



# TARUGA GOLD

## Share Purchase Plan Prospectus

**Taruga Gold Limited (ABN: 19 153 868 789)**

For:

- an offer to Eligible Shareholders of up to 96,785,748 Shares at an issue price of \$0.0045 per Share with 1 free attaching New Option exercisable at \$0.006 on or before 31 May 2017 for every New Share issued to raise up to \$435,536 (**SPP Offer**); and
- an offer of Placement Shares on the terms set out in section 10.10 to allow Placement Shares to be offered for sale without disclosure (**Cleansing Offer**).

The SPP Offer is conditional upon Shareholder approval. See section 8.2 for details.

**ASX Code: TAR**

Lead Manager: Patersons Securities Limited

## Important Notice

This Prospectus (**Prospectus**) is dated 3 June 2015 and was lodged with ASIC on that date (**Lodgement Date**). Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. Neither the Company nor any other party associated with the preparation of this Prospectus guarantees that any specific objectives of the Company will be achieved.

**Purpose and expiry:** This Prospectus is a prospectus for the purposes of Chapter 6D of the Corporations Act in relation to the Shares. This Prospectus expires as a prospectus 13 months after the Lodgement Date and no securities will be allotted or issued on the basis of this Prospectus later than that date.

**Continuously quoted securities:** The Shares offered under this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX since 2012.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. Those provisions allow the issue of a more concise prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of new Shares on the Company and the rights attaching to the new Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing entity. This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

**Exposure Period:** This Prospectus is not subject to any exposure period.

**Foreign restrictions:** The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law. Persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. New Shares will not be issued outside Australia or New Zealand and Shareholders who are residents in such countries do not need to take any further action. This document must not be distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. Any securities described in this document have not been and will not be, registered under the US Securities Act 1993 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act 1993 and applicable US state securities law.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offer.

**Definitions and currency:** Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary. References to currency are to Australian dollars, unless otherwise stated.

**Website - Electronic Prospectus:** A copy of this Prospectus is available and can be downloaded from [www.tarugagold.com.au](http://www.tarugagold.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident and must access the Prospectus from within Australia or New Zealand only. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

**Disclaimer of representations:** No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

**Forward looking statement:** This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'estimate', 'will', 'may', 'expect' and similar expressions.

**Pricing of Shares under SPP Offer:** Eligible Shareholders should be aware that the market price of Shares may rise or fall between the date of this Prospectus and the date when Shares are issued to Eligible Shareholders. By accepting the SPP Offer and subscribing for Shares, each Eligible Shareholder will be acknowledging that although the Issue Price is at a discount to the market price at the time of the announcement of the SPP Offer, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an SPP Offer and the date of issue of Shares under the SPP Offer and that the value of the Shares received under the SPP Offer may rise or fall accordingly.

**Offer conditional:** The offer of securities under this Prospectus is conditional upon Shareholder approval, to be sought at a general meeting to be held on or about 7 July 2015. All application monies will be returned in full, without interest, if Shareholders do not approve the issue of securities under the Offer.

**Consolidation:** The Company is seeking Shareholder approval to consolidate its Shares on the basis of 1 new Share for every 25 Shares held. All references to securities in this Prospectus is on a pre-consolidation basis.

**Enquiries:** If you have any questions please call the Company Secretary on +61 (8) 9486 4036 or Security Transfer Registrars (**Registry**) on +61 (0) 8 9315 2333 at any time between 10.30am and 7.00pm (AEST time) Monday to Friday until the Issue Date. Alternatively, consult your broker, accountant or other professional adviser.

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## Corporate Directory

### Directors of the Company

Frank Terranova	Non-Executive Chairman
Bernard Aylward	Managing Director
Daniel Smith	Non-Executive Director
Myles Campion	Non-Executive Director

### Joint Company Secretaries

Daniel Smith and Samuel Edis  
**Website:** [www.tarugagold.com.au](http://www.tarugagold.com.au)

### Registered and Business Office

Office J, Level 2  
 1139 Hay Street  
 West Perth, WA 6005

### Registry

Security Transfer Registrars  
 770 Canning Highway  
 Applecross, WA 6153  
 +61 8 9315 2333

### Lead Manager

Patersons Securities Limited  
 Level 23, Exchange Tower  
 2 The Esplanade, Perth WA 6000

### Auditor\*

HLB Mann Judd  
 Level 4,  
 130 Stirling Street  
 Perth, WA 6000

### Solicitors to the Offer

Kings Park Corporate Lawyers  
 Level 2  
 45 Richardson Street  
 West Perth WA 6005

\*This party is named for information purposes only and was not involved in the preparation of this Prospectus.

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## 1 TIMETABLE

Record Date	7pm (AEST) 19 May, 2015
Announcement Date	20 May, 2015
SPP Prospectus lodged with ASIC and ASX	3 June 2015
SPP Prospectus sent out to Eligible Shareholders	5 June 2015
Opening Date of SPP Offer	5 June 2015
Closing date of SPP Offer ( <b>Closing Date</b> )	7pm (AEST) 6 July 2015
Shareholder meeting to approve issue of securities under the SPP Offer and the second tranche of the Placement	7 July 2015
Allotment and trading of Shares under the SPP Offer and the second tranche of the Placement ( <b>Issue Date</b> )	10 July 2015

The Directors reserve the right to extend the Closing Date or close the SPP Offer early without notice.

