TARUGA GOLD

ACN 153 868 789

ANNUAL FINANCIAL REPORT 2015

CONTENTS

TARUGA GOLD

AND CONTROLLED ENTITIES

COMPANY INFORMATION

ACN	153 868 789	
Directors	Frank Terranova	Non-Executive Chairman
	Bernard Aylward	Managing Director
	Daniel Smith	Non-Executive Director
	Myles Campion	Non-Executive Director
Company Secretary	Daniel Smith	
Registered Office	Office J, Level 2, 1139 Hay Street West Perth, WA 6005	
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Bankers	Westpac Banking Corporation 116 James Street Northbridge Perth, WA 6000	

Securities Exchange Listing

Taruga Gold Limited Shares are listed on the Australian Securities Exchange.

The home exchange is Perth, Western Australia.

ASX Code: TAR

Website www.tarugagold.com.au

REVIEW OF OPERATIONS

Company Overview

Taruga Gold Limited ("Taruga" or "the Company") is a West African gold explorer that listed on the Australian Securities Exchange (ASX) on 7 February 2012. The Company operates exploration projects located in Cote d'Ivoire, Mali and Niger. Taruga is targeting, subject to successful exploration, the delineation of new mineral resources and the Company's objective is to exploit economic gold resources through downstream mine development.

During the past year, the Company has announced a Joint Venture (JV) with ASX-listed gold producer, Resolute Mining (ASX:RSG), over three of the Company's concessions with Cote d'Ivoire. Resolute has the ability to earn 75% of the JV through meeting expenditure of US$3m within 4 years.

The Company successfully completed two capital raisings during the period, with funds raised through existing shareholders and new investors, including Sprott Inc., together totalling approximately $2m.

JOINT VENTURE ACTIVITY

Joint Venture with Resolute Mining Ltd with US$3million Exploration Spend

During the reporting period, the Company announced that it has entered into a joint venture agreement with mid-tier gold producer, Resolute Mining Limited (ASX:RSG) ("Resolute") ("JV"). The JV encompasses three concessions in Cote d'Ivoire – the Nielle, Tiebissou and M'Baihaikro concessions held by the 100% owned Ivorian subsidiary company Corvette CIV SARL. Under the terms of the agreement, Resolute will have the ability to earn a 75% interest in three of the Company's concessions within Cote d'Ivoire, through committed expenditure of US$3m over four years.

Summary Terms of the JV Agreement:

- Resolute can earn a 75% interest in three Cote d'Ivoire concessions through exploration expenditure of US$3m within four years.
- Resolute must incur a minimum of US$500,000 expenditure before it can withdraw.
- Taruga to establish a new Bermuda registered company (Jigsaw Resources CIV Ltd) that will be the owner of Corvette CIV SARL. Taruga will maintain a 100% shareholding until Resolute completes the US$3million expenditure.
- Following completion of the earn-in expenditure, Taruga will be free carried through to completion of Feasibility studies.
- Following a decision to mine, Taruga can elect to contribute, dilute or also has the right to sell at market value.

Taruga has entered into this agreement with Resolute to ensure that extensive exploration will be completed on the ground while maintaining significant exposure to exploration success. It is noted that if Resolute withdraws from the agreement prior to completing the required US$3milliion expenditure, Taruga will retain 100% ownership of all concessions.

Resolute commenced exploration on the two granted Research Permits, Tiebissou and Nielle towards the end of the year. Tiebissou covers a 15km strike length of the highly prospective Birimian greenstone belt which hosts Newcrest's Bonikro and Endeavour Mining's Agbaou gold deposits.

Detailed geological mapping was carried out over both the Nielle and Tiebissou research permits during the year and a comprehensive multi-element soil survey commenced on the Tiebissou research permit in June.

Geological mapping was carried out at Tiebissou and Nielle and a comprehensive multi-element soil sampling program commenced at Tiebissou.

Proposed Joint Venture with Newcrest Mining Ltd with US$1.7million Exploration Spend

Susbsequent to the year end, the Company announced the signing of a Non-Binding Heads of Agreement ('HoA") with top-tier gold producer, Newcrest Mining Limited (ASX:NCM) ("Newcrest") for a potential farm-in and joint venture ("JV").

The non-binding HoA outlines the key principles of a farm-in and joint venture for Taruga's 100% owned Dabakala Project, Cote d'Ivoire (**Figure 1**). Under the terms of the proposed JV, Newcrest will have the ability to earn a 75% interest in a JV company in Cote d'Ivoire by incurring exploration expenditure of US$1.7m over three years.

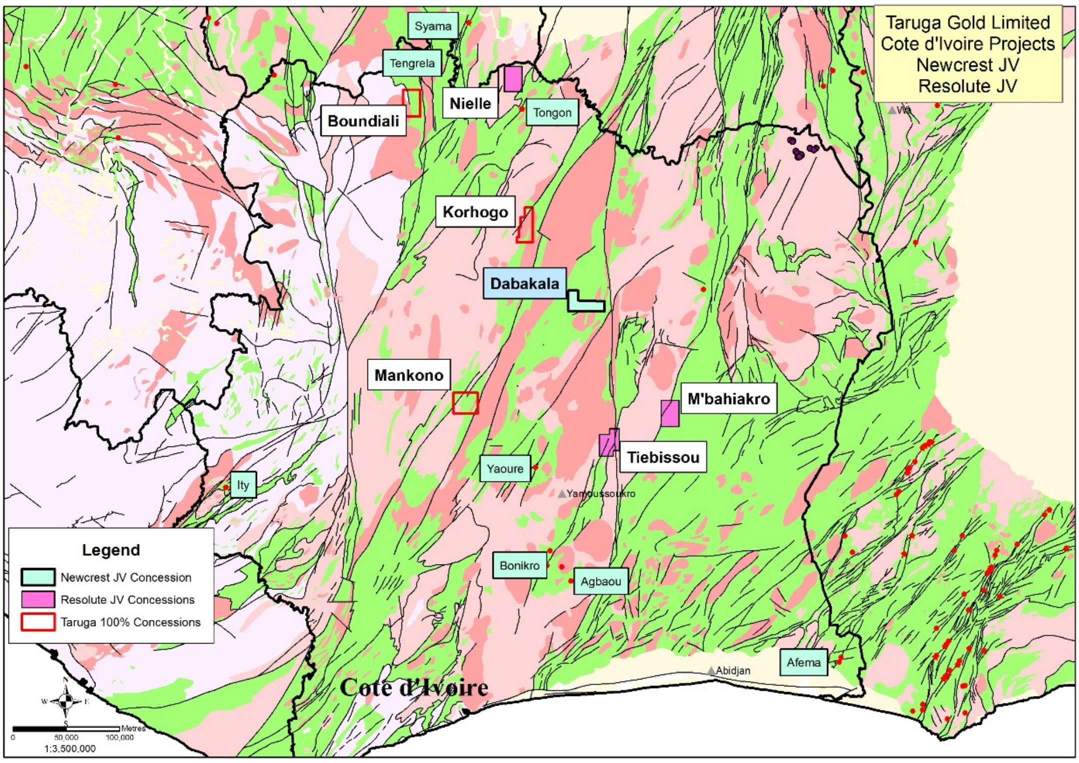


Figure 1 – Taruga Cote d'Ivoire Projects, showing proposed Dabakala JV with Newcrest and the existing Resolute JV areas

Summary Terms of the HoA and proposed JV:

Under the HoA, Newcrest and Taruga agree to negotiate in good faith to seek to agree the final terms of a binding farm-in and JV agreement in accordance with the following key principles:

- Newcrest can earn a 75% interest in Taruga's Cote d'Ivoire subsidiary which holds the Dabakala concession by incurring exploration expenditure of US$1.7m within three years.
- Newcrest to incur a minimum of US$750,000 expenditure before withdrawal from the JV.

- Newcrest to make signature payments of US$50,000 on signing of HoA and a further US$50,000 on execution of definitive JV agreements in addition to minimum spend.
- Taruga will maintain a 100% interest until Newcrest completes the US$1.7million expenditure.
- The JV will be subject to Cote d'Ivoire regulatory approvals.

Taruga has agreed to exclusively negotiate with Newcrest until 30 November 2015, after which either party may terminate the HoA.

Taruga has entered into the non-binding HoA with Newcrest to achieve extensive exploration on the ground while maintaining significant exposure to exploration success. Newcrest is the owner of adjacent concessions and the geological interpretation indicates a continuity of geological structures and trends. Proposed exploration programs consist of infill auger geochemical sampling to define the gold anomalous zones prior to initial reconnaissance drill testing.

