

# ASX ANNOUNCEMENT

5 March 2014



## Taruga delivers 18g/t gold ,Nangalasso Project, Southern Mali, West Africa

Taruga Gold Limited (“Taruga” or “the Company”) (ASX: TAR) is pleased to announce high-grade gold mineralised results from geochemical sampling of major artisanal workings and additional intersections from ongoing trench sampling at its highly prospective Nangalasso Project located in Mali, West Africa.

The Nangalasso project was acquired by Taruga as part of its major ground position in Côte d’Ivoire and Mali (refer ASX announcement 30/07/2013).

### Highlights:

- **18g/t gold, 3.6g/t gold and 3.54g/t gold** – geochemical samples collected from extensive artisanal workings. Samples targeted the layer of mottled, angular coarse quartz clasts and clay that is the horizon mined on site (Table 1).
- **Extensive artisanal workings** – an area of workings over **1,000m x 700m** of workings has been identified within the Sotian concession, Nangalasso project. The workings are targeting a gravel horizon that is interpreted to be at the base of transported cover.
- **Bedrock Mineralisation** – a restricted zone of shafts which are mining residual saprolite material has been observed, and potentially indicates a bedrock source for the mineralisation.
- **Trench sampling program** – trench sampling continues at Nangalasso with new intersection of **2m at 1.17g/t gold from trench NNTR004**. The trench is located in a new area following field reconnaissance locating prospective geology (Table2).

*Managing Director Bernard Aylward said “We are continuing our exploration program **at the exciting Nangalasso Project.**”*

*“Our first program sampling shaft material from selected sites across the Sotian artisanal workings has successfully shown the potential for high-grade gold mineralisation. The artisanal workings cover a very large area of 1,000 by 700m with the site expanding as work continues. Our initial program commenced with only 30 samples collected and the number of significant gold values returned is very encouraging and warrant immediate follow-up work”.*

*“The program has highlighted significant geological structures and high-priority targets. Our first pass exploration program continues to return very encouraging results with high-grade gold mineralisation returned in geochemical sampling, trench sampling and reconnaissance aircore drilling. We are reviewing our sampling of the Sotian artisanal workings and determining the most appropriate method of sampling that may include bulk sampling of the shallow material and drill testing of the bedrock geology”.*