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## 2 KEY ISSUE TERMS AND CAPITAL STRUCTURE

Existing Shares currently on issue <sup>1</sup>	447,821,877
Existing Options currently on issue	67,250,000
Remaining Shares to be issued under the Placement (at \$0.0045) subject to Shareholder approval	139,157,847
Maximum Shares to be issued under the SPP Offer (at \$0.0045) (subject to Shareholder approval)	96,785,748
New Options to be issued under the SPP Offer and the Placement (exercisable at \$0.006 on or before 31 May 2017) <sup>2</sup> (subject to Shareholder approval)	319,007,970

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<sup>1</sup> Includes 83,064,375 Shares issued under tranche 1 of the Placement.

<sup>2</sup> Includes 222,222,222 Options offered to participants of the Placement, and 96,785,748 Options to SPP subscribers, assuming full take-up of the SPP Offer.

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### 3 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board I am pleased to invite you to participate in the Taruga Gold Limited securities purchase plan (**SPP**). The SPP is made in conjunction with a placement to raise \$1 million through the issue of 222,222,222 Shares to new and existing shareholders, including \$500,000 from affiliates of Sprott Inc.

The Company is offering, subject to Shareholder approval, the opportunity for Shareholders to apply under the SPP for additional Shares in the Company at an issue price of \$0.0045 per Share together with one free attaching Option (exercisable on or before 31 May 2017 with an exercise price of \$0.006) (**Free Attaching Option**) for every Share issued under the SPP. The issue price represents a 10% discount to the 5 traded days' VWAP for Shares prior to the Placement and SPP being announced on 20 May 2015.

Eligible Shareholders may apply for up to \$15,000 worth of SPP Shares and free attaching Options.

The issue of securities under the SPP is subject to Shareholder approval at the Company's forthcoming general meeting. If Shareholders do not approve the issue, the SPP Offer will not proceed and applications will be returned in full (without interest).

The purpose of the SPP is to give existing Shareholders the opportunity to increase their shareholding on terms consistent with those offered to new investors under the Placement announced on 20 May 2015. Funds raised will be used for exploration, general working capital and to meet the costs of the Offer.

If the SPP is fully subscribed and Shareholders approve the issue, up to 96,785,748 Shares and 96,785,748 Options will be issued and approximately \$435,000 (before expenses) raised.

Participation in the SPP Offer is entirely voluntarily and open to all Shareholders who were registered holders of ordinary Shares in the company at 5pm on 19 May 2015 with a registered address in either Australia or New Zealand.

The SPP Offer is non-renounceable and will be open on 5 June 2015 and will close at 7pm (AEST) on 6 July 2015. The terms and conditions of the SPP Offer are contained in this prospectus. Please read it carefully and in its entirety. The Company is a junior explorer in West Africa, and an investment in its Shares is highly speculative. Further information on risks is in section 6.

On behalf of the Directors I invite you to consider this opportunity to increase your investment in the Company and subscribe for Shares under the SPP.

Yours faithfully,

Frank Terranova

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## 4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full.

Question	Response	Where to find more information
What is the SPP Offer and why is it made?	<p>An offer to Eligible Shareholders of up to 96,785,748 New Shares at an issue price of \$0.0045 per Share with 1 free attaching New Option exercisable at \$0.006 on or before 31 May 2017 for every New Share issued.</p> <p>Application will be made for the New Shares to be quoted on ASX.</p> <p>The SPP Offer will raise \$435,536 (before costs) if fully subscribed with the funds to be used to continue exploration at the Company's highly prospective ground in West Africa, and for general working capital.</p> <p>The SPP Offer is conditional upon Shareholder approval, to be sought at a Shareholder meeting to be held on or about 7 July 2015.</p>	Section 5
Am I an Eligible Shareholder?	<p>The SPP Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"><li>(a) were the registered holder of Shares as at 7pm (AEST) on the Record Date of 19 May, 2015;</li><li>(b) have a registered address in Australia or New Zealand; and</li><li>(c) have not subscribed for \$15,000 worth of Shares under the Company's share purchase plan in August 2014.</li></ul>	Section 8.5
What information is included in this Prospectus?	<p>This Prospectus includes information on the Company, and the rights and liabilities attaching to its Shares.</p> <p>Further information on the Company can be obtained from <a href="http://www.asx.com.au">www.asx.com.au</a>.</p>	

Question	Response	Where to find more information
What are the key risks of investing in the Company?	<p>An investment in the Company has risks that you should consider before making a decision to hold Shares. These risks include:</p> <ul style="list-style-type: none"> <li>(a) There is a risk that Shareholders will be unable to recover some or all of their investment. This may be as a result of a number of reasons including the returns which Shareholders receive from holding Shares is less than the price they paid due to the Company's exploration success and broader market sentiment. The inability to recover an investment may also be as a result of investors being unable to sell their Shares on the ASX.</li> <li>(b) The Placement consists of two tranches, with the second subject to Shareholder approval and formal documentation with the placees. There is a risk that formal documentation may not be entered into, which may result in the tranche 2 placees failing to perform and the Company failing to raise funds under the second tranche.</li> <li>(c) As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks.</li> <li>(d) As an explorer for gold and potentially other minerals, any earnings of the Company are expected to be closely related to the price of gold and other commodities.</li> </ul> <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to accept the SPP Offer.</p>	Section 6
How will the proceeds of the SPP Offer be used?	Funds raised under the SPP Offer will be used to continue exploration at the Company's highly	Section 5

