

ASX RELEASE

30 October 2015

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

- Completion of Capital Raising Activities, and consolidation of securities
- Non-binding Heads of Agreement with Newcrest Mining Limited (ASX:NCM), regarding a potential Joint Venture over Dabakala concession, Cote d'Ivoire

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the September quarter. During the quarter, Taruga announced the completion of the capital raising activities announced in the previous quarter, with a total of \$1,071,000 raised before costs. As part of the process, Taruga undertook a consolidation of its securities on a 25:1 basis.

Exploration activities include geochemical sampling completed by Resolute Mining Limited (Resolute) as part of the Cote d'Ivoire farm-in and Joint Venture. Taruga also continued to assess and review of landholding and this led to the relinquishment of two option agreements in Mali. In Niger the company has been granted two additional licences that adjoin the highly prospective Kossa project.

In September Taruga announced the signing of a non-binding heads of agreement (**HoA**) with Newcrest Mining Limited (**Newcrest**). The HoA outlines the key key principles of a farm-in and joint venture for Taruga's 100% owned Dabakala Project, Cote d'Ivoire.

Cote d'Ivoire

Resolute Mining Limited Joint Venture

Resolute continued field activities during the quarter, with a major geochemical sampling program completed at the Tiebissou concession in central Cote d'Ivoire. A total of 1,277 samples were collected on the Joint Venture ground and initial results returned confirm a strong Gold-Arsenic-Antimony (Au-As-Sb) anomaly that is continuous from the Resolute ground to the Joint Venture ground. The anomaly is associated with a zone of strong shearing and geological complexity that is prospective for development of mineralisation.

A program of reconnaissance drilling is planned and site preparations are underway for the drilling to be commence in the next quarter.

And yes drill planning is completed and site preparations are underway with the intention to start drilling this calendar year.

Newcrest HoA (Cote d'Ivoire)

Taruga announced the signing of a HoA with Newcrest on 17 September 2015. The non-binding HoA outlines the key principles of a farm-in and joint venture for Taruga's 100% owned Dabakala Project, Cote d'Ivoire (**Figure 1**). Under the terms of the proposed JV, Newcrest will have the ability to earn a 75% interest in a JV company in Cote d'Ivoire by incurring exploration expenditure of US\$1.7m over three years.

Taruga has entered into the non-binding HoA with Newcrest to achieve extensive exploration on the ground while maintaining significant exposure to exploration success. Newcrest is the owner of adjacent concessions and the geological interpretation indicates a continuity of geological structures and trends. Proposed exploration programs consist of infill auger geochemical sampling to define the gold anomalous zones prior to initial reconnaissance drill testing.