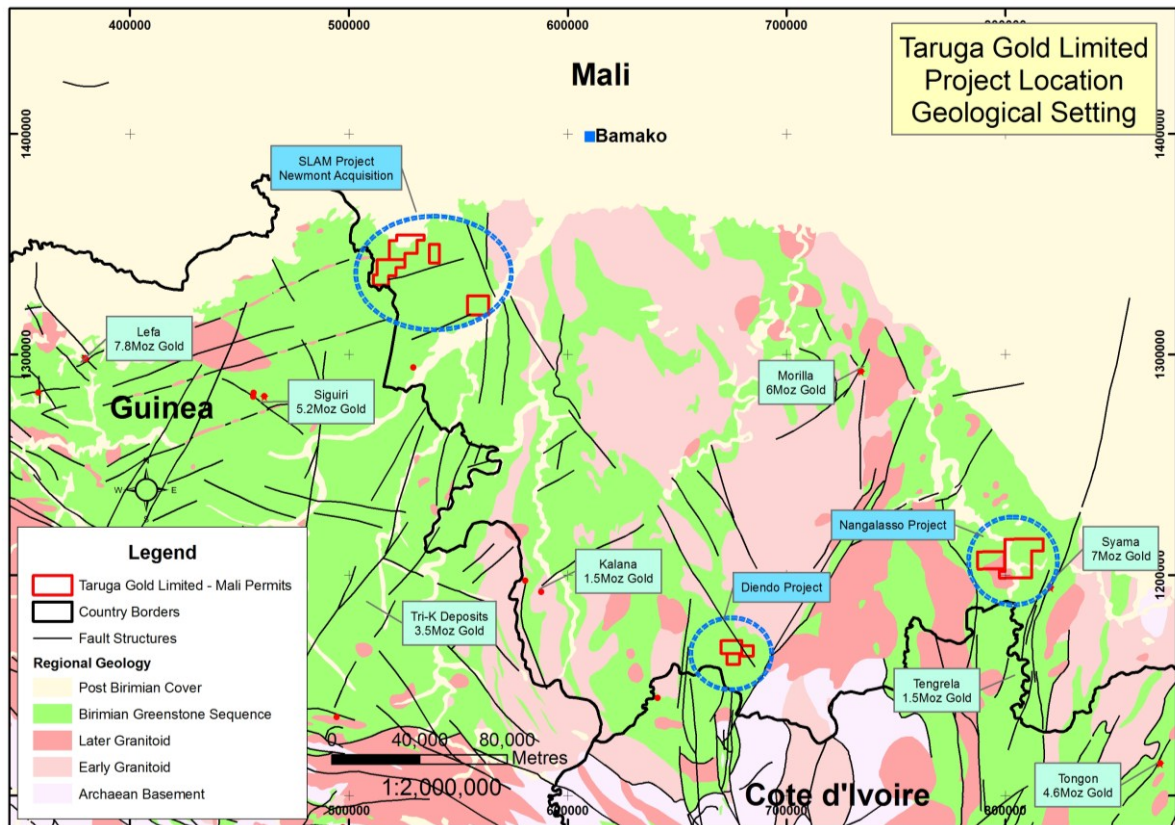


Figure 1: Mali and Cote d'Ivoire Project locations – Birimian geological sequence highlighted, with location of Taruga projects and known gold mineralisation. Nangalasso Project located in southern Mali



Figure 2: Nangalasso Project – Extensive artisanal workings within the Sotian Concession. Artisanal mining exploiting near surface mineralisation in both transported material and residual bedrock.



## **Nangalasso Project**

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).

## **Sotian Artisanal Workings**

An extensive zone of active artisanal workings within the Nangalasso project is located within the **Sotian concession**. Taruga is undertaking geological reconnaissance and mapping of the area and has completed an initial phase of sampling of a series of shafts and workings. An initial **30 samples** have been collected to assist in the geological review of the mineralisation. The geological reconnaissance has indicated that the main focus of the artisanal workings is a mottled, angular quartz rich clay material located at the base of transported cover. It is interpreted that this horizon represents a transported layer, however the coarse angular nature of the quartz clasts indicates a proximal source. The presence of artisanal shafts mining material in the weathered residual bedrock highlights the potential for a bedrock mineralisation to be discovered.

The assay results for the samples collected highlight the potential for high-grade gold mineralisation to be defined. A range of assay results from highs of **18.0g/t gold, 3.62g/t gold and 3.54g/t gold** to low level assay results with a minimum of 1ppb gold have been returned. Typical for this style of mineralisation, the assay results exhibit poor repeatability that reflect the distribution of coarse gold within the target horizon (Table 1, Figure 3)

Additional sampling is planned for the workings including aircore drilling and bulk sampling of the site.

## **Trenching Program**

Trenching continued at Nangalasso during January and February, with an extension to trench NNTR002, **7m at 4.32g/t gold** hosted in quartz veining and altered sediments, as well as additional samples up to **2.79g/t gold** (refer ASX release 14/1/2014). No additional mineralised intersections were returned with a maximum result of 115ppb gold in the extension.

Geological reconnaissance in the Nangalasso Project area located a new area of outcropping quartz veining and geological alteration located to the east of the existing trenching. During February an additional two trenches were completed with a best result of **2m at 1.17g/t gold in trench NNTR004** (Table 2, Figure 3). The results was encouraging as it is the first exploration completed in this new area. Additional exploration is planned for this area.

