



Prospectus

Taruga Gold Limited

ABN 19 153 868 789

For:

- a non-renounceable pro rata Offer to Eligible Shareholders of approximately 16,713,565 New Shares at an issue price of \$0.03 per New Share on the basis of 2 New Shares for every 3 Existing Shares held to raise up to \$500,000 before issue costs.
- an offer of Shortfall Shares to Eligible Shareholders on terms set out in section 8.7 (Shortfall Offer).

ASX Code: TAR

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the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 Prospectus 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 of 1933, as amended, 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.

Important Notice

This Prospectus is dated 7 June 2016 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this 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. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

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 3 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 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.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.tarugagold.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.5 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions

outside Australia and New Zealand may be restricted by law and 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. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

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 statements

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 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.16 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call the Company Secretary on (08) 9486 4036 at any time between 8.00am and 5.00pm (Western Standard time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Mr Frank Terranova	(Chairman)
Mr Bernard Aylward	(Non Exec. Director)
Mr Myles Campion	(Non Exec. Director)
Mr Dan Smith	(Non Exec. Director)

Joint Company Secretaries

Mr Dan Smith
Ms Sylvia Foong

Website

www.tarugagold.com.au

Registered and Business Office

Office J, Level 2
1139 Hay Street
West Perth WA 6005
Tel: +61 8 9486 4036
Fax: +61 8 9486 4799

Share Registry

Security Transfer Registrars
Tel: +61 8 9315 2333
Fax: +61 8 9315 2233

Solicitors to the Offer

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

Auditor*

HLB Mann Judd

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

1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement	10 June 2016
Record date to determine Entitlement	14 June 2016
Prospectus with Entitlement and Acceptance Form dispatched and Offers open	15 June 2016
Closing date for acceptances	28 June 2016
Deferred settlement trading commences	29 June 2016
Issue of New Shares	5 July 2016
Deferred settlement trading ends	5 July 2016
Dispatch of shareholding statements	6 July 2016
Normal trading of New Shares expected to commence	6 July 2016
Last date to issue Shortfall Shares (see section 8.7)	23 September 2016

Note:

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue ¹	25,070,347
Additional Shares approved at the General Meeting ²	36,499,999
Options currently on issue ³	11,796,676
New Shares offered under this Prospectus at \$0.03 per New Share ¹	16,713,565
Amount raised under this Prospectus (before costs) ¹	\$500,000

1 This excludes Shares issued (including by way of exercise of Options) prior to the Record Date.

2 Comprising 31,666,667 Shares issued under the Placement and 666,666 Shares issued to Minerva Corporate for advisory services which will be issued after the Record Date and 4,166,666 Shares issued to Directors (**Director Shares**) which will be issued before the Record Date. See section 5.5 for details.

3 See section 5.5 for more details.

3 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of Taruga Gold, I am pleased to invite you to participate in the 2 for 3 non-renounceable pro-rata entitlement offer at an issue price of \$0.03 per New Share to raise approximately \$500,000 (before costs). The issue price represents a 13% discount to the VWAP of the closing price on the ASX over the last 5 trading days prior to the announcement to ASX on 6 June 2016.

As previously approved by Shareholders, AIM-listed explorer, Kodal Minerals Plc, has acquired Taruga's entire interest in its main undertaking, International Goldfields (Bermuda) Limited (IGS), for the issuance of up to 1,025,000,000 fully paid Kodal Shares (**Disposal**). These shares have been distributed in specie to Shareholders. The Company's remaining assets are its projects in Niger (Kossa 1 & 2) and one exploration license in Cote d'Ivoire.

The Company now intends to raise up to \$1.45 million by way of a placement to sophisticated investors (**Placement**), and the 2 for 3 Rights Issue to existing shareholders offered this Prospectus. Shares will be issued under the Placement on 15 June 2016, and are not eligible to participate in the Offer.

As outlined in section 5 of this Prospectus, the funds raised by the Placement and Rights Issue will be partially used to advance the Company's remaining tenements in Niger and pay existing creditors. This includes the Kossa project where the Company reported a preliminary mineral resource estimate in March of this year. In addition to the Kossa project, the Company is continuing to review additional resources projects that may complement existing assets.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether to participate in this Offer. In particular Eligible Shareholders should consider the key risk factors outlined in section 6 of this Prospectus.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for the Company.

