

## ASX RELEASE

29 January 2015

### **Nangalasso Project, Mali Initial Program Validates Major Gold Anomalous Trend**

#### **Highlights:**

- Intersections include:
  - **3m at 7.12g/t gold within 21m at 1.25g/t gold**
  - 3m at **2.11g/t** gold from **3m**
  - 3m at **1.33g/t** gold from **3m**
  - 6m at **0.50g/t** gold from 27m
- Gold anomalous trend extending over 1.7km defined and coincident with strong geochemical anomalies
- Widespread gold anomalism confirmed with over 25% of holes returning anomalous gold intersections in wide-spaced reconnaissance drilling
- Drilling confirms and extends trench samples of 7m at 4.31g/t gold and highlights an extensive mineralised zone with quartz veining, alteration and high grade gold mineralisation

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to announce results of the aircore drilling program recently completed at the Nangalasso Project in Mali.

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 results from this reconnaissance aircore drilling program at Nangalasso continue to highlight the prospectivity of this region. The drilling has returned extensive gold anomalism, including shallow high grade mineralisation up to 3m at 7.12g/t gold from 24m within a broad zone of gold anomalism and alteration. All the targets tested in our campaign have returned results that warrant immediate follow-up”, stated Managing Director Bernard Aylward. “Our exploration programs at Nangalasso continue to improve our knowledge of the region and each program has upgraded the prospectivity of the region and highlights the potential to uncover a significant gold system at Nangalasso”, Mr Aylward added.

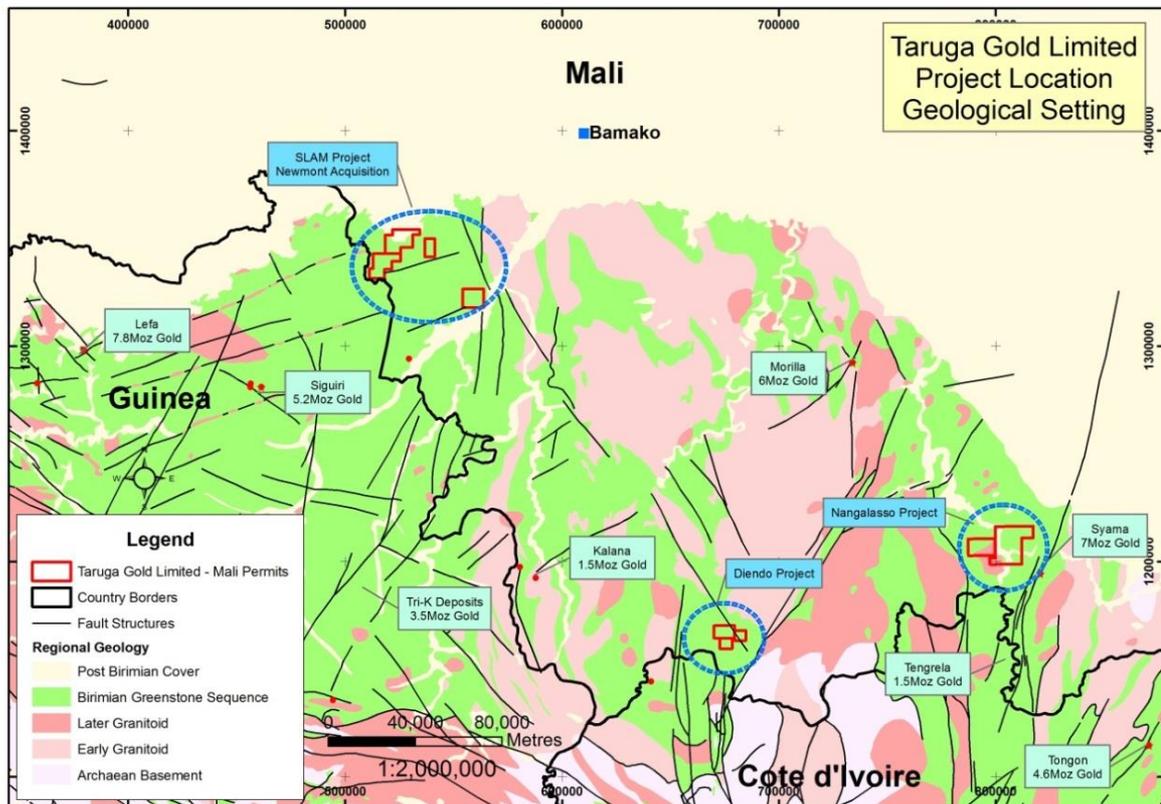


Figure 1 - Taruga Gold - Location map of Southern Mali Projects

***Nangalasso Aircore Drilling Campaign:***

Taruga completed a reconnaissance aircore drilling campaign at the Nangalasso project in December 2014. The program consisted of 73 aircore drillholes for 3,564m (ave depth 49m, maximum depth 78m, minimum depth 10m) with the majority of holes reaching primary rock.

