

ASX RELEASE

15 December 2015

TARUGA and NEWCREST Execute Binding Farm-In Agreement on Dabakala Project, Cote d'Ivoire

Highlights:

- Taruga and Newcrest finalise farm-in agreement for potential joint venture over Taruga's Dabakala concession
- Newcrest to spend up to US\$1.7 Million to earn 75% of a proposed joint venture within 3 years, including a minimum US\$750,000 before withdrawal
- Taruga to receive US\$100,000 payments, with first US\$50,000 received
- Newcrest concessions adjacent to Dabakala and exploration programs will target high priority mineralised trends
- Strong existing Geochemical anomalies defined by Taruga sampling within the Dabakala concession

Taruga Gold Limited (ASX:TAR) ("Taruga" or the "Company") is pleased to announce the signing of a binding Farm-in Agreement ("Agreement") with top-tier gold producer, Newcrest Mining Limited (ASX:NCM) ("Newcrest"). This agreement formalises the Heads of Agreement announced on 17 September 2015.

Taruga is the 100% owner of the Dabakala Project, Cote d'Ivoire (**Figure 1**) and under the terms of the Agreement, Newcrest will have the ability to earn a 75% interest in a joint venture company in Cote d'Ivoire by incurring exploration expenditure of US\$1.7m over three years.

Managing Director Bernard Alyward stated "Taruga is very pleased to have formalised this agreement. Newcrest are committed to advancing Dabakala with initial extensive auger drilling campaign designed to infill and define the gold anomalous zone prior to initial drilling".

The current Taruga strategy of procuring early stage assets, adding value and attracting Joint venture partners continues to prove successful.

"Taruga has now successfully completed two agreements in Cote d'Ivoire, with exploration activity increasing on our ground through geochemical sampling, auger drilling and potential reconnaissance drilling. The projects are very prospective and with the amount of exploration undertaken, the potential for discovery is increasing".

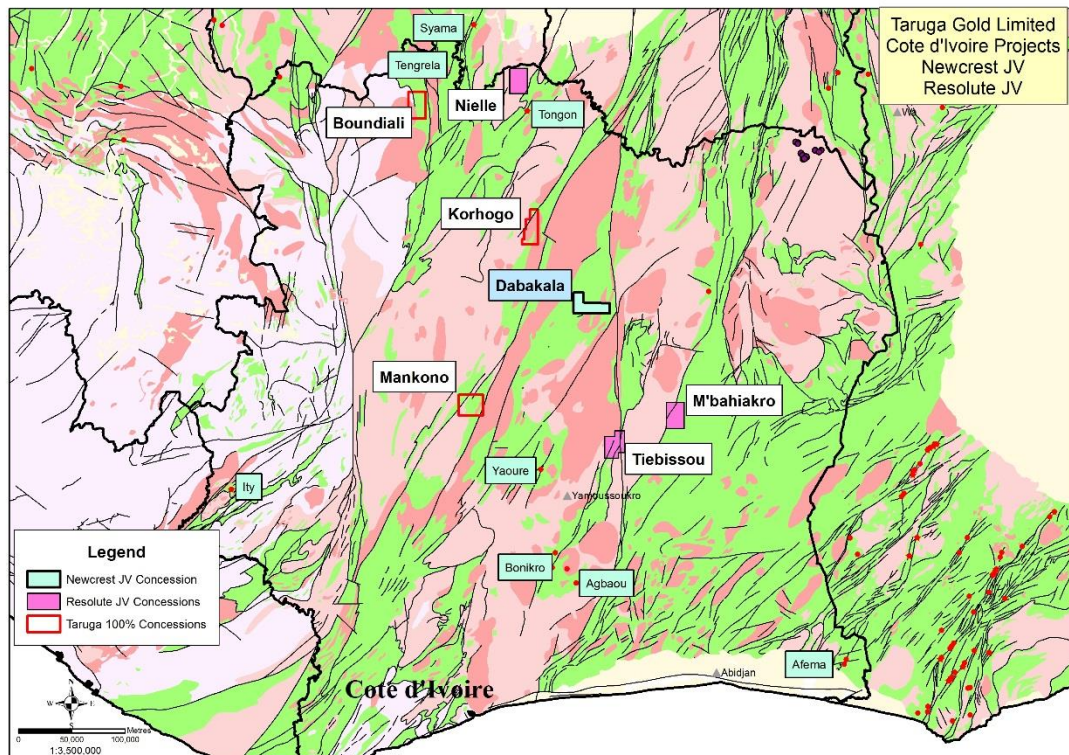


Figure 1 - Taruga Cote d'Ivoire Projects, showing proposed Dabakala JV with Newcrest and the existing Resolute JV areas