## Proposed Exploration at Nangalasso Project

- Aircore drilling to follow up previous high-grade gold intersections and undertake a first pass test of the extensive artisanal workings.
- Trench sampling to delineate zones of quartz veining and alteration to target drill holes – **IN PROGRESS**
- Geochemical sampling of extensions to the gold mineralised trends and add definition to anomalous areas where sampling is on a wide reconnaissance spacing – **IN PROGRESS**
- Geological mapping and reconnaissance to target the structural controls and extensions of defined gold mineralised zones and advance prospects for future drill testing – **IN PROGRESS**

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 and fairly represents the available data. 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 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 2012 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.*

Table 1: Nangalasso Geochemical Sampling – Sotian Artisanal Workings

Sample	Easting	Northing	Depth (m)	Auppb 1	Auppb 2	Auppb 3	Comment
74501	804040	1202429	4.7	7			
74502	804165	1202382	4.7	45			
74503	804265	1202383	4.5	193			
74504	804360	1202406	4.4	115			
74505	804413	1202511	3.6	7490	18000	603	
74506	804302	1202484	5	285			
74507	804196	1202499	5	15	19		
74508	804100	1202499	5.9	1150	3620	559	
74509	804007	1202604	6.1	131			
74510	804103	1202613	up 7	225	204		
74511	804103	1202613	up 7	556	3540	210	Duplicate sample
74512	804216	1202587	5.6	3			
74513	804301	1202593	4.7	63			
74514	804394	1202595	3.4	10			
74515	804366	1202694	5.5	1			
74516	804248	1202710	6.2	22			
74517	804143	1202705	3.8	14			

74518	804055	1202682	6.4	28					
74519	803934	1202830	6.5	145					
74521	804051	1202793	5.8	2					
74522	804157	1202773	4.2	30					
74523	804260	1202777	5.5	145					
74524	804360	1202789	5.2	112					
74525	804512	1202859	up 7	545					
74526	804391	1202911	4.8	37					
74527	804290	1202891	up 7	44					
74528	804203	1202912	up 7	11					
74529	804096	1202895	5	1					
74531	803992	1202894	4.3	472					
74532	804028	1203015	4.8	1					
74533	804105	1202990	5	23					

Notes: Geochemical Grab Sampling completed by Taruga Gold Limited staff in February 2014. All samples reported - no lower cut, no upper cut and no internal dilution. Samples analysed at SGS Laboratory, Barrako. Samples are analysed by 50g Fire Assay analysis. Samples points are GPS located and have an error of  $\pm 5m$  with coordinates in UTM WGS84, Zone 29N grid. Refer Appendix 1 for full JORC 2012 compliant information.

Table 2: Nangalasso Trench Sampling – Significant Intersection Table

Hole Id	Easting	Northing	RL	Dip/Azi	Depth	Depth		Width	Grade
						From	To		
NNTR003	799250	1205865	312	000/090	50				NSA
NNTR004	799250	1205914	312	090/000	35	14	16	2	1.17

Notes: Trench Sampling completed by Taruga Gold Limited staff in December 2013, trench excavated by hand. All Intersections calculated with a 1.0g/t gold lower cut, no upper cut and no internal dilution. Samples are cut from wall of trench, measured by tape. Samples analysed at SGS Laboratory, Barrako. Samples are analysed by 50g Fire Assay analysis. Trench is GPS located and have an error of  $\pm 5m$  with coordinates in UTM WGS84, Zone 29N grid. Samples reported are for horizontal sampling of trench wall, and vertical sampling of trench. Table 2 presents results from all trenches completed in January and February 2014. Assay results for trench STTR005 pending. Refer Appendix 1 for full JORC 2012 compliant information

