

ASX RELEASE

31 July 2017

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 June 2017

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

CORPORATE

Capital Raising activities

Following shareholder approval on 7 April 2017, the Company announced the completion of Tranche 2 placement as part of its capital raising activities. Under the placement the Company issued 6,200,000 fully paid ordinary shares at \$0.035 per share, raising approximately \$217,000.

On 31 May 2017, 9,608,898 unlisted options exercisable at \$0.15 on or before 31 May 2017 lapsed unexercised.

As at 30 June 2017, the Company has approximately \$1,742,000 of cash.

OPERATIONS

Project Evaluation Activities

Cobalt Exploration, Democratic Republic of Congo

During the quarter, the Company continued Due Diligence investigation of a potential acquisition of the Copper/Cobalt PEPM4019 project in the Democratic Republic of Congo ("DRC"). Taruga completed a geochemical sampling program designed to verify the initial coincident Copper/Cobalt anomaly defined by the Vendor group sampling. The completed geochemical sampling does indicate anomalous results, however the work has not significantly enhanced the anomaly and the relationship between the Cobalt and Copper anomalism is less defined. Taruga has announced the withdrawal from the potential acquisition in July 2017.

Taruga is continuing to review and evaluate other opportunities prospective for copper, cobalt and lithium within the DRC in conjunction with Medidoc, its DRC consultants.

Cobalt Exploration, Australia

During the Quarter, the Company has applied for two new prospect areas with the potential for Cobalt mineralisation in the mid-west area of Western Australia.

The applications are in an early stage and all compliance requirements have been fulfilled to ensure grant of licence in the future.

Taruga has currently applied for two licences, with targeting based on geological mapping, geochemical sampling completed by the Geological Survey of Western Australia (“GSWA”) and initial field inspection completed by the Company. The licence applications are shown below, with the mapped geology of the “Yagahong North” project shown in Figure 2.

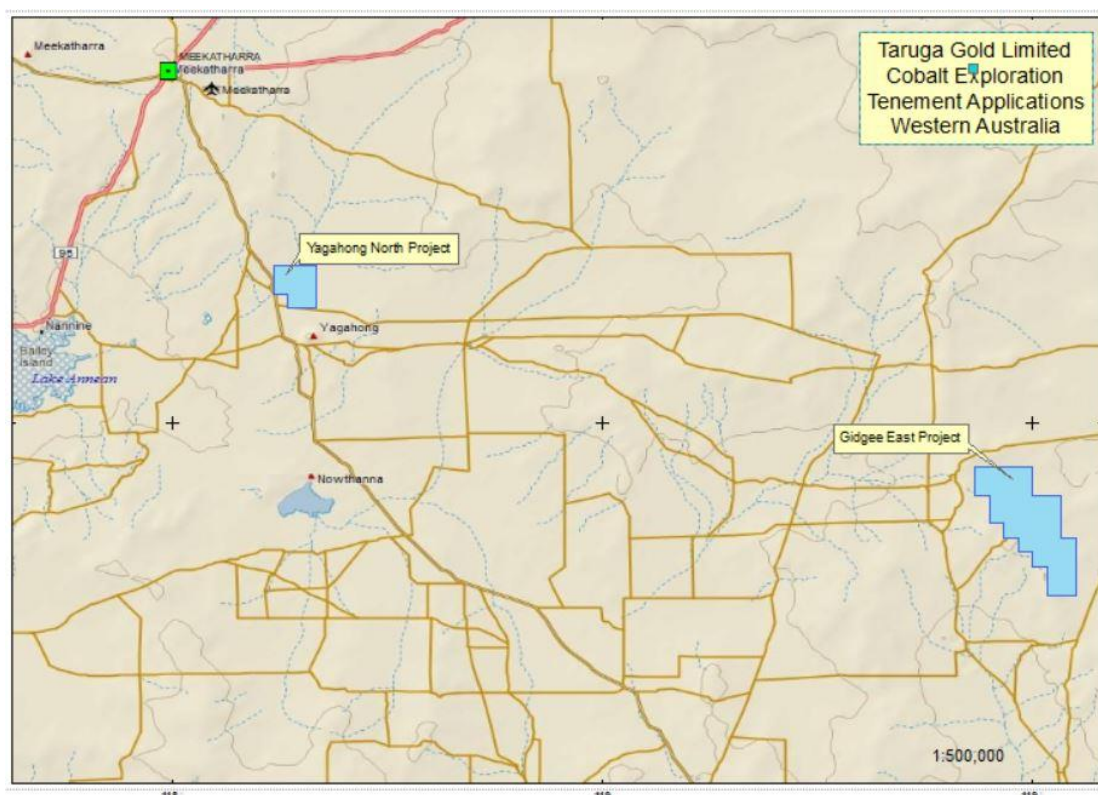


Figure 1: Location of Taruga Tenement Applications, Western Australia.

