in southern Mali where we now have secured a very exciting landholding in excess of 830km². Our existing administration and geological team will be able to rapidly explore the SLAM project in conjunction with our existing field campaign. We have commenced field reconnaissance at the SLAM project and will continue exploration when our current program at Nangalasso is complete.”



The SLAM project is the second significant acquisition for Taruga in the past four months and continues our focus on the highly prospective southern Mali and Cote d'Ivoire regions. Taruga has identified areas of high prospectivity and proven gold mineralisation and has acquired very exciting projects for low entry cost.

Taruga has focused on projects where maximum value can be added through exploration programs. Taruga has acquired projects where the initial exploration has highlighted opportunities for discovery with early stage and reconnaissance exploration completed.

Taruga is maintaining a disciplined approach to expenditure and project ranking and rationalisation to ensure we focus our exploration in the most prospective regions.

SLAM Project

The SLAM project consists of four granted concessions – Djelibani, Djelibani Sud (forming a contiguous landholding of 230km²), Balala and Kambali (Figure 2). The concessions are held as Option agreements with local landholders – the agreements grant Taruga exclusive access for all exploration activities upon payment of an annual option fee, and also grant the right for Taruga to purchase 100% of the concession for an agreed amount.

The SLAM project is approximately 100km to the southwest of Bamako, the capital city of Mali, and access to the project area is via a well-maintained sealed highway. The project is located within the Siguiri Basin – a geological terrain that hosts major gold deposits at Anglo Gold's Siguiri (5.2Moz) and Nordgold's Lefa (7.8Moz).

Extensive regional surface geochemistry has been completed by Newmont on the project. The surface geochemistry has highlighted numerous high-priority anomalous zones within the Djelibani and Djelibani Sud concessions, with surface anomalism returning up to 6.4g/t gold. In addition to the surface geochemistry, Newmont has compiled a significant baseline dataset that includes detailed aeromagnetism, satellite imagery and geological interpretation.

The SLAM project is being acquired from Newmont and as part of the acquisition Taruga will receive the full geological data package, including all available GIS information, geophysical data and images, geochemical data and geological information. A summary of the acquisition agreement terms include:

- Taruga to assume all obligations and payments under the four option agreements from and after August 1, 2013.
- Taruga shall have the right to terminate any option agreement after (a) giving Newmont 30 day notice and (b) delivering a full and complete data package.

- Newmont shall have the right to earn-back to a 51% by spending three times what Taruga has spent after Taruga has completed at least 7,500 meters of Aircore drilling and 7,500 meters of RC or diamond drilling – for a total of 15,000 meters.
- Newmont shall have right of first refusal on any proposed sale or transfer by Taruga to a third party – any third party offer for other than cash shall be expressed in USD cash equivalent.
- Newmont to receive a 1% NSR on any discovery if over 1MM ounces of gold in a pit-constrained JORC Measured and Indicated Resource.

Exploration Program

Taruga has commenced its field campaign at the Nangalasso project, located in southern Mali (refer ASX announcement 21/11/2013) with a program of geological mapping and geochemical sampling in preparation for an aircore drilling program.

At the SLAM project, Taruga has commenced field reconnaissance and mapping. Taruga intends to undertake reconnaissance drilling to test the surface anomalous zones following a program of check sampling and infill definition. The key anomalies identified for initial exploration are located within the Djelibani and Djelibani Sud concessions (Figure 2).