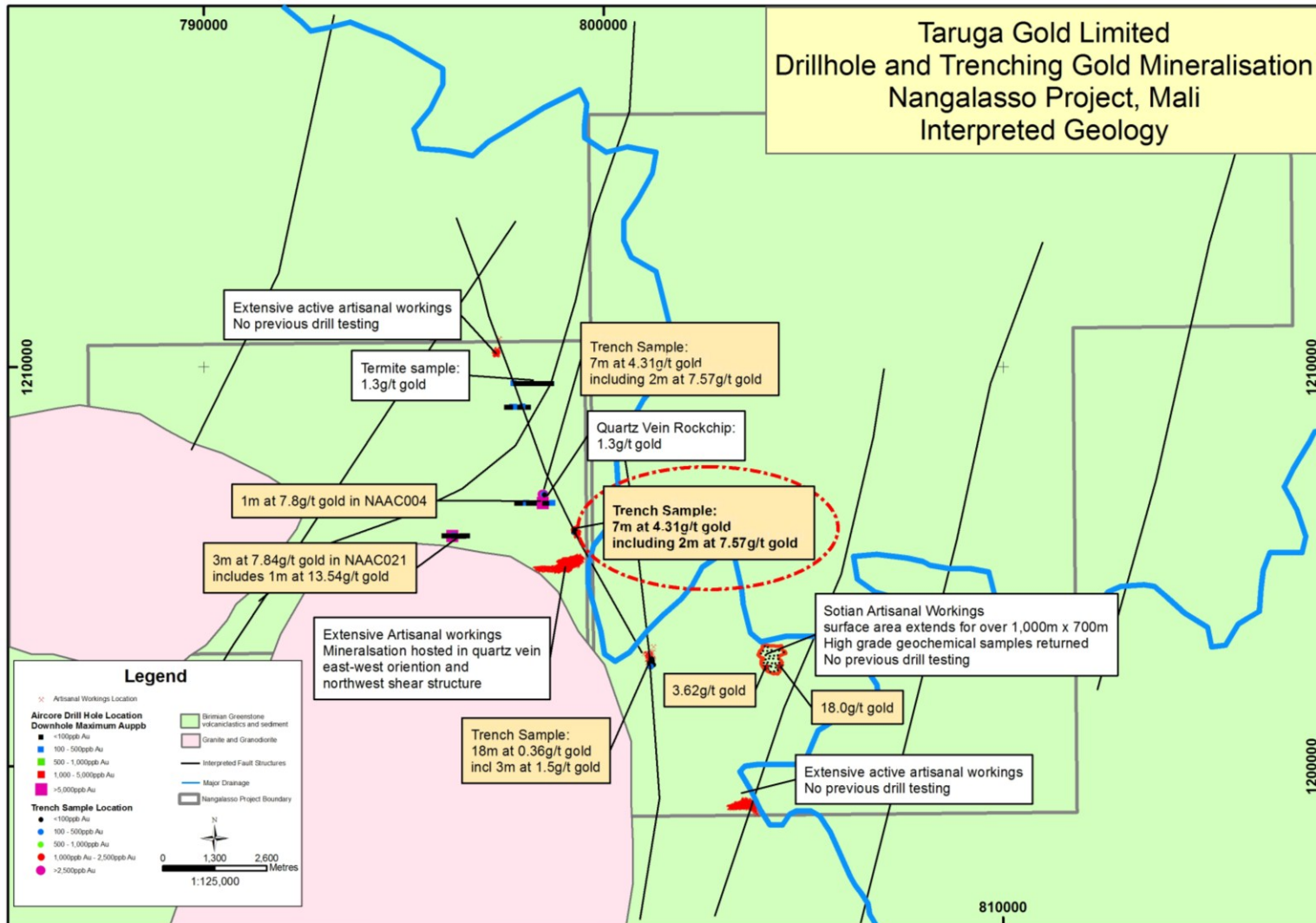


Figure 3: Nangalasso Project – Overview plan of geology and completed exploration. Note the location of extensive artisanal workings at Sotian and the location of high-grade samples. Trench samples continue to highlight prospective mineralised structures. associated with interpreted geological structures.