Summary Terms of the Farm-In Agreement

- Newcrest can earn a 75% interest in a joint venture company to be incorporated to hold the Dabakala concession by incurring exploration expenditure of US\$1.7m within three years, with Taruga maintaining a 100% interest until this time.
- Newcrest to incur a minimum of US\$750,000 expenditure before withdrawal.
- Newcrest have made a signature payment of US\$50,000 on signing of the HoA and will make a further payment of US\$50,000 on registration of security documents in Cote d'Ivoire.

This Agreement and potential joint venture with Newcrest will allow Taruga to achieve extensive exploration on the ground while maintaining significant exposure to exploration success. Newcrest holds adjacent concessions and the geological interpretation indicates a continuity of geological structures and trends. Proposed exploration programs consist of infill auger drilling to further define the gold anomalous zones prior to an initial drill program.

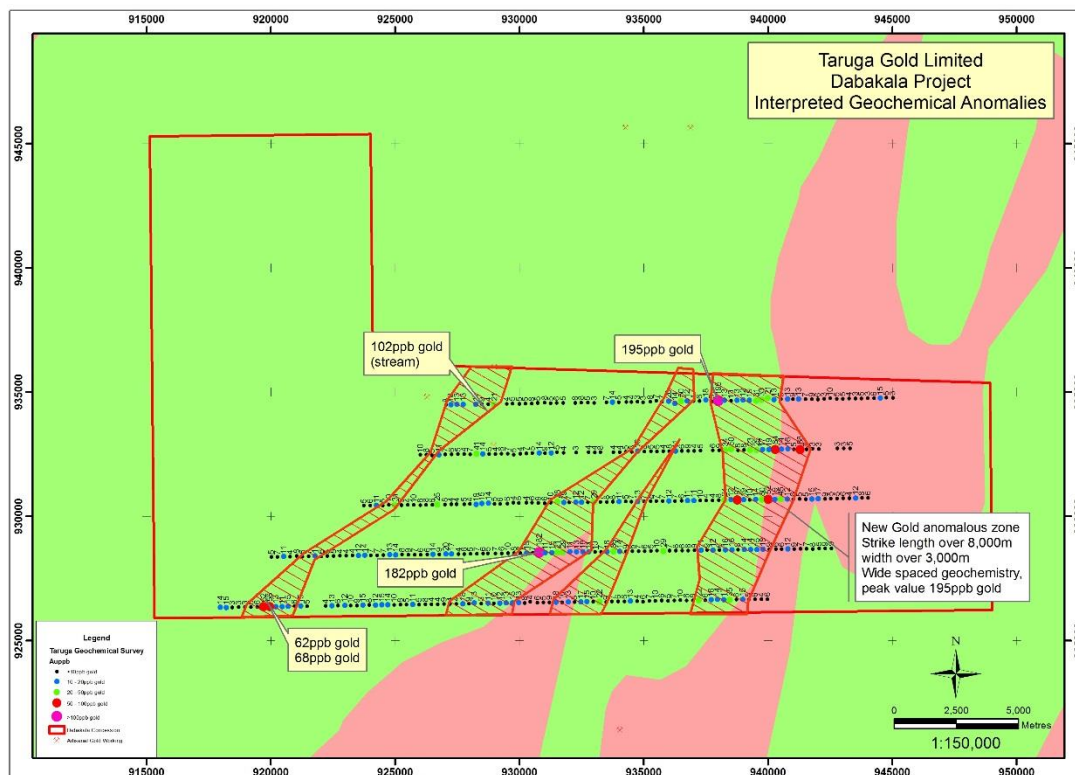


Figure 3 – Taruga Dabakala Project with regional geochemical sampling and interpreted gold anomalous trends.

Taruga in Cote d’Ivoire

In February 2015, Taruga announced a Joint venture with mid-tier gold producer, Resolute Mining Limited, in respect of three of the Company’s concessions in Cote d’Ivoire. In addition to the proposed JV with Newcrest over the Dabakala concession, the Company retains 100% ownership in a further three highly prospective concessions in the country.

Taruga is continuing to receive interest in its very prospective Cote d’Ivoire concessions from various parties. These continuing approaches indicate the value of the Company’s significant landholding and Taruga will assess any proposals to maximise shareholder value.

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

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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 Cote d'Ivoire, Southern Mali and Niger, 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.