

## ASX RELEASE

9 February 2015

### High-Grade Gold Intersections Outline New Discovery at Kambali Prospect, SLAM Project - Mali

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#### Highlights:

- New Gold Anomalous zone identified in aircore drilling.
  - Gold zone is over 150m wide and 700m long remaining open along strike
  - Potential for significant gold mineralisation within area of extensive artisanal workings
  - Significant intersections:
    - **3m at 5.64g/t gold from 3m** within a zone of **6m at 2.88g/t gold from 3m**
    - **6m at 1.12g/t gold from 30m to end of hole** within a broad zone of 15m at **0.62g/t** from 21m
    - 3m at **0.84g/t** from 3m
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Taruga Gold Limited (**Taruga** or the **Company**) is pleased to announce significant gold drill intersections from the recent aircore drilling program at the Kambali Prospect, within the SLAM Project in Mali (Figure 1). The drilling program was completed in December 2014 and is the first ever program of drilling in this area.

The reconnaissance aircore drilling was undertaken on a very wide spacing (200m x 80m) and several drill holes were moved or modified to accommodate sites of artisanal workings. The results are highly encouraging for this spacing and confirm the potential for significant gold mineralisation to be defined. The drilling has intersected broad gold anomalous zones and has confirmed primary gold mineralisation that remains open at depth.

Gold anomalism has been outlined over a 700m strike length remaining open along strike and 150m width. The program confirms the excellent potential for further gold mineralisation within an area of extensive artisanal workings.

“This is the first ever drilling at the Kambali prospect and these drill intersections from very wide spaced drilling are very encouraging. The presence of high-grade gold intersections as well as broad zones of gold anomalism highlight the potential to define a significant new gold mineralised zone”, Taruga Managing Director Mr Bernard Aylward stated.

“The SLAM project is located in south-eastern Mali and Taruga has identified multiple high-priority targets within the Kambali prospect, which we believe warrant immediate and more targeted follow-up exploration. The potential to discover significant gold mineralisation is very encouraging”, Mr Aylward added.

