

30 April 2014

ASX ANNOUNCEMENT



QUARTERLY REPORT – MARCH 2014 TARUGA GOLD LIMITED

Perth-based explorer Taruga Gold Limited (ASX: TAR, “Taruga” or “the Company”) undertook geochemical and trench sampling at the Nangalasso Project in Mali, West Africa as part of its activities during the March 2014 quarter.

Highlights

- **Field exploration continued at highly prospective Nangalasso Project, Mali**
 - Trench sampling, geochemical sampling, mapping and reconnaissance undertaken during the quarter in preparation for aircore drilling
 - Results including **18g/t gold, 3.6g/t gold, 3.54g/t gold and 7m at 4.3g/t gold** from geochemical sampling
 - **1,000m x 700m area** of artisanal workings identified within the Sotian concession at Nangalasso
 - Trench sampling program at Nangalasso continued with results including 2m at 1.17g/t gold from trench NNTR004
 - Bedrock mineralisation – a restricted zone of residual saprolite material has been observed, indicating a potential bedrock source for mineralisation

Corporate

- Cash at end of March quarter - \$0.55M

Nangalasso Project, Mali

Taruga commenced field exploration at its Nangalasso Project in Mali, West Africa in November. The Company acquired Nangalasso as part of its major ground position in Cote d’Ivoire and Mali in July 2013.

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 commenced exploration on the Nangalasso project to follow-up the gold mineralised intersections returned from wide-spaced reconnaissance drilling and

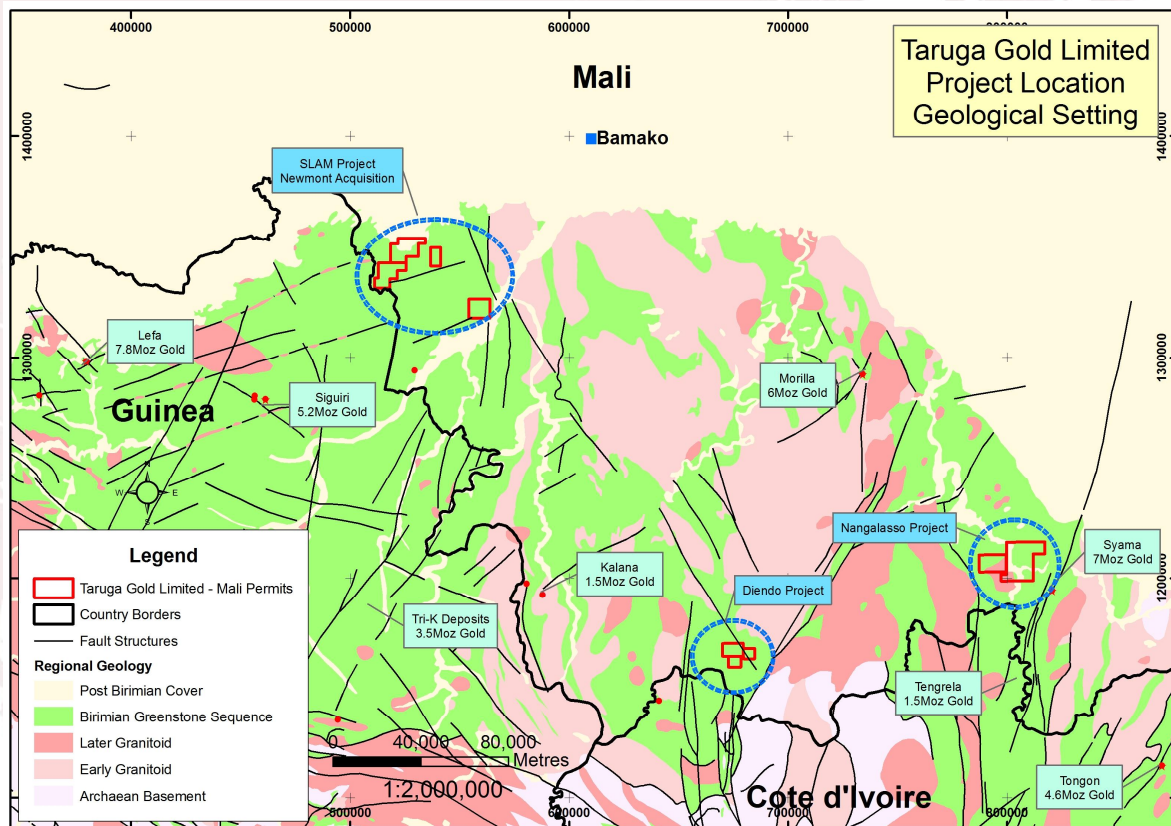


Figure 1: Mali Project locations – Birimian geological sequence highlighted, with location of Taruga projects and known gold mineralisation. Nangalasso Project located in southern Mali

extensive surface geochemical anomalism. The program consisted of field reconnaissance, trenching, mapping and geochemical sampling of the project.