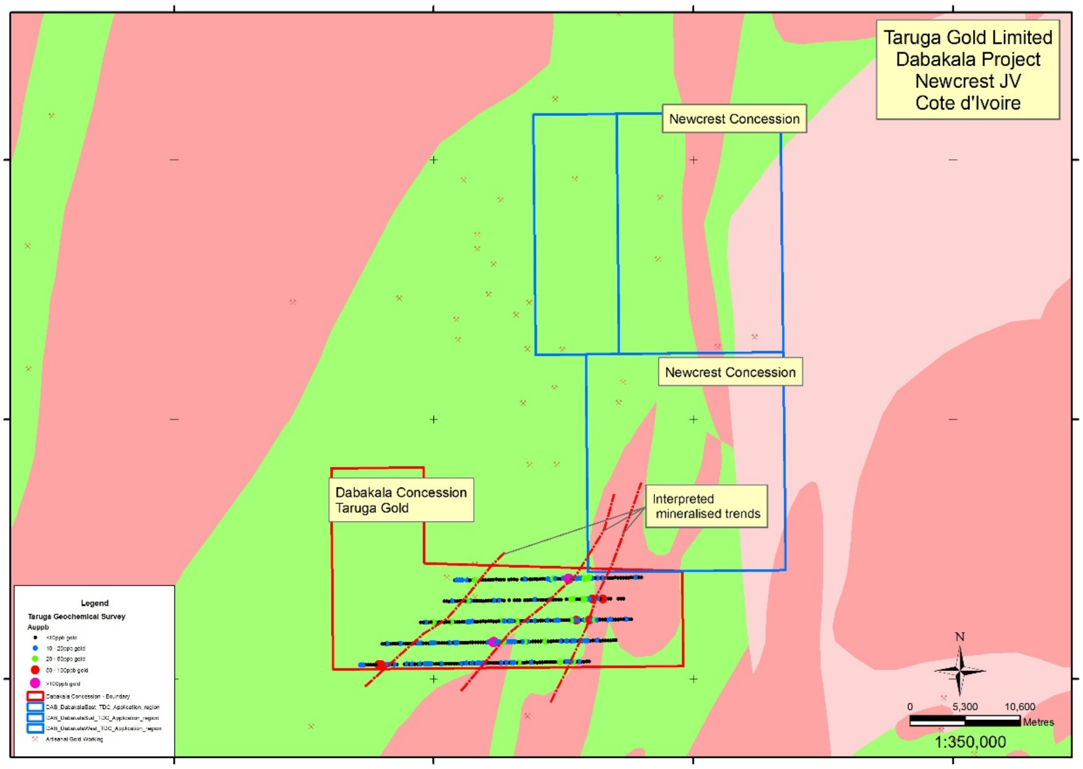


Figure 2 – Taruga Dabakala Project and adjacent Newcrest concessions.

About Dabakala

The Dabakala concession is located in central Cote d'Ivoire and is 100% owned by Taruga subsidiary company International Goldfields CIV SARL. The concession was granted to Taruga in 2014.

Taruga has completed first pass geochemical sampling that outlined extensive surface gold anomalism associated with a major shear structure.[1] The anomalies are regionally extensive and require infill geochemistry to define targets for reconnaissance drilling.

Newcrest has completed a regional stream sediment, rock chip and laterite sampling program as part of the project review which confirms the anomalous gold trends.

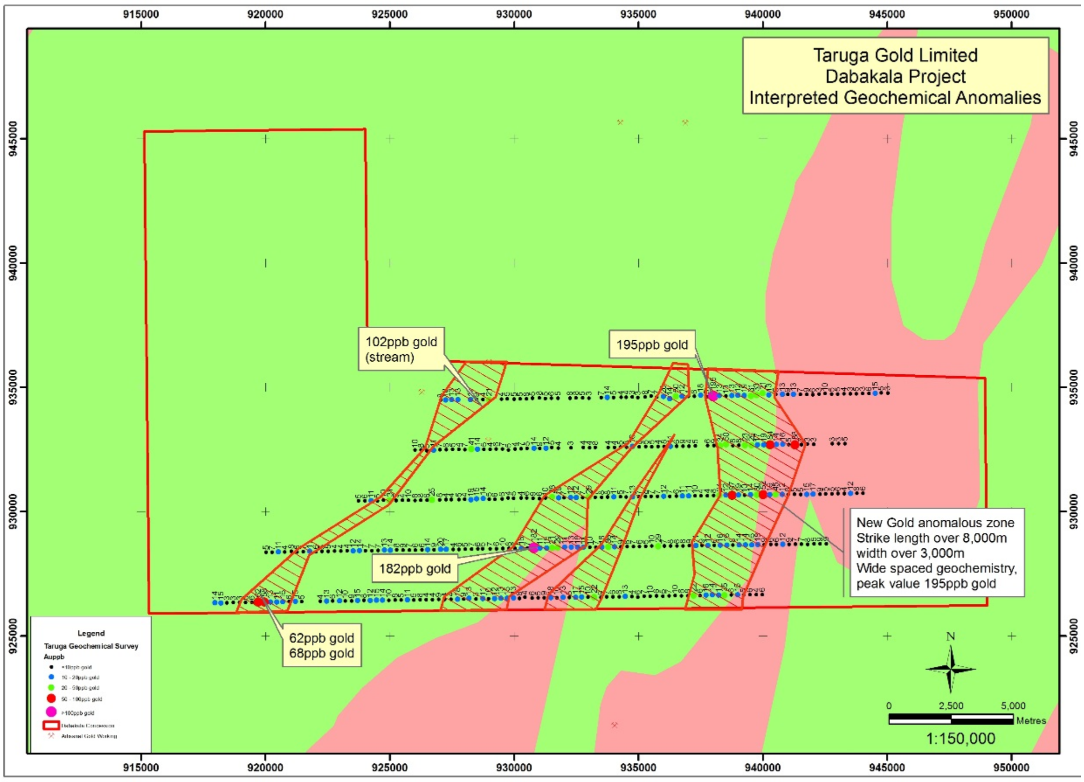


Figure 3 – Taruga Dabakala Project with regional geochemical sampling and interpreted gold anomalous trends.

TARUGA IN COTE D'IVOIRE

In addition to the JV with Resolute and proposed JV with Newcrest, the Company retains 100% ownership in a further three highly prospective concessions in the country.

Taruga is continuing to receive interest in its very prospective Cote d'Ivoire concessions from potential investors. These continuing approaches indicate the value of the Company's significant landholding and Taruga will assess any proposals to maximise shareholder value.

Korhogo Concession

During the period, the geochemical sampling crews commenced sampling at the Korhogo concession located in north-central Cote d'Ivoire. The reconnaissance program at Korhogo is designed to test an interpreted "pressure shadow" located at the margin of a granitic intrusion and interpreted shear structures that has potential to focus fluid movement and the development of gold mineralisation. Field

[1] Full results of this sampling can be found in the Company's ASX announcement dated 22 December 2014.

reconnaissance of the Korhogo area has identified priority areas for geochemical sampling including active areas of artisanal mining.

The Korhogo concession is located in the northern portion of Cote d'Ivoire and is a 360.6 km^2 concession with a three year term.

The concession is at an early stage of exploration and initial field reconnaissance has identified areas of significant artisanal workings and prospective geological structures and units. The program for initial geochemical sampling will target the northern portion of the concession where it is interpreted that a "pressure shadow" at the margin of a granitic intrusion may develop a favourable environment for gold mineralisation to focus. This area has identified artisanal workings, and on adjacent ground recent aircore drilling was completed by Perseus Mining Limited that returned highly anomalous results.

Tiebissou Concession

During the period, Taruga announced that it had been granted the **Tiebissou** concession in Cote d'Ivoire. Taruga is now the 100% owner of **FIVE** granted concessions within this highly prospective, yet very under-explored region of Birimian geology.

Taruga's extensive landholding in Cote d'Ivoire is approximately 2,000km^2 with all concessions located within known mineralised belts and situated close to major structural zones and previous discoveries (**Figure 1**).

The granting of Tiebissou continues the recent progression of the Targua strategy, which is to construct a world-class portfolio of West African assets that are highly prospective and capable of being quickly progressed.

The Tiebissou concession (306km^2) was granted for an initial period of four years. The concession is located in central Cote d'Ivoire and is along strike from the Agbaou Gold Mine (Endeavour Mining Corporation) and the Bonikro Gold Mine (Newcrest Mining Limited). The exploration is at an early stage for the concession, however previous surface geochemistry has highlighted zones of geochemical anomalism that are a high-priority target for immediate exploration. It is noted that the surface geochemical anomalism continues to the north of the concession into ground held by Resolute Mining Limited, and recent reports[2] indicate Resolute have commenced infill soil sampling of the large gold and multi-element anomaly identified in 2009.

Taruga is planning to undertake an initial exploration program at Tiebissou to follow up on the known soil anomalism and artisanal workings, as part of its regional exploration work with Cote d'Ivoire.

About Cote d'Ivoire

Cote d'Ivoire released an updated Mining Code in 2014 and continues to develop legislation that offers incentives for mineral exploration and development of its mining industry. Cote d'Ivoire has approximately 35% of West Africa's Birimian sequence, while neighbouring Ghana has approximately 17% of the sequence. The Birimian Greenstone sequence of West Africa has a gold endowment of over 170 million ounces of gold, of which Ghana contains over 110 million ounces.

Cote d'Ivoire is historically underexplored however in recent years mining companies have enjoyed successful exploration results. The country now boasts several multi-million ounce gold deposits (including Amara Mining's 6Moz Yaoure deposit and Randgold resources 4.4Moz Tongon deposit), with four commercial scale mines in production.

[2] See Resolute Mining Limited Quarterly Report announced to ASX 20 October 2014

MALI

During the reporting period, Taruga completed reconnaissance aircore drilling at the Nangalasso Project, Mali, and the rig also completed drilling at the Kambali prospect (**Figure 4**). Results from the Nangalasso drilling can be found in full in the ASX announcement of 29 January 2015.

The program was designed to test high-priority target areas within the Nangalasso Project, selected from previous reconnaissance drilling, trenching, and extensive artisanal workings. Widespread gold anomalism was encountered across the project and importantly has highlighted a gold anomalous trend extending for over 1.7km. This trend is open along strike and at depth with the only wide spaced reconnaissance drilling completed.

