



ASX RELEASE

28 May 2015

Tranche 1 Placement Completed

Taruga Gold Limited (**Taruga** or the **Company**) (ASX:TAR) has today issued 83,064,375 fully paid ordinary shares in the Company (**Shares**) at an issue price of \$0.0045 each, pursuant to tranche 1 of a placement offer (**Placement**) made to a number of sophisticated and professional investors without disclosure under Part 6D.2 of the Corporations Act. Funds raised under the Placement will be used to fund further exploration at the Company's highly prospective tenements and for working capital purposes. An Appendix 3B in respect of the issue of new Shares is attached.

Information required under ASX Listing Rule 3.10.5A

Of the 83,064,375 shares issued, 47,238,625 Shares were issued under the Company's capacity under ASX Listing Rule 7.1 and 35,825,750 were issued under ASX Listing Rule 7.1A.

Taruga provides the information as required under ASX Listing Rule 3.10.5A as follows:

1. Dilution to existing shareholders as a result of the issue:
 - Under Listing Rule 7.1 is 12.95%; and
 - Under Listing Rule 7.1A is 9.82%.

The total dilution to existing shareholders as a result of the Placement is therefore 22.77% and the percentage of the post-Placement issued capital held by the pre-Placement security holders is 81.45%.

None of the participants in the Placement under 7.1A were existing shareholders of the Company.

2. Taruga issued Shares by way of the Placement as it was considered to be a more efficient and expedient method for raising the funds to achieve its stated objectives. The Placement did not expose the Company to market volatility that may have been experienced over a more protracted process such as a pro-rata issue. The Company is pleased to be offering share purchase plan to existing shareholders on the same terms as the Placement in the coming days.
3. No underwriting arrangements were in place for the Placement.
4. A Placement fee of 6% is payable.



Notice given under section 708A(5) of the Corporations Act

This notice is given by the Company under section 708A(5)(e) of the Corporations Act in relation to an issue of 83,064,375 fully paid shares at an issue price \$0.0045 each to raise \$373,790 by the Company upon completion of a placement without disclosure to investors under Part 6D.2 of the Corporations Act.

As at the date of this notice, the Company has complied with:

1. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
2. section 674 of the Corporations Act.

There is no excluded information as at the date of this notice, for the purposes of Section 708A (7) and (8) of the Corporations Act.

Sincerely,

Dan Smith
Director & Joint Company Secretary
Taruga Gold Limited
+61 (0) 8 9486 4036

rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Taruga Gold Limited

ABN

19 153 868 789

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 83,064,375 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
5	Issue price or consideration	\$0.0045 per share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Exploration activities at the Company's assets in Cote d'Ivoire, Mali and Niger, and for general working capital</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	27 November 2014
6c	Number of +securities issued without security holder approval under rule 7.1	47,238,625

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	35,825,750	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of +securities issued under an exception in rule 7.2	Nil	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes Issue date: 28 May 2015 15 day VWAP: \$0.005 Discount to VWAP: 10% Source: IRESS	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	28 May 2015	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		447,821,877	Fully paid Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		52,250,000	Options exercisable at 2 cents each on or before 1 December 2016
		10,000,000	Options exercisable at 20 cents each on or before 31 January 2016
		5,000,000	Options exercisable at 20 cents each on or before 3 February 2016
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX
may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

(Company secretary)

Date: 28 May 2015

Print name: Samuel Edis

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital							
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated							
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	160,616,000						
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	<table> <tr> <td>12,641,502</td><td>30 September 2014</td></tr> <tr> <td>40,000,000</td><td>26 August 2014</td></tr> <tr> <td>145,000,000</td><td>7 October 2014</td></tr> </table>	12,641,502	30 September 2014	40,000,000	26 August 2014	145,000,000	7 October 2014
12,641,502	30 September 2014						
40,000,000	26 August 2014						
145,000,000	7 October 2014						
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil						
“A”	358,257,502						

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”					
“B”	0.15 <i>[Note: this value cannot be changed]</i>				
Multiply “A” by 0.15	53,738,625				
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used					
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<table> <tr> <td>6,500,000</td><td>4 December 2014</td></tr> <tr> <td>47,238,625</td><td>28 May 2015</td></tr> </table>	6,500,000	4 December 2014	47,238,625	28 May 2015
6,500,000	4 December 2014				
47,238,625	28 May 2015				
“C”	53,738,625				
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1					
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	53,738,625				
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	53,738,625				
Total [“A” x 0.15] – “C”	<p>Nil</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>				

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	358,257,502
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	35,825,750
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	35,825,750 28 May 2015
“E”	35,825,750

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	35,825,750
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	35,825,750
Total [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.