

31 October 2017

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 September 2017

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the September quarter.

CORPORATE

Board Changes

On 6 September the Company announced the appointment of Miss Sheena Eckhof as a non-executive director. Non-executive director Mr Daniel Smith resigned on the same day.

Miss Eckhof holds a Bachelor of Commerce degree, majoring in Corporate and Investment Finance, from the University of Western Australia and has previously worked with two globally renowned Investment Banks, with a specific focus on the resources sector. Miss Eckhof currently works within a Business Development and Investor Relations role with a West Australian mid-cap resources company.

Cash Position

As at 30 September 2017, the Company has approximately \$1,500,000 of cash.

OPERATIONS

Project Evaluation Activities

Cobalt Exploration, Democratic Republic of Congo

During the quarter Taruga advised that following completion of technical and legal due diligence it does not intend to continue with the Option to acquire an interest in licence PEPM4019, in the Kolwezi Mining District in the south-east of the Democratic Republic of Congo (**DRC**).

Subsequent to the end of the Quarter, Taruga announced that it had entered a Binding Agreement to acquire, subject to due diligence, up to a 65% interest in permit ZRG0705 in the Manono Tin Tantalum Mining District in the Tanganyika Province, east-central DRC (**Project**).

The Project lies within the renowned “Katanga Tin Belt” where both primary and alluvial tin and tantalum have been mined since early 1900’s. Re-evaluation of the region highlights the potential for high grade extensive lithium mineralisation hosted within the Sn-Ta-Li pegmatite bodies that potentially occur throughout the belt where all previous exploration focus was on tin and tantalum mineralisation.

The most significant hard rock deposit in the region is the Manono-Kitotolo deposit where 185,000 tonnes of tin was mined from weathered pegmatites. The current exploration programme by ASX listed AVZ is the first to actively explore for lithium mineralisation and the results of this programme confirm the prospectivity of the region. Recent drilling by AVZ has confirmed a dominance of spodumene (5-25%) in the drill core with minor cassiterite and coltan.

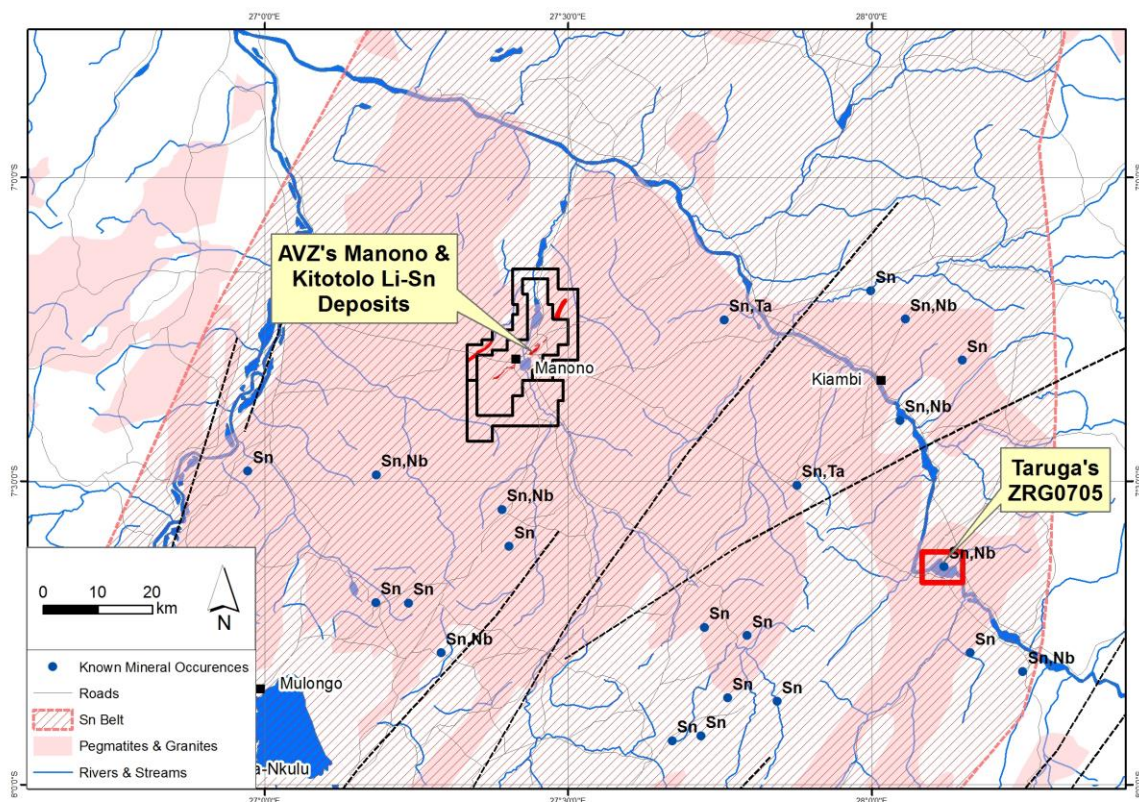


Figure 1: Locality of Taruga's licence within the Katanga Tin Belt showing all known tin, niobium and tantalum occurrences most commonly found in pegmatites.

Project Summary

The Project is located in the Manono District, Tanganyika Province, approximately 500km north of Lubumbashi and 80km southeast of Manono in the Democratic Republic of Congo. The project is accessed by road from Manono and is covered by gentle granitic hills and transgressed by the Luvua River in a west-easterly direction.

Regionally the Project lies within the renowned SW-NE striking, mid-Proterozoic Kibaran Belt, which stretches over 500km in the DRC where it is referred to as the "Katanga Tin Belt". The belt stretches from near Kolwezi in the southwest to Kalemie in the northeast and contains numerous pegmatite hosted deposits of which the Manono-Kitotolo body is the most significant extending for over 14km in strike and up to 200m in width.

