

ASX RELEASE

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AIRCORE DRILLING COMPLETED AT NANGALASSO, MALI DRILLING COMMENCED AT KAMBALI PROSPECT, MALI DABAKALA PROJECT HIGH-TENOR ANOMALY, COTE D'IVOIRE

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to update the market on its exploration campaign in Mali and Cote d'Ivoire. In Mali, Taruga has completed reconnaissance aircore drilling at the Nangalasso Project and the rig has now commenced drilling at the Kambali prospect (Figure 1).

In addition, Taruga received very encouraging preliminary results for the regional geochemical sampling program recently completed at Dabakala Project, Cote d'Ivoire (Figure 2).

HIGHLIGHTS

- **Aircore drilling complete at Nangalasso with 74 drill holes for 3,564m. Preliminary results due in January 2015**
- **Drilling intersected broad zones of quartz veining, alteration and sulphide mineralisation**
- **Drilling commenced at Kambali prospect targeting extensive surface geochemical anomalies and active artisanal workings**
- **Dabakala geochemical samples have defined numerous anomalous zones, including an extensive zone of 8,000m x 3,000m anomaly consistent with geological interpretation**
- **Anomalous values peaking at 198ppb gold returned from very wide-spaced sampling of 2km lines and 250m spaced samples**
- **High-priority area for follow-up and infill exploration**

"Taruga is at an exciting phase of exploration – we are waiting for our drilling results for the Nangalasso Project as well as commencing the first ever drilling campaign at the Kambali prospect. This new target area is defined by extensive artisanal workings and a strong geochemical anomaly. Taruga expects drilling to be completed within 1 week, and anticipates drill results in January 2015." Taruga Managing Director Bernard Aylward commented.

"Our first sampling at the Dabakala project in central Cote d'Ivoire has also returned very encouraging results with several new gold anomalous zones identified. The fact that exploration is at a very early stage in this area and that our survey was on a very wide spacing makes these highly anomalous geochemical samples more interesting. It is clear that this is a high-priority area for further work, particularly as the Government continues to introduce further mining friendly legislation," Mr Aylward added.