The trenching program was designed to provide improved geological understanding of the target areas. The initial trench, NNTR002, was completed 200m north of the gold mineralised drill intersection of **1m at 7.8g/t gold** in drill hole NAAC014* (Figure 2). Geological sampling of the trench 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 (see Table 1, Figure 3 – ASX announcement 14/01/2014).

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 (Figure 2). The results were encouraging as it is the first exploration completed in this new area. Additional exploration is planned for this area.

In addition, assay results from the Sotian concession, an extensive zone of active artisanal workings within Nangalasso, ranged from 18.0g/t gold, 3.62g/t gold and

3.54g/t gold to low level assay results with a minimum of 1ppb gold were returned from the 30 samples collected. Geological reconnaissance from Sotian 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.

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

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 for Nangalasso

- 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

SLAM Project, Mali

Taruga announced the acquisition of the highly-prospective SLAM Project located in southern Mali in November 2013. Taruga acquired 100% of the project from Newmont Ventures Limited (“Newmont”), which completed initial geochemical sampling that defined highly anomalous zones for first-pass drill testing.

The SLAM project consists of four granted concessions – Djelibani, Djelibani Sud (forming a contiguous landholding of 230km²), Balala and Kambali (Figure 3). The concessions are held as Option agreements with local landholders – the agreements grant Taruga exclusive access for all exploration activities upon payment of an annual option fee, and also grant the right for Taruga to purchase 100% of the concession for an agreed amount.