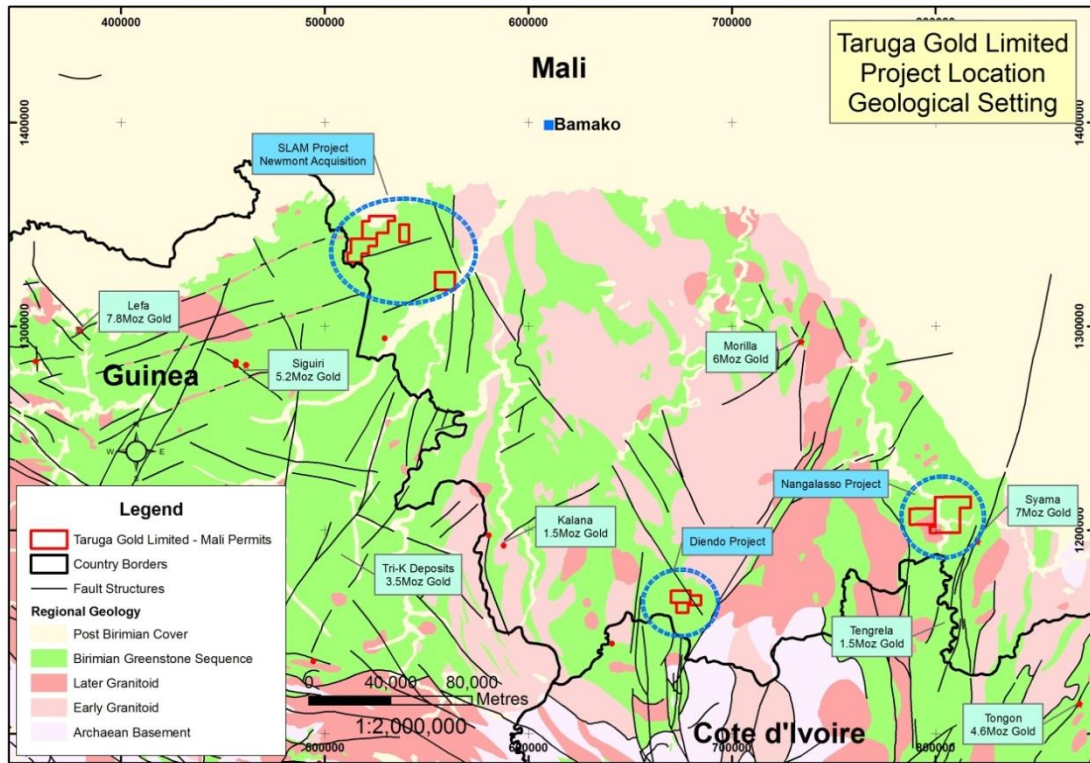


Figure 1 - Taruga Gold - Location map of Southern Mali Projects

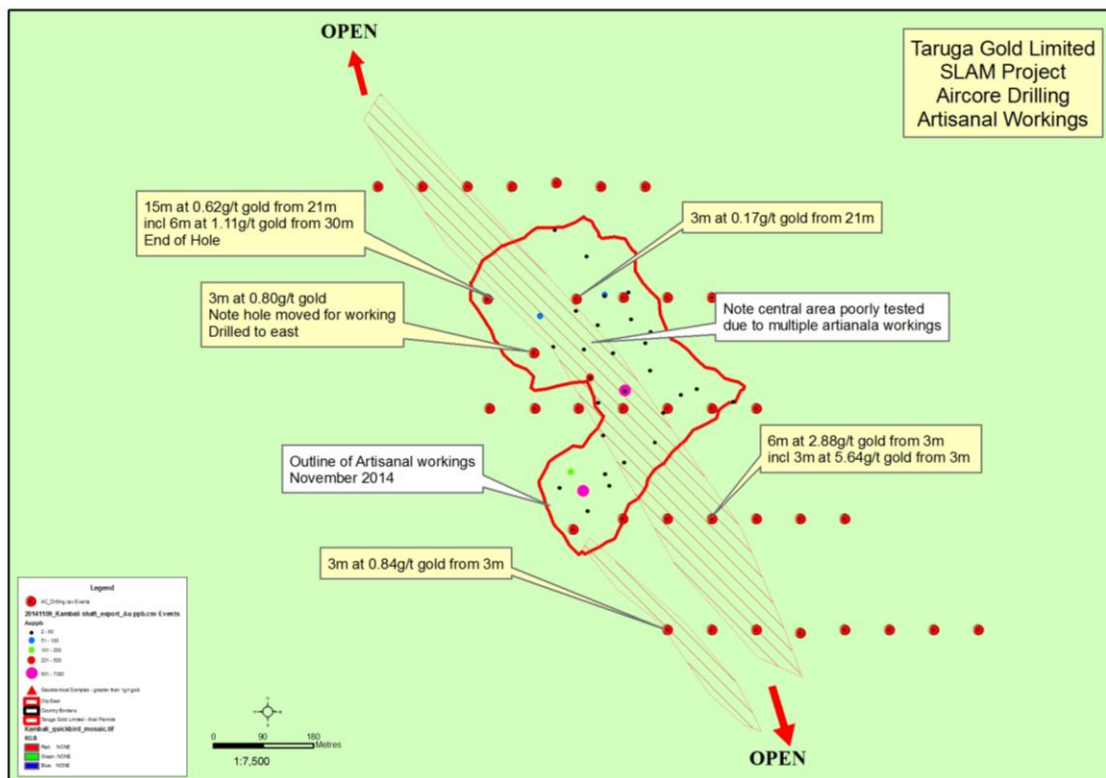


Figure 2 - SLAM Project - Kambali prospect location of aircore drill holes, artisanal workings and anomalous zone



### ***Kambali Prospect***

The Kambali prospect is part of the SLAM Project, located in south-eastern Mali, approximately 100km from the capital Bamako.

A total of 63 drill holes for 1,926m (30.5m average depth, maximum 45m depth, minimum 18m depth) were completed on a nominal 200m by 80m spacing, with the location of some drill holes varied due to active artisanal sites. This movement of drill holes has resulted in wide zones remaining untested in very high priority areas (Figure 2). The geology intersected by the drilling consisted of a series of metasediments with minor granitic units noted to the east and metavolcanics. The laterite varied in thickness from 2m to over 10m thick. Multiple zones of quartz veining and sulphide mineralisation were noted in the drilling.