The intersection of **21m at 1.25g/t gold** confirmed and extended the high-priority target where previous trenching (**7m at 4.3g/t gold** in quartz veining and alteration) and preliminary reconnaissance drilling (**1m at 7.8g/t gold**) had indicated a significant trend. This drilling has now defined the trend for a minimum of 1,700m and remains open along strike and at depth.

The presence of high-grade gold mineralisation within the broad mineralisation is very positive and Taruga is planning to continue this zone and particularly target continuity of the higher grade zones.

At the Sotian workings, Taruga completed a single line of aircore drilling targeting an extensive zone of artisanal workings. Highly encouraging intersections included **3m at 2.1g/t gold from 6m and 3m at 1.3g/t gold from 3m**. These results confirmed the extension of the artisanal workings, and the geological logging of the drill holes indicates a potential bedrock source for the mineralisation. Taruga has identified the **1,000m x 700m** extensive area of artisanal workings and anomalous geochemical sampling, including assay values up to **18.0g/t gold, 3.6g/t gold and 3.54g/t gold,** as a high priority target requiring follow-up and extension drilling.

The program consisted of 73 aircore drillholes for 3,564m (avg depth 49m, maximum depth 78m, minimum depth 10m) with the majority of holes reaching primary rock. The geology intersected by the drilling consisted of a sequence of sedimentary units and granitic to granodiorite intrusions, consistent with the trenching and field observations.

Preliminary geological logging of the drill holes had reported broad zones of quartz veining (veins up to 4m thick, zones of veining up to 20m width) associated with the areas of artisanal workings as well as zones of sulphide mineralisation (pyrite dominant) and alteration. All samples (three metre composite sampling) were dispatched to SGS Laboratories Bamako for assay.

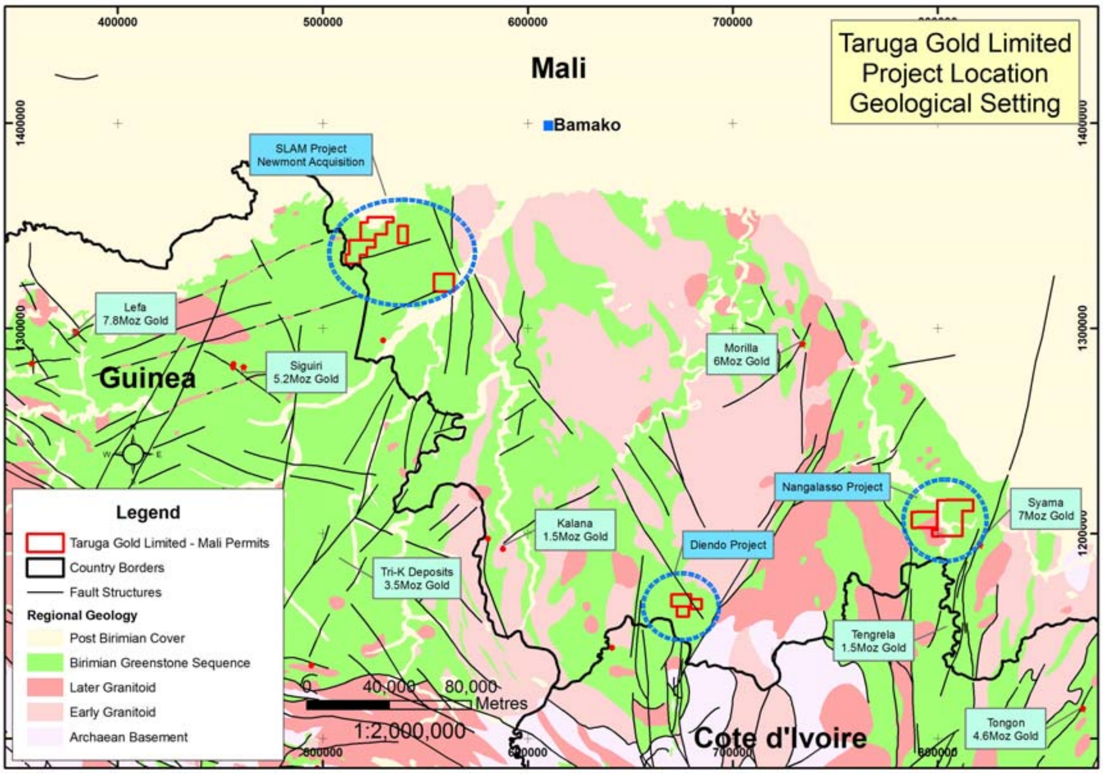


Figure 4 – Southern Mali Project Locations

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. Taruga has been actively exploring this project since October 2013 and has four key prospects for aircore drilling in this campaign (**Figure 5**). The Nangalasso Project returned highly encouraging results from initial geochemical sampling, as well as the wide-spaced reconnaissance drilling which was designed to test 4 main targets, with each target returning encouraging results:

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.*

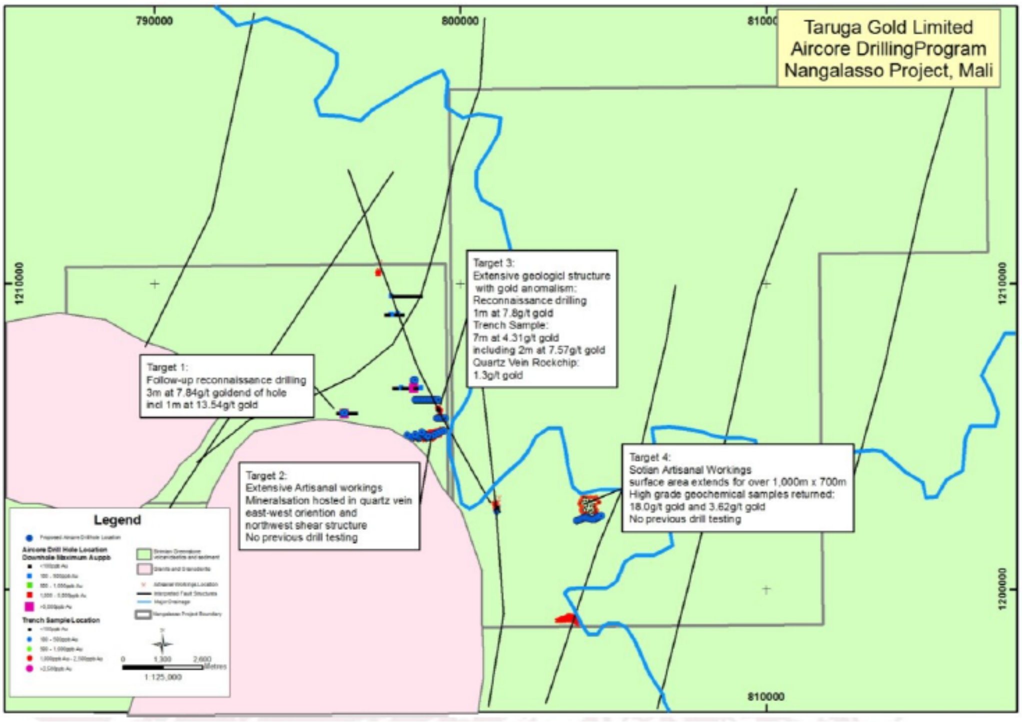


Figure 5 – Nangalasso Project – Aircore drill hole location

SLAM Project Drill Program – Kambali Prospect

A drilling campaign to target areas of extensive artisanal workings and geochemical anomalism immediately followed the Nangalasso drilling. The Kambali prospect is located in south-eastern Mali, approximately 100km from the capital Bamako.

The drilling targets were defined from geological reconnaissance and historic geochemical sampling completed by Newmont that defined strong geochemical anomalies with peak values exceeding 2g/t gold. Most recently field investigations by Taruga visited sites of artisanal workings and located major active sites with surface areas extending for over 800m strike length with over 250m width. The workings are characterised by vertical shafts to maximum depth of 15m, with gold mineralisation hosted in surface laterite material and in residual saprolite material (**Figure 6**).