Yours faithfully,

Frank Terranova
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information														
What is the Offer?	<p>2 New Shares for every 3 Existing Shares held on the Record Date at an issue price of \$0.03.</p> <p>The Offer seeks to issue up to 16,713,565 New Shares to raise up to approximately \$500,000 (before costs) if fully subscribed.</p>	Section 5														
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Section 8.5														
How will the proceeds of the Offer be used?	<table><tr><th>Use of funds</th><th>Full Subscription</th></tr><tr><td>Exploration of the Kossa project</td><td>\$500,000</td></tr><tr><td>Existing creditors</td><td>\$250,000</td></tr><tr><td>Review of projects</td><td>\$300,000</td></tr><tr><td>General working capital</td><td>\$300,000</td></tr><tr><td>Costs of the Offer*</td><td>\$100,000</td></tr><tr><td>Total*</td><td>\$1,450,000</td></tr></table> <p>*This includes funds raised by way of the \$950,000 placement to sophisticated investors. The Company reserves the right to pay holders of AFSL licences a placing fee.</p>	Use of funds	Full Subscription	Exploration of the Kossa project	\$500,000	Existing creditors	\$250,000	Review of projects	\$300,000	General working capital	\$300,000	Costs of the Offer*	\$100,000	Total*	\$1,450,000	Section 5.2
Use of funds	Full Subscription															
Exploration of the Kossa project	\$500,000															
Existing creditors	\$250,000															
Review of projects	\$300,000															
General working capital	\$300,000															
Costs of the Offer*	\$100,000															
Total*	\$1,450,000															
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none">• Exploration risks - Whilst the Company is of the view that exploration by the Company on its projects has yielded results¹ that justifies further exploration, the Company’s tenements carry exploration risk.	Section 6														

¹ On 15 March 2016, Taruga announced that it had completed a preliminary Inferred Mineral Resource estimate of 2.7Mt @ 1.3g/t gold for 112,000ozs gold (top cut 20g/t gold and lower cut-off of 0.5g/t gold applied) at the Borobon prospect, located in the Kossa 1 concession. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

Question	Response	Where to find more information
	<ul style="list-style-type: none"> By disposing of IGS, the Company's main undertaking, there is a risk, that, depending on exploration results for its remaining assets and other activities undertaken by the Company, ASX may determine that the Company's activities are not sufficient to warrant continued listing. The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital. As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	
Is the Offer subject to any conditions?	The offer is not subject to any minimum subscription.	Section 8.2
Will the Directors take up their Entitlements?	Following completion of the Rights Issue, Directors Myles Campion and Frank Terranova will resign from the Board and the Company is currently looking for another Director to be appointed upon their resignation. As a result, Messrs Campion and Terranova will not be taking up their Entitlements under the Offer (being 59,259 and 190,933 Shares respectively). Bernard Aylward and Dan Smith will remain on the Board.	Section 5.1
What will be the effect of the Offer on control of the Company?	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>No Shareholder may increase their voting power above 20% as a result of the Offer.</p>	Section 5.6
How do I apply for New Shares and Shortfall Shares under the Offer?	Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Shares applied for.	Section 7.2

Question	Response	Where to find more information
Can I sell my Entitlements under the Offer?	No. The Offer is non-renounceable meaning your Entitlement is not transferable and there will be no trading of rights on ASX.	Section 8.6
How will the Shortfall Shares be allocated?	The Shortfall Shares will be allocated at the Directors' discretion, save that no Shares will be issued to related parties or their associates, or whether a person's voting power may increase either to 20% or more or from above 20%.	Section 8.7
How can I obtain further advice?	Contact the Company Secretary on +61 8 9486 4036 at any time between 8.00am and 5.00pm (WST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.	

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise up to approximately \$500,000 before issue costs under the Offer at a price of \$0.03 per Share on the basis of 2 New Shares for every 3 Existing Shares held as at the Record Date.

Following completion of the Rights Issue, Directors Myles Campion and Frank Terranova will resign from the Board and the Company is currently looking for another Director to be appointed upon their resignation. As a result, Messrs Campion and Terranova will not be taking up their Entitlements under the Offer (being 59,259 and 190,933 Shares respectively). Bernard Aylward and Dan Smith will remain on the Board.