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

Bernard Aylward
Managing Director
Taruga Gold Limited
Mob: +61 418 943 345

Simon Hinsley
Investor Relations
NWR Communications
Mob: +61 401 809 653

Competent person's statement

The information in this report that relates to geological information and exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is the Executive Chairman and Managing Director of Taruga Gold Limited and is a full-time employee of the company. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

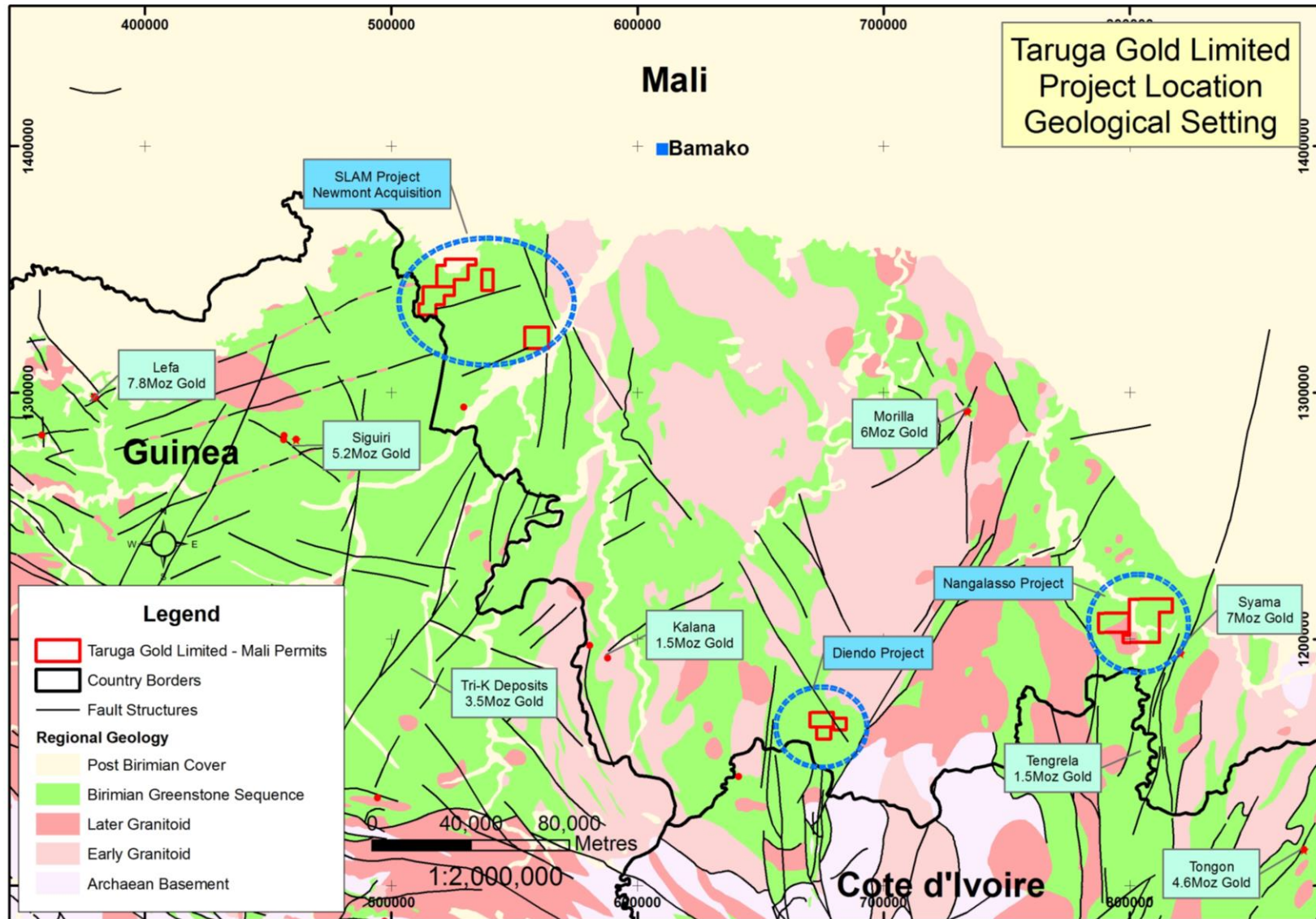


Figure 1: Taruga Gold – Location of Project areas in Southern Mali. SLAM project acquired from Newmont located on Margin of Sigiri Basin.