Question	Response	Where to find more information
	prospective ground in West Africa and working capital.	
Is the SPP Offer underwritten?	The SPP Offer is not underwritten, although the Company may place shortfall securities not subscribed for under the Offer.	N/A
Is the SPP Offer subject to any conditions?	The SPP Offer is conditional upon Shareholder approval. In the event Shareholders do not approve the issue applications funds will be returned in full (without interest) as soon as practicable.	N/A
Can the SPP Offer be withdrawn?	<p>The Company reserves the right not to proceed with the SPP Offer at any time before the issue of New Shares to Applicants, including if Shareholders do not approve the SPP Offer at a forthcoming meeting of Shareholders.</p> <p>If the SPP Offer does not proceed, application monies will be refunded. No interest will be paid on any application monies refunded as a result of the withdrawal of the SPP Offer.</p>	Section 8.1
How do I apply for New Shares under the SPP Offer?	Applications for New Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Application Form and sending it to the Registry together with payment by cheque or BPAY in the amount of \$2,000, \$5,000, \$7,500, \$10,000 or \$15,000 (as applicable).	Section 7
Will shortfall be placed	The Company reserves the right to, subject to Shareholder approval, place Shares offered under the SPP Offer and not taken up within 3 months of Shareholders approving the SPP.	
How can I obtain further information?	Contact the Company Secretary on +61 (8) 9486 4036 at any time between 10.30am and 7.00pm (AEST time) Monday to Friday until the Issue Date. Alternatively, consult your broker, accountant or other professional adviser.	



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## 5 PURPOSE AND EFFECT OF THE SPP OFFER

### 5.1 Introduction

The Company is, subject to Shareholder approval, seeking to raise up to \$435,536 (before costs) under the SPP Offer at a price of \$0.0045 per New Share by offering Eligible Shareholders up to 96,785,748 New Shares each with 1 free attaching New Option exercisable at \$0.006 on or before 31 May 2017. The issue price was calculated having regard to the Company's circumstances and equals the issue price under the Placement. It represents a 10% discount to the 5 traded day VWAP of Shares on the Record Date.

### 5.2 Purpose of the Offer

The proposed use of funds from the Capital Raising, assuming \$435,536 is raised under the SPP and approximately \$625,000 is raised under the second tranche of the Placement, is as follows:

Use of funds (approximately) <sup>1</sup>	\$
Exploration activities	830,536
Working Capital	500,000
Costs of the Capital Raising <sup>2</sup>	105,000
Total use of funds	1,435,536

<sup>1</sup> See section 10.8 for further details relating to the estimated expenses of the Offer.

<sup>2</sup> This includes ASIC fees, ASX fees, Share registry fees, legal expenses and placement fees.

### 5.3 Statement of financial position

Set out in section 13 is the Pro-Forma Consolidated Statement of Financial Position of the Company, including the Consolidated Statement of Financial Position as at 31 December 2014, based on the following assumptions:

- (a) the Capital Raising (Placement and SPP Offer) is fully subscribed and was effective on 31 December 2014;
- (b) no further Shares are issued (including by way of exercise of Options) other than under the Capital Raising; and
- (c) total fundraising and other transaction costs of \$105,000.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the interim financial report as at 31 December 2014.

#### 5.4 Effect of the Offer and the Placement on the Company's securities

At the close of the Capital Raising and assuming full subscription under both the Placement and SPP, the capital structure of the Company will be:

Shares	Number	%
Existing Shares (including tranche 1 of Placement)	447,821,877	65.49
New Shares offered under this Prospectus	96,785,748	14.15
Tranche 2 Placement Shares to be issued subject to Shareholders approval <sup>1</sup>	139,157,847	20.35
Total Shares following the Capital Raising	683,765,472	100

<sup>1</sup> to be sought at the Shareholder meeting to be held on or about 7 July 2015

Options	Number
Existing unquoted Options exercisable at \$0.02 on or before 1 December 2016	52,250,000
Existing unquoted Options exercisable at \$0.20 on or before 31 January 2016	10,000,000
Existing unquoted Options exercisable at \$0.20 on or before 3 February 2016	5,000,000
Unquoted Options exercisable at \$0.006 on or before 31 May 2017 to be issued under the Placement	222,222,222
Unquoted Options exercisable at \$0.006 on or before 31 May 2017 offered under this Prospectus	96,785,748
Total Options	386,257,970

The terms of the Options do not allow for any change in the exercise price as a result of the Offer.

#### 5.5 Effect on control and dilution

The effect of the SPP Offer on control of the Company will vary with the number of Shares taken up by Eligible Shareholders. The Company currently has four substantial

Shareholders each having a relevant interest of 5% or more of the Company's Shares. Any increase in their voting power will depend upon whether they choose to participate in the Offer and the extent to which the Offer is subscribed.

Eligible Shareholders who do not participate in the SPP Offer will be diluted if other Eligible Shareholders participate. The dilution effect of the SPP Offer on Shareholdings will vary with the number of Shares taken up by Eligible Shareholders.

The Company will issue up to approximately 222 million Shares under the Placement. Sprott Inc may have a substantial holding in the Company, but a voting power of less than 20%, following the Placement and assuming no Shares are issued under the SPP Offer.

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## **6 RISK FACTORS**

The New Shares issued under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **6.1 Risks specific to the Offer**

#### **(a) Shareholder approval**

The issue of securities under the Offer is subject to Shareholder approval to be sought at a meeting to be held on or about 7 July 2015. There is a risk that Shareholders may not approve the issue, in which case no securities will be issued under the Offer and all application monies will be returned in full without interest.