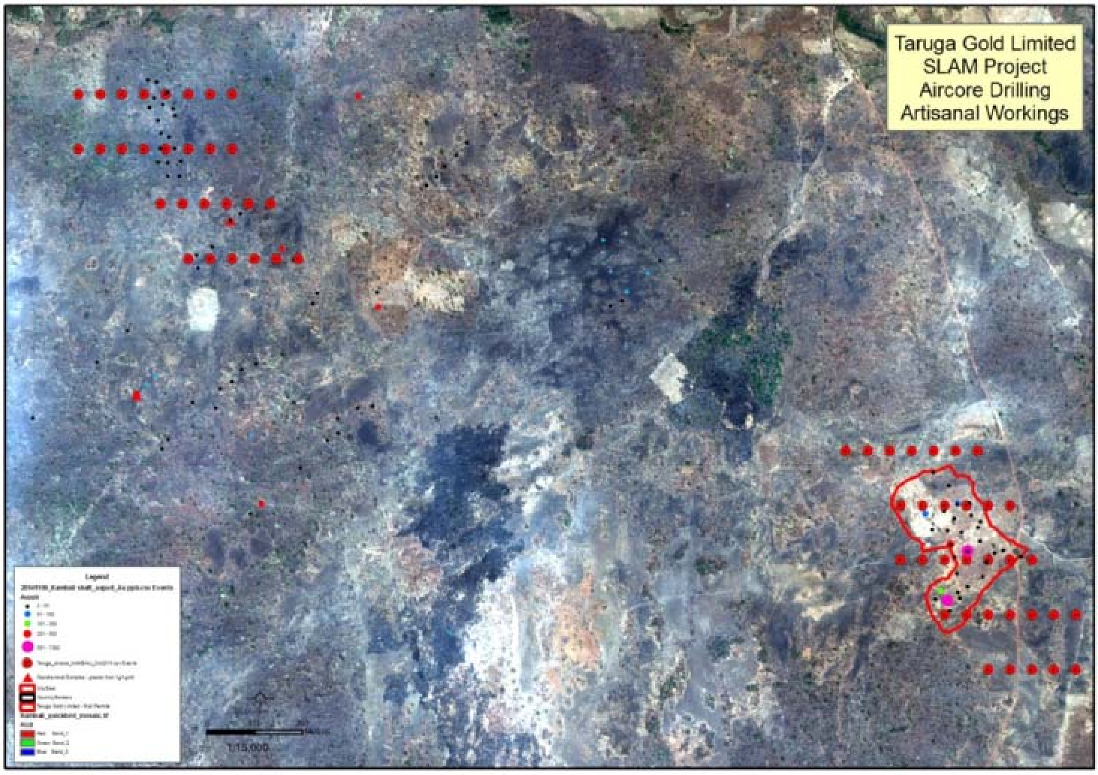


Figure 6 – SLAM Project – Kambali prospect location of artisanal workings and proposed drill holes

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. Taruga has undertaken a preliminary program of geochemical sampling where access is available, and anomalous gold results returned with a maximum of 7.38g/t gold returned from a surface sample of laterite material. These results were used to plan the drilling program.

During the reporting period, Taruga announced significant gold drill intersections from the recent aircore drilling program at the Kambali Prospect. 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. 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. Multiples zones of quartz veining and sulphide mineralisation were noted in the drilling.

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 were 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 was outlined over a 700m strike length remaining open along strike and 150m width. The program confirmed the excellent potential for further gold mineralisation within an area of extensive artisanal workings.

Significant intersections included:

- **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

Please refer to the ASX announcement of 9 February 2015 for full drill results.

CORPORATE

Capital Raisings

In June 2015, Taruga announced capital raising activities consisting of a placement in two tranches to raise $1,000,000 before costs and a Share Purchase Plan to eligible shareholders. Completed subsequent to the year end, the placement was supported by a combination of existing and new sophisticated shareholders, including resource focused North American investment manager, Sprott Inc, who participated for $500,000 of the placement. The Share Purchase Plan closed on 7 July, raising $71,000.

Earlier in the period, in October 2014, Taruga completed a placement to sophisticated and institutional investors to raise $925,000 at an issue price of $0.005 together with free attaching options (on a 1 for 4 basis) exercisable at $0.02 on or before 1 December 2016 (**Placement**). In conjunction with the Placement, the Company also completed a Share Purchase Plan which raised an additional $67,000 before costs, at an issue price of $0.0053 per share.

The earlier placement was also conducted in two tranches. Tranche 1 comprised 40,000,000 shares and was issued pursuant to the Company's placement capacity. Tranche 2 comprised an additional 145,000,000 shares which were issued during the period. Both tranches were approved by Shareholders at a General Meeting of the Company held on 26 September 2014.

A portion of the funds raised were applied to accelerate the exploration campaigns in Mali and Cote d'Ivoire detailed earlier in the report.

Board Appointments

During the reporting period, the Company announced the appointments of Mr Myles Campion and Mr Daniel Smith as Non-executive Directors of the Company.

Mr Campion is a geologist with a BSc.(Hons.) from University of Wales College Cardiff and a MSc.(MinEx) from the Royal School of Mines in London and is an Associate of the Royal School of Mines. Mr Campion has over 25 years' experience in the natural resources sector, including Resource analyst, Fund Manager, equities research and project and debt financing. Mr Campion has over 10 years as a field geologist that includes success at the Emily Ann Nickel Sulphide Mine. Mr Campion is currently a Non-Executive Director for LSE listed Opera Investments Plc.

Mr Smith is a member of the Governance Institute of Australia with a strong background in finance. His previous career was in the securities industry but more recently in a corporate finance role inclusive of negotiations, technical due diligence and business development. He has primary and secondary capital markets expertise, having been involved in a number of IPOs and capital raisings. He is currently a director of ASX listed Fraser Range Metals Group Limited and NSX listed CoAssets Limited. He is also a director of Minerva Corporate, a private corporate consulting firm.

Mr Smith and Mr Samuel Edis were appointed as Joint Company Secretaries during the period. Mr Edis trained at the College of Law in Bloomsbury, London and is an Associate Member of the Governance Institute of Australia. He has experience with a number of ASX-listed companies facilitating compliance, capital raisings, IPOs and investor relations.

The Company's previous CFO and Company Secretary, Mr Peter Newcomb, resigned during the period to focus on other corporate responsibilities. Mr Newcomb was a founding Director of Taruga and was instrumental in the completion of the Company's IPO in February 2012. The Board thanks him for his contribution to the Company and wishes him every success for the future.

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 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.

DIRECTORS' REPORT

Your Directors submit their report on the consolidated entity consisting of Taruga Gold Limited and its controlled entities ("Taruga") for the period ended 30 June 2015.

DIRECTORS

The following persons were Directors of Taruga Gold Limited during the period and up to the date of this report unless otherwise stated:

		In office from	In office to
Frank Terranova	Non-executive Chairman	3 September 2013	present
Bernard Aylward	Managing Director	21 October 2011	present
Myles Campion	Non-executive Director	27 August 2014	present
Daniel Smith	Non-executive Director & Company Secretary	27 August 2014	present
Peter Newcomb	Finance Director & Company Secretary	21 October 2011	27 August 2014

PARTICULARS OF DIRECTORS

Frank Terranova Non-executive Chairman

Qualifications and experience

Mr Terranova is a senior executive with extensive experience in corporate finance and executive management in mining and agricultural sectors. He is a Fellow of the Institute of Chartered Accountants and has held a number of executive roles in ASX listed companies including Managing Director of Allied Gold Mining PLC which was acquired by St Barbara Limited in 2012 for A$560M. He subsequently became Managing Director of Polymetals Mining Limited overseeing its merger with Southern Cross Goldfields Limited and led the organisational transformation and a re-capitalisation program of that Group.

Mr Terranova is currently interim Managing Director of Unity Mining Limited and a Non-Executive Director of the Australia Pet Welfare Foundation and currently provides advisory services to a number of companies across various sectors.

Interest in Shares and Options

Fully Paid Shares – 10,715,555
Options - 3,040,000

Directorships held in listed entities

Company Name	Appointed	Resigned
Unity Mining Limited	25 May 2015	-
Chesser Resources Ltd	12 February 2015	-
Southern Cross Goldfields Ltd	20 August 2013	8 September 2014
Polymetals Mining Limited	21 February 2013	20 August 2013

Bernard Aylward **Managing Director** **BSc (Hons.), MAusIMM**

Qualifications and experience

Mr Aylward is a geologist with over 20 years' experience as a manager and exploration geologist in the mining and exploration industry in a variety of commodities. Mr Aylward's experience includes serving as the Chief Operating Officer of International Goldfields Ltd, General Manager of Azumah Resources Ltd (Ghana), and Exploration Manager for Croesus Mining NL.

Mr Aylward has been involved in the discoveries and management of the Bepkong, Julie, Collette and Kunche deposits in Ghana, as well as the Deep South gold deposit, Gladstone North deposit, St Patrick's, Norseman Reef, and the Safari Bore gold deposit.

Mr Aylward brings considerable relevant skills and experience to the Board. He is a member of the Australasian Institute of Mining and Metallurgy.

Interest in Shares and Options

Fully Paid Shares - 58,109,632
Options - 12,583,333

Special Responsibilities

Mr Aylward is Executive Managing Director and is responsible for the day to day running of the Company.

Directorships held in listed entities

Nil

Myles Campion **Non-Executive Director** **BSc. (Hons.), MSc. (MinEx)**

Qualifications and experience

Mr Campion is a geologist with a BSc.(Hons.) from University of Wales College Cardiff and a MSc.(MinEx) from the Royal School of Mines in London and is an Associate of the Royal School of Mines. Mr Campion has over 25 years' experience in the natural resources sector, including Resource analyst, Fund Manager, equities research and project and debt financing.

Mr Campion has over 10 years as a field geologist that includes success at the Emily Ann Nickel Sulphide Mine. Mr Campion is currently a Non-Executive Director for LSE listed Opera Investments Plc.

Interest in Shares and Options

Fully Paid Shares – 2,222,222
Options – 1,500,000

Directorships held in listed entities

Company Name	Appointed	Resigned
Opera Investments Plc.	22 April 2015	-

Daniel Smith **Non-Executive Director and Company Secretary** **GIA (Cert)**

Qualifications and experience

Mr Smith is a member of the Governance Institute of Australia with a background in finance. He has primary and secondary capital markets expertise, having been involved in a number of IPOs and capital raisings.

Mr Smith is currently a non-executive director of ASX-listed Fraser Range Metals Group Ltd and NSX-listed CoAssets Limited. He is also a director of Minerva Corporate, a private corporate consulting firm.

Interest in Shares and Options

Fully Paid Shares – 2,444,444
Options – 1,500,000

Special Responsibilities

Mr Smith is joint Company Secretary of the Company.