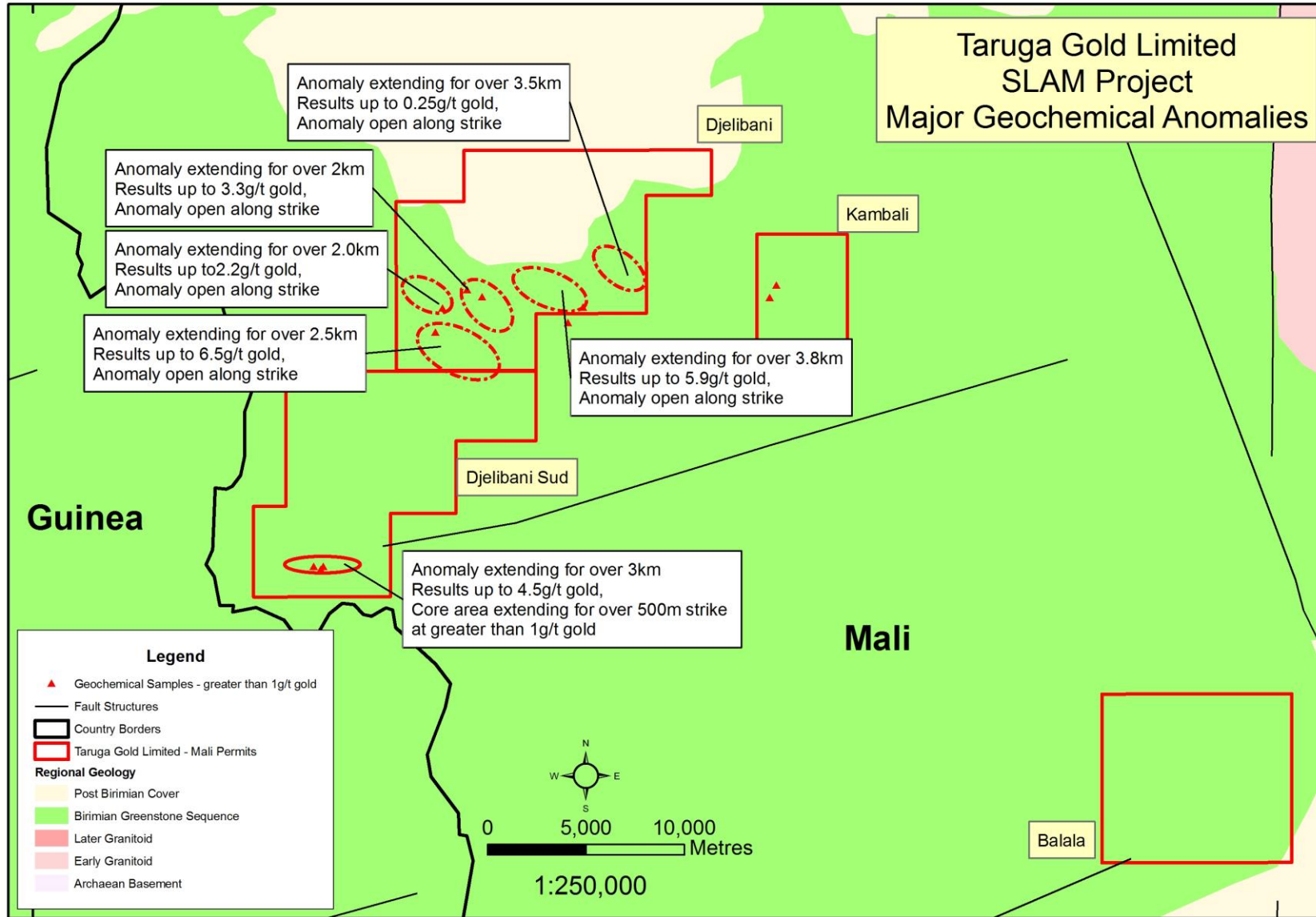


Figure 2: Taruga Gold – SLAM Project concessions and location of major geochemical anomalies. Note highlight of numerous +1g/t gold geochemical anomalies