



TARUGA GOLD

ASX RELEASE

29 April 2016

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2016

- Maiden JORC resource estimate declared at the Kossa project, Niger
- Taruga announced the proposed sale of the prospective Mali and Cote d'Ivoire concessions to AIM listed Kodal Minerals PLC
- Taruga to receive shares in Kodal and complete in-specie distribution to Taruga shareholders allowing ongoing participation in the West African exploration
- Announced \$1.2M Placements and Rights Issue to secure funding for Taruga

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the March quarter.

During the quarter the Company announced that it had completed a preliminary Inferred Mineral Resource estimate of 2.7Mt @ 1.3g/t gold for 112,000ozs gold (top cut 20g/t gold and lower cut-off of 0.5g/t gold applied) at the Borobon prospect, located in the Kossa 1 concession.

Subsequent to the Quarter end, the Company announced the proposed sale of its subsidiary company IG Bermuda Limited to AIM listed Kodal Minerals PLC. IG Bermuda is the holder of the Nangalasso and SLAM projects in Mali, and the holder of four granted and two concession applications in Cote d'Ivoire.

The Taruga Board believe that the sale of IG Bermuda offers Taruga shareholders an opportunity to remain exposed to the prospective West African gold projects through the distribution of Kodal shares, as well as offer our shareholders the potential of involvement in new projects and developments for the Company.

Kodal has announced the placement of £680,000 (A\$1.3M) (subject to shareholder approval). The funds are expected to be used to undertake exploration, project review, acquisition and development of the West African projects as well as ongoing review and assessment of the Norwegian assets and Corporate overheads.

IG Bermuda Sale Agreement

On April 7 Taruga announced that it had executed a conditional Share Sale Agreement ("**SSA**") to sell 100% of its interest in International Goldfields (Bermuda) Limited ("**IG Bermuda**") to AIM-listed Kodal Minerals Plc ("**Kodal**") to be settled by the issuance of up to 1,025,000,000 Kodal shares ("**Consideration Shares**") (the "**Transaction**").



Kodal is a mining and exploration company currently operating in Norway. It holds extraction licences over the Kodal phosphate and iron deposit in southern Norway and is exploring the Grimeli Project in western Norway.

Key Terms of the Transaction

- Kodal to acquire 100% interest in IG Bermuda, for scrip consideration of A\$770,538.
- Subject to shareholder approval, Taruga to undertake an in-specie distribution of the Consideration Shares to eligible shareholders. The distribution is expected to be 40.8 Kodal shares for each Taruga share.
- Managing Director of Taruga, Bernard Aylward, to become CEO of Kodal.

The proposed sale is subject to Taruga shareholder approval at a General Meeting of Shareholders to be held on the 13th May.

In addition for Kodal the acquisition of IG Bermuda, the allocation of placement shares for the funds raised and changes to the Board are subject to shareholder approval at a meeting to be held on the 13th May in London.

Strategy for Exploration and Development

Following completion of the transaction, Kodal has indicated its intention to continue with the strategy of ground acquisition and early low cost exploration to highlight the potential value of exploration projects. The Directors expect that such early exploration activities will be followed by further detailed exploration alongside joint venture partners.

Kodal has indicated that the joint ventures already achieved by the IG Bermuda with major mining and development companies in Resolute and Newcrest is a validation of the quality of the ground selection and of this approach.

In addition, the IG Bermuda has applied for additional 100% owned properties in Mali and Côte d'Ivoire and Kodal Minerals intends to continue to assess and acquire new opportunities.

Rights Issue and Placement

On April 8, the Company despatched a Notice of Meeting (“**NOM**”) to its shareholders regarding the Transaction. The resolutions of the NOM included, among other things, shareholder approval for the disposal by Taruga of its wholly owned subsidiary IG Bermuda to be settled by the issuance of the Consideration Shares.

In addition to the resolutions pertaining to the Transaction, Taruga is also seeking approval from its shareholders to raise up to A\$1,200,000 via a combination of a placement and a rights issue, at \$0.03 per share.

Cote d'Ivoire

Resolute Mining Limited Joint Venture

Resolute Mining Limited (Resolute) has Joint Ventured into three concessions held by Taruga in Cote d'Ivoire. Under the terms of the agreement, Resolute have the right to earn up to 75% of the concessions through the expenditure of US\$3million over a 4 year period. The Joint Venture commenced in February 2015.

The concessions included in the Joint Venture are (Figure 1):

- Tiebissou located approximately 62km north east of Yamoussoukro.
- Nielle located approximately 392km north of Yamoussoukro.
- M'Baihakro (application) located approximately 90km north east of Yamoussoukro.

Exploration activity completed during the quarter consists of wide-spaced reconnaissance aircore drilling at Tiebissou, and stream sediment, soil and rock chip sampling at Nielle. Results are pending in respect of these exploration activities.

Exploration on the concessions is continuing, and the granting of the M'Bahaikro concession is progressing through the Cote d'Ivoire Ministry.