## Appendix 1: JORC 2012 Summary Table

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are geochemical samples collected from artisanal workings.</li> <li>Samples are collected from material overlying the target horizon, from material from observed waste dumps and from active mining areas.</li> <li>Samples have been collected at a nominal grid spacing in an attempt to gain information at a preliminary level for this broad area</li> <li>Samples are trench (costean) samples.</li> <li>Trench located on site of geological interest and targeting area of surface geochemical anomalism.</li> <li>Samples collected from wall of trench and measured intervals.</li> <li>Sample length varies between 1m and 3m based on geological logging.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Geochemical sampling – grab sampling</li> <li>Trenching</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>For the geochemical sampling, samples are collected by geologist on site targeting geological features. Samples were collected from identified "target horizon" – a mottled quartz rich horizon, as well as material overlying the target zone.</li> <li>Trench Samples are chip samples collected from trench wall</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> </ul>	<ul style="list-style-type: none"> <li>Geochemical samples are collected by geologist. All samples are logged and entered into company database.</li> <li>Trench is geologically logged</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• No sub-sampling of geochemical samples</li> <li>• No sub-sampling of trench samples</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• Geochemical and trench samples have been analysed at SGS Laboratory, Bamako.</li> <li>• Samples have been analysed using Fire Assay technique. Quality control samples consisting of Certified Reference Standards have been inserted to monitor laboratory performance. Standard Samples have performed to an acceptable level for the Fire Assay analysis.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• No adjustments to the assay data have been made.</li> <li>• Samples have been stored in an electronic database.</li> <li>• All original assay laboratory files stored.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> </ul>	<ul style="list-style-type: none"> <li>• Geochemical samples and Trenches located using GPS accurate to within 5m – appropriate for this level of exploration</li> <li>• Grid is UTM, WGS84 Zone 29N</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration is at a reconnaissance level and sample spacing is appropriate for this stage</li> <li>Costean (Trench) samples have been composited to a maximum of 3m intervals, and sample composites vary between 1 and 3m</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Geochemical samples collected in a nominal grid pattern over a defined area of artisanal workings. Sampling is designed to provide geological information regarding host of mineralisation, orientation of mineralisation and potential structural control. Sampling is completed in a non-biased manner.</li> <li>Costean (Trench) is oriented perpendicular to geological outcrop – this is appropriate for this level of exploration</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples collected at site and dispatched to laboratory in company vehicle</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have been completed</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Nangalasso Project consists of the Nangalasso and Sotian Permits located in southern Mali</li> <li>Sotian is a "Permis de Recherche" with Arrete no. 2013 – 1742/MM-SG DU.</li> <li>Taruga has an Option agreement with SDF SARL ( a local Malian company) granting access rights and an option to purchase in regards to the Sotian permit.</li> <li>Nangalasso is a "Permis de Recherche" no 052/2013/B</li> <li>Taruga has an Option agreement with GCM SARL ( a local Malian company) granting access rights and an option to purchase in regards to the Nangalasso permit</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>Exploration is at an early stage. Geochemical sampling has been completed in International Goldfields Limited (ASX:IGS).</li> <li>Reconnaissance Aircore drilling on a very wide spacing has been completed – coverage is very preliminary.</li> <li>Exploration work completed to date is of an acceptable standard for the stage of exploration.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Nangalasso Project is located in the Birrimian sequence of West Africa. Geology consists of Birimian volcanoclastics and sediments and intrusive granite and granodiorite bodies.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>All information relating to the geochemical sampling is given in Table 1 in report above.</li> <li>All information relating to the Trench samples and significant intersections is given in Table 2 in the above report</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Geochemical samples are grab samples and are not composited. No top-cut is applied</li> <li>Trench sample are composite samples varying from 1m to 3m composite.</li> <li>No top-cut applied to reported intersections.</li> </ul>
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> </ul>	<ul style="list-style-type: none"> <li>Samples are reported as sample width results. Samples are collected approximately perpendicular to local geology and are interpreted to represent true width samples.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Intercept lengths</i>	<ul style="list-style-type: none"> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to announcement</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All available information reported</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Project is at an early stage of exploration. All information is in announcement</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Additional exploration programs include Aircore drilling targeting the zone of gold mineralisation.</li> <li>Additional geochemical sampling and additional trench samples are being reviewed.</li> </ul>