Directorships held in listed entities

Company Name	Appointed	Resigned
CoAssets Limited	18 March 2015	-
Fraser Range Metals Group Limited	5 February 2013	-
Minerals Corporation Limited	1 April 2013	15 January 2015

Information on Former Directors

Peter Newcomb
Mr Newcomb is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants in Australia, with over 35 years of commercial experience. He has worked in a number of industries and locations including London, Scotland, Singapore and Perth. The majority of his experience over the last 15 years has been in the resources industry in Western Australia and overseas.

OPERATING AND FINANCIAL REVIEW

A review of the operations of the consolidated entity during the financial year is contained in the Review of Operations section of this Annual Report. The Company's strategy in West Africa is to continue with the targeted exploration programs. The Company will also continue to review opportunities as they arise with a focus on advanced gold projects located within West Africa.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the year was mineral exploration in West Africa.

Operating Results

Consolidated comprehensive loss after income tax for the financial period is $752,688 (2014: $2,569,453)

Financial Position

At 30 June 2015 the Company had cash reserves of $830,111 (2014: $239,484)

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 10 July 2015, the Company announced the closure of a Share Purchase Plan raising $71,000.

On 17 July 2015, the Company announced the completion of Tranche 2 of a placement raising an additional $626,210.

On 17 September 2015, the Company announced execution of a non-binding heads of agreement for a proposed joint venture with Newcrest Mining Ltd over the Dabakala Project in Cote d'Ivoire.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company intends to continue its exploration activities with a view to the identification of a mineable deposit.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2015, and the number of meetings attended by each Director.

	Number eligible to attend	Number attended
Bernard Aylward	7	7
Frank Terranova[1]	7	7
Daniel Smith[1]	7	7
Myles Campion[2]	7	7
Peter Newcomb[3]	0	0

[1] Mr Smith was appointed on 27 August 2014
[2] Mr Campion was appointed on 27 August 2014
[3] Mr Newcomb resigned on 27 August 2014

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director and "Key Management Personnel" of Taruga Gold Limited.

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standards AASB 124 "Related Party Disclosures". These disclosures have been transferred from the financial report and have been audited. Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, including any director.

Remunerations policy

The board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payment to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold securities in the company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre Directors and employees. Company officers and Directors are remunerated to a level consistent with size of the Company.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

Performance-based remuneration

The Company does not pay any performance-based component of salaries.

Details of remuneration for year ended 30 June 2015

Directors' Remuneration

No salaries, commissions, bonuses or superannuation were paid or payable to Directors during the year. Remuneration was by way of fees paid monthly in respect of invoices issued to the Company by the Directors or companies associated with the Directors in accordance with agreements between the Company and those entities.

Details of the agreements are set out below.

Agreements in respect of cash remuneration of Directors:

Executive Directors

Bernard Aylward (through Matlock Geological Services Pty Ltd) is on a contract dated 1 November 2011 which provides for a fixed fee, with a termination period of 3 months. At the date of this report the annual remuneration for Bernard Aylward is $153,000. In the event of a termination of contract giving less notice than provided for in the contracts, the remaining notice period will be paid in full.

Peter Newcomb (through Symbios Pty Ltd) was on a contract dated 1 November 2011 which provided for a fixed monthly fee and additional fees at a fixed day rate for work performed outside the scope of the terms of the agreement, with a termination period of 3 months.

Non-executive Directors

The Company's constitution provides that the Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate sum determined by a general meeting. The aggregate remuneration has been set at an amount of $300,000 per annum.

Frank Terranova is on a contract dated 3 September 2013 which provides for a fixed fee of $4,000 per month. Myles Campion is on a contract dated 27 August 2014 which provides for a fixed fee of $2,500 per month. Dan Smith (through Minerva Corporate Pty Ltd) is on a contract dated 26 August which provides for a fixed fee of $2,500 per month, additional work will be billed at the rate of $1,000 per day.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties. Executive Directors may be paid on commercial terms as the Directors see fit.

The total remuneration paid to Key Management Personnel is summarised below:

Period ended 30 June 2014

Director	Associated Company	Fees	Consultancy	Options	Total
Bernard Aylward	Matlock Geological Services Pty Ltd	-	270,000	-	270,000
Peter Newcomb	Symbios Pty Ltd	-	96,000	-	96,000
Edmond Edwards	Tied Nominees Pty Ltd	12,000	-	-	12,000
Frank Terranova		40,000	-	-	40,000
		52,000	366,000	-	418,000

Year ended 30 June 2015

Director	Associated Company	Fees	Consultancy	Options	Total
Bernard Aylward	Matlock Geological Services Pty Ltd	-	75,159	-	75,159
Peter Newcomb	Symbios Pty Ltd	-	24,000	-	24,000
Daniel Smith	Minerva Corporate Pty Ltd	25,000	-	8,100	33,100
Myles Campion		25,000	-	8,100	33,100
Frank Terranova		48,000	-	8,100	56,100
		98,000	99,159	24,300	221,459

The consolidated entity does not have any full time Executive officers, other than the Managing Director as detailed above. There were no performance related payments made during the year.

Shareholdings of Key Management Personnel:

	Balance 30 June 2013	Balance on Appointment	Purchases	Balance on Resignation	Balance 30 June 2014
Bernard Aylward	20,710,000	-	3,125,000	-	23,835,000
Peter Newcomb	140,000	-	1,000,000	-	1,140,000
Edmond Edwards[1]	170,000	-	-	170,000	N/A
Frank Terranova[2]	N/A	-	1,000,000	-	1,000,000
	21,020,000	-	5,125,000	170,000	25,975,000

[1]Mr Edwards resigned on 3 September 2013 with a shareholding balance of 170,000 shares.
[2]Mr Terranova was appointed on 3 September 2013 with a shareholding balance of nil shares.

	Balance 30 June 2014	Balance on Appointment	Purchases	Balance on Resignation	Balance 30 June 2015
Bernard Aylward	23,835,000	-	19,830,188	-	43,665,188
Daniel Smith	-	-	-	-	-
Frank Terranova	1,000,000	-	6,160,000	-	7,160,000
Myles Campion	-	-	-	-	-
Peter Newcomb[1]	1,140,000	-	-	1,140,000	-
	25,975,000	-	25,990,188	1,140,000	50,825,188

[1]Mr Newcomb resigned on 29 August 2014 with a shareholding balance of 1,140,000 shares.
Aggregate amounts payable to Directors and their personally related entities.

	Consolidated Entity **2015** **$**	Consolidated Entity **2014** **$**
Accounts payable	168,485	323,625

Taruga Gold Ltd Director Mr Daniel Smith is a current director of Minerva Corporate Pty Ltd. Minerva Corporate Pty Ltd provided corporate consultancy services to Taruga Gold Ltd during the period that Mr Daniel Smith was a director. Payments to Minerva Corporate Pty Ltd during the period total $78,600 (2014: $NIL).

Option holdings of Key Management Personnel:

	Balance 30 June 2013	Balance on Appointment	Issues	Balance on Resignation	Balance 30 June 2014
Bernard Aylward	5,000,000	-	-	-	5,000,000
Peter Newcomb	-	-	-	-	-
Edmond Edwards	-	-	-	-	-
Frank Terranova	-	-	-	-	-
	5,000,000	-	-	-	5,000,000

	Balance 30 June 2014	Balance on Appointment	Issues	Balance on Resignation	Balance 30 June 2015
Bernard Aylward	5,000,000	-	4,250,000	-	9,250,000
Peter Newcomb	-	-	-	-	-
Frank Terranova	-	-	3,040,000	-	3,040,000
Daniel Smith	-	-	1,500,000	-	1,500,000
Myles Campion	-	-	1,500,000	-	1,500,000
	5,000,000	-	10,290,000	-	15,290,000

ENVIRONMENTAL ISSUES

The consolidated entity has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The consolidated entity aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

OPTIONS

At the date of this report, share options on issue to take up fully paid Ordinary Shares in the capital of the Company are as follows:

	No. of Options Outstanding	**Expiry Date**	**Exercise Price**
	52,250,000	01/12/2016	$0.02
	10,000,000	31/01/2016	$0.20
	5,000,000	03/02/2016	$0.20
TOTAL	**67,250,000**		

The names of persons who currently hold options are entered in a register pursuant to Section 170 of the Corporations Act 2001. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of the Company or any other corporation. Subsequent to year end no options have been exercised.

INDEMNIFICATION OF DIRECTORS

During the financial year, the Company has not given an indemnity or entered into an agreement to indemnify any of the Directors.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

There were no non-audit services provided during the current year by our auditors, HLB Mann Judd.

PROCEEDINGS ON BEHALF OF COMPANY

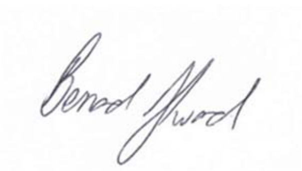
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITORS' INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 25 and forms part of this directors' report for the year ended 30 June 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.



Bernard Aylward

Managing Director

Dated Perth 30 September 2015

CORPORATE GOVERNANCE STATEMENT

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council.