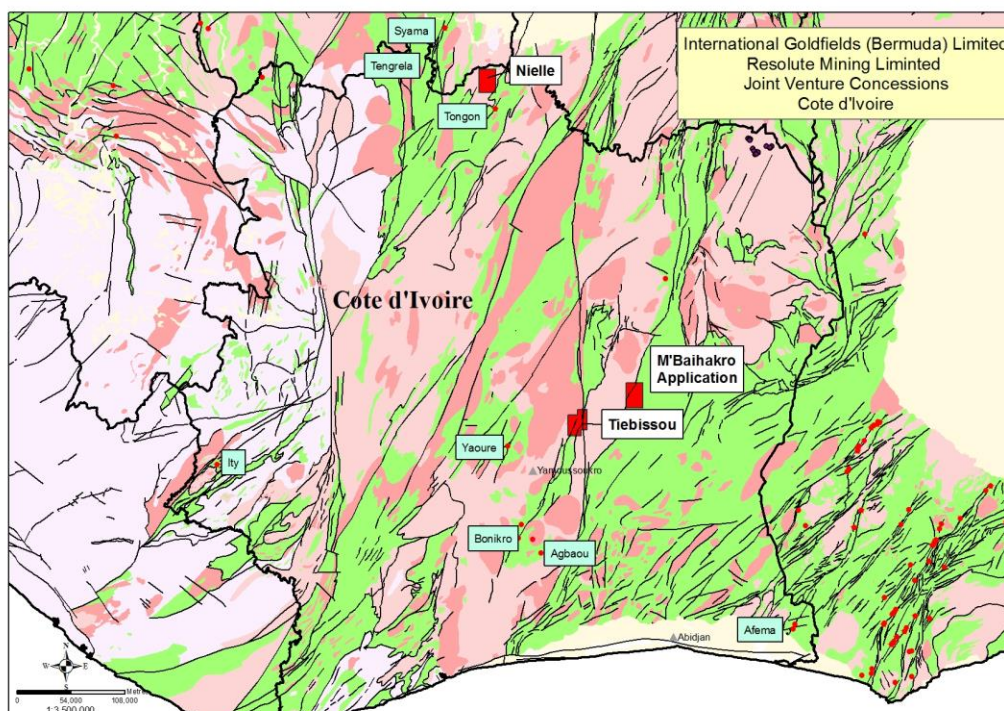


Figure 1 – Taruga – Resolute JV concessions.

Newcrest Farm-in Agreement

Taruga and Newcrest Mining Limited (Newcrest) have entered into a Farm-In and Joint Venture agreement for the Dabakala concession in Cote d'Ivoire (Figure 2). Newcrest have the right to earn 75% interest in the concession, subject to spending US\$1.7M, with a minimum expenditure of US\$750,000 in the first 12 months.

The agreement commenced on the 15th December 2015.

During the quarter, Newcrest commenced an auger drilling geochemical sampling program to target the gold anomalous structures in the Dabakala concession. A total of 76 samples have been completed to date as part of an approximate 400 sample program to be completed on a 250m x 500m spaced grid.

Sampling is expected to be completed in the June quarter with interpretation and review of results to be completed prior to infill and further exploration.