The drilling program was designed to test 4 main targets, with each target returning encouraging results.

The intersection of **21m at 1.25g/t gold** confirms and extends 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 (Table 1, Figure 2, and Figure 3).

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.

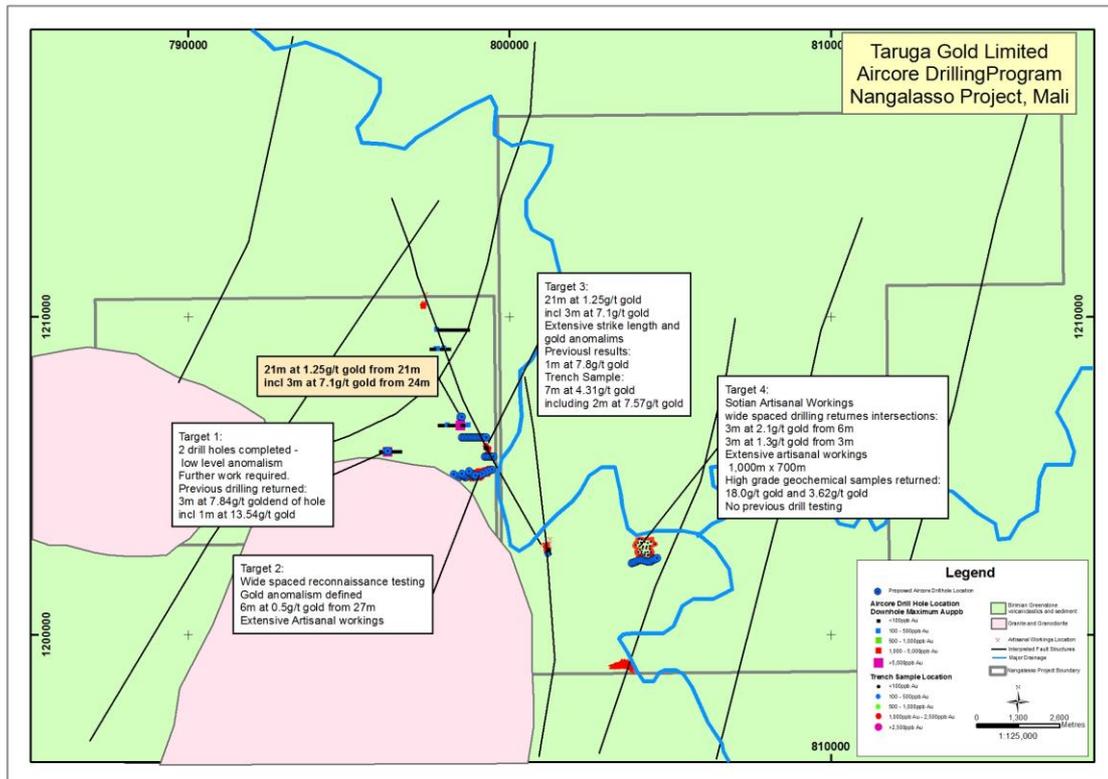


Figure 2 - Nangalasso Project - Aircore Drilling completed December 2014. Location of key prospects