The Kibaran belt was intruded by at least 3 phases of granite of which the last phase, the “Katangan Cycle” dated at 900-950 million years, introduced pegmatites rich in tin, tungsten, tantalum, niobium, lithium and beryllium. Pegmatites comprised essentially of muscovite, quartz and feldspar are either sheeted (Manano-Kitotolo) or occur as pegmatite veins intruding the country rock. The pegmatites are developed throughout the belt and are the primary source of lithium, tin and tantalum mineralisation.

Locally, although the geology is poorly understood, tin, tantalum and wolframite (tungsten) is recovered from extensive informal alluvial operations which are prevalent throughout the licence area. It is reported that a Japanese Geological Survey used aster optique satellite imagery in June 2016 to identify muscovite on the property thereby enhancing the potential to find pegmatites on the project area.

An independent consultant, who has extensive experience in pegmatite exploration and a focus on lithium mineralisation, will conduct initial mapping and sampling programmes during the 90 day due diligence period.

Lithium Exploration, Australia

Subsequent to the Quarter, the Company announced that it had lodged three Exploration tenement applications in the south-west of Western Australia. The tenement areas are in the Balingup Greenstone belt, and are located to the south of the Greenbushes Tin-Tantalum-Lithium, the largest hard rock lithium mine in the world (Figure 2).

Taruga identified the region as highly prospective for the discovery of additional lithium mineralised pegmatite bodies through review of historic data and geological mapping completed by the Geological Survey of Western Australia. The tenement areas contain identified Lithium exploration targets, including the historic Tin-Tantalum-Lithium Yeraminup prospect. The geological setting is interpreted to be analogous to the setting of the Greenbushes mine, and a detailed exploration programme of mapping and sampling is proposed for the tenements when granted.

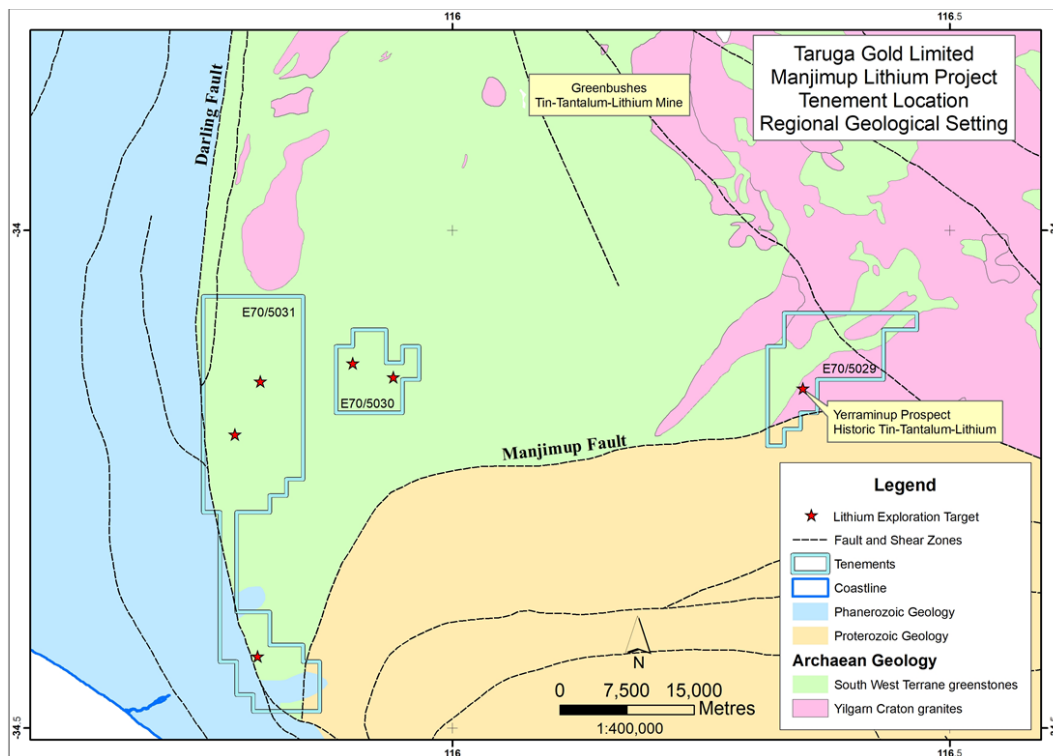


Figure 2: Taruga Gold Limited – Tenement Application Location Plan

Mankono Project, Cote d'Ivoire

No field work was completed at the Mankono project during the quarter.

The Company has continued to follow the renewal application for the Mankono concession, however at this stage there is no advancement to report.

Kossa Project, Niger

No field work was completed during the quarter

For further information see the Company's website www.tarugagold.com.au or contact:

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Competent person's statement

The information in this Announcement that relates to exploration results is based on information compiled by Mr Bernard Aylward.

Mr Aylward is a Non-Executive Director of Taruga Gold Limited. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the announcement of matters based on his information in the form and context it appears.

Annexure 1: Taruga Gold Limited – Granted tenements held directly by Taruga Gold or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
Kossa 1	-	-	100%	Niger
Kossa 2	-	-	100%	Niger
Kouriki	-	-	100%	Niger
Ounzerbe	-	-	100%	Niger
Mankono	-	-	100%	Cote d'Ivoire
Yaghong North	100%	-	100%	Application – Western Australia
Gidgee East	100%	-	100%	Application – Western Australia
E70/5029	100%	-	100%	Application – Western Australia
E70/5030	100%	-	100%	Application – Western Australia
E70/5031	100%	-	100%	Application – Western Australia