

ASX ANNOUNCEMENT



14 January 2013

Taruga Gold intercepts 7m at 4.3g/t gold from Trench Sampling 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 reconnaissance 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).

Nangalasso Highlights:

- **7m at 4.3g/t gold** – gold mineralisation hosted in quartz veining and alteration located **200m north of** anomalous drilling (1m at 7.8g/t gold in drill hole NAAC014*).
- **Assays up to 2.9g/t gold from surface** – vertical sampling targeting the profile of the trench has highlighted surface gold mineralisation.
- **Mineralisation open along strike** – trench extends anomalous gold mineralisation to the north, in addition trench samples up to 0.2g/t gold highlight eastern extension of trench remains anomalous.
- **Aircore Drilling to commence in January** – drilling planned to test trench anomalism and priority targets within Nangalasso project.

*“The results **at the Nangalasso Project** continue to be very exciting. All the early stage exploration, including geochemical sampling, trenching and reconnaissance aircore drilling, highlight the potential for an extensive mineralised system to be defined. The project is very under-explored despite being located in an extensively mineralised area in southern Mali, less than 20km from the 7Moz Syama Gold Mine,” Taruga’s Managing Director Bernard Aylward said.*

“These recent trench results extend the gold mineralisation a minimum 200m north of the wide-spaced reconnaissance drilling that returned gold mineralised intersections. Our geological interpretation indicates that the project is located in a highly prospective region with extensive geological structures with surface geochemical gold anomalism.

“We are continuing our exploration program at Nangalasso with an aircore drilling program to commence in January. The drilling will target four priority areas defined by extensive artisanal workings, strong gold anomalism from reconnaissance exploration and follow-up to previous gold intersections from reconnaissance drilling. In addition, we will continue geochemical sampling, trenching and geological mapping of this highly prospective project area.”

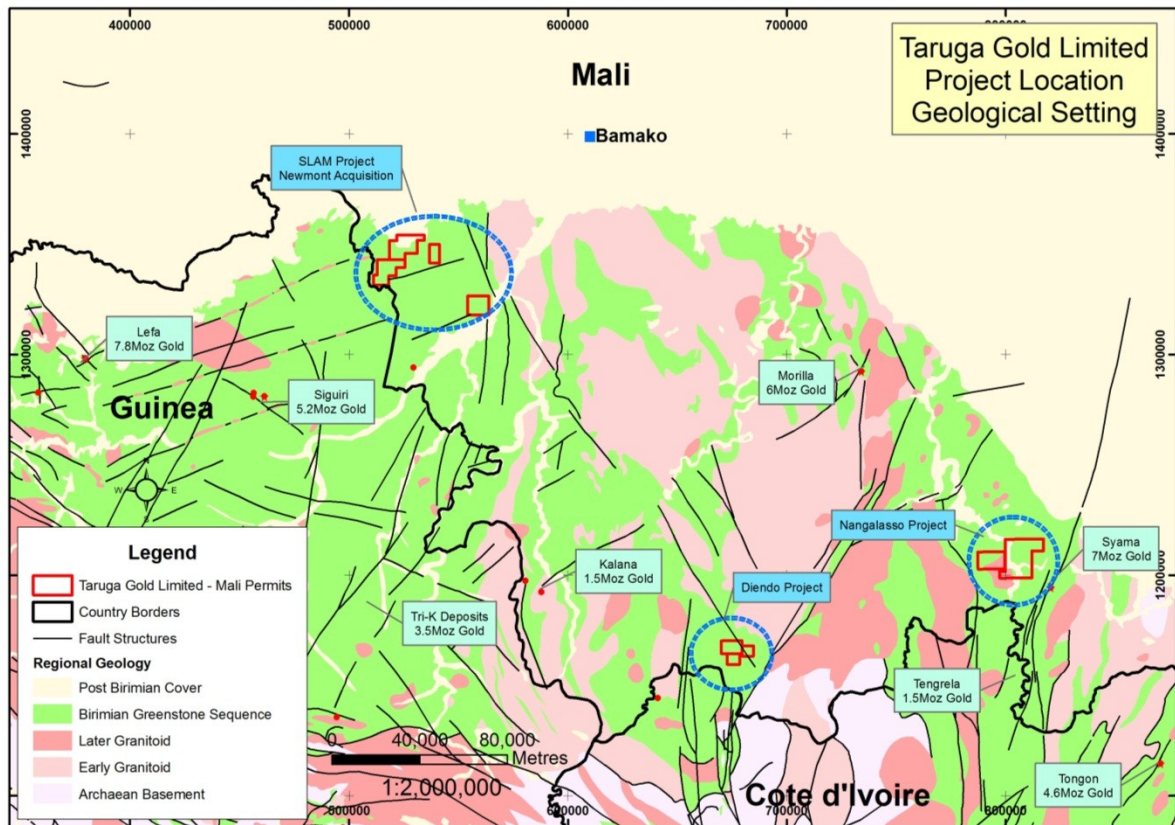


Figure 1: Mali and Cote d'Ivoire Project locations – Birimian geological sequence highlighted, with location of Taruga projects and known gold mineralisation. Nangalasso Project located in southern Mali



Figure 2: Nangalasso Project – Trench floor showing conjugate veins and alteration



Nangalasso Project

The Nangalasso Project consists of two options over granted concessions (Nangalasso and Sotian concessions) extending over an area of 345km². 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).