There is a risk that Shareholders will be unable to recover some or all of their investment. This may be as a result of a number of reasons including the returns which Shareholders receive from holding Shares is less than the price they paid due to the Company's exploration results and broader market sentiment. The inability to recover an investment may also be as a result of investors being unable to sell their Shares on the ASX.

#### **(b) Second tranche of Placement**

The Placement consists of two tranches, with the second subject to Shareholder approval and formal documentation with the placees. There is a risk that formal documentation may not be entered into, which may result in the tranche 2 placees failing to perform and the Company failing to raise funds under the second tranche.

### **6.2 Company risks**

#### **(a) Exploration**

There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically

developed. Exploration for minerals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any exploration and development program are the location of ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, access to permits and the construction of mining and processing facilities.

Exploration is a high risk undertaking. The Company does not give any assurance that exploration of its current projects or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

(b) Joint venture with Resolute Mining

The Company is a party to a joint venture agreement with Resolute Mining Limited under which Resolute can earn up to a 75% interest in 3 concessions held by the Company in Cote d'Ivoire - the Nielle, Tiebissou and M'Baihaikro - by spending US\$3 million over four years. Resolute may withdraw after spending a minimum of US\$500,000.

There is a risk that Resolute may withdraw after spending the minimum commitment. Furthermore, there are risks under any joint venture arrangement.

(c) Gold price

As an explorer for gold and potentially other minerals, any earnings of the Company are expected to be closely related to the price of gold and other commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(d) Environmental

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(e) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on Mr Bernard Aylward, the Company's Managing Director. There can be no assurance given that there will be no detrimental impact on the Company if Mr Bernard Aylward ceases his employment.

### 6.3 Industry risks

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and securities price may be affected by these factors, as well as by fluctuations in the price of commodities, which are beyond the Company's control. The Company's activities are subject to the environmental risks inherent in the mining industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mining industry. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

If the Company achieves success leading to mineral production, the revenue it will derive through the sale exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

### 6.4 General risks

In addition to the above specific risks associated with the Company's operations there are also general risks associated with an investment in securities. These include:

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The price at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely

affect the market price of the securities of the Company regardless of the Company's operational performance.

Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Changes in Legislation and Government Regulation

Government legislation in Australia and other relevant jurisdictions, including changes to taxation systems, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) Economic risk

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

(d) Legal proceedings

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any material legal proceedings pending or threatened against or affecting the Company.

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## **7 PARTICIPATION IN THE SPP OFFER**

### **7.1 Eligible Shareholders that wish to participate in the SPP Offer**

If you wish to participate in the SPP Offer and are an Eligible Shareholder, you should complete the Application Form. Applicants may apply for a minimum investment of \$2,000 or a subscription of \$5,000, \$7,500, \$10,000 or \$15,000.

All Applications must be completed in accordance with the detailed instructions set out on the Application Form. See section 7.3 for details on methods of payment.

### **7.2 Eligible Shareholders who do not wish to participate in the SPP Offer**

If you are an Eligible Shareholder and do not wish to participate in the SPP Offer, you are not obliged to do anything. If you take no action, you will receive no benefit or New Shares.

If you wish to receive a benefit, you must apply for New Shares in accordance with the instructions above and on the accompanying personalised Application Form.

The number of Existing Shares you held as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to participate under the SPP Offer. However, your percentage interest will be diluted if other Eligible Shareholders participate under the SPP Offer and you do not. Refer to section 5.5 for more details on dilution.

### **7.3 Payment methods**

There are various ways in which money for subscriptions can be paid. These are as follows:

#### **(a) Cheque, bank draft or money order**

The completed Application Form must be accompanied by a cheque, bank draft or money order made payable to 'Taruga Gold Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.0045 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Application Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is no equal either \$2,000, \$5,000, \$7,500, \$10,000 or \$15,000 the Company may round down the dollar amount of new Shares



that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of \$2,000.

The Application Form must be received by the Company at either of the following addresses by no later than 7.00 pm (AEST) on the Closing Date:

**By post to:**

Taruga Gold Limited  
c/- Security Transfer Registrars Pty Ltd  
PO Box 535  
Applecross WA 6953

**(b) BPAY**

Alternatively, if you are paying by BPAY, refer to your personalised instructions on your Application Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm AEST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 7pm AEST on the Closing Date.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

#### **7.4 Application Form is binding**

Receipt of a completed and lodged Application Form together with a cheque for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Application Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;

- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Application Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Application Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Application Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

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## **8 DETAILS OF THE SPP OFFER**

### **8.1 New Shares offered for subscription**

By this Prospectus, the Company makes an offer to Eligible Shareholders to top up their existing Shareholding in the Company and participate in the future endeavours of the Company. The SPP is a convenient and cost effective way for Eligible Shareholders to acquire New Shares in the Company at a discount to the market price during the pricing period, free of brokerage and other transaction costs.

The SPP Offer under this Prospectus consists of an offer of up to 96,785,748 New Shares at an issue price of \$0.0045 per New Share with 1 free attaching New Option exercisable at \$0.006 on or before 31 May 2017 for every New Share issued, to raise up to \$435,536 (before costs). Amounts applied for that result in a fraction will be rounded up to the nearest whole number. No brokerage, stamp duty or other costs are payable by Applicants in respect of an Application for Shares under this Prospectus.