5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Placement and the Offer as follows:

Use of funds (\$) (approx.) ¹	Full Subscription
Exploration of the Kossa project	\$500,000
Creditors	250,000
Review of projects	300,000
General working capital ²	\$300,000
Costs of the Offer ³	\$100,000
Total use of funds	\$1,450,000

Notes:

- 1 This table is a statement of the proposed application of the funds to be raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
- 3 See section 10.5 for further details relating to the estimated expenses of the Offer.

In the event the Company raises less than the Full Subscription, the Company intends to apply funds raised firstly towards the costs of the Offer, then creditors and then broadly equally between the remaining items.

5.3 Director Shares

On 13 May 2016, Shareholders approved the issue of the Director Shares to Messrs Aylward, Terranova, Campion and Smith in lieu of Directors' fees. Approval was given on the basis the Director Shares were issued after the Record Date, so that the Director Shares did not have any Entitlement. To comply with Listing Rule 10.13.3 these Shares will be issued on or before 13 June 2016. Due to delays in Completion, the Record Date has been delayed from 2 June 2016 to 14 June 2016; with the effect that the Directors Shares will now have Entitlement.

Consistent with the basis upon which the Director Shares were issued, the Directors will not take up their Entitlement (insofar as it relates to the Director Shares) and the Directors will not place Shortfall insofar as it relates to the Director Shares.

5.4 Statement of financial position

Set out in section 13 is the unaudited Consolidated Statement of Financial Position of the Company and the unaudited Consolidated Pro-Forma Statement of Financial Position, as at 31 May 2016 and on the basis of the following assumptions:

- (a) the Offer was effective 31 May 2016;
- (b) creditors of \$226,975 were repaid;
- (c) no further Shares are issued (including by way of exercise of Options) other than all Shares offered under this Prospectus;
- (d) take up of the Offer assuming Full Subscription; and
- (e) costs of the Offer and Placement are \$100,000.

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 Company's 2015 annual report.

5.5 Effect of the Offer on the Company's securities

Assuming that Entitlements are taken up in full and no further Shares are issued prior to the Record Date (including by way of exercise of Options), at the close of the Offer, the capital structure of the Company will be:

Shares*	Full Subscription	
	Number	%
Existing Shares	25,070,347	32.02%
New Shares offered under this Prospectus	16,713,565	21.35%
Placement Shares	31,666,667	40.45%
Director Shares	4,166,666	5.32%
Minerva Shares	666,666	0.85%
Total Shares	78,283,911	99.99%**

*The Placement Shares and Minerva Shares will be issued after the Record Date but before the Closing Date.

**Errors due to rounding.

Options ¹	Number
Options exercisable at \$0.50 each on or before 1 December 2016	2,090,001
Options exercisable at \$0.15 each on or before 31 May 2017	9,608,898

Total Options	11,698,899
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¹ The terms of the Options on issue do not provide for the exercise price to change following a rights issue.

5.6 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

(a) Others

As the Offer is non-renounceable, the Company has not appointed a nominee for the purposes of section 615 of the Corporations Act and Shareholders may not rely upon item 10 of section 611 of the Corporations Act to have a voting power of 20% or more.

No person's voting power in the Company may increase to 20% or more as a result of the issue of the New Securities.

(b) Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	5,000,000	19.94	3,333,334	5,000,000	11.97
2	2,500,000	9.97	1,666,667	2,500,000	5.98
3	1,000,000	3.99	666,667	1,000,000	2.39
4	500,000	1.99	333,334	500,000	1.20

6 RISK FACTORS

The New Shares offered under this Prospectus are considered highly 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 the 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 New 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) Future funding and ability to continue as a going concern

The funds raised from the Offer will be used for ongoing evaluation and exploration of the company's projects in West Africa, and for general working capital. The Offer is not subject to a minimum subscription and in the event there is a significant Shortfall, funds raised will not be sufficient to any future exploration and operational activities, and that additional funding will be required. There is a risk that further funds may not be raised on the same terms as under the Offer, and may be dilutive to existing Shareholders.

(b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.5(c) above.

6.2 Company and industry risks

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) Continued admission to ASX

Chapter 12 of the Listing Rules requires that, amongst other things, an entity has at all times sufficient activities to warrant the continued quotation of the entity's securities and its continued listing.

