

31 July 2014

## ASX ANNOUNCEMENT



TARUGA GOLD

# QUARTERLY REPORT – JUNE 2014 TARUGA GOLD LIMITED

Perth-based explorer Taruga Gold Limited (ASX: TAR, “Taruga” or “the Company”) undertook geological mapping and geochemical sampling at the Nangalasso Project in Mali, completed field reconnaissance and geochemical interpretation of the SLAM project, Mali, and commenced field mapping, geological interpretation and geochemical sampling of its highly prospective Cote d’Ivoire projects as part of its exploration activities in West Africa during the June 2014 quarter.

### Highlights

- **Nangalasso Project, Mali**
  - Geological mapping and reconnaissance of the Nangalasso project continued during the quarter
  - Active artisanal mining continues in the Sotian concession with the area of workings now exceeding **1,200m x 1,100m area**. Taruga is assessing this area to determine how to maximize value of the extensive surface working as well as undertake exploration for bedrock mineralisation
  - Additional artisanal workings have been located within the Nangalasso concession and continue to highlight an extensive gold mineralised structure for initial drill testing.
  - Aircore drilling delayed due to early onset of seasonal rains and access prevented to key areas. Drilling proposed to commence as soon as access is suitable.
- **SLAM Project, Mali**
  - Geological mapping, field reconnaissance and interpretation of the extensive geochemical anomalies continued at the SLAM project continued during the quarter.
  - **Extensive artisanal workings** were located in Kambali permit, and are closely associated with **+1g/t surface geochemical anomalies**. Mapping of the workings indicates mineralisation hosted within surface material, but importantly continuing into bedrock material.
- **Cote d’Ivoire Projects**
  - Initial geological mapping, geological reconnaissance and geochemical sampling has commenced at the **100% owned highly prospective** Cote d’Ivoire projects.
  - Taruga continues to assess its highly prospective projects in Cote d’Ivoire and is looking to advance the projects as rapidly as possible.

### Corporate

- Cash at end of June quarter - \$0.24M

## Nangalasso Project, Mali

The Nangalasso Project consists of two options over granted concessions (Nangalasso and Sotian concessions) extending over an area of 345km<sup>2</sup>. The option agreements grant the Company exclusive access to the ground for exploration and also grant the right to purchase 100% of the concessions for an agreed amount (refer ASX announcement 5/8/2013).