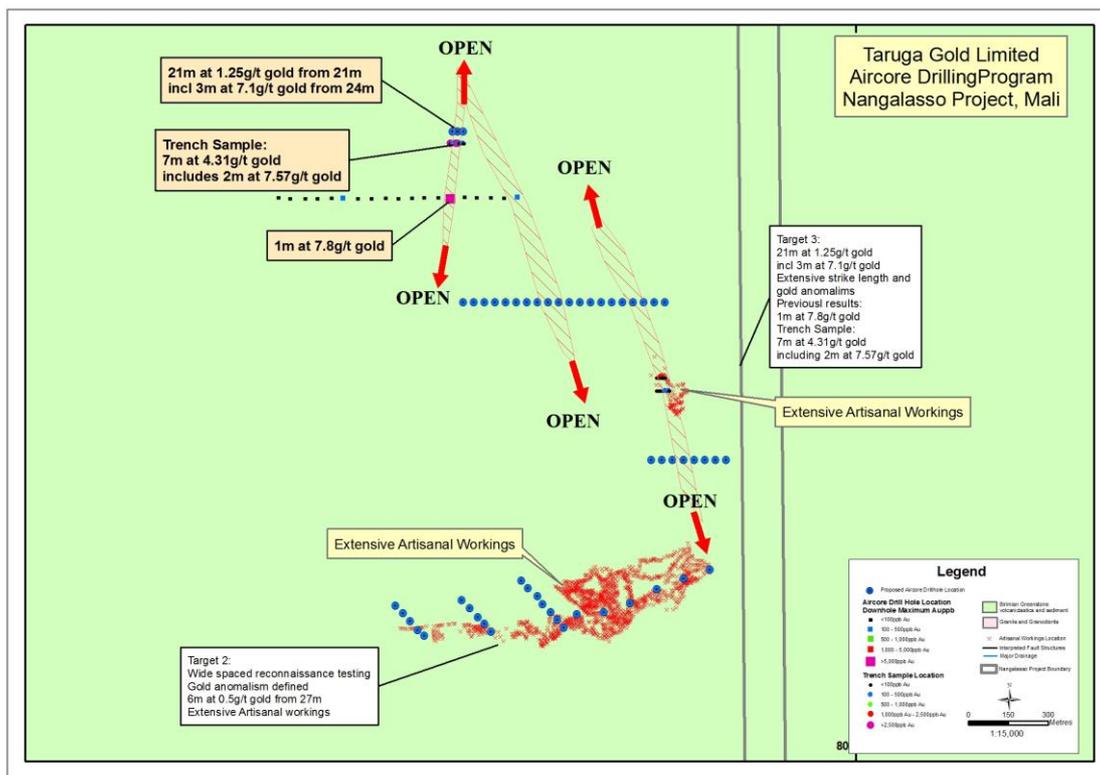


Figure 3 - New gold anomalous zone extending for over 1,700m and remaining open along strike



At the Sotian workings, Taruga completed a single line of aircore drilling targeting an extensive zone of artisanal workings. Highly encouraging intersections include **3m at 2.1g/t gold from 6m and 3m at 1.3g/t gold from 3m**. These results confirm 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 immediate follow-up and extension drilling.

“Taruga is continuing the interpretation of the drilling and planning a follow-up program. Over the next few weeks Taruga expects to receive final results for the drilling completed at the Kambali prospect in Mali and to report results of geochemical sampling completed in Cote d’Ivoire. In addition, the Company is continuing discussions with various parties regarding our West African projects”, Mr Aylward ended.

For further information see the Company’s website [www.tarugagold.com.au](http://www.tarugagold.com.au) or contact:

Bernard Aylward  
Managing Director  
Taruga Gold Limited  
Mob: +61 418 943 345

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 ~4,000km<sup>2</sup> 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.

Table 1: Nangalasso aircore drilling – gold anomalous intersections reported

| Hole Id | Easting | Northing | RL  | Dip/Azi | Depth<br>m | Depth<br>From<br>m | Depth<br>To<br>m | Width<br>M | Grade<br>ppb<br>Gold |
|---------|---------|----------|-----|---------|------------|--------------------|------------------|------------|----------------------|
| NNAC072 | 798740  | 1205137  | 346 | -50/135 | 35         | 6                  | 9                | 3          | 170                  |
| NNAC075 | 798820  | 1205051  | 325 | -50/135 | 35         | 27                 | 33               | 6          | 502                  |
| NNAC076 | 798852  | 1205023  | 315 | -50/135 | 35         | 27                 | 30               | 3          | 184                  |
| NNAC079 | 798956  | 1205011  | 308 | -50/270 | 43         | 12                 | 15               | 3          | 371                  |
| NNAC086 | 799273  | 1205604  | 317 | -50/270 | 60         | 0                  | 3                | 3          | 328                  |
| NNAC089 | 799393  | 1205602  | 313 | -50/270 | 75         | 66                 | 69               | 3          | 647                  |
| NNAC101 | 798840  | 1206202  | 326 | -50/270 | 78         | 0                  | 3                | 3          | 166                  |
| NNAC102 | 798879  | 1206202  | 326 | -50/270 | 69         | 57                 | 60               | 3          | 156                  |
| NNAC104 | 798963  | 1206202  | 340 | -50/270 | 78         | 15                 | 18               | 3          | 171                  |
| NNAC104 |         |          |     |         |            | 39                 | 42               | 3          | 107                  |
| NNAC105 | 799000  | 1206200  | 327 | -50/270 | 69         | 60                 | 63               | 3          | 141                  |
| NNAC108 | 799118  | 1206199  | 328 | -50/270 | 78         | 3                  | 6                | 3          | 191                  |
| NNAC108 |         |          |     |         |            | 72                 | 78               | 6          | 104                  |
| NNAC109 | 799160  | 1206200  | 328 | -50/270 | 78         | 24                 | 27               | 3          | 119                  |
| NNAC112 | 799278  | 1206199  | 325 | -50/270 | 38         | 0                  | 3                | 3          | 470                  |
| NNAC113 | 798520  | 1206850  | 330 | -50/270 | 66         | 15                 | 18               | 3          | 235                  |
| NNAC114 | 798500  | 1206850  | 328 | -50/270 | 78         | 21                 | 42               | 21         | 1,257                |
| NNAC114 |         |          |     |         | incl       | 24                 | 27               | 3          | 7,120                |
| NNAC115 | 798480  | 1206850  | 338 | -50/270 | 78         | 6                  | 9                | 3          | 711                  |
| STAC005 | 803990  | 1202326  | 314 | -50/270 | 30         | 6                  | 9                | 3          | 2,110                |
| STAC009 | 804196  | 1202314  | 315 | -50/270 | 33         | 6                  | 12               | 6          | 123                  |
| STAC012 | 804346  | 1202288  | 308 | -50/270 | 27         | 3                  | 6                | 3          | 1,330                |