By disposing of IGS, its main undertaking,² there is a risk that, depending upon exploration results for its remaining assets and other activities undertaken by the Company, ASX may determine that the Company's activities are not sufficient to warrant continued listing. If this is to occur, the Company would have 6 months to acquire assets sufficient to warrant continued listing, failing which the Company's Shares would be suspended from trading. Furthermore, any acquisition may require the Company to re-comply with the admission requirements to ASX. There is a risk

² See the Company's Notice of Meeting, which was announced to ASX on 8 April 2016 (Notice of Meeting).

that this may not be satisfied.

(b) Exploration

The Company is an exploration company with various tenements and projects located in West Africa that are in the exploration phase. The tenements and projects held by the Company are early stage with limited exploration, and investors should understand that mineral exploration is a high risk activity. The Company does not provide any assurances that its exploration activities will guarantee the discovery and/or economic exploitation of a significant mineral resource.

The renewal of tenements upon expiry of their current term and granting of applications for exploration licences is subject to Ministerial approval. Non-approval or a delay in the approval process could have a negative impact on exploration conducted by the Company as well as its Share price.

The exploration and operating costs of the Company are based on certain assumptions with respect to exploration methods and the timing of exploration activities undertaken. By their nature, these estimates and assumptions are subject to uncertainties and as such, actual costs may materially differ from the estimates and assumptions. No assurances can be provided that cost estimates and their underlying assumptions will be realised in practice which could adversely affect the Company.

(c) Future capital needs and additional funding

The Company recorded a net loss of \$219,799 and a net outflow from operating and investing activities of \$680,296 for the half year ending 31 December 2015. As at 31 December 2015, it had approximately \$227,867 cash on hand.

The funds raised by the Offer will primarily be used to fund exploration on the Company's remaining projects following the Disposal. There is a risk that these funds will not be sufficient to complete the proposed exploration and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(d) Gold and other commodity prices

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

(e) Title and application risk

The Company's mining tenements are located in Niger (Kossa 1 & 2) and Cote d'Ivoire and are governed by mining legislation of the state in the relevant jurisdiction. Each tenement is for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met. Furthermore, the tenements are subject to risks ordinarily found in third world countries.

(f) Operating risks

The Company's operations may be affected by various factors including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in operating plant and equipment; mechanical failures or breakdowns; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be provided that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to extract value from its projects, the Company is likely to incur ongoing operating losses.

(g) Resource estimates

The Company has previously announced resource estimates. Resource estimates are expressions of judgement based on knowledge, experience and industry practice (refer to the JORC Code for further information on resource estimation). Estimates that were valid when originally made may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company will employ industry-standard techniques including compliance with the JORC Code to reduce the resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

(h) Environmental

The exploration and operational activities of the Company are subject to State and Federal laws concerning the environment.

The Company's activities are expected to have an impact on the environment particularly if advanced exploration or mine site recommissioning or development proceeds. It is the Company's intention to continue to conduct its operations and

activities to the highest standard of environmental obligation including but not limited to compliance with all environmental laws and regulations.

(i) Legal risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations could impact adversely on the assets, operations and financial performance of the Company and its securities. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

(j) Uninsured loss and liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all potential losses or liabilities that could arise from its activities. If the Company incurs losses or liabilities that are not covered by its insurance policies, the funds available for exploration will be reduced and could create risk for the value of the Company's assets.

6.3 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

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

Furthermore, the stock market, and in particular the market for exploration and mining companies 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) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia 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. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Securities (see section 7.3); or
- (c) allow all or part of your Entitlement to lapse (see section 7.4).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Securities

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Securities regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.7 for details of the manner in which Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

7.4 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to participate in the Offer, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.5 Payment methods

BPAY

If you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 3.00pm WST 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 3.00pm WST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

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

Cheque, bank draft or money order

Alternatively, if you are paying by cheque, bank draft or money order, the completed Entitlement and Acceptance 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 \$0.03 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 Entitlement and Acceptance 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 insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at either of the following addresses by no later than 5.00pm (WST) on the Closing Date:

By Post To:	By Delivery To:
PO Box 7653 Cloisters Square Perth WA 6850, Australia	Office J, Level 2, 1139 Hay Street West Perth WA 6005, Australia

7.6 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order 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 Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance 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 Company's share registry upon using the contact details set out in the Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance 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.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders on the basis of 2 New Shares for every 3 Existing Shares held as at the Record Date at a price of \$0.03 per New Share to raise up to approximately \$500,000 before issue costs. Fractional entitlements will be rounded up to the nearest whole number.