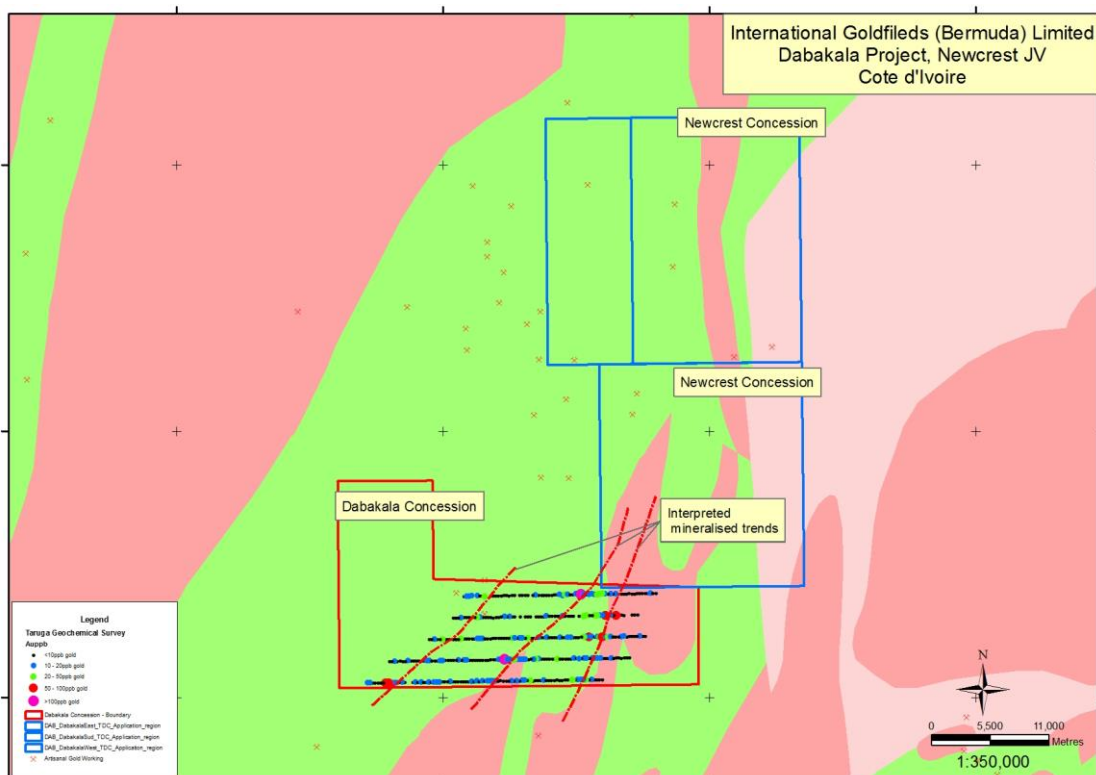


Figure 2 – Taruga – Newcrest JV Dabakala concession location and adjacent Newcrest concessions.



Mali

No field activity was completed during the quarter.

The Company has maintained the concessions and option agreements in good standing, and completed all required reporting and Government compliance to the ministry.

Taruga geologists completed field visits to the Nangalasso and SLAM projects during the quarter to undertake field review of areas proposed for exploration in the June quarter, and review activities of artisanal mining in the regions.

Kossa Project, Niger

Borobon Prospect

An Inferred Mineral Resource estimate of 2.7Mt @ 1.3g/t gold for 112,000ozs gold (top cut 20g/t gold and lower cut-off of 0.5g/t gold applied) at the Borobon prospect was announced during the quarter.

The Borobon prospect is part of an extensive gold mineralised trend extending for over 10km of strike, defined by wide space drilling, geochemical anomalism and artisanal mining. The prospect remains open along strike and at depth, with further drilling required to extend high-grade gold shoots.

At the Borobon prospect gold mineralisation is hosted in parallel shear zones in a folded sedimentary sequence. Interpretation of the drilling results indicates a series of plunging shoots that require additional drilling to target strike and depth extension. The gold mineralised shoots are interpreted to result from the intersection of shear structures highlighted on the detailed aeromagnetic survey.

Kossa Project

The Company is continuing to review the Kossa project following the renewal of concessions as well as the granting of two new concessions Ouanzerbie and Kouriki. The total area under licence is now over 1,100km² (Figure 3).

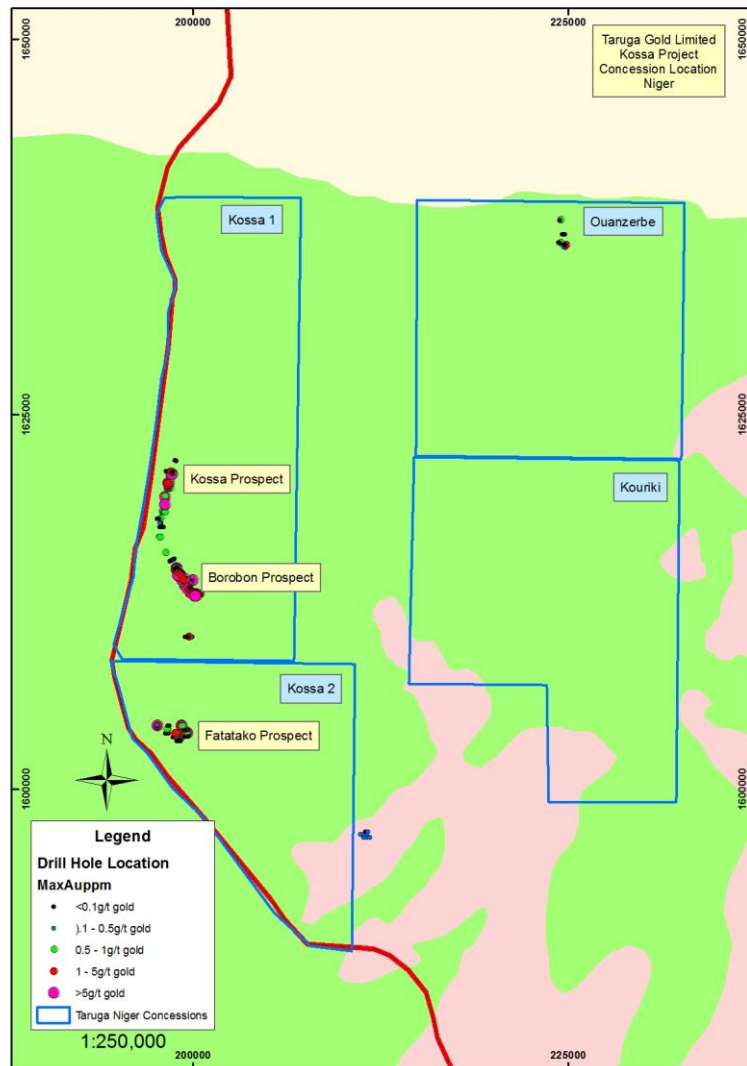


Figure 3 – Taruga Gold Limited – Kossa Project Concession Location, Niger

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%	Niger
Ounzerbe			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 Sud			100%	Mali
Kambali			100%	Mali
Nangalasso			100%	Mali
Sotian			100%	Mali