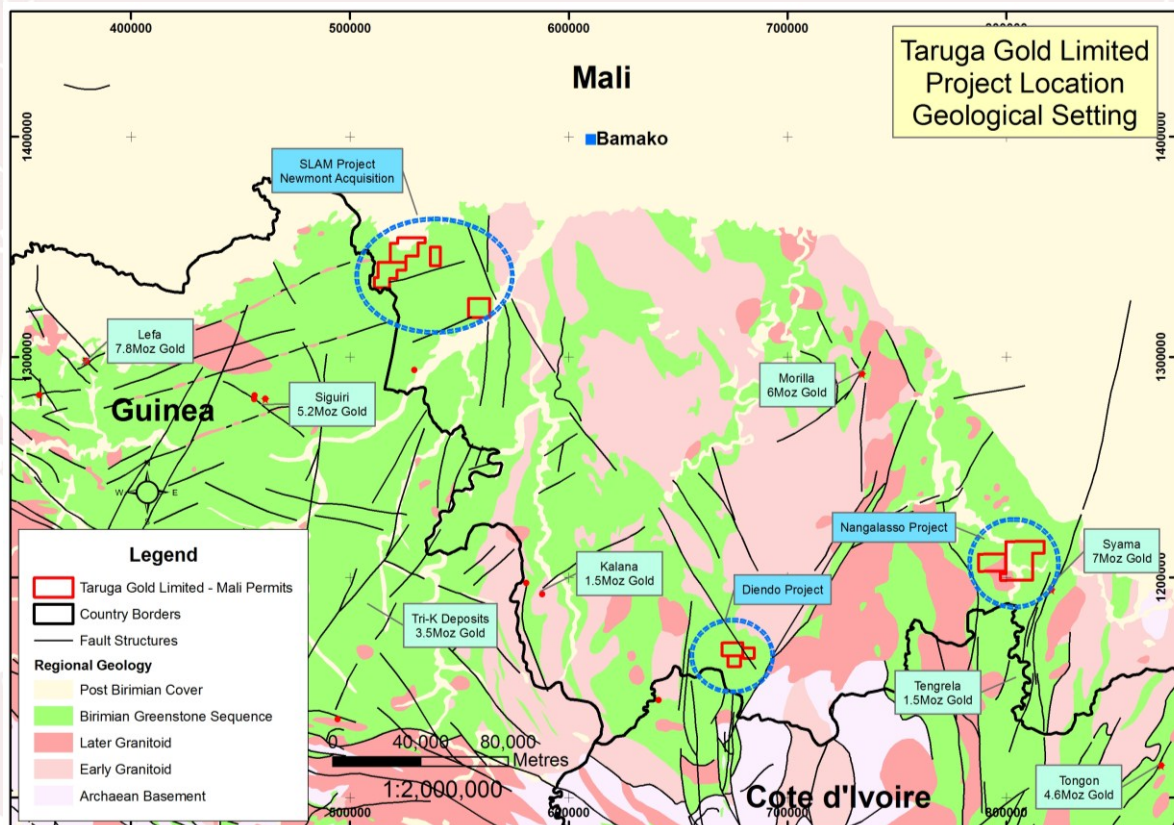


Figure 1: Mali Project locations – Birimian geological sequence highlighted, with location of Taruga projects and known gold mineralisation. Nangalasso Project located in southern Mali

Taruga continued the reconnaissance exploration, geological mapping and geochemical sampling on the Nangalasso project during the quarter. Previous exploration has defined gold mineralised intersections returned from wide-spaced reconnaissance drilling, gold mineralisation returned from trench sampling and extensive surface geochemical anomalism.

The Nangalasso project is highly prospective for gold mineralisation and Taruga intends to continue exploration following cessation of the seasonal rains. The program of aircore drilling has been reviewed following continued geochemical anomalism as well as extensions to the active artisanal workings.