The 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.

Details of how to apply for New Shares are set out at section 8.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 No minimum subscription

There is no minimum subscription for the Offer.

8.3 Acceptances

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

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

The Offer is not underwritten.

8.5 Entitlement to Offer

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

- (a) are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.6 No Rights trading

The Offer is non-renounceable. This means that the rights of Eligible Shareholders to subscribe for New Shares under this Prospectus are not transferable and there will be no trading of rights on ASX. Eligible Shareholders who choose not to take up their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

8.7 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (Shortfall Offer).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without

disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

8.8 Offer outside Australia and New Zealand

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

8.9 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. The Prospectus will not be sent to those Shareholders.

(a) New Zealand

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. 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 Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

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 or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.10 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 8.9 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.11 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 5 July 2016 and normal trading of the New Shares on ASX is expected to commence on 6 July 2016.

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

8.12 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 allotted or 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.

8.13 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	\$0.074	\$0.027	0.035
Date	14 March 2016	12 May 2016	6 June 2016

8.14 CHESS

The Company participates in the Clearing House Electronic Subregister 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, security holders 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.

8.15 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.

8.16 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form 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 Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share 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 the Shareholder (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 security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant 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.

8.17 Enquiries

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

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 8 9315 2333.

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

9 RIGHTS AND LIABILITIES ATTACHING TO SHARES

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 Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors authorise.

(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

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

If 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.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

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 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 statements of the Company for the financial year ended 30 June 2015 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 statements of the Company for the financial year ended 30 June 2015 being the last financial statements 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 statements 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 2015 annual report was lodged with ASX on 30 September 2015:

Date	Description of Announcement
06/06/2016	In Specie Distribution and Change to Right's Issue Ratio
02/06/2016	Company Secretary Appointment
24/05/2016	Change in substantial holding
23/05/2016	Becoming a substantial holder
23/05/2016	Completion of Kodal Transaction
16/05/2016	Revised completion date and timetable
16/05/2016	Trading Halt
13/05/2016	Results of Meeting
29/04/2016	Quarterly Activities Report
29/04/2016	Quarterly Cashflow Report
08/04/2016	Appendix 3A.05
08/04/2016	Appendix 3B
08/04/2016	Prospectus - Proposed In Specie Distribution
08/04/2016	Notice of General Meeting/Proxy Form
07/04/2016	Proposed disposal of Main Undertaking & Capital Raising
07/04/2016	Trading Halt request
07/04/2016	Trading Halt

Date	Description of Announcement
15/03/2016	Half Year Accounts
15/03/2016	Preliminary Mineral Resource Estimate, Kossa Project
08/02/2016	Appendix 3Y
04/02/2016	Option expiry
01/02/2016	Option Expiry
29/01/2016	Quarterly Activities Report
29/01/2016	Quarterly Cashflow Report
15/12/2015	Taruga and Newcrest Execute Binding Farm-In Agreement
25/11/2015	Results of Meeting
25/11/2015	2015 AGM Presentation
30/10/2015	Quarterly Activities Report
30/10/2015	Quarterly Cashflow Report
19/10/2015	Notice of Annual General Meeting/Proxy Form
16/10/2015	Appendix 3B
30/09/2015	App 4G & Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

10.2 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	Bernard Aylward ¹	Frank Terranova ²	Daniel Smith ³	Myles Champion ⁴
Shares	2,323,986	286,400	97,778	88,889
Entitlement	1,549,324	190,933	65,185	59,259

Notes:

- ¹ On 13 May 2016 Shareholders approved the issue of 4,302,682 Shares to Bernard Aylward. Management subsequently determined that only 3,000,000 Shares will be

issued to Mr Aylward with the remainder of the director fees owing to him to be paid in cash. See announcement dated 6 June 2016.

² On 13 May 2016 Shareholders approved the issue of 666,666 Shares to Frank Terranova.

³ On 13 May 2016 Shareholders approved the issue of 366,666 Shares to Daniel Smith. However, management has determined that those Shares will not be issued and Mr Smith's directors' fees will be paid in cash. See announcement dated 6 June 2016.