Applications under the SPP Offer must be for either \$2,000 or \$5,000 or \$7,500 or \$10,000 or \$15,000 and can only be made by completing the Application form attached to or accompanying this Prospectus. Applications must be received by the Company on or before the Closing Date.

The SPP Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder, or to reject any Application or to allocate any Applicant fewer Shares than the number applied for.

Details of how to apply for New Shares are set out at section 7.

The rights and liabilities of the New Shares issued under this Prospectus are summarised in section 9.

The Company reserves the right to withdraw the SPP Offer at any time prior to the issue of Shares under the SPP Offer, in which case all application monies will be returned to applicants without interest.

### **8.2 Offer conditional upon Shareholder approval**

The Offer is conditional upon Shareholder approval, to be sought at a general meeting of Shareholders to be held on or about 7 July 2015. In the event approval is not obtained, all application monies received will be returned to applicants without interest as soon as practicable.

### **8.3 No minimum subscription**

There is no minimum subscription.

#### **8.4 Acceptances**

This Offer may be accepted prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for participating under the SPP Offer are set out in section 7 and on the Application Form which accompanies this Prospectus.

#### **8.5 Entitlement to the Offer**

The Offer will be made to Eligible Shareholders, who are those Shareholders that:

- (a) were the registered holder of Shares as at 7pm (AEST) on the Record Date;
- (b) have a registered address in Australia or New Zealand; and
- (c) have not subscribed for \$15,000 worth of Shares under the Company's share purchase plan in August 2014.

#### **8.6 Lead manager**

Patersons Securities Limited has agreed to act as lead manager to the SPP Offer and will be paid a fee of up to \$14,355. See section 10.6 for details.

#### **8.7 Oversubscriptions**

The Company will not accept oversubscriptions.

#### **8.8 Scale back**

The Company reserves absolute discretion to scale back applications under the SPP to the extent and in the manner that it sees fit.

The Company may scale back Applications below the minimum acceptance amount (being \$2,000). If the Company undertakes a scale back, you will receive the number of Shares determined by the Company in its absolute discretion which may be less than the parcel of Shares for which you have applied. In this case, the difference between the application moneys received and the number of Shares allocated to you multiplied by the issue price, may be refunded to you by direct credit (to your nominated account if recorded on the Company's Shareholder register) or cheque as soon as practicable without interest at the time of allotment.

#### **8.9 Offer outside Australia and New Zealand**

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia and New Zealand.

#### **8.10 Issue outside Australia and New Zealand and treatment of Ineligible Shareholders**

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would

be unreasonable to extend the Offer to Ineligible Shareholders. No issue is made to those persons, and the Prospectus will not be sent to them.

(a) New Zealand

The Offer is being made to Shareholders with registered addresses in New Zealand under the *Securities Act (Overseas Companies) Exemption Notice 2013*. Members of the public in New Zealand who were not existing Shareholders on the Record Date are not entitled to apply for any New Securities. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(b) Elsewhere

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Issue. No action has been taken to register or qualify the New Shares or the Issue or otherwise to permit the issue of New Shares in any jurisdiction other than as set out in this section and recipients may not send or otherwise distribute this Prospectus to any person outside Australia or New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus to any person outside Australia or New Zealand (other than to Eligible Shareholders).

#### **8.11 Beneficial holders, nominees, trustees and custodians**

If you are an Eligible Shareholder who holds Shares as a custodian, trustee or nominee (within the definition of 'custodian' in CO 09/425) (**Custodian**) or in any more specific relief granted to the Company in relation to the SPP Offer and hold Shares on behalf of one or more persons (**Beneficiaries**), this SPP Offer is made to you and you have the discretion whether to extend this offer to the Beneficiaries on whose behalf you hold Shares. If you apply for Shares on behalf of a Beneficiary, the Company will not issue Shares to you unless you certify the following in writing to the Company:

- (a) that you hold the Shares on behalf of one or more persons (each a **Participating Beneficiary**) on the Record Date or on behalf of one or more

other Custodians (each a **Downstream Custodian**) that hold beneficial interests in Shares on behalf of one or more other persons (also each a **Participating Beneficiary**) on the Record Date;

- (b) that each Participating Beneficiary or Downstream Custodian (as applicable) has subsequently instructed you to apply for Shares on their behalf under the SPP;
- (c) the number of Participating Beneficiaries;
- (d) the name and address of each Participating Beneficiary;
- (e) the number of Shares that you or each Downstream Custodian (as applicable) holds on behalf of each Participating Beneficiary;
- (f) the number and dollar amount of Shares which each Participating Beneficiary or Downstream Custodian has instructed you to apply for on their behalf;
- (g) that there are no Participating Beneficiaries in respect of which the total of the aggregate application price for the following exceeds \$15,000:
  - (i) the Shares applied for by you on behalf of a Participating Beneficiary under the SPP; and
  - (ii) any Shares issued to you in the 12 months before the application as a result of an instruction given by a Participating Beneficiary to you to apply for Shares on their behalf under an arrangement similar to the SPP (including the share purchase plan in August 2014);
- (h) that a copy of this Prospectus was given to each Participating Beneficiary; and
- (i) where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate, and if you would like further information on how to apply, you should contact the Registry on +61 (0) 8 9315 2333 between the hours of 10.30am and 7.00pm (AEST), Monday to Friday.

## **8.12 Issue of New Shares and application money**

New Shares will be issued only after ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 10 July 2015 and normal trading of the New Shares on ASX is expected to commence that same day.