The aircore drilling program was designed to target areas of extensive artisanal workings and geochemical anomalism in an area that had never been previously drill tested. The Kambali workings are extensive surface and shallow shaft workings with coarse gold mineralisation observed (Figure 3 – photos of workings). Taruga has undertaken a preliminary program of geochemical sampling, where access is available, and anomalous gold results with a maximum of 7.38g/t gold were returned from a surface sample of laterite material.

The results of the drilling program are highly encouraging and confirm the presence of high-grade gold mineralisation as well as the presence of primary gold mineralisation beneath the geochemical anomaly. The prospect is extensive and this first stage of drilling confirms the potential for a significant gold mineralised system.

A follow-up program of drilling and extension aircore is required to fully define targets prior to a phase of RC drilling.

“Taruga continues to receive very encouraging results from its active exploration program. The Company has excellent projects located in West Africa and our programs continue to deliver exciting results in new areas. Taruga has continued exploration in Mali and Cote d’Ivoire and will continue a newsflow of exploration updates as well as details of discussions with various parties regarding our West African projects”, Mr Aylward ended.





**Figure 3 - Kambali prospect active artisanal workings, commenced August 2014**

For further information see the Company's website [www.tarugagold.com.au](http://www.tarugagold.com.au) or contact:

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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 ~4,000km<sup>2</sup> of highly prospective concessions 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.



Table 1: Kambali Aircore drilling – gold anomalous intersections reported

| Hole Id | Easting | Northing | RL  | Dip/Azi | Depth<br>m | Depth<br>From<br>m | Depth<br>To<br>m | Width<br>M | Grade<br>ppb<br>Gold |
|---------|---------|----------|-----|---------|------------|--------------------|------------------|------------|----------------------|
| KBAC001 | 540520  | 1345700  | 382 | -50/270 | 30         | 3                  | 6                | 3          | 838                  |
| KBAC012 | 540600  | 1345900  | 375 | -50/270 | 30<br>incl | 3                  | 9                | 6          | 2,882                |
| KBAC015 | 540840  | 1345900  | 373 | -50/270 | 30         | 3                  | 6                | 3          | 5,640                |
| KBAC023 | 540280  | 1346200  | 381 | -50/90  | 42         | 33                 | 36               | 3          | 119                  |
| KBAC024 | 540197  | 1346297  | 384 | -50/270 | 36<br>incl | 21                 | 36               | 15         | 804                  |
| KBAC025 | 540357  | 1346297  | 385 | -50/270 | 33         | 30                 | 36               | 6          | 621                  |
| KBAC039 | 537487  | 1347788  | 371 | -50/270 | 30         | 21                 | 24               | 3          | 1,113                |
|         |         |          |     |         |            | 21                 | 30               | 9          | 165                  |
|         |         |          |     |         |            |                    |                  |            | 200                  |

Notes: Aircore drill holes completed by Taruga Gold Limited staff in December 2014, drill holes completed by Geodrill Ltd, a major West African drilling contractor. All Intersections calculated with a 0.1g/t gold lower cut, no upper cut and maximum 3m continual internal dilution. Samples are from aircore drill holes and samples collected at 1m intervals. Samples are composited to 3m intervals. Samples analysed at SGS Laboratory, Bamako. Samples are analysed by 50g Fire Assay analysis. Drill holes are GPS located and have an error of  $\pm 5m$ , with coordinates in UTM WGS84, Zone 29N grid. Samples reported are for aircore drilling. Table 1 presents results from gold anomalous intersections from drilling completed in December 2014. Refer Appendix 1 for full JORC 2012 compliant information.

