

26 May 2015
ASX CODE: TAR
Speculative Buy
Pro-Forma Capital Structure

Sector	Materials
Share Price (A\$)	0.005
Fully Paid Ordinary Shares (m)	586.7
Options (ex \$0.016, exp 6/17) (m)	222
Options (ex \$0.02, exp 1/12/16) (m)	52.25
Options (ex \$0.20, exp 31/01/16) (m)	10.0
Options (ex \$0.20, exp 3/02/16) (m)	5.0
Market Capitalisation (undil) (A\$m)	2.94
Share Price Year H-L (A\$)	0.013-0.004
Pro-Forma. Cash (A\$m)	0.90

Directors

Frank Terranova	Chairman
Bernard Aylward	Managing Director
Myles Campion	Non-Exec Dir.
Dan Smith	Non-Exec Dir, Joint Co Sec

Major Shareholders

Tietto Minerals PL	13.7%
Bernard Michael Aylward	7.7%
Ascent Capital Holdings Pty Ltd	6.4%



Taruga Gold Ltd

Sprott Inc underpins placement...Mali, Cote d'Ivoire progresses

Placement & SPP

- **Taruga** announced (ASX Announcement, 20/5/2015) that it had agreed to place 222m shares @ \$0.045 (and 1:1 free attaching options ex. at 0.60 cents exp. 6/17) to raise approximately A\$1.0m This includes A\$500K to Canadian based fund manager **Sprott Inc.** The Company intends to immediately follow the placement up with a Shareholder Purchase Plan.
- Last Quarter also saw the finalisation of a JV with **Resolute** who can earn a 75% interest via the expenditure of US\$3.0m (minimum of US\$0.50m prior to withdrawal with no interest earned until US\$3.0m is spent) over 4 years on the Nielle, Tiebissou and M'Baihaikro concessions (Cote D'Ivoire). Following the earn-in by **Resolute**, **TAR** will be free carried until decision to mine at which point **TAR** can contribute or dilute.

Nangalasso Drilling program delivers

- The 2nd Quarter 2015 drilling program at Nangalasso (Mali) delivered several promising intersections including 3m @ 7.1 g/t Au (within a broader envelope of 21m @ 1.25 g/t Au) from a 73 hole aircore program. Mineralisation was found to be associated with sulphides, quartz veining and alteration.
- The drill program targeted four prospects and confirms the 1.7km Au anomaly previously outlined by reconnaissance drilling, soil geochemistry and trenching. Mineralisation remains open along strike and at depth and further geochemical sampling designed to tighten up the parameters of this mineralised trend are underway.

Kambali Prospect-SLAM Project

- At the Kambali Prospect (Mali), a 1,900m, 200m x 80m Aircore drilling program completed last Quarter, designed to target areas of artisanal workings and geochemical anomalism, outlined a 150m x 700m gold zone with significant intersections including 3m @ 5.64 g/t Au. Follow up geochemical sampling is ongoing.

Price Catalyst

- We remain positive that follow up Aircore programs and geochemical programs at both Kambali and Nangalasso will continue to extend areas of known gold mineralisation.

Action and Recommendation

- **RM Research** is maintaining its speculative buy rating on **TAR** the back of continued exploration success with a vote of confidence from **Sprott** who are looking to fund active explorers. Their commercial and corporate capability of **Sprott** should also provide **TAR** with a significant boost moving forward.

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RM Research Recommendation Categories

Care has been taken to define the level of risk to return associated with a particular company. Our recommendation ranking system is as follows:

Buy	Companies with 'Buy' recommendations have been cash flow positive for some time and have a moderate to low risk profile. We expect these to outperform the broader market.
Speculative Buy	We forecast strong earnings growth or value creation that may achieve a return well above that of the broader market. These companies also carry a higher than normal level of risk.
Hold	A sound well managed company that may achieve market performance or less, perhaps due to an overvalued share price, broader sector issues, or internal challenges.
Sell	Risk is high and upside low or very difficult to determine. We expect a strong underperformance relative to the market and see better opportunities elsewhere.

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