All Application monies will be disposed into a separate bank account of the Company and held in trust for Applicants until the New Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

#### **8.13 Quotation**

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

#### **8.14 Market prices of Shares on ASX**

The highest and lowest market sale price of the Shares, which are on the same terms and conditions as the New Shares to be issued under this Prospectus, during the last 3 months, and the last market closing price on the date before the lodgement date of this Prospectus, are set out below.

	<b>3 month high</b>	<b>3 month low</b>	<b>Last market sale price</b>
Price (\$)	0.008	0.004	0.005
Date	2 April 2015	28 May 2015	2 June 2015

#### **8.15 CHESS**

The Company participates in the Clearing House Electronic Sub-register System (CHESS). CHESS is operated by ASX Settlement Pty Ltd (ASPL), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's Share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

#### **8.16 Taxation and duty implications**

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

#### **8.17 Privacy**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Registry. The Company collects, holds and uses that information about each Applicant for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about Shareholders (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate



communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. A Shareholder has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

#### **8.18 Enquiries**

Any queries regarding the Offer should be directed to the Company Secretary on +61 8 9486 4036.

Any queries regarding the Application Form should be directed to the Registry on +61 8 9315 2333.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

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## 9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of any preference shareholders (of which there are currently none) the directors may from time to time declare and pay such interim and final dividends as, in their judgement, the financial position of the Company justifies.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of directors

There must be at least 3 but not more than 10 Directors at all times at least 2 of whom must ordinarily reside in Australia. The number of Directors must not exceed 12 which the Company may vary by ordinary resolution. At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

As the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## **9.2 Terms and conditions of New Options**

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 31 May 2017 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be 0.6 cents (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under

this Deed and conditions in respect of the number of Options specified in the Exercise Notice.

- (h) The Options are transferable.
- (i) All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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## **10 ADDITIONAL INFORMATION**

### **10.1 Enquiries**

Any queries regarding the Offer should be directed to the Company Secretary on +61 (8) 9486 4036. You can also contact your stockbroker or professional adviser with any queries in relation to the Issue.

### **10.2 Nature of Prospectus**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial report of the Company for the financial year ended 30 June 2014 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 June 2014 being the last financial report for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
  - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since its 2014 annual financial report:

Date	Announcement
03/06/2015	Investor Presentation
29/05/2015	Change in substantial holding
29/05/2015	Change in substantial holding
29/05/2015	Change in substantial holding
29/05/2015	Change in substantial holding
28/05/2015	Tranche 1 Placement & Appendix 3B

Date	Announcement
21/05/2015	SPP Offer Clarification
20/05/2015	Significant Capital Raising & SPP
18/05/2015	Trading Halt
30/04/2015	Quarterly Activities Report
30/04/2015	Quarterly Cashflow Report
19/03/2015	March Investor Presentation
13/03/2015	Half Yearly Report and Accounts
10/03/2015	Updated Research Coverage on Taruga Gold
26/02/2015	Taruga Announces Joint Venture with Resolute Mining Ltd
09/02/2015	High-Grade Gold Intersections at Kambali Prospect, Mali
30/01/2015	Quarterly Activities Report
30/01/2015	Quarterly Cashflow Report
29/01/2015	Nangalasso Drilling Validates Major Gold Anomalous Trend
05/01/2015	Change of Share Registry
22/12/2014	Aircore drilling completed at Nangalasso, Mali
12/12/2014	Cote d'Ivoire Exploration Update
05/12/2014	Change of Director's Interest Notices
04/12/2014	Appendix 3B & Cleansing Statement
01/12/2014	Drilling commencement at Nangalasso, Mali
27/11/2014	Results of Meeting
31/10/2014	Taruga Expands in Cote d'Ivoire
30/10/2014	Quarterly Activities Report
30/10/2014	Quarterly Cashflow Report



Date	Announcement
23/10/2014	Notice of Annual General Meeting/Proxy Form
22/10/2014	Drilling to Commence at Nangalasso and SLAM Projects, Mali
10/10/2014	Change in substantial holding
08/10/2014	Change in substantial holding
08/10/2014	Change in substantial holding
08/10/2014	Change in substantial holding
07/10/2014	Change of Director's Interest Notice
07/10/2014	Change of Director's Interest Notice
07/10/2014	Becoming a substantial holder
07/10/2014	Tranche 2 Placement Completed & Appendix 3B
30/09/2014	Share Purchase Plan Completed and Appendix 3B
29/09/2014	Investor Presentation

Publicly available information about the Company's is available at [www.asx.com.au](http://www.asx.com.au).

### 10.3 ASIC relief

The Company has applied to ASIC for relief so that Shares issued on exercise of Options to be issued under the Placement without disclosure may be offered for sale without disclosure. Neither the Placement nor Offer are contingent upon relief being given, and the Company will, if required, comply with either section 708A(5) or 708A(11) of the Corporations Act (as the case may be) so that Shares issued on exercise of Options can be freely offered for sale without disclosure.

### 10.4 Consolidation

The Company will at the Shareholder meeting to be held on or about 7 July 2015, seek Shareholder approval to undertake a share consolidation on the basis of 1 new Share for every 25 existing Shares held. The effective date of the consolidation will be after the issue of Shares under the Capital Raising.