Taruga has commenced exploration on the Nangalasso project to follow-up the gold mineralised intersections returned from wide-spaced reconnaissance drilling and extensive surface geochemical anomalism.

The trenching program was designed to provide improved geological understanding of the target areas. The initial trench, NNTR002, has been completed 200m to the north of the gold mineralised drill intersection of **1m at 7.8g/t gold in drill hole NAAC014*** (refer ASX release 5/8/2013). Geological sampling of the trench has returned significant gold mineralisation up to **7m at 4.32g/t gold** hosted in quartz veining and altered sediments, as well as additional samples up to **2.79g/t gold** (Table1, Figure 3).

Geological mapping of this trench has highlighted a wide zone of conjugate quartz veining and strong alteration in sediments in close proximity to the granite contact. This site represents a highly prospective zone for mineralisation where the anastomosing structure splays from the granite intrusive creating a structural pressure shadow area in ductile sedimentary units.

Proposed Exploration

- 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 or contact:

Bernard Aylward
Executive Chairman
Taruga Gold Limited
Mob: +61 418 943 345

Simon Hinsley
Investor Relations
NWR Communications
Mob: +61 401 809 653



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 Trench Sampling – Significant Intersection Table

Hole Id	Easting	Northing	RL	Dip/Azi	Depth	Depth		Width	Grade
						From	To		
NNTR002	798476	1206805	312	000/090	30	19	26	7	4.32
NNTR002	798473	1206805	312	090/000	3	0	1	1	2.79

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 ±5m with coordinates in UTM WGS84, Zone 29N grid. Samples reported are for horizontal sampling of trench wall, and vertical sampling of trench. Table 1 presents results from all trenches completed in November and December. Refer Appendix 1 for full JORC 2012 compliant information