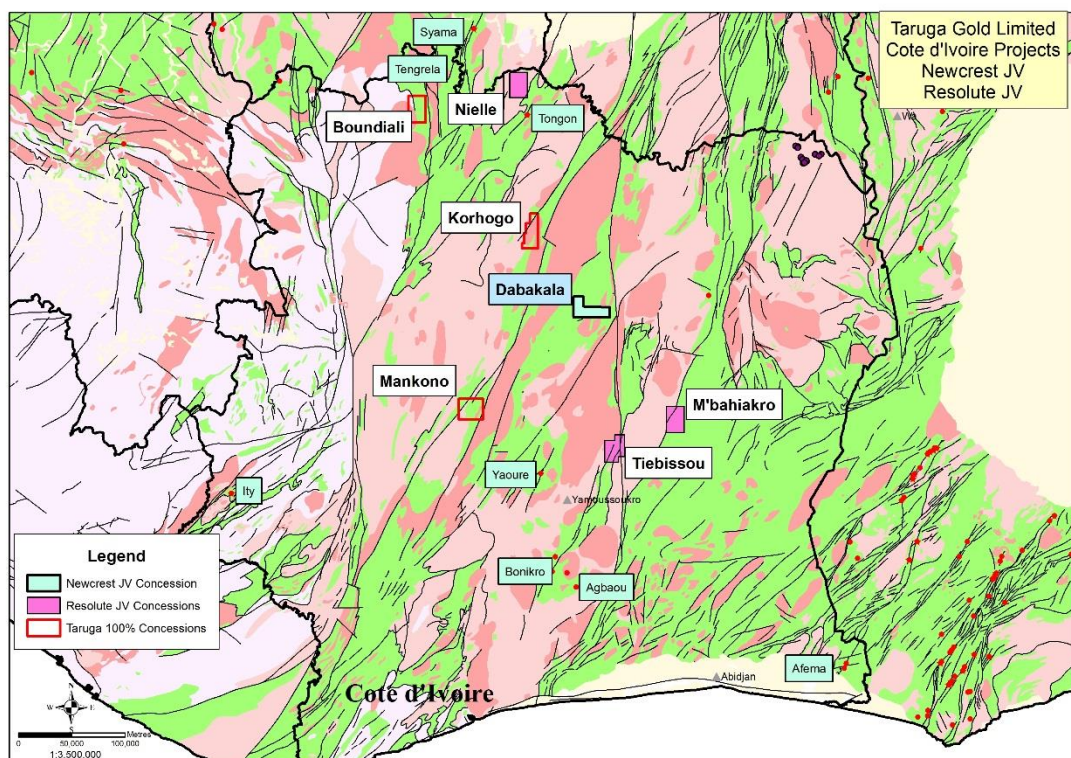


Figure 1 – Taruga Cote d'Ivoire Projects, showing proposed Dabakala JV with Newcrest and the existing Resolute JV areas

Summary Terms of the HoA and proposed JV

Under the HoA, Newcrest and Taruga agree to negotiate in good faith to seek to agree the final terms of a binding farm-in and JV agreement in accordance with the following key principles:



- Newcrest can earn a 75% interest in Taruga's Cote d'Ivoire subsidiary which holds the Dabakala concession by incurring exploration expenditure of US\$1.7m within three years.
- Newcrest to incur a minimum of US\$750,000 expenditure before withdrawal from the JV.
- Newcrest to make signature payments of US\$50,000 on signing of HoA and a further US\$50,000 on execution of definitive JV agreements in addition to minimum spend.
- Taruga will maintain a 100% interest until Newcrest completes the US\$1.7million expenditure.
- The JV will be subject to Cote d'Ivoire regulatory approvals.

About Dabakala

The Dabakala concession is located in central Cote d'Ivoire and is 100% owned by Taruga subsidiary company International Goldfields CIV SARL. The concession was granted to Taruga in 2014.

Taruga has completed first pass geochemical sampling that outlined extensive surface gold anomalism associated with a major shear structure.¹ The anomalies are regionally extensive and require infill geochemistry to define targets for reconnaissance drilling.

Newcrest has completed a regional stream sediment, rock chip and laterite sampling program as part of the project review which confirms the anomalous gold trends.

¹ Full results of this sampling can be found in the Company's ASX announcement dated 22 December 2014.