Notes: Aircore drill holes completed by Taruga Gold Limited staff in December 2014, drill holes completed by Geodrill Ltd, a major West African drilling contractor. All Intersections calculated with a 0.1g/t gold lower cut, no upper cut and maximum 3m continual internal dilution. Samples are from aircore drill holes and samples collected at 1m intervals. Samples are composited to 3m intervals. Samples analysed at SGS Laboratory, Bamako. Samples are analysed by 50g Fire Assay analysis. Drillholes are GPS located and have an error of  $\pm 5m$ , with coordinates in UTM WGS84, Zone 29N grid. Samples reported are for aircore drilling. Table 1 presents results from gold anomalous intersections from drilling completed in December 2014. Refer Appendix 1 for full JORC 2012 compliant information.

## 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"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Samples are aircore drill hole samples.</li> <li>Drill holes are located on site of geological interest and targeting area of surface geochemical anomalism and artisanal workings.</li> <li>Samples collected at 1metre intervals down hole and composited to 3m for assay.</li> <li>All samples are geologically logged and recorded.</li> </ul> |
| Drilling techniques   | <ul style="list-style-type: none"> <li>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).</li> </ul>   | <ul style="list-style-type: none"> <li>Aircore drilling, industry standard hole width and bits.</li> <li>Aircore hammer as required to penetrate ferricrete</li> </ul>  |
| Drill sample recovery | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>  | <ul style="list-style-type: none"> <li>Samples are aircore drill samples</li> <li>Samples are collected at 1m intervals and composited to 3m</li> </ul>   |
| Logging               | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and</li> </ul>  | <ul style="list-style-type: none"> <li>Aircore drill holes are geologically logged and collars</li> </ul>   |

| Criteria                                       | JORC Code explanation  | Commentary  |
|--|--|---|
|  | <p><i>geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>   | <p>located.</p> <ul style="list-style-type: none"> <li>• Drill hole sections have been interpreted to review geological logging</li> </ul>  |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <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></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul> | <ul style="list-style-type: none"> <li>• No sub-sampling</li> </ul>   |
| Quality of assay data and laboratory tests     | <ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>  | <ul style="list-style-type: none"> <li>• Samples have been analysed at SGS Laboratory, Bamako.</li> <li>• 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.</li> </ul> |
| Verification of sampling and assaying          | <ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data</i></li> </ul>  | <ul style="list-style-type: none"> <li>• No adjustments to the assay data have been made.</li> <li>• Samples have been stored in an electronic database.</li> <li>• All original assay laboratory files stored.</li> </ul>  |