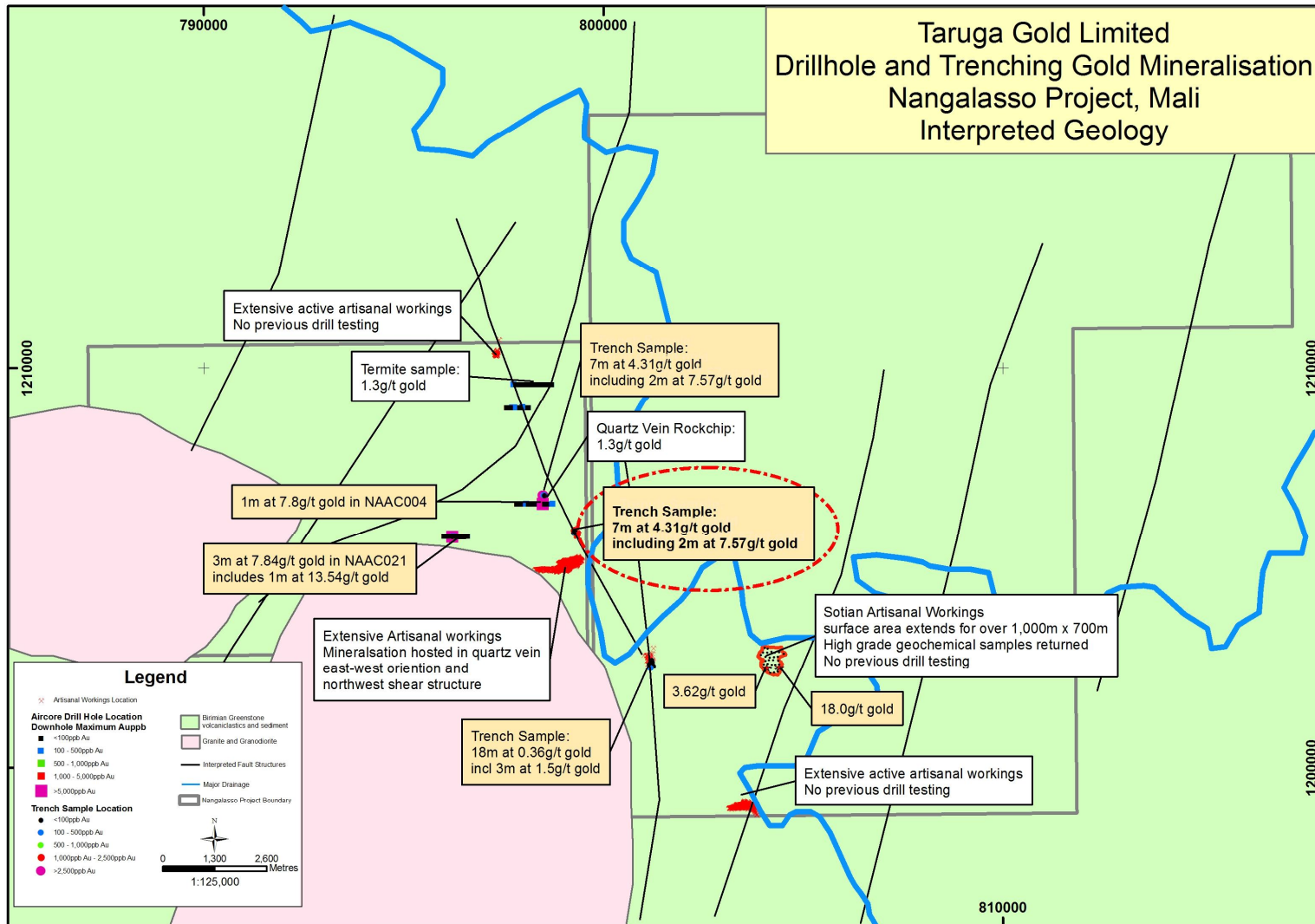


Figure 2: Nangalasso Project – Overview plan of geology and completed exploration. Note the location of extensive artisanal workings at Sotian and the location of high-grade samples. Trench samples continue to highlight prospective mineralised structures associated with interpreted geological structures.

Taruga has commenced field reconnaissance and mapping at SLAM. Taruga intends to undertake reconnaissance drilling to test the surface anomalous zones following a program of check sampling and infill definition. The key anomalies identified for initial exploration are located within the Djelibani and Djelibani Sud concessions.

