

ASX RELEASE

22 October 2014

Drilling to Commence at Nangalasso and SLAM Projects, Mali Following Successful Funding Program

- Previous drilling results at Nangalasso include 3m at 7.84 g/t and 1m at 7.8g/t gold
- Follow up on previous trench sampling and strong geochemical anomalies
- Drilling at SLAM to focus on geochemical anomaly with peak values of 2g/t gold and major artisanal workings

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to announce an impending aircore drilling program within its Nangalasso and SLAM Project areas in Southern Mali (**Figure 1**). The program has been initiated following a successful capital raising (refer ASX release 7 October) and is designed to follow up and test a number of high-grade gold mineralised results (including **3m @ 7.84gpt Au**) from previous exploration campaigns and exploration beneath extensive artisanal workings. Nangalasso and SLAM both have an extensive strike length of geochemical anomalism, but with very limited drill testing to date.

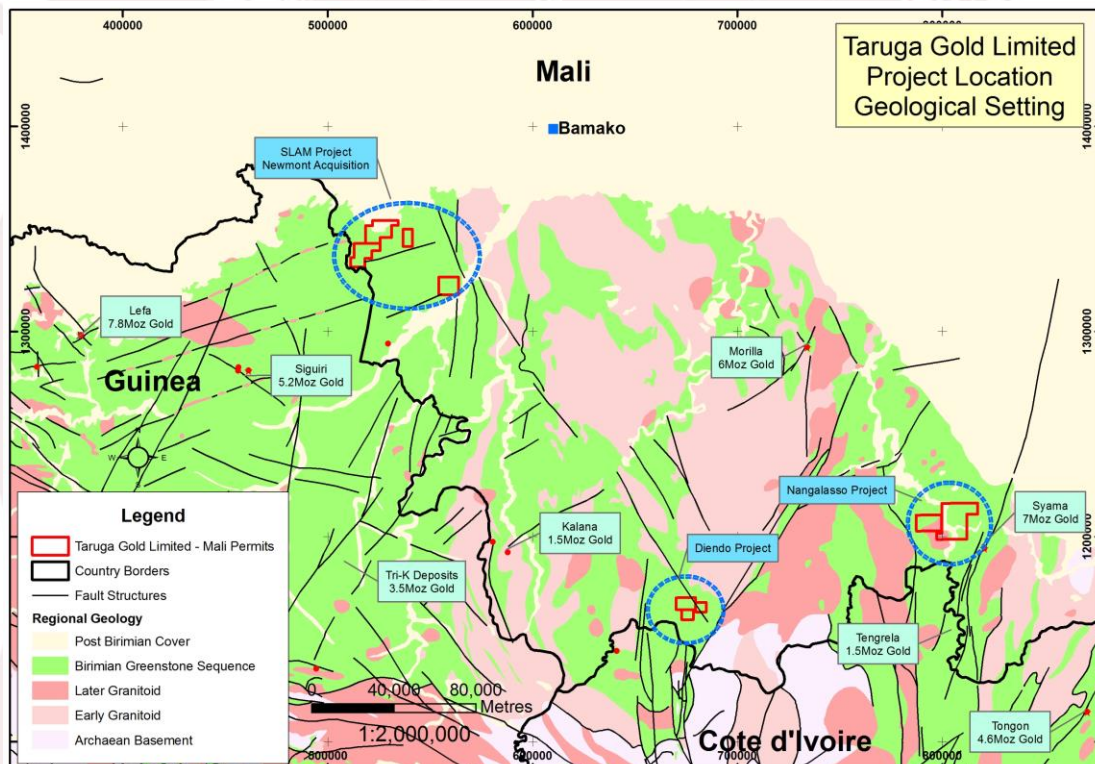


Figure 1 - Southern Mali Project Locations

Managing Director Bernard Aylward stated: "We are excited by the prospects of the current work program at Nangalasso and SLAM. The Company's tenements are highly prospective for gold mineralisation, with all early stage exploration

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returning highly encouraging results and confirming the geological prospectivity of the targets”.

NANGALASSO Priority Drilling Targets

The Nangalasso Project is located in a highly mineralised area. The Company’s concessions are located just 15km from the world-class Syama gold mine, as well as being located along strike from the Tengrela prospect delineated by Perseus Mining Limited. The Nangalasso Project has returned highly encouraging results from initial geochemical sampling, as well as the wide-spaced reconnaissance drilling, and this current program is planned to test four priority target areas:

1. Follow up of reconnaissance drilling that has returned **3m at 7.84g/t gold** in drill hole NAAC021, including **1m at 13.5g/t gold** from 16m and **1m at 7.8g/t gold** in drill hole NAAC004.
2. Follow up of January 2014 reconnaissance trench sampling of **7m at 4.3g/t gold**, located 200m north of previous drilling, an area with an extensive corresponding geochemical anomaly and artisanal workings.
3. Initial testing of artisanal workings that have been mining high grade quartz lode. Workings extend for over 700m with shafts reaching depths over 15m. This new target area is associated with a strong geochemical anomaly and excellent geological setting.
4. Testing of extensive surface workings – Field reconnaissance highlights **1,000m x 700m** extensive area of artisanal workings returning assay values up to **18.0g/t, 3.6g/t and 3.54g/t gold** in March 2014. *No previous drill testing has targeted this exciting area and the potential for primary mineralisation underlying the surface anomalism is high.*

SLAM Project Drill Program

In addition to the above works to take place at Nangalasso, the Company will also conduct a modest drilling program at SLAM. This program will target a geochemical anomaly with peak values over 2g/t gold, and a major artisanal working that extends for over 700m and is now extracting from primary rock.

COTE D’IVOIRE Geochemical Sampling

Taruga has an extensive landholding in the highly prospective, yet under-explored, Birimian geological sequence of Cote d’Ivoire. The Company has commenced geochemical sampling and geological mapping and reconnaissance of the early stage concessions.

The Company has completed its initial review of the concessions and will target several key areas to focus the geochemical sampling in zones of geological interest, as well as artisanal mining, identified by early geological reconnaissance. The



geochemical sampling program is expected to continue for the field season and will define targets for first-pass reconnaissance drill testing.

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 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.

About Taruga Gold

Taruga is a West African focused gold explorer that has compiled a diverse portfolio of exploration projects within the Birimian geology of West Africa. This region is at present one of the world's great gold districts and has had a significant rate of discovery and development of new gold mines over past decades.

Taruga has ~3,400km² of highly prospective tenements in Niger, Southern Mali and Cote d'Ivoire, all within similar geological settings as world-class goldmines. The Company's Kossa Project in Niger is 15km from the 5moz Essakane goldmine; in Mali, the Nangalasso project is 30km west of the 7moz Syama project.