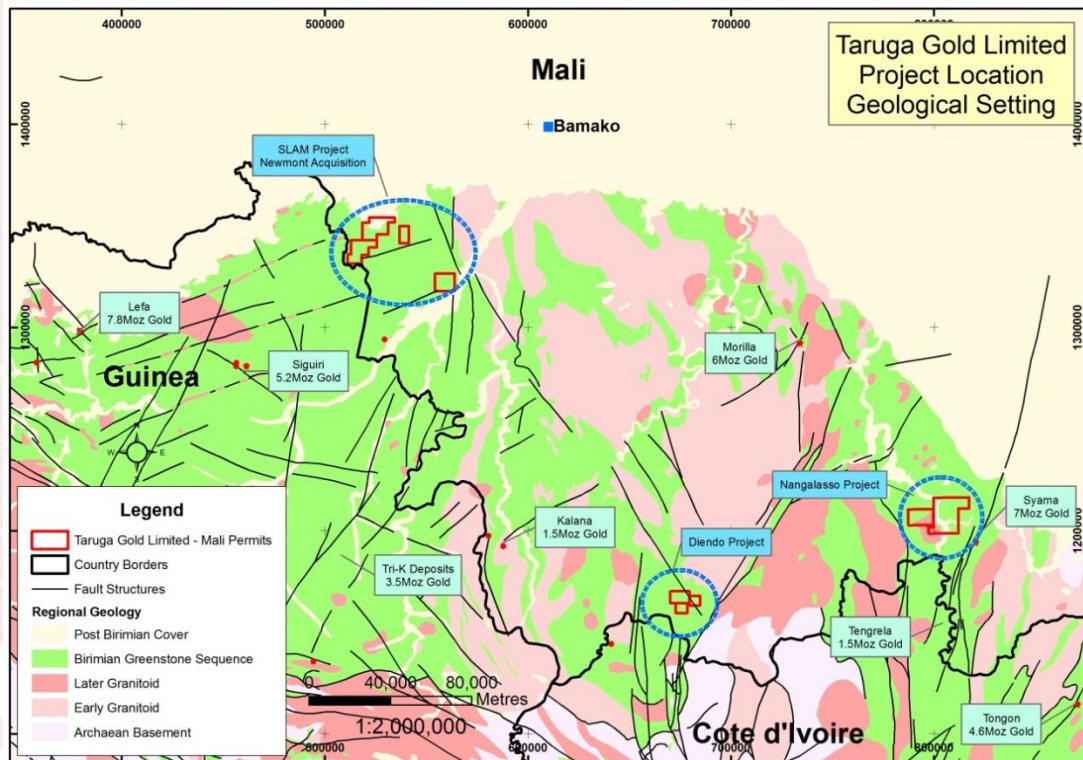


Figure 1 - Taruga Gold - Location map of Southern Mali Projects

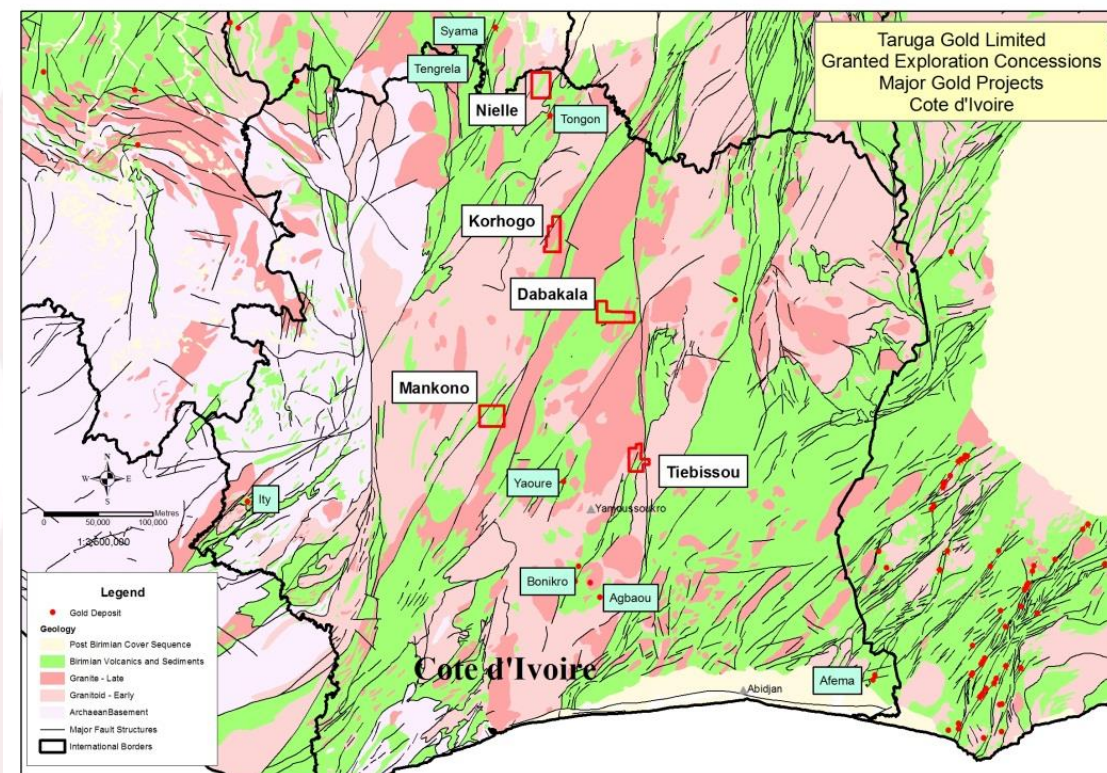


Figure 2 - Taruga Gold - Location map of Granted Concessions, Cote d'Ivoire

Nangalasso Project:

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 targeted four key prospects with this aircore drilling campaign (**Figure 3**).

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 has 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) has been dispatched to SGS Laboratories Bamako and all results are pending, with expected completion in January 2015.