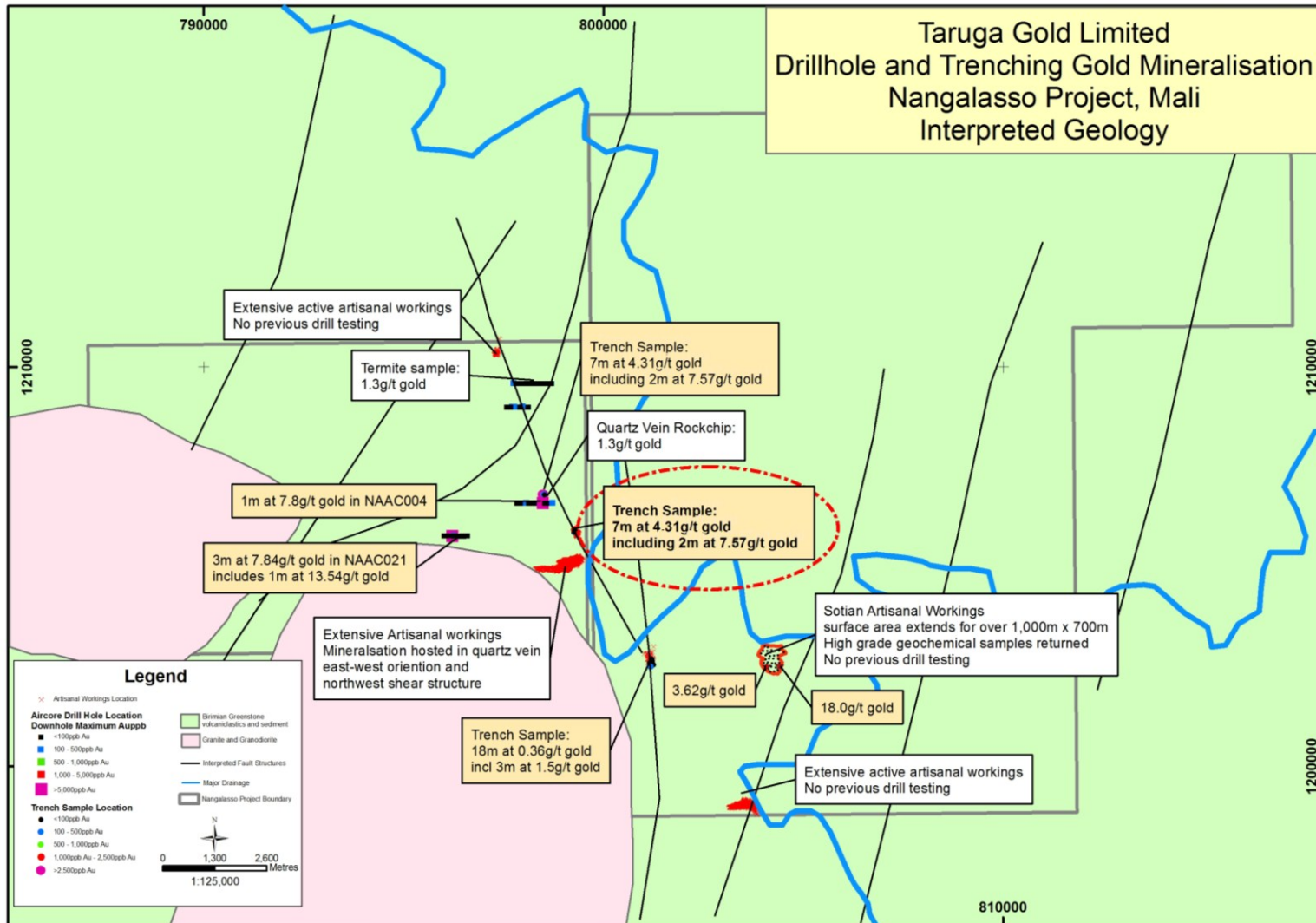


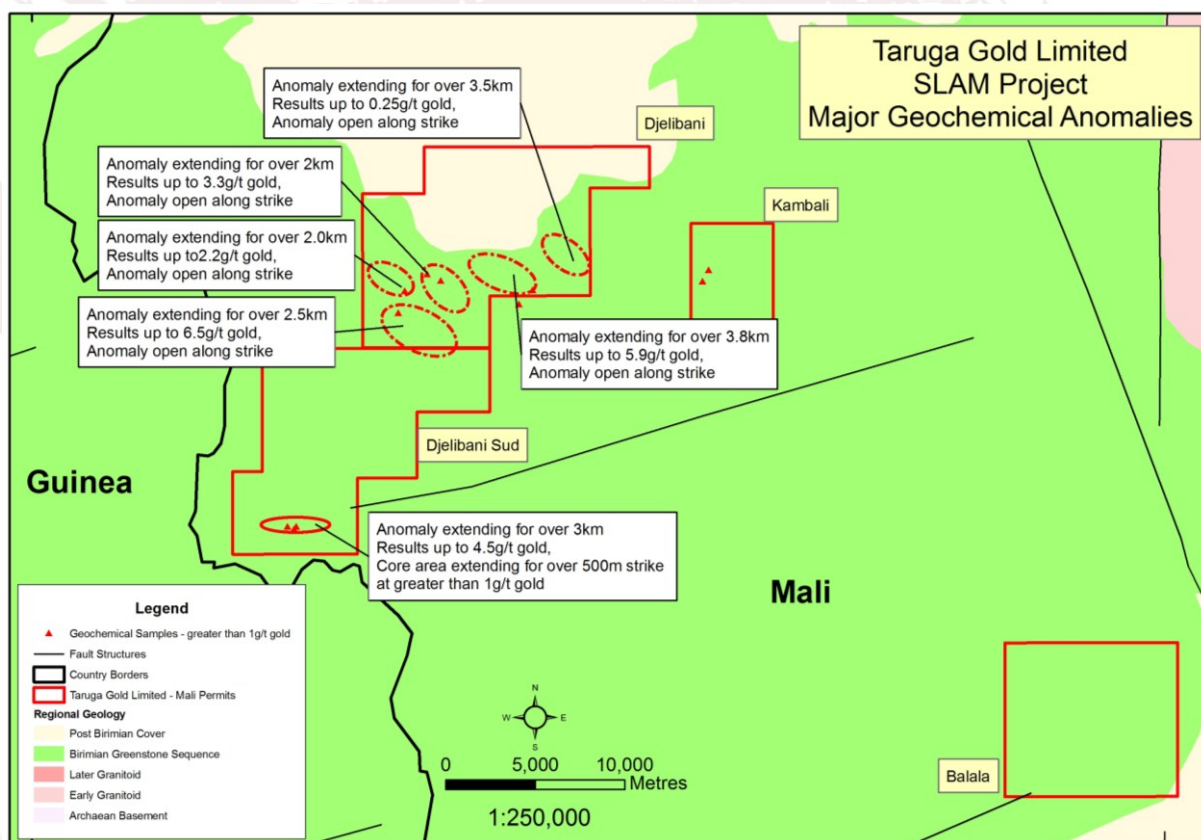
Figure 2: Nangalasso Project – Overview plan of geology and completed exploration. Note the location of extensive artisanal workings at Sotian and the location of high-grade samples. Trench samples continue to highlight prospective mineralised structures associated with interpreted geological structures.

## SLAM Project, Mali

Taruga announced the acquisition of the highly-prospective SLAM Project located in southern Mali in November 2013. Taruga acquired 100% of the project from Newmont Ventures Limited (“Newmont”), which completed initial geochemical sampling that defined highly anomalous zones for first-pass drill testing.