## 10.5 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Current holding		Shares proposed to be issued in lieu of Directors' fees <sup>2</sup>
	Shares	Options	
Bernard Aylward <sup>1</sup>	43,665,188	9,250,000	11,111,111
Frank Terranova	7,160,000	3,040,000	3,555,555
Myles Champion	-	1,500,000	2,222,222
Daniel Smith	-	1,500,000	2,444,444

<sup>1</sup> Mr Aylward intends to, subject to Shareholder approval, participate under the Offer for \$15,000.

<sup>2</sup> The Company is seeking Shareholder approval to issue Shares to Directors in lieu of fees.

	Remuneration paid to Directors in the two years prior to the date of this Prospectus	
	2015	2014
Bernard Aylward	62,409	270,000
Frank Terranova <sup>1</sup>	44,000	40,000
Myles Champion <sup>2</sup>	22,500	-
Daniel Smith <sup>3</sup>	25,100	-

Notes:

1 Frank Terranova was appointed a Director on 28 September, 2013.

2 Myles Champion was appointed Director on 2 September, 2014.

3 Daniel Smith was appointed Director on 2 September, 2014.

The Company's constitution provides that the Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the

aggregate sum determined by a general meeting. The aggregate remuneration has been set at an amount of \$300,000 per annum.

The Chairman receives director's fees of \$48,000 per annum exclusive of superannuation. Non-executive Directors receive directors' fees of \$30,000 per annum exclusive of superannuation. Each Director has been paid these respective amounts from the date of listing on ASX.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into with Shareholder approval or as part consideration for the Directors agreeing to hold office as directors of the Company.

The constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal Shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

## **10.6 Interests of promoters and named persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Patersons Securities Limited has acted as lead manager to the SPP Offer and Placement. In respect of this work, the Company will pay \$10,000 plus 1% management fee on the amount raised exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Patersons Securities Limited has not received fees for services to the Company in the 2 years prior to the date of this Prospectus.

Kings Park Corporate Lawyers have acted as solicitors to the Offer and Placement. In respect of this work, the Company will pay approximately \$5,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Kings Park Corporate Lawyers have received fees for services to the Company in the 2 years prior to the date of this Prospectus of approximately \$6,000, excluding GST.

## **10.7 Consents**

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and

the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Patersons Securities Limited	Lead Manager
Kings Park Corporate Lawyers	Lawyers
Security Transfer Registrars	Registry

## 10.8 Expenses of the Offer

The total expenses of the Issue consist of the following:

Cost	\$'000
Lead managing fee	14,355
Legal fees	5,000
ASIC and other expenses	11,300
Total	30,655

These expenses have or will be paid by the Company.

## 10.9 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

## 10.10 Offer for the purposes of sections 708A(11)

By this Prospectus and for the purposes of section 708A(11), the Company offers 1 Share for issue to a person nominated by the Board at issue price equal to the Issue Price. The offer will remain open for acceptance until after the Shares offered under the Placement have been issued.

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## 11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 3 June 2015

A handwritten signature in black ink, appearing to read 'Daniel Smith', with a long horizontal flourish extending to the left.

Signed for and on behalf of  
Taruga Gold Limited by  
Daniel Smith  
Director

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## 12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

<b>\$, A\$ or Dollars</b>	Australian dollars unless otherwise stated.
<b>AEST</b>	Australian eastern standard time.
<b>ASIC</b>	the Australian Securities & Investments Commission.
<b>ASX</b>	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	the board of Directors.
<b>Business Day</b>	Monday to Friday inclusive, except any day that ASX declares is not a business day.
<b>Capital Raising</b>	means the Offer and the Placement.
<b>CO 09/425</b>	means ASIC Class Order [09/425].
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Custodian</b>	has the meaning given in section 8.11.
<b>Deeds</b>	the indemnity, insurance and access deeds between the Company and each of the Directors.
<b>Director</b>	a director of the Company.
<b>Downstream Custodian</b>	has the meaning given in section 8.11.
<b>Eligible Shareholders</b>	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder.
<b>Issue Date</b>	the date set out in section 1.
<b>Issue Price</b>	means \$0.0045 per New Share.
<b>Listing Rules</b>	the listing rules of the ASX.

<b>New Options</b>	the new Options offered under this Prospectus. See section 9.2 for terms and conditions.
<b>New Shares</b>	the new Shares offered under this Prospectus.
<b>Prospectus</b>	this prospectus and includes the electronic Prospectus.
<b>Official List</b>	the official list of the ASX.
<b>Option</b>	an option to be issued a Share.
<b>Participating Beneficiary</b>	has the meaning given in section 8.11.
<b>Placement</b>	the placement of 222,222,222 Placement Shares as announced to ASX on 20 May, 2015; consisting of 2 tranches, with the second subject to Shareholder approval and formal documentation.
<b>Placement Shares</b>	Shares to be issued under the Placement at an issue price of \$0.0045 per Share.
<b>Record Date</b>	the date set out in section 1.
<b>Registry</b>	Security Transfer Registrars.
<b>Shareholder</b>	a registered holder of Shares in the Company.
<b>Share</b>	a fully paid ordinary share in the Company.
<b>SPP Offer or Offer</b>	the offer to Eligible Shareholders of up to 96,785,748 Shares at an issue price of \$0.0045 per Share made under this Prospectus.
<b>Share</b>	a fully paid ordinary Share in the Company.
<b>Taruga or Company</b>	Taruga Gold Limited ACN: 153 868 789.
<b>US Person</b>	has the meaning given to that term in Regulation S under the US Securities Act.
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended.