The following corporate governance charters, codes and policies have been implemented and are available on the Company's website at www.tarugagold.com.au:

- Board Charter
- Corporate Code of Conduct
- Diversity, Nomination and Remuneration Committee Charter
- Audit and Risk Committee Charter
- Shareholder Communication Guidelines and Policy
- Disclosure Policy
- Securities Trading Policy

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Taruga Gold Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2015

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

	Note	CONSOLIDATED	
		Year to 30 June 2015 $	Year to 30 June 2014 $
Revenue	2	(43,255)	(23,107)
Depreciation	3	34,925	42,991
Consultants		327,110	320,219
Impairment expense		-	1,846,143
Professional fees		81,148	56,162
Travel and accommodation		33,107	65,113
Office and communication costs		32,680	71,614
Share based payment		32,400	-
Other expenses		191,621	138,932
		689,736	2,518,067
Exchange loss/(gain)		2,730	29,214
Loss before income tax		692,466	2,547,281
Income tax benefit		-	-
Net loss for the period		692,466	2,547,281
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange loss on translation of foreign subsidiaries		60,222	22,172
Total comprehensive loss for the period		752,688	2,569,453
Basic loss per share (cents per share)	19	0.22	1.83

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

AND CONTROLLED ENTITIES

	Note	CONSOLIDATED 30 June 2015 $	30 June 2014 $
CURRENT ASSETS			
Cash and cash equivalents	5	830,111	239,484
Trade and other receivables	6	54,741	29,431
Total Current Assets		884,852	268,915
NON CURRENT ASSETS			
Plant and equipment	7	68,500	93,478
Mineral exploration and evaluation	8	8,508,993	7,944,634
Total Non-Current Assets		8,577,493	8,038,112
TOTAL ASSETS		9,462,345	8,307,027
CURRENT LIABILITIES			
Trade and other payables	9	993,664	473,135
Total Current Liabilities		993,664	473,135
TOTAL LIABILITIES		993,664	473,135
NET ASSETS		8,468,681	7,833,892
EQUITY			
Issued capital	11	11,767,286	10,412,209
Reserves	12	598,040	625,862
Accumulated losses	12	(3,896,645)	(3,204,179)
TOTAL EQUITY		8,468,681	7,833,892

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Options Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
Year to 30 June 2014					
As at 1 July 2013	9,215,589	648,944	(656,898)	(910)	9,206,725
Issue of shares	1,200,000	-	-	-	1,200,000
Share issue expenses	(3,380)	-	-	-	(3,380)
Loss for the period	-	-	(2,547,281)	-	(2,547,281)
Exchange loss on translation of foreign subsidiaries	-	-	-	(22,172)	(22,172)
As at 30 June 2014	10,412,209	648,944	(3,204,179)	(23,082)	7,833,892
Year to 30 June 2015					
As at 1 July 2014	10,412,209	648,944	(3,204,179)	(23,082)	7,833,892
Issue of shares	1,398,289	-	-	-	1,398,289
Issue of options	-	32,400	-	-	32,400
Share issue expenses	(43,212)	-	-	-	(43,212)
Loss for the period	-	-	(692,466)	-	(692,466)
Exchange loss on translation of foreign subsidiaries	-	-	-	(60,222)	(60,222)
As at 30 June 2015	11,767,286	681,344	(3,896,645)	(83,304)	8,468,681

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

AND CONTROLLED ENTITIES

	Note	CONSOLIDATED Year to 30 June 2015 $	 Year to 30 June 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(647,460)	(441,134)
Interest income received		4,599	23,107
Net cash used in operating activities	16	(642,861)	(418,027)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(651,504)	(1,555,836)
Payment for plant and equipment		-	-
Net cash used in investing activities		(651,504)	(1,555,836)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,930,120	1,000,000
Share issue transaction costs		(27,073)	(3,380)
Net cash provided by financing activities		1,903,047	996,620
Net increase/(decrease) in cash held		608,682	(977,293)
Cash and cash equivalents at the beginning of the period		239,484	1,217,402
Effect of exchange rate fluctuations on cash held		(18,055)	(625)
Cash and cash equivalents at the end of the period		830,111	239,484

The accompanying notes form part of these financial statements.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia and operating in West Africa. The entity's principal activity is mineral exploration.

The accounting policies detailed below have been consistently applied to all of the periods presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Taruga Gold and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Group is a for profit entity.

The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Comparative figures shown are for the year from 1 July 2013 to 30 June 2014.

Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and consolidated entity's assets and the discharge of their liabilities in the normal course of business.

The Company has a working capital deficiency at 30 June 2015 of $108,812 (2014: $204,220) and a net cash outflow from operating and investing activities of $1,294,365 (2014: $1,973,863).

Included in the working capital deficiency is an amount of $543,383 that relates to funds received for capital raised subsequent to the year end.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund its and the consolidated entity's operations and further develop their mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding can be derived from either one or a combination of the following:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

Accordingly, the Directors believe the Company will obtain sufficient funding to enable it and the consolidated entity to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. While the Directors are confident of the Group's ability to raise additional capital, should the Group be unable to do so, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue to be a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business.

Statement of Compliance

The financial report was authorised for issue on 30 September 2015.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Directors that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial year, as required under AASB 101.

Accounting Policies

(a) Basis of Consolidation

A controlled entity is any entity controlled by Taruga Gold Limited. Control exists where Taruga Gold Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Taruga Gold Limited to achieve the objectives of Taruga Gold Limited. All controlled entities have a 30 June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profit or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Income Tax

The charge for current income tax expenses is based on the result for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding computers, is depreciated on a reducing balance commencing from the time the asset is held ready for use. Computers are depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset:	Depreciation Rate:
Plant and Equipment	15 – 50%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas, sale of the respective areas of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the areas is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(e) Impairment of Assets

At each reporting date, the Directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Provisions

Provisions are recognised where there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the statement of financial position are shown inclusive of GST.

(j) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(k) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Taruga Gold Limited.

(l) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key Estimates – Impairment

The Directors assess impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

An impairment was recognised in the prior year in respect of costs carried forward as exploration assets in Note 8. The ultimate recoupment of value is dependent on the successful development and commercial exploitation or sale of the respective areas.

(m) Share based payments – shares and options

The fair value of shares and share options granted is recognised as an expense with a corresponding increase in equity. Fair value is measured at grant date and recognised over the period during which the grantees become unconditionally entitled to the shares or share options.

The fair value of share grants at grant date is determined by the share price at that time.

The fair value of share options at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, any vesting and performance criteria, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

Upon the exercise of the option, the balance of the share-based payments reserve relating to the option is transferred to share capital.

(n) Foreign currency translation

Both the functional and presentation currency of Taruga Gold Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations Gecko Gold Niger, Gecko Gold CI and MGS Ghana is CFA Francs.

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Taruga Gold Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(o) Parent entity financial information

The financial information for the parent entity, Taruga Gold Limited, disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except for Investments in subsidiaries which are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(p) New Standards Issued but not yet effective

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 June 2015. They have not been adopted in preparing the financial statements for the year ended 30 June 2015 and are expected to impact the entity in the period of initial application.

In all cases the entity intends to apply these standards from application date as indicated in the table below.

(p) New Standards Issued but not yet effective (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Annual reporting periods beginning on or after 1 January 2017[3]	Adoption of AASB 9 is only mandatory for the year ending 30 June 2018. The entity does not currently have any financial instruments.

[3] The application date of AASB 9 has been deferred from annual periods beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017 by AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.*

(p) New Standards Issued but not yet effective (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 2013-9 (issued December 2013)	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Makes three amendments to AASB 9: • Adding the new hedge accounting requirements into AASB 9 • Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2017, and • Making available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option without early applying the other AASB 9 requirements. Under the new hedge accounting requirements: • The 80-125% highly effective threshold has been removed • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable • An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure • When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI	Annual reporting periods beginning on or after 1 January 2015	The application date of AASB 9 has been deferred to 1 January 2017. The entity has not yet made an assessment of the impact of these amendments. The entity does not currently have any hedging arrangements in place.

NOTE 2 – REVENUE

Revenue	**2015 $**	**2014 $**
Interest received	4,599	23,107
Other Income	38,656	-
Total Revenue	43,255	23,107

NOTE 3 – LOSS FROM ORDINARY ACTIVITIES BEFORE TAX EXPENSES

Expenses

Depreciation of non-current assets

Plant and Equipment	8,920	9,861
Office furniture and equipment	3,353	4,446
Motor vehicles	22,652	28,684
Total depreciation of non-current assets	34,925	42,991

NOTE 4 – INCOME TAX

The prima facie tax benefit at 30% on loss from ordinary activities is reconciled to the income tax benefit in the financial statements as follows:

	2015 $	**2014 $**
Loss from ordinary activities	692,466	2,547,281
Prima facie income tax benefit at 30%	207,740	764,184
Tax effect of permanent differences		
Share Issue Costs amortised	69,532	69,532
Other non-deductible expenses	-	(28,936)
Income tax benefit adjusted for permanent differences	277,272	804,780
Deferred tax asset not brought to account	(277,272)	(804,780)
Income tax benefit	-	-

The directors estimate the cumulative unrecognised deferred tax asset attributable to the company and its controlled entity at 30% is as follows:

DEFERRED TAX ASSETS	2015	2014
Revenue Losses after permanent differences	1,416,538	1,139,226
Capital Raising Costs yet to be claimed	69,530	139,062
	1,486,068	1,278,288

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2015 as the Directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

(a) The company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses and the unrecouped exploration expenditure to be realised;

(b) The company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and

(c) No changes in tax legislation adversely affect the company and its controlled entity in realising the benefit from the deductions for the tax losses and unrecouped exploration expenditure.