Following grant of tenements, Taruga is proposing an exploration program of surface mapping and geochemical sampling. Initial field reconnaissance completed indicates that the concessions are amenable to surface geochemistry, with areas of outcropping geology and areas of transported surficial cover related to sheetwash drainage. No significant exploration for Cobalt has been completed and the wide spaced geochemical sampling completed by the GSWA provides early indications of potential, however a coherent exploration program is required to assess the area.

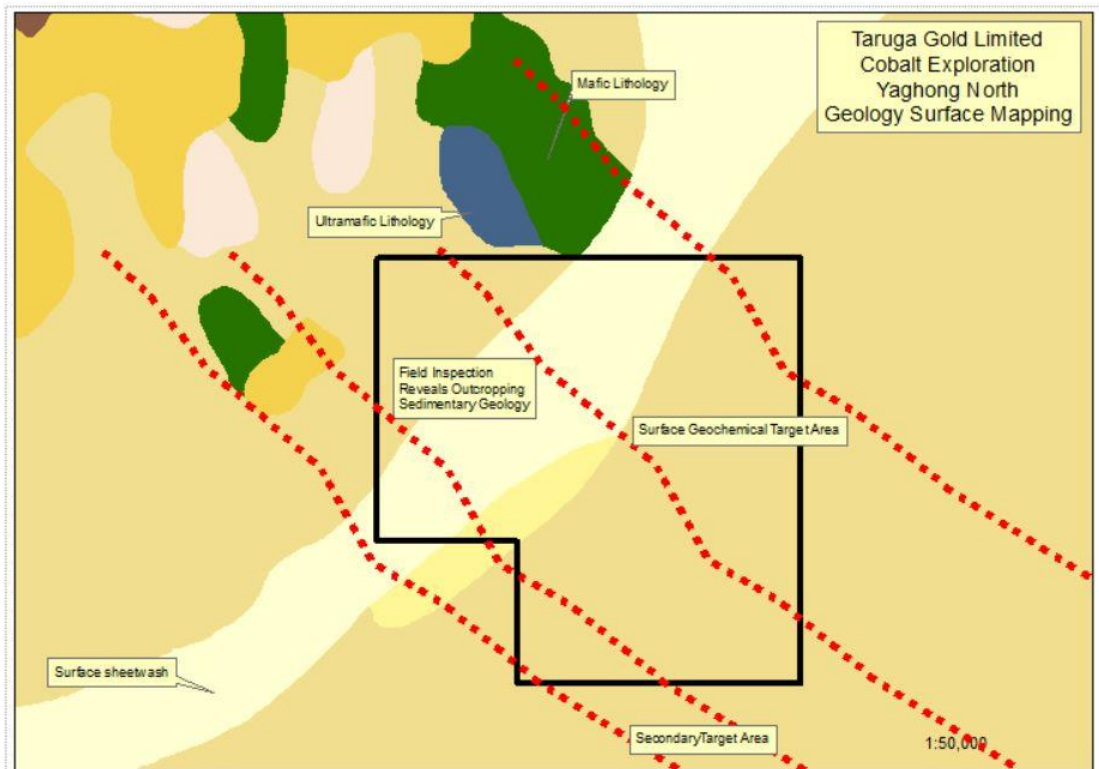


Figure 2: Yaghong North – Surface geology and target trends for Cobalt exploration

Mankono Project, Cote d’Ivoire

No field work was completed at the Mankono project during the quarter.

The Company has continued to follow the renewal application for the Mankono concession, however at this stage there is no advancement to report.

Kossa Project, Niger

No field work was completed during the quarter

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

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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 a Non-Executive Director of Taruga Gold Limited. 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
Mankono	-	-	100%	Cote d'Ivoire
Yaghong North	100%	-	100%	Application – Western Australia
Gidgee East	100%	-	100%	Application – Western Australia