# 13 CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION

Taruga Gold Limited Balance Sheet at 31 Dec 2014
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	Taruga Gold 31-Dec-14 Audited	Proforma Adjustments Max Subscription \$1,435,536	Revised Proforma 31-Dec-14 Unaudited
	\$	\$	\$
<b>Current Assets</b>			
Cash assets	381,739	1,330,536	1,712,275
Receivables and prepayments	31,433		31,433
<b>Total Current Assets</b>	<b>413,172</b>	1,330,536	<b>1,743,708</b>
<b>Non Current Assets</b>			
Property, plant and equipment	71,446		71,446
Mineral exploration and evaluation	8,225,293		8,225,293
<b>Total Assets</b>	<b>8,709,911</b>	1,330,536	<b>10,040,447</b>
<b>Current Liabilities</b>			
Trade and other payables	305,497		305,497
<b>Total Current Liabilities</b>	<b>305,497</b>		<b>305,497</b>
<b>Total Liabilities</b>	<b>305,497</b>		<b>305,497</b>
<b>Net Assets</b>	<b>8,404,414</b>	1,330,536	<b>9,734,950</b>
<b>Equity</b>			
Issued capital	11,417,953	1,330,536	12,748,489
Reserves	555,304		555,304
Accumulated losses	-3,568,843		-3,568,843
<b>Total Equity</b>	<b>8,404,414</b>	1,330,536	<b>9,734,950</b>

SHARE PURCHASE PLAN APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:

OFFICE J, LEVEL 2  
1139 HAY STREET  
WEST PERTH WA 6872  
AUSTRALIA

TARUGA GOLD LIMITED

ACN: 153 868 789

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd

All Correspondence to:

PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

Code: TAR

Holder Number:

Record Date: 19 May 2015

NON-RENOUNCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON <CLOSING DATE>

ISSUE PRICE OF \$ 0.0045 PER SHARE WITH 1 FREE ATTACHING OPTION  
(EXPIRING 31 May 2017 @ \$0.006) FOR EVERY SHARE GRANTED UNDER THE SPP.

(1) I/We, the above mentioned, wish to apply for the number of Fully Paid Ordinary Shares which will be issued in accordance with the Share Purchase Plan (SPP) and the Constitution of the Company as stated below: (please mark "X" to indicate one choice only)

		TOTAL SUBSCRIPTION AMOUNT @ \$0.0045 PER SHARE	NUMBER OF SHARES
OFFER A – Maximum amount	<input type="checkbox"/>	\$ 15,000	3,333,333
OFFER B	<input type="checkbox"/>	\$ 10,000	2,222,222
OFFER C	<input type="checkbox"/>	\$ 7,500	1,666,666
OFFER D	<input type="checkbox"/>	\$ 5,000	1,111,111
OFFER E	<input type="checkbox"/>	\$ 2,000	444,444

(2) I/We have enclosed/made payment for the amount shown above (following the payment instructions as detailed overleaf).

(3) I/We agree to be bound by the terms of the SPP.

(4) I/We hereby agree to accept any lesser number of new Shares applied for.

(5) I/We hereby certify that the amount of Shares subscribed for by me/us pursuant to the SPP (being a maximum of \$15,000 worth of Shares) does not exceed \$15,000 taking into account the Shares the subject of this application and any other Shares applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including other beneficial interests. **Limit on Participation and Custodian Certification - see overleaf for details.**

(6) My/Our contact details in case of enquiries are:

NAME TELEPHONE NUMBER

( )

EMAIL ADDRESS

@

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

You do not need to return this form if you have made payment via BPAY.

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.



Bill code: 159483

Ref: EFT\_REFERENCE\_NUMBER

CHEQUE / MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **TARUGA GOLD LIMITED** and crossed "Not Negotiable".

REGISTRY DATE STAMP

BPAY® this payment via internet or phone banking.

Your BPAY® reference number is unique to this offer and is not to be used for any other offer.

E & O.E.

## LODGEMENT INSTRUCTIONS

### CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd  
PO Box 535, APPLECROSS WA 6953.

**Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.**

### PAYMENT INFORMATION



Bill code: 159483

BPAY® this payment via internet or phone banking.  
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.**

### LIMITATION ON PARTICIPATION

The maximum subscription limitation of \$15,000 will apply even if an eligible Holder has received more than one form (whether in respect of a joint holding or because the eligible Holder has more than one holding under separate Security accounts).

### CUSTODIAN CERTIFICATION

If you are a Custodian (as defined in ASIC Class Order 09/425), you must submit a custodian certificate to **TARUGA GOLD LIMITED**.

If you did not receive a custodian certificate, contact Security Transfer Registrars Pty Limited. If you need further information to determine whether you are a Custodian, refer to the terms and conditions of the Plan which accompany this Share Purchase Plan Application Form or contact Security Transfer Registrars Pty Limited.

### CERTIFICATION

By making payment for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms of the SPP;
2. Agree to be bound by the Terms of the Constitution of the Company and the SPP;
3. Agree to accept any lesser number of new Securities than the number of Securities applied for; and
4. (If not a Custodian as defined in ASIC Class Order 09/425) Certify that the amount of Securities subscribed for by me/us pursuant to the SPP does not exceed the maximum amount taking into account the Securities the subject of this application and any other Securities applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

### ENQUIRIES

All enquiries should be directed to the Company's share registry:

**Security Transfer Registrars Pty Ltd**

**PO Box 535, Applecross WA 6953 AUSTRALIA**

**770 Canning Highway, Applecross WA 6153 AUSTRALIA**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)**

### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.