#### 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.

## 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 aircore drill hole samples.</li> <li>Drill holes are located on site of geological interest and targeting area of surface geochemical anomalism and artisanal workings.</li> <li>Samples collected at 1metre intervals down hole and composited to 3m for assay.</li> <li>All samples are geologically logged and recorded.</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>Aircore drilling, industry standard hole width and bits.</li> <li>Aircore hammer as required to penetrate ferricrete</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>Samples are aircore drill samples</li> <li>Samples are collected at 1m intervals and composited to 3m</li> </ul>   |
| Logging               | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and</li> </ul>  | <ul style="list-style-type: none"> <li>Aircore drill holes are geologically logged and collars</li> </ul>   |

| Criteria                                       | JORC Code explanation  | Commentary  |
|--|--|---|
|  | <p><i>geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>   | <p>located.</p> <ul style="list-style-type: none"> <li>• Drill hole sections have been interpreted to review geological logging</li> </ul>  |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul> | <ul style="list-style-type: none"> <li>• No sub-sampling</li> </ul>   |
| Quality of assay data and laboratory tests     | <ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• 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>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data</i></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>  |

| Criteria   | JORC Code explanation  | Commentary   |
|--|--|--|
|  | <p><i>verification, data storage (physical and electronic) protocols.</i></p> <ul style="list-style-type: none"> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>   |  |
| <i>Location of data points</i>                                 | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Drill hole collars are located using GPS accurate to within 5m – appropriate for this level of exploration</li> <li>• Grid is UTM, WGS84 Zone 29N</li> </ul>  |
| <i>Data spacing and distribution</i>                           | <ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <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></li> <li>• <i>Whether sample compositing has been applied.</i></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>• No previous drilling or trenching in target area.</li> <li>• Geochemical sampling completed at a reconnaissance spacing</li> </ul> |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul> | <ul style="list-style-type: none"> <li>• Drill holes are located perpendicular to interpreted geochemical anomalies, artisanal workings and geological outcrop – this is appropriate for this level of exploration</li> </ul>  |
| <i>Sample security</i>   | <ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Samples collected at site and dispatched to laboratory in company vehicle</li> </ul>  |
| <i>Audits or reviews</i>                                       | <ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></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   |
|--|--|--|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul>   | <ul style="list-style-type: none"> <li>• Kambali concession is located in southern Mali</li> <li>• Kambali is a “Permis de Recherche”</li> <li>• Taruga has an Option agreement with a local Malian company granting access rights and an option to purchase.</li> </ul>         |
| <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 Newmont Mining and Taruga Gold Limited</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>• Kambali concession is located in the Birimian 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 in Table 1 in release.</li> </ul>   |

| Criteria   | JORC Code explanation  | Commentary  |
|--|--|---|
| Data aggregation methods   | <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>• Sample are composite samples to a maximum of 3m.</li> <li>• Samples are collected at 1m intervals from aircore drill holes to allow future sub-sampling.</li> <li>• No top-cut applied to reported intersections.</li> </ul> |
| Relationship between mineralisation widths and intercept lengths | <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> <li><i>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').</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Samples are reported as down hole width.</li> <li>• Samples are from reconnaissance drilling and no information is available to indicate the relationship between down hole and true width of mineralisation.</li> </ul>     |
| Diagrams   | <ul style="list-style-type: none"> <li><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></li> </ul>   | <ul style="list-style-type: none"> <li>• Refer to announcement</li> </ul>   |
| Balanced reporting   | <ul style="list-style-type: none"> <li><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></li> </ul>   | <ul style="list-style-type: none"> <li>• All available information reported</li> </ul>  |
| Other substantive exploration data                               | <ul style="list-style-type: none"> <li><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></li> </ul>   | <ul style="list-style-type: none"> <li>• Project is at an early stage of exploration. All information is in announcement</li> </ul>   |
| Further work   | <ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions,</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Follow-up aircore drilling and further geochemical sampling is required to define zones of mineralisation.</li> <li>• RC drilling is required to determine depth extent and</li> </ul>                                       |

| Criteria | JORC Code explanation  | Commentary   |
|----------|--|--|
|          | <i>including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | continuity of high-grade mineralisation. <ul style="list-style-type: none"><li>• Following further successful drilling, diamond drilling to provide geological constraints and samples for metallurgical studies and geotechnical review is required Aircore drilling targeting the zone of gold mineralisation.</li></ul> |