Franking Credits

No franking credits are available at balance date for the subsequent financial year.

	2015 $	2014 $
NOTE 5 – CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	830,111	239,484

NOTE 6 – TRADE AND OTHER RECEIVABLES

Current

GST receivable	8,278	13,160
Other receivables	46,463	16,271
	54,741	29,431

NOTE 7 – PLANT AND EQUIPMENT

2014

Cost	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Total
Balance Brought Forward	104,494	19,470	22,537	146,501
Acquisitions (i)	44,859	32,163	-	77,022
Disposals	-	-	-	-
Foreign exchange movement	(1,747)	(325)	(378)	(2,450)
Balance Carried Forward	147,606	51,308	22,159	221,073
Accumulated Depreciation				
Balance Brought Forward	30,433	5,885	6,627	42,945
Charge	28,684	9,861	4,446	42,991
Accumulated depreciation upon acquisition (i)	21,178	15,186	-	36,364
Disposals	-	-	-	-
Foreign exchange movement	5,228	710	(643)	5,295
Balance Carried Forward	85,523	31,642	10,430	127,595
Net Book Value June 30 2014	62,083	19,666	11,729	93,478

2015

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Total
Balance Brought Forward	147,606	51,308	22,159	221,073
Acquisitions	-	-	-	-
Disposals	-	-	-	-
Foreign exchange movement	12,114	867	3,178	16,159
Balance Carried Forward	159,720	52,175	25,337	237,232
Accumulated Depreciation				
Balance Brought Forward	85,523	31,642	10,430	127,595
Charge	22,652	8,920	3,353	34,925
Accumulated depreciation upon acquisition	-	-	-	-
Disposals	-	-	-	-
Foreign exchange movement	4,721	(5)	1,496	6,212
Balance Carried Forward	112,896	40,557	15,279	168,732
Net Book Value June 30 2015	46,824	11,618	10,058	68,500

(i) See Note 24 for details of acquisition.

NOTE 8 – MINERAL EXPLORATION AND EVALUATION

	2015 $	2014 $
Opening balance	7,944,634	8,265,401
Acquisition costs (ii)	-	331,168
Expenditure during the year	616,473	1,207,049
Impairment (i)	-	(1,846,143)
Foreign exchange movement	(52,114)	(12,841)
Closing balance	8,508,993	7,944,634

(i) The above impairments costs represent the carrying value of the Ducie Project, Ghana. The Company is no longer involved in the project and has no retained interest.

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(ii) See Note 24 for details of acquisition.

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation, or sale of the respective areas.

NOTE 9 – TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade creditors	303,488	454,284
Other payables (i)	690,176	18,851
	993,664	473,135

(i) Includes in Other Payables is amount of $543,393 that relates to funds receivable for capital raised subsequent to the year end.

NOTE 10 – INTEREST BEARING LIABILITIES

Financing Agreements

No overdraft facilities have been formalised at 30 June 2015 (2014: Nil) and neither the company nor its controlled entity have lines of credit at 30 June 2015 (2014: Nil).

NOTE 11 – ISSUED CAPITAL

		2015 $	2014 $
(a)	**Issued capital**		
	447,821,877 shares fully paid	11,767,286	10,412,209

Movements in ordinary share capital of the Company were as follows:

	Number	$
Opening balance at 30 June 2013	85,616,000	9,215,589
Acquisition of Mali Nangalosso and Diendio 29 August 2013	12,500,000	200,000
Placement 22 October 2013	62,500,000	1,000,000
Transaction costs	-	(3,380)
Closing balance at 30 June 2014	160,616,000	10,412,209

	Number	$
Opening balance at 30 June 2014	160,616,000	10,412,209
Placement – Tranche 1 at 27 August 2014	40,000,000	200,000
Placement – SPP at 30 September 2014	12,641,502	67,000
Placement – Tranche 2 at 07 October 2014	145,000,000	725,000
Shares issued in lieu of professional fees at 04 December 2014	6,500,000	32,500
Placement – Tranche 1	83,064,375	373,789
Transaction costs	-	(43,212)
Closing balance at 30 June 2015	447,821,877	11,767,286

Movements in options were as follows:

	Number	$
Opening balance at 30 June 2013	15,000,000	648,944
Closing balance at 30 June 2014	15,000,000	648,944
Opening balance at 30 June 2014	15,000,000	648,944
Unlisted options issued at 07 October 2014 (i)	46,250,000	-
Unlisted options issued at 27 November 2014	6,000,000	32,400
Closing balance at 30 June 2015	67,250,000	681,344

(i) Free attaching options.

The above options are exercisable as follows:

5,000,000 at $0.20 on or before 3/2/16
10,000,000 at $0.20 on or before 31/1/16
52,500,000 at $0.02 on or before 1/12/16

(d) Voting and dividend rights

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 12 – RESERVES AND ACCUMULATED LOSSES

	2015 $	2014 $
Options Reserve	681,344	648,944
Foreign Currency Translation Reserve	(83,304)	(23,082)
	598,040	625,862

Accumulated Losses

Balance at beginning of the year	3,204,179	656,898
Net loss from ordinary activities	692,466	2,547,281
Balance at end of the year	3,896,645	3,204,179

Options Reserve

Balance at beginning of the year	648,944	648,944
Reserve arising on issue of options	32,400	-
Balance at end of the year	681,344	648,944

Foreign Currency Translation Reserve

Balance at beginning of the year	(23,082)	(910)
Reserve arising on translation of foreign subsidiaries	(60,222)	(22,172)
Balance at end of the year	(83,304)	(23,082)

Nature and purpose of Reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

The Share Option Reserve contains amounts received on the issue of options over unissued capital of the company.

NOTE 13 – COMMITMENTS FOR EXPENDITURE

(a) Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay in the year ending 30 June 2016 amounts of $500,000 in respect of minimum tenement expenditure requirements and lease rentals. The obligations are not provided for in the financial report and are payable as follows :

	2015 $	2014 $
Not later than one year	200,000	250,000
Later than 1 year but not later than 2 years	300,000	350,000
Later than 2 years but not later than 5 years	350,000	350,000
	850,000	950,000

NOTE 14 – INVESTMENT IN CONTROLLED ENTITIES

	Registered Number	Country of Incorporation	Interest Held	Value of investment
Parent				
Taruga Gold Limited	153 868 789	Australia		
Subsidiaries				
Gecko Gold Niger SARL	RCCM-NI-NIA-2010-B-2625	Niger	100%	1,316,675
MGS Ghana Limited	CA-80, 601	Ghana	100%	-
Gecko Gold CI SARL	RCCM-CI-ABJ-2010-B-1899	Cote d'Ivoire	100%	1,350,367
International Goldfields Bermuda Limted		Bermuda	100%	323,277
Jigsaw Resources CIV Ltd		Bermuda	100%	-

NOTE 15 – SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Taruga Gold Limited.

The company operates in one operating segment therefore disclosures are consistent with the financial report.

NOTE 16 – NOTES TO THE STATEMENT OF CASH FLOWS

	2015 $	2014 $
Reconciliation of loss after income tax to net operating cash flows		
Loss from ordinary activities	692,466	2,547,281
Depreciation	(34,925)	(42,991)
Impairment	-	(1,846,143)
Share based payment	(32,400)	-
	625,141	658,147
Movement in assets and liabilities		
Receivables	24,142	(37,759)
Other current assets	-	15,119
Payables	(6,422)	(217,480)
Net cash used in operating activities	642,861	418,027
Non cash financing activities		
Shares issued for acquisition of subsidiaries	-	-

NOTE 17 – RELATED PARTY INFORMATION

a) Transaction with Key Management Personnel

The transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

The total remuneration paid to Directors and Executives is summarised below:

Taruga Gold Ltd Directors Mr Daniel Smith are current directors of Minerva Corporate Pty Ltd. Minerva Corporate Pty Ltd provided corporate consultancy services to Taruga Gold Ltd during the period that Mr Daniel Smith were directors. Payments to Minerva Corporate Pty Ltd during the period total $78,600 (2014: $NIL).

b) Directors and Executives Disclosures

The aggregate compensation made to directors and other key management personnel of the Group is set out below:

	2015 $	2014 $
Short-term employee benefits	197,159	418,000
Post-employment benefits	-	-
	197,159	418,000

NOTE 18 – REMUNERATION OF AUDITORS

	2015 $	2014 $
Auditing and reviewing of the financial statements of Taruga Gold Limited and of its controlled entities.	26,500	25,150
	26,500	25,150

NOTE 19 – LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2015 $	2014 $
Loss	692,466	2,547,281
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	320,600,259	139,040,658

There are no potential ordinary shares on issue at the date of this report.

NOTE 20 – FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and hire purchase liabilities.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst maintaining potential adverse effects on financial performance. The Group has developed a framework for a risk management policy and internal compliance and control systems that covers the organisational, financial and operational aspects of the group's affairs. The Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk.

Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in the market, interest rate and the effective weighted average interest rate on these financial assets, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2015	2014	2015	2014
Financial Assets				
Cash at Bank	0.17%	2.36%	827,256	234,012
Total Financial Assets			827,256	234,012

There are no financial liabilities subject to interest rate fluctuations.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Interest Rate Sensitivity Analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks.