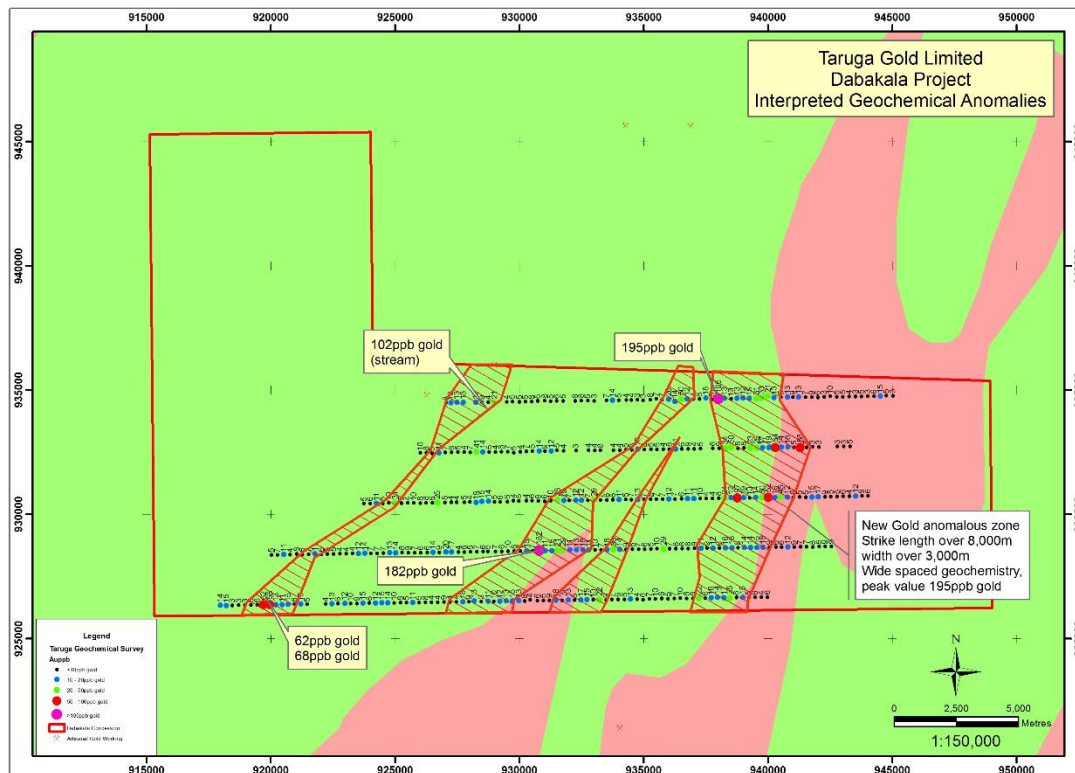


Figure 2 – Taruga Dabakala Project with regional geochemical sampling and interpreted gold anomalous trends.

Mali

The Company continued its review of landholding and proposed work for this field season. At the SLAM project, the Company relinquished the Option agreements for the Djelibani and Balala concessions.

The Company intends to focus exploration activities on the Kambali prospect, where previous drilling has highlighted shallow, high-grade gold mineralization. In addition, the Company will continue to advance the strong gold anomalous zones in the Djelibani Sud concession.

Niger

During the quarter, Taruga received notification from the Niger Government that it had been granted two additional exploration licences – Ounzerbi and Kouriki. These new licences adjoin the highly prospective Kossa project and were initially targeted by Taruga to follow-up identified gold mineralized trends.

The company is currently compiling all available exploration information and completing a geological review of the concession area. In addition, Taruga received final documentation confirming the renewal and extension of term for the Kossa 1 and Kossa 2 concessions.



Corporate

Subsequent to quarter end the Company announced the resignation of Sam Edis as Joint Company Secretary. The Board wishes Sam well in his future endeavours.

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

About Taruga Gold

Taruga is a West African focused gold explorer that has compiled a diverse portfolio of exploration projects within the Birimian geology of West Africa. This region is at present one of the world's great gold districts and has had a significant rate of discovery and development of new gold mines over past decades.

Taruga has ~4,000km² of highly prospective tenements in Niger, Southern Mali and Cote d'Ivoire, all within similar geological settings as world-class goldmines. The Company's Kossa Project in Niger is 15km from the 5moz Essakane goldmine; in Mali, the Nangalasso project is 30km west of the 7moz Syama project.

Competent person's statement

The information in this Announcement that relates to exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is the 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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the announcement of matters based on his information in the form and context it appears.

Annexure 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
Kouriki	100%		100%	Niger
Ounzerbe	100%		100%	Niger
Tiebissou			100%	Cote d'Ivoire
Mankono			100%	Cote d'Ivoire
Korhogo			100%	Cote d'Ivoire
Dabakala			100%	Cote d'Ivoire
Nielle			100%	Cote d'Ivoire

Annexure 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		Relinquished Option agreement	0	Mali
Djelibani Sud			100%	Mali
Kambali			100%	Mali
Balala		Relinquished Option agreement	0	Mali
Nangalasso			100%	Mali
Sotian			100%	Mali