| Criteria  | JORC Code explanation  | Commentary   |
|---|--|--|
|   | <p>verification, data storage (physical and electronic) protocols.</p> <ul style="list-style-type: none"> <li>• Discuss any adjustment to assay data.</li> </ul>   |  |
| Location of data points                                 | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>  | <ul style="list-style-type: none"> <li>• Drill hole collars are located using GPS accurate to within 5m – appropriate for this level of exploration</li> <li>• Grid is UTM, WGS84 Zone 29N</li> </ul>  |
| Data spacing and distribution                           | <ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>                               | <ul style="list-style-type: none"> <li>• Exploration is at a reconnaissance level and sample spacing is appropriate for this stage</li> <li>• Costean (Trench) samples have been composited to a maximum of 3m intervals, and sample composites vary between 1 and 3m</li> </ul> |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul> | <ul style="list-style-type: none"> <li>• Drill holes are located perpendicular to interpreted geochemical anomalies, artisanal workings and geological outcrop – this is appropriate for this level of exploration</li> </ul>  |
| Sample security   | <ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>  | <ul style="list-style-type: none"> <li>• Samples collected at site and dispatched to laboratory in company vehicle</li> </ul>  |
| Audits or reviews                                       | <ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>  | <ul style="list-style-type: none"> <li>• No audits or reviews have been completed</li> </ul>   |

## 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"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Nangalasso Project consists of the Nangalasso and Sotian Permits located in southern Mali</li> <li>• Sotian is a “Permis de Recherche” with Arrete no. 2013 – 1742/MM-SG DU.</li> <li>• Taruga has an Option agreement with SDF SARL (a local Malian company) granting access rights and an option to purchase in regards to the Sotian permit.</li> <li>• Nangalasso is a “Permis de Recherche” no 052/2013/B</li> <li>• Taruga has an Option agreement with GCM SARL ( a local Malian company) granting access rights and an option to purchase in regards to the Nangalasso permit</li> </ul> |
| <i>Exploration done by other parties</i>       | <ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Exploration is at an early stage. Geochemical sampling has been completed in International Goldfields Limited (ASX:IGS).</li> <li>• Reconnaissance Aircore drilling on a very wide spacing has been completed – coverage is very preliminary.</li> <li>• Exploration work completed to date is of an acceptable standard for the stage of exploration.</li> </ul>  |
| <i>Geology</i>                                 | <ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Nangalasso Project is located in the Birimian sequence of West Africa. Geology consists of Birimian volcanoclastics and sediments and intrusive granite and granodiorite bodies.</li> </ul>  |
| <i>Drill hole Information</i>                  | <ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> </ul> </li> </ul>                                      | <ul style="list-style-type: none"> <li>• All information in Table 1 in release.</li> </ul>  |

| Criteria  | JORC Code explanation  | Commentary   |
|---|--|--|
|   | <ul style="list-style-type: none"> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> <li>● <i>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.</i></li> </ul>  |  |
| <i>Data aggregation methods</i>   | <ul style="list-style-type: none"> <li>● <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></li> <li>● <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></li> <li>● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul> | <ul style="list-style-type: none"> <li>● <i>Sample are composite samples to a maximum of 3m.</i></li> <li>● <i>Samples are collected at 1m intervals from aircore drill holes to allow future sub-sampling.</i></li> <li>● <i>No top-cut applied to reported intersections.</i></li> </ul> |
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> <li>● <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>● <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></li> </ul>   | <ul style="list-style-type: none"> <li>● <i>Samples are reported as down hole width.</i></li> <li>● <i>Samples are from reconnaissance drilling and no information is available to indicate the relationship between down hole and true width of mineralisation.</i></li> </ul>            |
| <i>Diagrams</i>   | <ul style="list-style-type: none"> <li>● <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></li> </ul>   | <ul style="list-style-type: none"> <li>● <i>Refer to announcement</i></li> </ul>   |
| <i>Balanced reporting</i>   | <ul style="list-style-type: none"> <li>● <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></li> </ul>   | <ul style="list-style-type: none"> <li>● <i>All available information reported</i></li> </ul>  |
| <i>Other substantive</i>  | <ul style="list-style-type: none"> <li>● <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical</i></li> </ul>   | <ul style="list-style-type: none"> <li>● <i>Project is at an early stage of exploration. All</i></li> </ul>  |

| Criteria                | JORC Code explanation   | Commentary  |
|-------------------------|---|---|
| <i>exploration data</i> | <i>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>  | information is in announcement  |
| <i>Further work</i>     | <ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Follow-up aircore drilling and further geochemical sampling is required to define zones of mineralisation.</li> <li>• RC drilling is required to determine depth extent and continuity of high-grade mineralisation.</li> <li>• Following further successful drilling, diamond drilling to provide geological constraints and samples for metallurgical studies and geotechnical review is required Aircore drilling targeting the zone of gold mineralisation.</li> </ul> |