ASX RELEASE

1 December 2014

Drilling Program Commenced Nangalasso Project, Mali

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to announce that drilling is underway at the Nangalasso Project in Mali. This drilling program is designed to test high-priority target areas within the Nangalasso Project, and at the Kambali prospect within the SLAM project (**Figure 1**). The Company is also highly encouraged by results from the limited geochemical sampling of artisanal mining areas within the Kambali prospect with results up to 7.4g/t gold from surface.

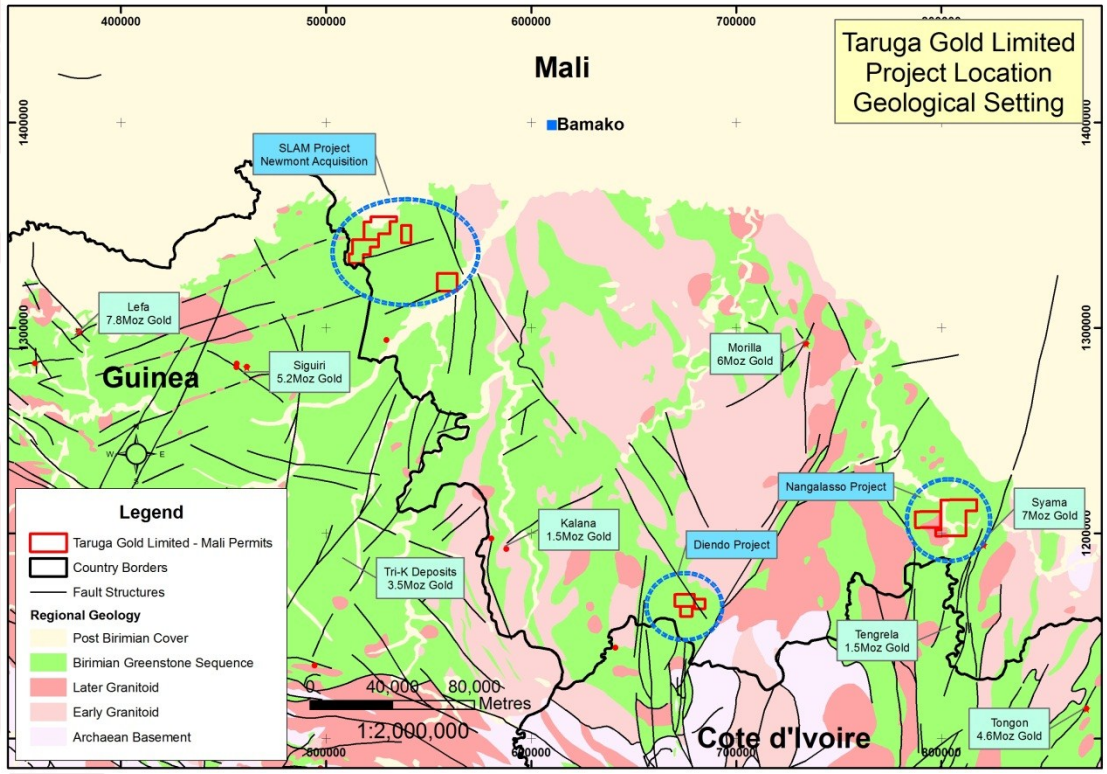

Figure 1 – Southern Mali Project Locations

"We are very excited to begin this round of drilling project at our Nangalasso and SLAM projects. As part of the program ground reconnaissance in the Kambali prospect was undertaken and we have identified a new area of artisanal workings with excellent potential for gold mineralisation. This area has had preliminary geochemical sampling and returned encouraging results of up to 7.4g/t gold and we have added additional holes to our program to target this new area", Taruga Managing Director Bernard Aylward stated.

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Nangalasso Priority Drilling Targets

The Nangalasso Project is a highly prospective project located in southern Mali, just 15km from the world-class Syama Mine (Resolute Mining Ltd). Taruga has been actively exploring this project since October 2013 and has four key prospects for aircore drilling in this campaign (**Figure 2**).

The drilling program, as outlined in ASX announcement 22 October, will test:

Target 1: Follow up of reconnaissance drilling that has returned **1m at 7.8g/t gold** in drill hole NAAC004, and **3m at 7.84g/t gold** in drill hole NAAC021, including **1m at 13.5g/t gold** from 16m.

Target 2: Initial testing of artisanal workings that have been mining high grade quartz lodes. Workings extend for over 700m with shafts reaching depths of over 15m.

Target 3: Follow up of January 2014 reconnaissance trench sampling of **7m at 4.3g/t gold** in quartz veining and alteration located 200m north of previous drilling, together with historical drilling at 1m at 7.8g/t gold and an extensive corresponding geochemical anomaly and artisanal workings.