⁴ On 13 May 2016 Shareholders approved the issue of 500,000 Shares to Myles Campion.

Remuneration paid to Directors in the two years prior to the date of this Prospectus ^{1, 3}		
Director	2014/2015	2015/2016
Frank Terranova	\$56,100	\$44,000
Bernard Aylward ²	\$75,159	\$140,250
Daniel Smith	\$33,100	\$27,500
Myles Campion	\$33,100	\$27,500

Notes:

¹ The Chairman and non-executive Directors are entitled to annual directors' fees of \$48,000 and \$30,000 (inclusive of superannuation) respectively.

² From 1 June 2016, Bernard Aylward will receive non-executive director fees of \$30,000 per annum

³ See section 5.3 for details on Shares issued to the Directors in lieu of Directors fees.

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 as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution 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 or proposed 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 proposed 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 proposed 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.

10.3 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.

Kings Park Corporate Lawyers has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$30,000 (inclusive of GST and disbursements). Subsequently fees will be paid in accordance with normal hourly rates. Kings Park Corporate Lawyers have received fees for services to the Company totalling \$30,000 (inclusive of GST and disbursements) in the 2 years prior to the date of this Prospectus.

10.4 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
Kings Park Corporate Lawyers	Lawyers
Security Transfer Registrars	Share Registry

10.5 Expenses of the Offer and Placement

The total expenses of the Offer and Placement are estimated to be \$100,000, consisting of the following:

Cost	\$
Legal fees	\$30,000
ASX fees	\$6,500
Capital Raising fees ¹	\$50,000
ASIC fees	\$2,320
Printing, postage and other expenses	\$7,500
Total	\$96,320

These expenses have or will be paid by the Company.

¹ The Company reserves the right to pay holders of AFSL licences a Capital Raising fee to be agreed.

10.6 Litigation

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

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: 7 June 2016

A handwritten signature in purple ink, appearing to read 'Sylvia', is positioned above a light blue rectangular stamp. The stamp contains some illegible text and a circular emblem.

.....
Signed for and on behalf of
Taruga Gold Limited by
Sylvia Foong

12 GLOSSARY

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

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Taruga	Taruga Gold Limited (ABN 19 153 868 789).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deeds	the indemnity, insurance and access deeds between the Company and each of the Directors.
Director	a director of the Company.
Director Shares	has the meaning given in section 2.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Ex Date	the date set out in section 1.

Existing Share	a Share issued as at 5.00pm (WST) on the Record Date.
Full Subscription	\$500,000 before costs.
General Meeting	the general meeting of the Company held on 13 May 2016.
IGS	International Goldfields (Bermuda) Limited.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.
New Shares	Shares issued pursuant to this Prospectus.
Notice of Meeting	the Company's Notice of Meeting, which was announced to ASX on 8 April 2016.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to purchase a Share.
Placement	has the meaning given in the Chairman's Letter.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Rights	the right of an Eligible Shareholder to take up New Share pursuant to this Prospectus.
Share	a fully paid ordinary share in the Company.
Share Registry	Security Transfer Registrars.
Shareholder	the registered holder of Shares in the Company.
Shortfall Shares	New Shares for which valid Applications have not been received by the Closing Date.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.
WST	Western Standard Time, Western Australia.

13 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Taruga Gold Limited		
Proforma Balance Sheet at 31 May 2016		
	Taruga Group 31-May-16	Pro-forma 31-May-16
	Unaudited	Unaudited
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	47,576	1,172,008
Financial assets	411,025	-
Trade and other receivables	19,547	19,547
Total Current Assets	478,148	1,191,555
Non current assets		
Property, plant and equipment	45,899	45,899
Mineral exploration and evaluation expenditure	7,340,073	7,340,073
Total Non Current Assets	7,385,972	7,385,972
Total Assets	7,864,120	8,577,527
LIABILITIES		
Current Liabilities		
	226,975	-
Total Current Liabilities	226,975	-
TOTAL LIABILITIES	226,975	-
NET ASSETS	7,637,145	8,577,527
EQUITY		
Contributed equity	12,630,589	13,570,971
Reserves	598,255	598,255
Accumulated profit/(losses)	(5,591,699)	(5,591,699)
TOTAL EQUITY	7,637,145	8,577,527