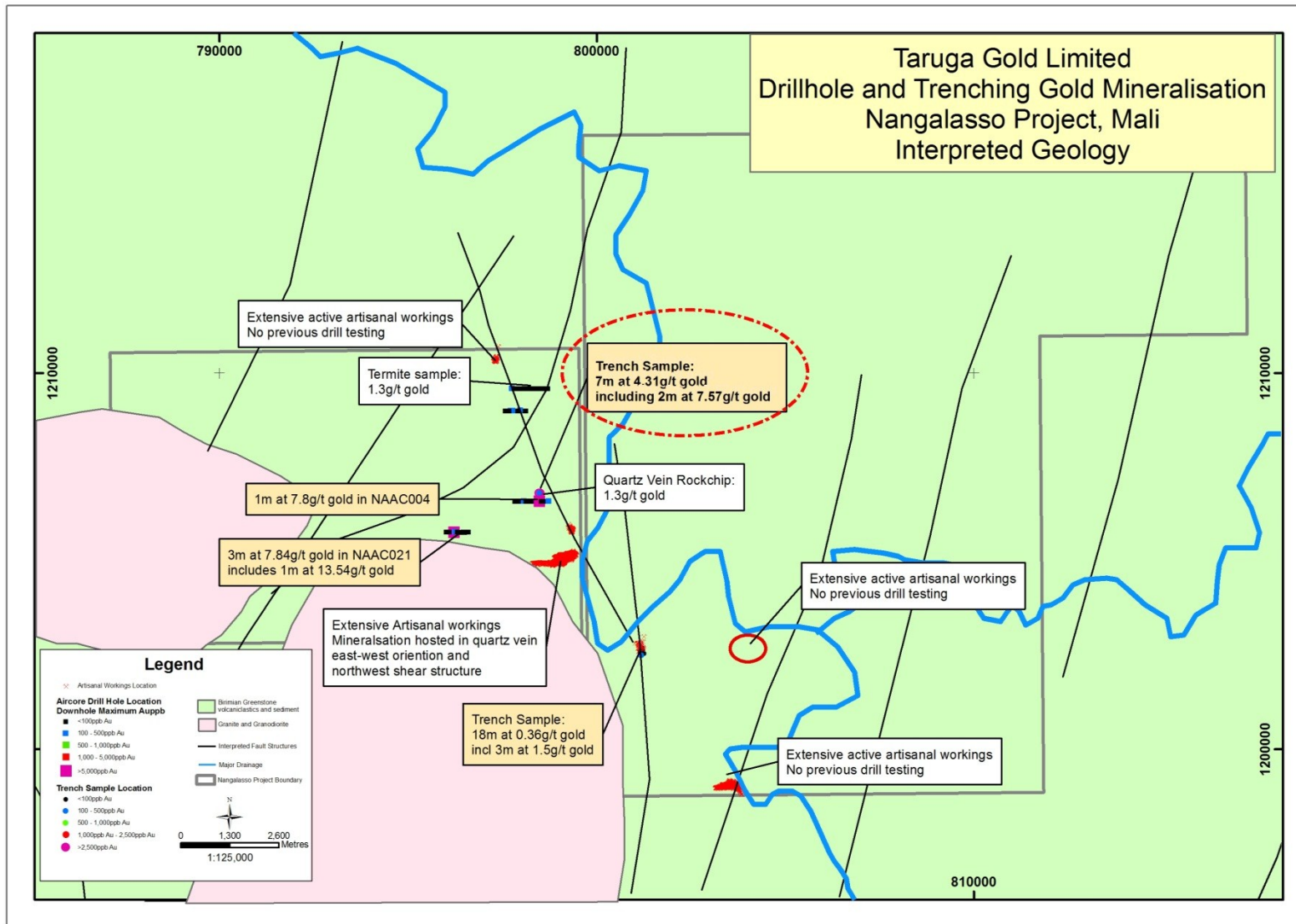


Figure 3: Nangalasso Project – Overview plan of geology and completed exploration. Note the location of trench samples and extensive artisanal workings associated with interpreted geological structures.

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"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. 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. 	<ul style="list-style-type: none"> Samples are trench (costean) samples. Trench located on site of geological interest and targeting area of surface geochemical anomalism. Samples collected from wall of trench and measured intervals. Sample length varies between 1m and 3m based on geological logging.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Trenching
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	<ul style="list-style-type: none"> Samples are chip samples collected from trench wall
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Trench is geologically logged

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • No sub-sampling
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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. • 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. 	<ul style="list-style-type: none"> • Samples have been analysed at SGS Laboratory, Bamako. • 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.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • No adjustments to the assay data have been made. • Samples have been stored in an electronic database. • All original assay laboratory files stored.
Location of data points	<ul style="list-style-type: none"> • 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. • Specification of the grid system used. 	<ul style="list-style-type: none"> • Trench located using GPS accurate to within 5m – appropriate for this level of exploration • Grid is UTM, WGS84 Zone 29N

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Exploration is at a reconnaissance level and sample spacing is appropriate for this stage • Costean (Trench) samples have been composited to a maximum of 3m intervals, and sample composites vary between 1 and 3m
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Costean (Trench) is oriented perpendicular to geological outcrop – this is appropriate for this level of exploration
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples collected at site and dispatched to laboratory in company vehicle
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audits or reviews have been completed

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Nangalasso Project consists of the Nangalasso and Sotian Permits located in southern Mali • Sotian is a "Permis de Recherche" with Arrete no. 2013 – 1742/MM-SG DU. • 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. • Nangalasso is a "Permis de Recherche" no 052/2013/B • 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
<i>Exploration</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Exploration is at an early stage. Geochemical sampling has been

Criteria	JORC Code explanation	Commentary
<i>done by other parties</i>		<p>completed in International Goldfields Limited (ASX:IGS).</p> <ul style="list-style-type: none"> Reconnaissance Aircore drilling on a very wide spacing has been completed – coverage is very preliminary. Exploration work completed to date is of an acceptable standard for the stage of exploration.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Nangalasso Project is located in the Birrimian sequence of West Africa. Geology consists of Birimian volcanoclastics and sediments and intrusive granite and granodiorite bodies.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <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"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <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> 	<ul style="list-style-type: none"> All information in Table 1 in release.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <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> <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> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Sample are composite samples varying from 1m to 3m composite. No top-cut applied to reported intersections.
<i>Relationship between mineralisation widths and intercept</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there</i> 	<ul style="list-style-type: none"> Samples are reported as sample width results. Samples are collected approximately perpendicular to local geology and are interpreted to represent true width samples.

Criteria	JORC Code explanation	Commentary
<i>lengths</i>	<i>should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Refer to announcement
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All available information reported
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Project is at an early stage of exploration. All information is in announcement
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Additional exploration programs include Aircore drilling targeting the zone of gold mineralisation. • Additional geochemical sampling and additional trench samples are being reviewed.