The SLAM project consists of four granted concessions – Djelibani, Djelibani Sud (forming a contiguous landholding of 230km<sup>2</sup>), Balala and Kambali (Figure 3). 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.

Taruga continued the field reconnaissance, geological mapping and interpretation of geochemical samples continued during the quarter. In addition to strong geochemical anomalies in the Djelibani and Djelibani Sud concessions an extensive area of artisanal workings was identified in the Kambali concession and is closely associated with +1g/t gold geochemical anomalies. This is a highly encouraging area for Taruga to follow up as a priority for drilling.



**Figure 3: Taruga Gold – SLAM Project concessions and location of major geochemical anomalies. Note highlight of numerous +1g/t gold geochemical anomalies**



## Côte d'Ivoire

Taruga continued field reconnaissance, geological mapping and geochemical sampling of the highly prospective Cote d'Ivoire landholding during the quarter.

Taruga has four concessions granted in the central and northern portion of the country. All concessions are 100% owned and are located within Birimian greenstone belts. The exploration is at an early stage, however the presence of artisanal workings, highly prospective geology and known mineralisation on adjacent ground highlights the potential of these projects.

Taruga has submitted all reports to the Government for the initial exploration programs and continues to work closely with the Government to ensure additional concessions are granted within a timeframe that allows Taruga to plan and implement exploration programs.

## CORPORATE

At the end of the June quarter, Taruga had cash at hand of approximately \$0.24M

For further information see the Company's website [www.tarugagold.com.au](http://www.tarugagold.com.au) or contact:

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### *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.*

### *About Taruga Gold*

Taruga Gold Limited listed on the ASX on 7 February 2012 with a portfolio of exciting exploration projects in West Africa containing more than 3,960km<sup>2</sup> of Birimian greenstone geology located in Niger, Ghana and Côte d'Ivoire. The West African region is one of the world's best gold districts and has had significant rates of discovery and development of new gold mines over recent decades.

Taruga's projects have been carefully selected by the Company and focus on the highly prospective Birimian sequence in Niger, Mali and Cote d'Ivoire.

The Kossa Project consists of two granted exploration licences covering 970km<sup>2</sup> located in northwest Niger, 230km northwest of the capital city Niamey. The eastern boundary

of the Kossa Project is defined by the border with Burkina Faso and lies approximately 15km east of the Essakane Gold Mine, located in Burkina Faso. The Essakane Gold Mine is operated by IAMGold of Canada and produces approximately 350,000oz gold per annum.

The granted concessions in Côte d'Ivoire cover an area of over 1,550km<sup>2</sup> of Birimian greenstone. Projects are located in central and northern Côte d'Ivoire. The company has additional licence applications in Cote d'Ivoire pending final grant.

The Nangalasso Project is located in southern Mali, 30km from the 7Moz Syama gold mine, and is in a similar geological setting to Randgold's Morila and Perseus' Tengrela gold deposits. The project consists of two options over granted concessions (Nangalasso and Sotian concessions) extending over an area of 345km<sup>2</sup>.

The SLAM Project project covers more than 350km<sup>2</sup> and consists of option agreements granting access over four granted concessions within 100km of Mali's capital city Bamako. The project area is located in highly prospective margin of Siguiiri Basin – host to major gold deposits such as Siguiiri (AngloGold Ashanti – 5.2Moz gold), Lefa (NordGold – 7.8Moz gold) and Tri-K (Avocet – 4Moz gold).

Table 1: Taruga Gold Limited – Granted Tenements held directly by Taruga Gold or subsidiary company

Tenements	Acquired during Quarter	Disposed of during Quarter	Held at End of Quarter	Country
Kossa 1			100%	Niger
Kossa 2			100%	Niger
Mankono			100%	Cote d'Ivoire
Korhogo			100%	Cote d'Ivoire
Dabakala			100%	Cote d'Ivoire
Nielle			100%	Cote d'Ivoire

Table 2: Taruga Gold Limited – Tenements held via option agreement by Taruga Gold or subsidiary company

Tenements	Acquired Option Agreement	Disposed of Option Agreement	Held at End of Quarter	Country
Djelibani			100%	Mali
Djelibani Sud			100%	Mali
Kambali			100%	Mali
Balala			100%	Mali
Nangalasso			100%	Mali
Sotian			100%	Mali
Diendo Sud			100%	Mali
Diendia			100%	Mali
Manankoro Nord			100%	Mali
Diossyan Sud			100%	Mali