

ASX RELEASE

28 July 2016

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2016

- Completion of the sale of subsidiary company IG Bermuda Limited to AIM listed Kodal Minerals PLC
- IG Bermuda Limited is the holding company for the gold projects in Mali and Cote d'Ivoire
- \$948k raised via Placement, with an additional \$501k raised via Rights Issue after quarter end
- Company continues to explore the Kossa Project in Niger and the Mankono Project, Cote d'Ivoire
- Company is actively pursuing additional opportunities

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

During the quarter the Company announced the completion of the sale of its subsidiary company IG Bermuda Limited (**IG Bermuda**) to AIM listed Kodal Minerals PLC (**Kodal**). 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.

As consideration for the sale of IG Bermuda, Kodal issued Taruga with 1,025,000,000 Kodal shares, which were distributed to eligible shareholders by way of an in-specie distribution.

CORPORATE

Rights Issue and Placement

As previously announced in the Company's Notice of Meeting, following the completion of the Kodal Transaction, Taruga completed a capital raising via a combination of a Placement and Rights Issue. The placement to raise \$948,000 was completed on 15 June 2016, and the rights issue closed on 28 June 2016. Subsequent to the end of the quarter the Company received \$234,830 from eligible shareholders of the rights issue and placed the shortfall amount of \$266,577 to sophisticated and professional investors. The total of all the capital raisings is \$1.45 million before the costs of the capital raisings and the total number of shares now on issue is 78,217,239 .

The funds raised from the capital raising activities will be used to advance the Company's Kossa gold project in Niger, to identify further mineral opportunities and for working capital purposes.

Company Secretary and Board Changes

During the quarter the Company announced the appointment of Ms Sylvia Foong as joint company secretary. Subsequent to the end of the quarter, the Company announced the resignations of Messrs Terranova and Campion, and the appointment of Mr Gary Steinepreis as a non-executive director. Gary has in excess of 20 years' experience with ASX-listing rules, corporate governance and equity capital raisings. Gary is a Chartered Accountant and holds a Bachelor of Commerce from University of Western Australia.

OPERATIONS

Exploration and Evaluation Activities

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 has been announced for the prospect.

During the Quarter, exploration activity consisted of field visits by Taruga staff to undertake geological review of the Kossa-Borobon trend, review artisanal mining activities to evaluate geological control on mineralisation and to review targets for additional drilling.

Kossa Project

The Company is continuing to review the Kossa area that consists of four concessions- Kossa 1, Kossa 2, Ouanzerbie and Kouriki. The total area under licence is now over 1,100km² (Figure 1). Widespread gold anomalism has been indicated in geochemical sampling completed by Taruga and previous explorers. In the regional exploration, sampling has been very wide and a process of geological and geophysical interpretation is being completed to assist in ranking areas for further geochemical sampling to define potential drill targets.

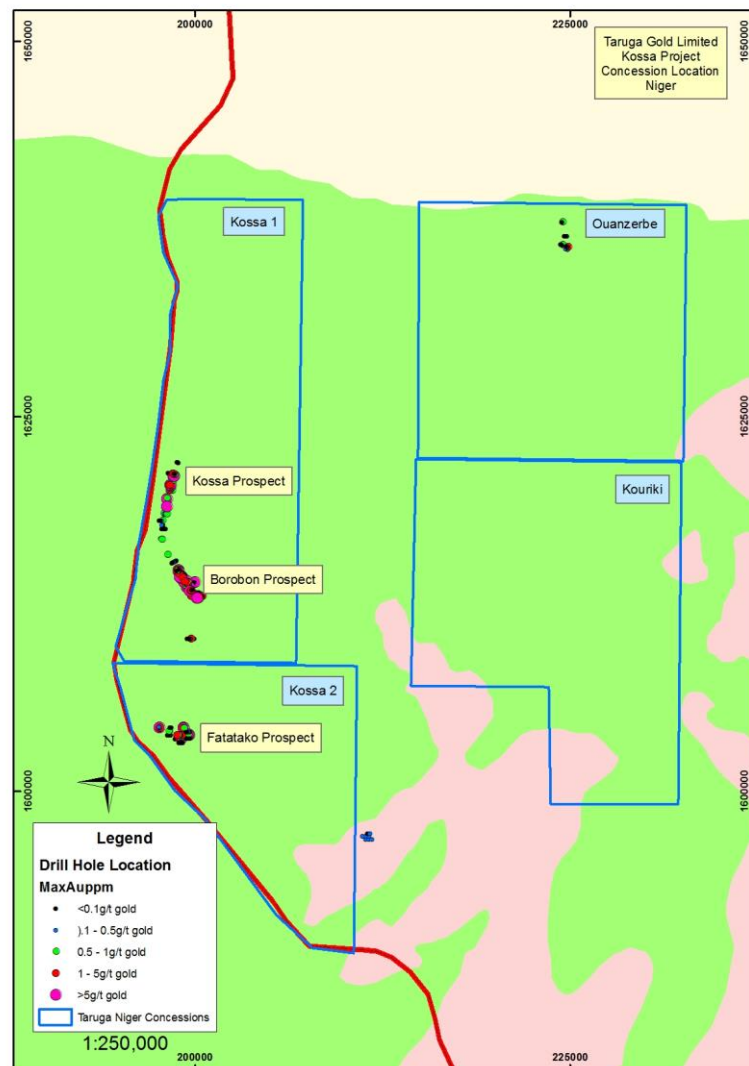


Figure 1 – Taruga Gold Limited – Kossa Project Concession Location, Niger

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

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About Taruga Gold

Taruga is a junior exploration company with the advance Kossa Project in Niger which is located approximately 15km from the 5moz Essakane goldmine.

Taruga has focused on the Birimian geology of West Africa, however the Company is actively seeking new projects and is reviewing projects in Australia, Africa and other regions of interest.

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
Mankono			100%	Cote d'Ivoire
Tiebissou		100%	0%	Cote d'Ivoire
Korhogo		100%	0%	Cote d'Ivoire
Dabakala		100%	0%	Cote d'Ivoire
Nielle		100%	0%	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%	0%	Mali
Kambali		100%	0%	Mali
Nangalasso		100%	0%	Mali
Sotian		100%	0%	Mali