Target 4: Testing of **1,000m x 700m** extensive area of artisanal workings returning assay values up to **18.0g/t gold, 3.6g/t gold and 3.54g/t gold,** in March 2014.

The Aircore drill holes are expected to average over 35m depth and will provide a reconnaissance test of these targets. The program is expected to take approximately 10 days to complete and assay results will be reported as soon as available.

SLAM Project Drill Program

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

The drilling targets have been 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 3**).

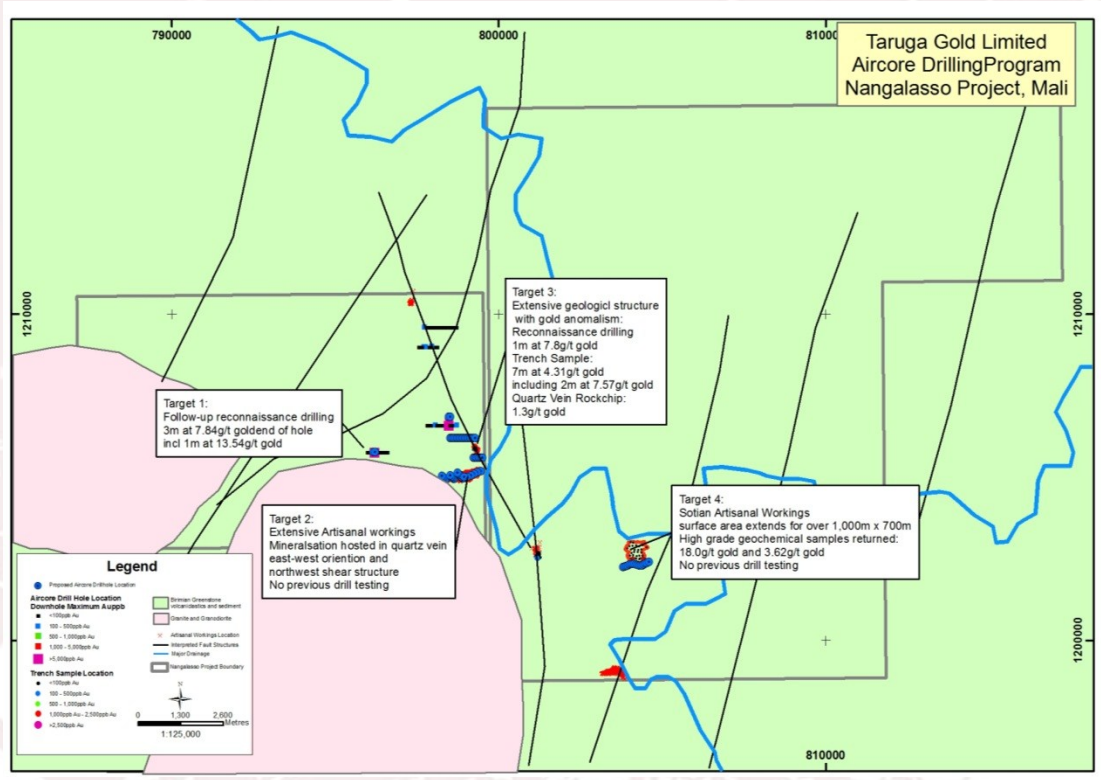

Figure 2 – Nangalasso Project – Aircore drillhole location

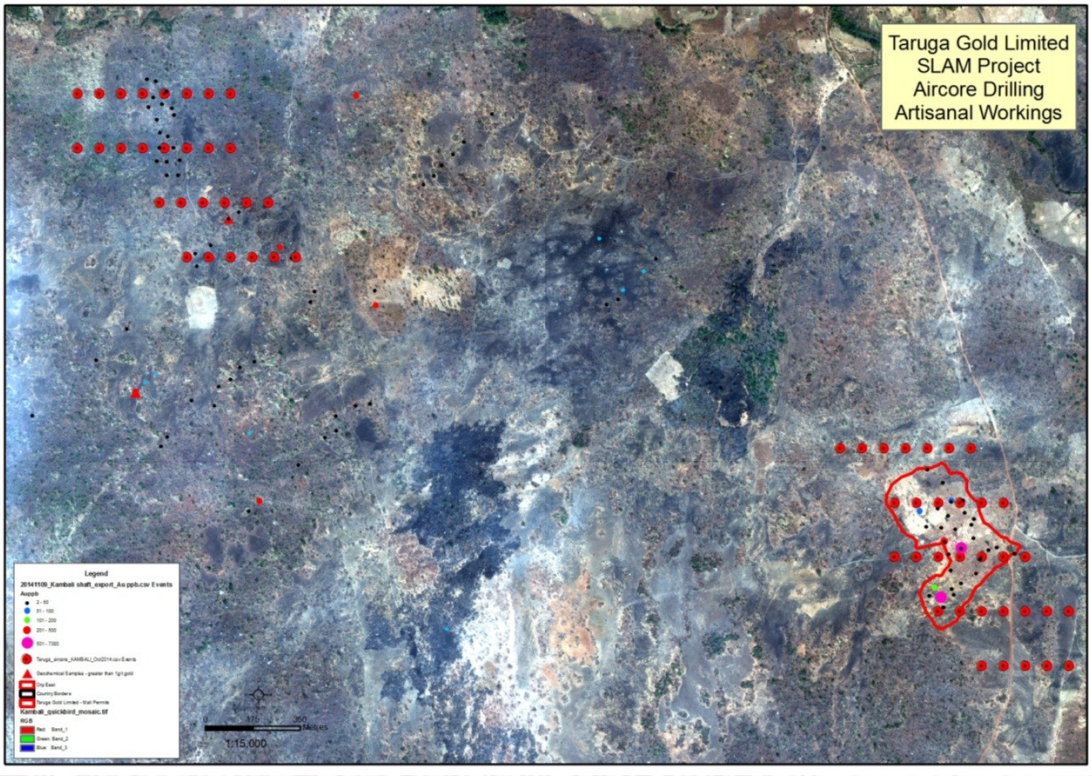

Figure 3 – SLAM Project – Kambali prospect location of artisanal workings and proposed drill holes

Figure 4 – Kambali prospect active artisanal workings, commenced August 2014

The Kambali workings are extensive surface and shallow shaft workings with coarse gold mineralisation observed (**Figure 4** – photos of workings). 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. The results have been used to plan the drilling program.

It is anticipated that the Kambali drilling campaign will take approximately 7days to complete and assay results will be reported as soon as available.

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 the Managing Director of Taruga Gold Limited and is a full-time employee of the Company. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in

the announcement of matters based on his information in the form and context it appears.

About Taruga Gold

Taruga is a West African focused gold explorer that has compiled a diverse portfolio of exploration projects within the Birimian geology of West Africa. This region is at present one of the world's great gold districts and has had a significant rate of discovery and development of new gold mines over past decades.

Taruga has ~4,000km2 of highly prospective tenements in Niger, Southern Mali and Cote d'Ivoire, all within similar geological settings as world-class goldmines. The Company's Kossa Project in Niger is 15km from the 5moz Essakane goldmine; in Mali, the Nangalasso project is 30km west of the 7moz Syama project.

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Appendix 1: JORC 2012 Summary Table

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples are surface geochemical and samples of artisanal mining workings and shafts where possible. • Samples are collected from artisanal workings and sites of geological interest. • Samples collected from surface and walls of shafts • Sample length varies between 1m and 2m based on access.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Geochemical sampling – no drilling
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade*	• Samples are chip samples collected from surface and artisanal workings

Criteria	JORC Code explanation	Commentary
	and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geology of sample area recorded. Surface samples mainly within laterite terrain and workings into saprolite material
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sub-sampling