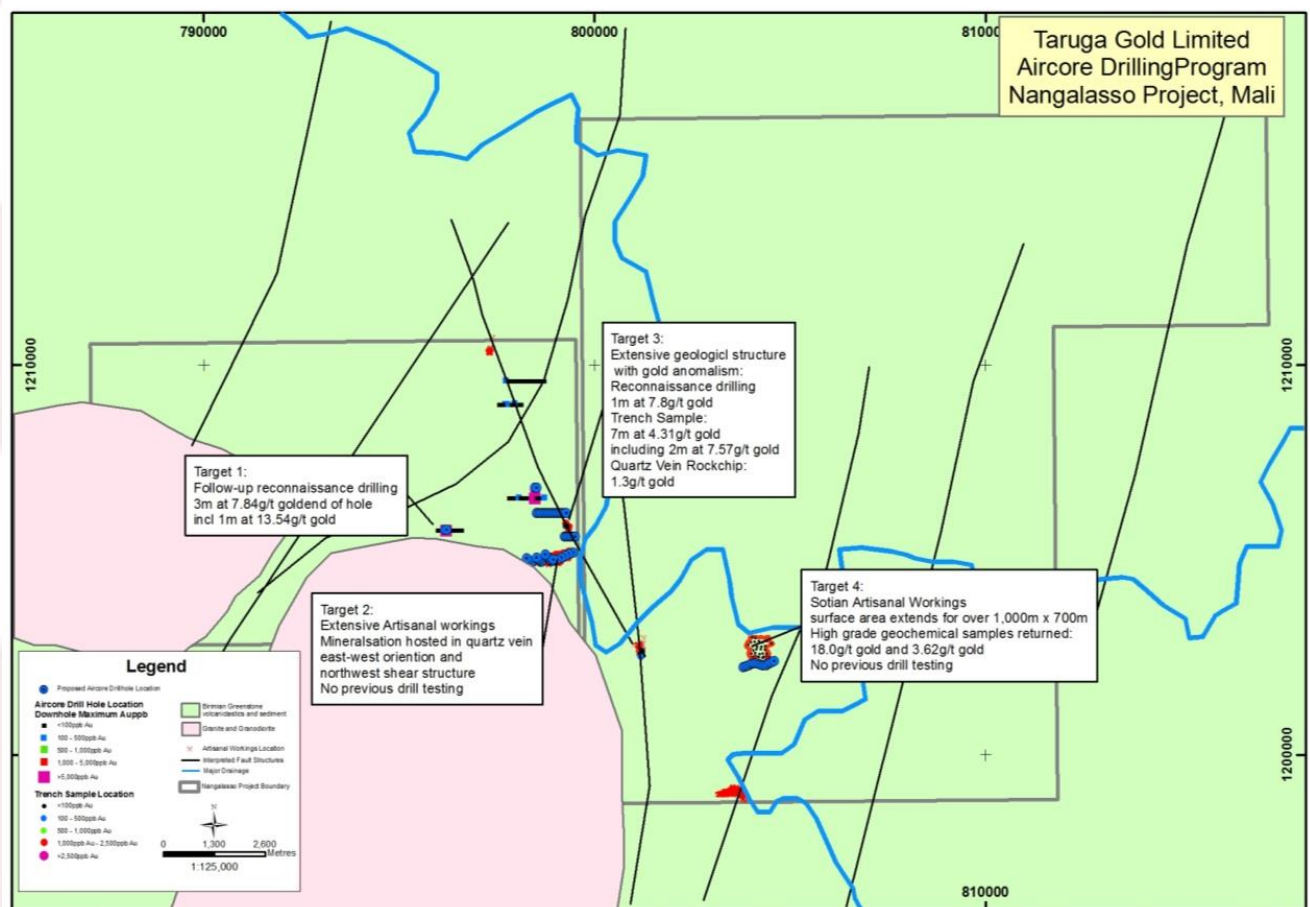


Figure 3 – Nangalasso Project – Aircore drillhole location



Aircore Drilling Nangalasso



Geochemical Sampling Dabakala

Kambali Prospect:

Taruga has commenced the aircore drilling program at the Kambali prospect. The Kambali prospect is part of the SLAM Project, located in southeastern Mali, approximately 100km from the capital Bamako.

The aircore drilling program is targeting areas of extensive artisanal workings and geochemical anomalism and is expected to take approximately 1 week to complete.