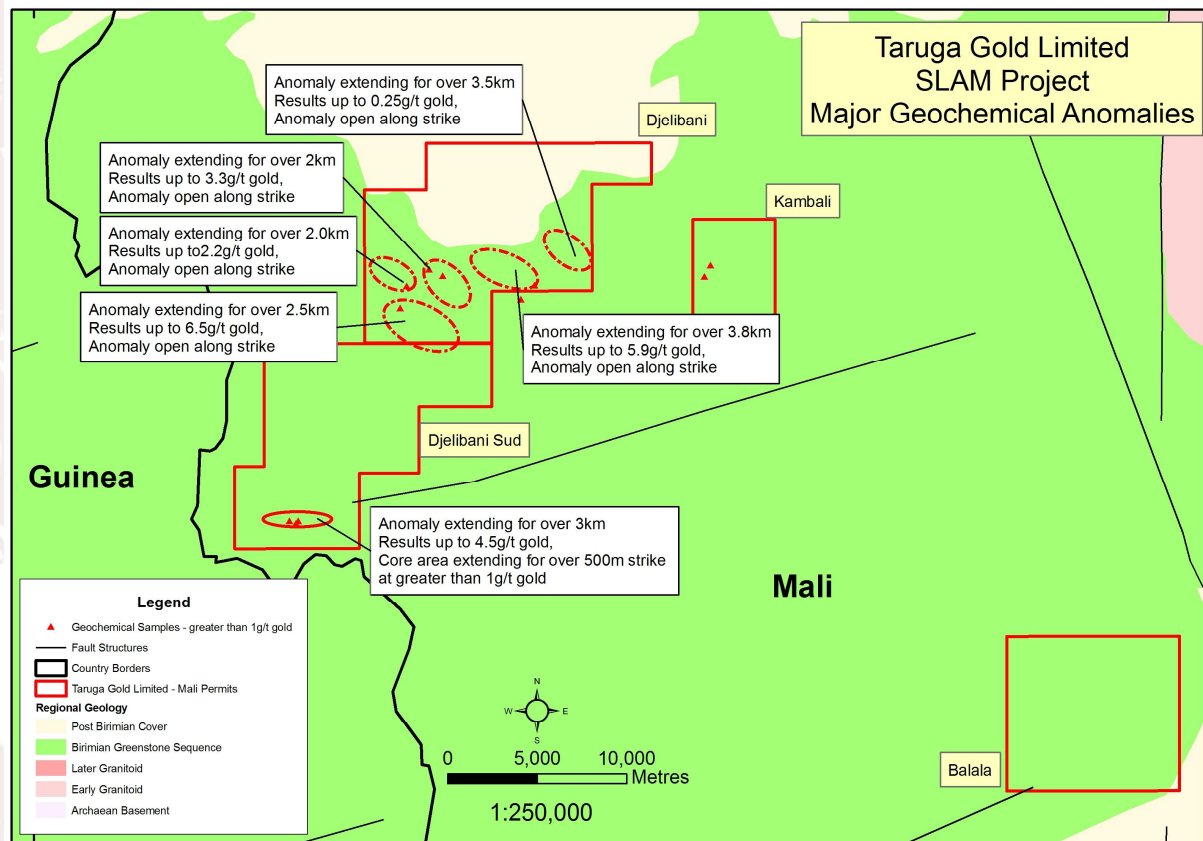


Figure 3: Taruga Gold – SLAM Project concessions and location of major geochemical anomalies. Note highlight of numerous +1g/t gold geochemical anomalies

Côte d'Ivoire

Taruga has commenced initial field reconnaissance, geological mapping and geochemical sampling of the highly prospective Cote d'Ivoire landholding.

During the quarter Taruga received confirmation that additional concessions have been granted, with the company now having four concessions granted in the central and northern portion of the country. All concessions are located within Birimian greenstone belts. The exploration is at an early stage, however the presence of artisanal workings, highly prospective geology and known mineralisation on adjacent ground highlights the potential of these projects.



CORPORATE

Release of securities from escrow

In accordance with ASX Listing Rule 3.10A Taruga Gold Limited advises that the following restricted securities were released from escrow on 7 February 2014.

Security description	Number
Ordinary fully paid restricted	45,200,000
Option expiring 31 January 2016 restricted ex \$0.20	9,000,000
Option expiring 3 February 2016 restricted ex \$0.20	5,000,000

At the end of the March quarter, Taruga had cash at hand of approximately \$0.55M

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 report that relates to geological information and exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is the Executive Chairman and 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 2004 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.

About Taruga Gold

Taruga Gold Limited listed on the ASX on 7 February 2012 with a portfolio of exciting exploration projects in West Africa containing more than 3,960km² of Birimian greenstone geology located in Niger, Ghana and Côte d'Ivoire. The West African region is one of the world's best gold districts and has had significant rates of discovery and development of new gold mines over recent decades.

Taruga's projects have been carefully selected by the Company and focus on the highly prospective Birimian sequence in Niger, Mali and Cote d'Ivoire.

The Kossa Project consists of two granted exploration licences covering 970km² located in northwest Niger, 230km northwest of the capital city Niamey. The eastern boundary of the Kossa Project is defined by the border with Burkina Faso and lies approximately 15km east of the Essakane Gold Mine, located in Burkina Faso. The Essakane Gold Mine is operated by IAMGold of Canada and produces approximately 350,000oz gold per annum.

The Mangkono concession in Côte d'Ivoire covers 400km² of Birimian greenstone. It is located in central Côte d'Ivoire, approximately 410km by road from Abidjan, the major city of Côte d'Ivoire and consists of one granted concession, with good access to the project area and a network of tracks and paths throughout the concession. The Tortiya project and six licences in Côte d'Ivoire remain under application.

The Nangalasso Project is located in southern Mali, 30km from the 7Moz Syama gold mine, and is in a similar geological setting to Randgold's Morila and Perseus' Tengrela gold deposits. The project consists of two options over granted concessions (Nangalasso and Sotian concessions) extending over an area of 345km².

The SLAM Project project covers more than 350km² and consists of option agreements granting access over four granted concessions within 100km of Mali's capital city Bamako. The project area is located in highly prospective margin of Siguiri Basin – host to major gold deposits such as Siguiri (AngloGold Ashanti – 5.2Moz gold), Lefa (NordGold – 7.8Moz gold) and Tri-K (Avocet – 4Moz gold).

Table 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
Mankono			100%	Cote d'Ivoire
Korhogo	100%		100%	Cote d'Ivoire
Dabakala	100%		100%	Cote d'Ivoire
Nielle	100%		100%	Cote d'Ivoire

Table 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	100%		100%	Mali
Djelibani Sud	100%		100%	Mali
Kambali	100%		100%	Mali
Balala	100%		100%	Mali
Nangalasso			100%	Mali
Sotian			100%	Mali
Diendo Sud			100%	Mali
Diendia			100%	Mali
Manankoro Nord			100%	Mali
Diossyan Sud			100%	Mali