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples have been analysed at SGS Laboratory, Bamako. • Samples have been analysed using Fire Assay technique. Quality control samples consisting of Certified Reference Standards have been inserted to monitor laboratory performance. Standard Samples have performed to an acceptable level for the Fire Assay analysis.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No adjustments to the assay data have been made. • Samples have been stored in an electronic database. • All original assay laboratory files stored.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Trench located using GPS accurate to within 5m – approprite for this level of exploration • Grid is UTM, WGS84 Zone 29N
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Exploration is at a reconnaissance level and sample spacing is appropriate for this stage • Samples have been composited to a maximum of 2m depending on access.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Orientation of sample data is reflecting artisanal workings.
Sample security	• *The measures taken to ensure sample security.*	• Samples collected at site and dispatched to laboratory in company vehicle

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• SLAM Project consists of the Djelibani, Djelibani Sud, Balala and Kambali located in southern Mali proximal to the Guinea border • Kambali is a "Permis de Recherche" and Taruga has an Option agreement with TCM SARL (a local Malian company) granting access rights and an option to purchase in regards to the Sotian permit.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration is at an early stage. Geochemical sampling has been completed in Newmont Mining. • No drilling has been completed. • Exploration work completed to date is of an acceptable standard for the stage of exploration.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• SLAM Project (and Kambali prospect) is located in the Birrimian sequence of West Africa. Geology consists of Birimian volcanoclastics and sediments and intrusive granite and granodiorite bodies.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No drill holes completed

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Sample are composite samples varying from 1m to 2m composite. • No top-cut applied to reported intersections.

Criteria	JORC Code explanation	Commentary
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Samples are reported as sample width results. Samples are collected approximately perpendicular to local geology and are interpreted to represent true width samples.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to announcement
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All available information reported
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Project is at an early stage of exploration. All information is in announcement
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional exploration programs include Aircore drilling targeting the zone of gold mineralisation as outlined in the announcement.

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