Kambali prospect active artisanal workings – activity commenced August 2014

Dabakala Project, Cote d'Ivoire:

At the Dabakala project in central Cote d'Ivoire, Taruga has completed a large soil sampling program with 414 soil samples and 12 rock chip samples collected (refer

ASX announcement 12/12/2014). The program was designed as a first-pass regional test of this highly prospective region, with the sampling grid spacing of 2,000m between lines and 250m between samples along lines.

Taruga has received initial results for the geochemical survey with a new zone of gold anomalism defined within the project area. The samples have returned numerous anomalous values up to a maximum of 195ppb gold (minimum below detection, approximately 37% of samples returned a value of 10ppb gold or higher). Interpretation of the gold anomalous zones indicates a correlation with interpreted geological structures and geological units. The major anomalous zone extends for over 8,000m of strike length and over 3,000m of width. This first pass survey has also defined additional parallel zones extending for over 8,000m and widths varying from 500m to 1,500m wide (Figure 4).

Follow-up and infill geochemical sampling of this high priority area will be conducted as soon as possible to define zones of interest for potential trenching and drilling campaigns.

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 170million ounces of gold, of which Ghana has an contains over 110million 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.

"The ongoing exploration work continues to confirm that our West African Gold Projects are all located in highly prospective regions within the world-class Birimian sequence. We continue our programs in multiple regions to ensure maximum expenditure into the ground, and to increase the possibility of a major discovery" Mr Aylward finished.

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

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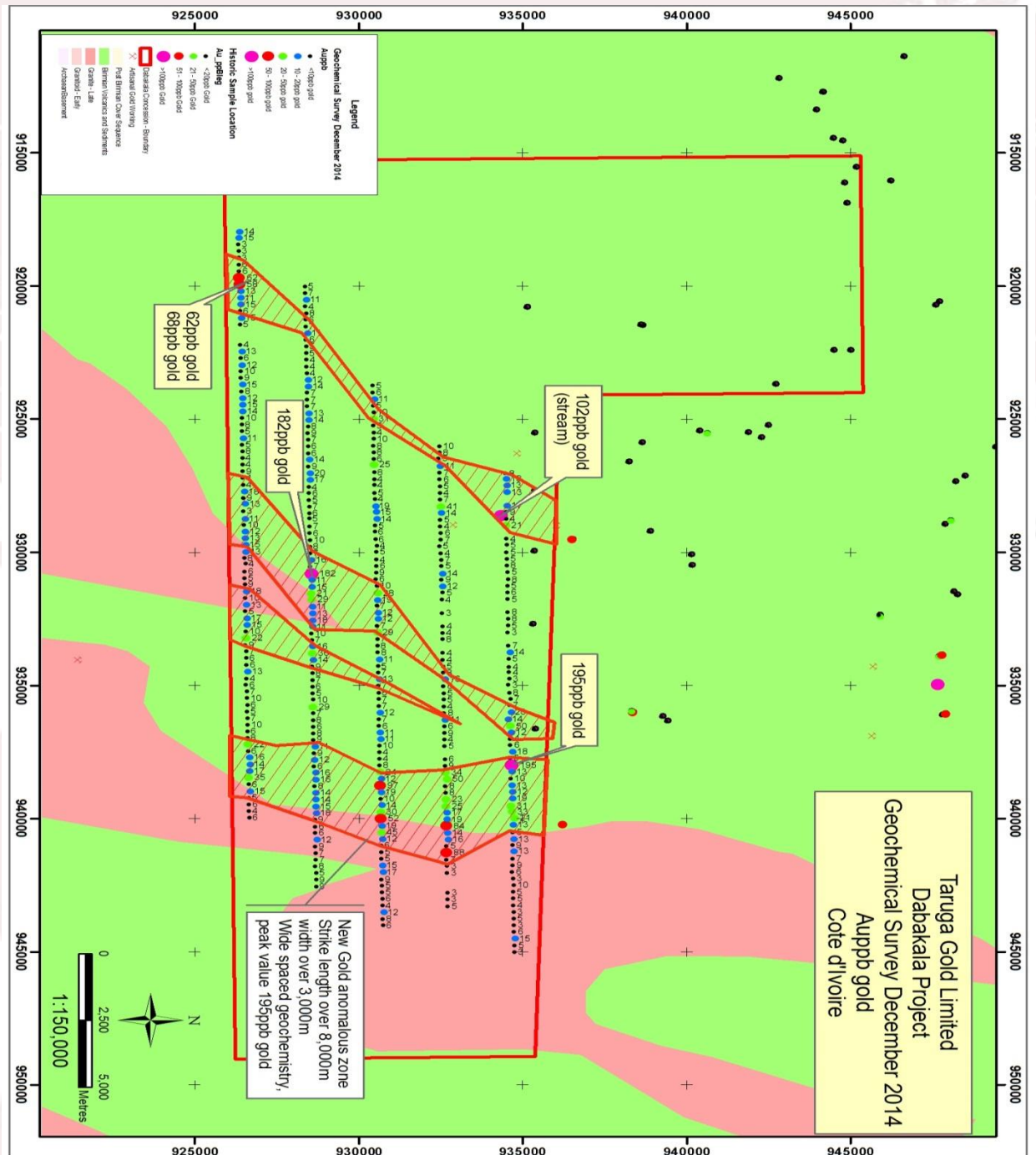