At 30 June 2015 the effect on the loss and equity as a result of changes in the interest rate with all other variables remaining constant is as follows:

	2015	**2014**
	$	**$**
Change in Loss		
• Increase in interest by 2%	(16,545)	(19,590)
• Decrease in interest by 2%	16,545	19,590
Change in Equity		
• Increase in interest by 2%	16,545	19,590
• Decrease in interest by 2%	(16,545)	(19,590)

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Currency	Liabilities 2015 $	Assets 2015 $	Liabilities 2014 $	Assets 2014 $
US Dollars	50,291	-	66,004	240
English Pounds	6,141	-	-	-
Euros	17,409	-	17,361	-
West Africa CFA	65,055	5,658,786	-	4,154
Ghanaian Cedi	41,366	39	-	476

Foreign currency

Other than translational risk the Group has no significant exposure to foreign currency risk at the balance date.

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statement.

In the case of cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority Supervision.

The consolidated entity does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

Capital Management Risk

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. The consolidated entity has no financial assets or liabilities that are readily traded on organised markets at balance date and has no financial assets where the carrying amount exceeds net fair values at balance date.

NOTE 21 - MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 10 July 2015, the Company announced the closure of a Share Purchase Plan raising $71,000.

On 17 July 2015, the Company announced the completion of Tranche 2 of a placement raising an additional $626,210.

On 17 September 2015, the Company announced execution of a non-binding heads of agreement for a proposed joint venture with Newcrest Mining Ltd over the Dabakala Project in Cote d'Ivoire.

NOTE 23 - PARENT ENTITY DISCLOSURES

Financial Position

	2015	2014
	$	$
CURRENT ASSETS		
Cash and cash equivalents	824,023	234,590
Trade and other receivables	53,971	15,141
Total Current Assets	877,994	249,731
NON CURRENT ASSETS		
Investment in subsidiaries	6,333,957	2,990,319
Loans to subsidiaries less impairment	2,182,235	4,919,403
Total Non Current assets	8,516,192	7,909,722
TOTAL ASSETS	9,394,186	8,159,453
CURRENT LIABILITIES		
Trade and other payables	925,505	364,623
Total Current Liabilities	925,505	364,623
TOTAL LIABILITIES		
NET ASSETS	8,468,681	7,794,830
EQUITY		
Issued capital	11,767,286	10,412,209
Reserves	681,344	648,944
Accumulated losses	(3,979,949)	(3,266,323)
TOTAL EQUITY	8,468,681	7,794,830

Financial Performance

Loss for the year	614,658	567,301
Impairment	98,968	2,041,214
Total comprehensive loss	713,626	2,608,515

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries, has no contingent liabilities, and has no commitments for acquisition of plant and equipment.

NOTE 24 – ACQUISITION OF INTERNATIONAL GOLDFIELDS LIMITED

On 26 July 2013 the Company acquired 100% of the voting shares of International Goldfields (Bermuda) Limited (IGB), which included acquiring control of IGB's wholly owned subsidiary International Goldfields (Mali) SARL.

The total cost of the acquisition was $323,277 and comprised an issue of equity instruments and cash. The Company issued 12,500,000 shares with a value of $0.016 each, based on the share price of Taruga Gold Limited at the date of exchange.

	Fair value at acquisition date $
Cash and cash equivalents	1,492
Fixed Assets	36,457
Exploration expenditure	55,777
Trade payables	(45,840)
Fair value of identifiable net assets	47,886
Goodwill arising on acquisition (i)	275,391
	323,277

(i) Goodwill has been capitalised as additions to the deferred exploration and evaluation expenditure for the period.

	$
Acquisition date fair value of consideration transferred:	
Shares issued at fair value	200,000
Cash payments	123,277
Total consideration	323,277

	Consolidated $
The cash outflow on acquisition is as follows:	
Cash paid	(200,000)
Net cash acquired with the subsidiary	1,492
Net cash outflow	(198,508)

Directly attributable costs of raising equity have been included as a deduction from equity.

DIRECTORS' DECLARATION

In the opinion of the directors of Taruga Gold Limited ("the company"):

1) The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and

   (b) giving a true and fair view of the Group's financial position as at 30 June and of its performance for the period then ended; and

2) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3) The financial statements and notes thereto are in accordance with international financial reporting standards issued by the International Accounting Standards Board.

4) This declaration has been made after reviewing the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2015.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Bernard Aylward

Managing Director

Dated Perth 30 September 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Taruga Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Taruga Gold Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Taruga Gold Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the company will need to seek additional funding in the coming year in order to meet its operating expenditure and planned exploration expenditure for the next twelve months from the date of signing these financial statements. Should these equity raisings or other sources of funding be unable to be completed or sourced, there is a material uncertainty that may cast significant doubt as to whether the company will be able to realise its assets and extinguish its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Taruga Gold Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
30 September 2015

ANALYSIS OF SHAREHOLDING as at 21 September 2015

			Shareholders
1	-	1,000	186
1,001	-	5,000	130
5,001	-	10,000	48
10,001	-	100,000	126
100,001	-	or more	32
Total on Issue			522

The number of shareholdings held in less than marketable parcels is 317.

Voting Rights

Article 16 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

a) for every fully paid share held by him one vote
b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares

Substantial Shareholders

The following substantial shareholders have notified the Company in accordance with Corporations Act 2001.

	Shares	%
Exploration Capital Partners 2000 Limited Partnership	4,444,445	17.80
N&J Mitchell Holdings Pty Ltd	3,101,558	12.42
Mr Bernard Aylward	2,324,386	9.31%
Tietto Minerals Pty Ltd	2,000,000	8.01

Directors' Shareholding

The interest of each director in the share capital of the Company is detailed at Note 17.

TOP TWENTY SHAREHOLDERS

Rank	Name	Shares	%
1.	EXPLORATION CAPITAL PARTNERS 2000 LIMITED PARTNERSHIP	4,444,445	17.80%
2.	TIETTO MINERALS PTY LTD	2,000,000	8.01%
3.	MR BERNARD AYLWARD <THE GALBRAITH FAMILY A/C>	1,671,386	6.69%
4.	CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>	1,643,889	6.58%
5.	MR DAVID HARPER	1,122,445	4.49%
6.	ASCENT CAPITAL HOLDINGS PTY LTD	926,001	3.71%
7.	REDSTAR RESOURCES LIMITED	800,000	3.20%
8.	BERRINGER LIMITED	676,862	2.71%
9.	MATLOCK GEOLOGICAL SERVICES PTY LTD	625,400	2.50%
10.	STONYDEEP INVESTMENTS PTY LTD	451,378	1.81%
11.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	444,445	1.78%
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	401,334	1.61%
13.	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	400,000	1.60%
14.	N & J MITCHELL HOLDINGS PTY LTD <ORD STREET PROPERTIES A/C>	400,000	1.60%
15.	MS JIAN ZHAO	360,000	1.44%
16.	WERSMAN NOMINEES PTY LTD	325,000	1.30%
17.	ROUND TABLE HOLDINGS PTY LTD	315,208	1.26%
18.	NOVABANK PTY LTD	286,400	1.15%
19.	DEMPSEY RESOURCES PTY LTD	266,667	1.07%
20.	MR ALEXANDER NAUM & MRS ALBINA ABAYEVA <COCO INVESTMENTS A/C>	232,369	0.93%
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	**17,793,229**	**71.25%**
	Total Remaining Holders Balance	**7,179,341**	**28.75%**

The name of the Company Secretary is Daniel Smith.

The address of the registered office is: Office J, Level 2, 1139 Hay Street, West Perth WA 6005.

Registers of securities are held Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross WA 6153

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange Ltd.

There are nil securities currently subject to escrow.

Unquoted Options over Un-issued Shares

1. 9,608,898 options exercisable at $0.15 on or before 31 May 2017
2. 2,090,001 options exercisable at $0.50 expiring 1 December 2016

3. 400,000 options exercisable at $5.00 expiring 31 January 2016.
4. 200,000 options exercisable at $5.00 expiring 3 February 2016.

Unquoted Equity Securities Holders with Greater than 20% of an Individual Class

As at 21 September 2015 the following classes of unquoted securities had holders with greater than 20% of the class on issue.

Options exercisable at $0.15 on or before 31 May 2017.

Percentage Held	Name	Number of Securities held
46.25%	Exploration Capital Partners 2000 Limited Partnership	4,444,445

Options exercisable at $0.50 expiring 1 December 2016.

Percentage Held	Name	Number of Securities held
23.92%	Tietto Minerals Pty Ltd	500,000

Options exercisable at $5.00 expiring 31 January 2016.

Percentage Held	Name	Number of Securities held
50%	Matlock Geological Services Pty Ltd	200,000
40%	Redstar Resources Limited	160,000

Options exercisable at $5.00 expiring 3 February 2016.

Percentage Held	Name	Number of Securities held
50%	Mr Francis Harper	100,000
50%	Mr Stuart Richardson	100,000

ASX Additional Information

Granted tenements held directly by Taruga Gold or subsidiary company

Tenements	Held	Country
Kossa 1	100%	Niger
Kossa 2	100%	Niger
Tiebissou	100%	Cote d'Ivoire
Mankono	100%	Cote d'Ivoire
Korhogo	100%	Cote d'Ivoire
Dabakala	100%	Cote d'Ivoire
Nielle	100%	Cote d'Ivoire

Tenements held via option agreement by Taruga Gold or subsidiary company

Tenements	Held	Country
Djelibani	100%	Mali
Djelibani Sud	100%	Mali
Kambali	100%	Mali
Balala	100%	Mali
Nangalasso	100%	Mali
Sotian	100%	Mali