Figure 4 – Dabakala project – Regional Geochemical Sampling overlying Birimian Geology



About Cote d'Ivoire

Cote d'Ivoire has recently introduced mining friendly legislation. The country hosts roughly 35% of West Africa's Birimian Greenstone belts – Ghana, Africa's second largest gold producer, hosts ~17%.

While historically underexplored, in recent years mining companies have enjoyed successful exploration results. The country now boasts seven multi-million ounce gold deposits (including Amara Mining's 6moz+ Yaoure deposit and Randgold Resources 4.4moz Tongon deposit), with four commercial scale mines currently in production.

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 concessions 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.

Appendix 1: JORC 2012 Summary Table

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples are surface geochemical samples Sampling material consists of surface soil material, rock chips and termite mounds. Samples were collected to industry standard techniques
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Geochemical sampling – no drilling
Drill sample recovery	<ul style="list-style-type: none"> 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 and whether sample bias may have occurred due to preferential 	<ul style="list-style-type: none"> Samples are geochemical samples collected from surface (approximately 0.5m to 1m depth) and termite mounds. Samples of outcropping geology collected where appropriate

Criteria	JORC Code explanation	Commentary
	<i>loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Geology of sample area recorded. Surface samples in regolith material including residual and ferruginous material and saprolite (?) material
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No sub-sampling
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Samples points are located using a hand held GPS accurate to within 5m – appropriate for this level of exploration • Grid is UTM, WGS84 Zone 30N
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Exploration is at a reconnaissance level and sample spacing is appropriate for this stage • Sample spacing for the Dabakala survey is 2,000m line spacing and 250m sample spacing
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Orientation of sample data is reflects geological interpretation. In.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Dabakala Project is "Permis de Recherche" granted on the 8 January 2014 with Decree number 2014-03 The concession is in the name of International Goldfields Cote d'Ivoire SARL, a subsidiary company of Taruga Gold Limited.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration is at an early stage. Minimal previous work is known in the area, with only a few historic stream sediment samples located in the concession. No drilling has been completed.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Dabakala Project is located in the Birrimian sequence of West Africa. Geology consists of Birimian volcanoclastics and sediments and intrusive granite and granodiorite bodies.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drill holes completed

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Samples are geochemical samples with no compositing No top-cut applied to reported intersections.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> Samples are geochemical samples and references to strike length and width of anomalous zones reflects the interpreted distribution of anomalous samples. No sub-surface geological information is known.
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Refer to announcement
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> All available information reported
Other substantive exploration data	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Project is at an early stage of exploration. All information is in announcement
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions,</i> 	<ul style="list-style-type: none"> Additional exploration programs include follow-up and infill geochemical sampling, trenching and potentially Aircore drilling targeting defined gold anomalous zones

Criteria	JORC Code explanation	Commentary
	<i>including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	