

30 April 2018

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 March 2018

Taruga Gold Limited (**Taruga** or the **Company**) is pleased to present its quarterly activities report for the March quarter.

HIGHLIGHTS

- **Taruga signs option agreements to acquire highly prospective cobalt and copper mineralised concessions** within the Central African Copper Belt, in the south-east of the Democratic Republic of Congo.
- Company to acquire, subject to due diligence, **a 60% interest in Mwilu and Kamilombe high grade cobalt** occurrences in the Kolwezi Mining District.
- Historic exploration drilling intersected multiple mineralised zones of shallow, high-grade cobalt mineralisation including:
 - **26.5m @ 2% Co** and 1% Cu from 78.1m & **32.2m @ 3% Co** and 0.5% Cu from 209.6m;
 - **33.6m @ 2% Co** from 77.93m
 - **46.8m @ 2% Co from 7m**(Note drilling is vertical and refers to down hole intersections, true width is not known at this stage)
- Results from **recent channel sampling** of the artisanal workings reported **cobalt grades up to 13% Co**. Artisanal mining is currently extracting high-grade cobalt mineralisation.
- Appointment of Mr Mark Gasson as an Executive Director. Mr Gasson is a geologist with 33 years' experience and will be responsible for the management of Taruga's exploration activities.

CORPORATE

Director Appointment

On 1 March 2018, the Company announced the appointment of Mr Mark Gasson to the Board as an Executive Director, who will be overseeing the management of Taruga's exploration activities. Mr Gasson is a geologist with 33 years of experience and has been active in the DRC since 2004 in gold and base metals exploration and resource development. Mr Gasson was instrumental in the discovery of Tiger Resources 1 million tonnes Kipoi copper deposit.

Capital Raising

On 1 March 2018, the Company announced that it had raised \$1,090,000 before costs through the placement of 10,900,000 shares at \$0.10 per share (Placement).

Subject to shareholder approval, new director Mark Gasson or his nominee will apply for \$160,000 and Gary Steinepreis or his nominee will apply for \$100,000 (Related Parties) as part of, and on the same terms, as the Placement.

Cash Position

As at 31 March 2018, the Company had approximately \$1.93 million of cash.

OPERATIONS

Cobalt-Copper project Acquisitions, Democratic Republic of Congo (DRC)¹

During the quarter, Taruga announced the acquisition, subject to due diligence, of a series of highly prospective Cobalt-Copper mineralised projects in the Democratic Republic of Congo (DRC). Taruga undertook a comprehensive review on a number of projects, and has focused on potential acquisitions of Cobalt-Copper projects and Lithium projects.

Taruga has previously announced an agreement with Mr Klaus Eckhof and Mr Mark Gasson (the Company's Executive Director) to act as strategic consultants to identify opportunities in the DRC, which has led to the potential acquisition of these highly prospective Cobalt-Copper projects ranging from advanced exploration with high-grade drill intersections through to early stage exploration offering additional opportunities. All concessions are shown in Figure 1 highlighting their position within the Central African Copper Belt.

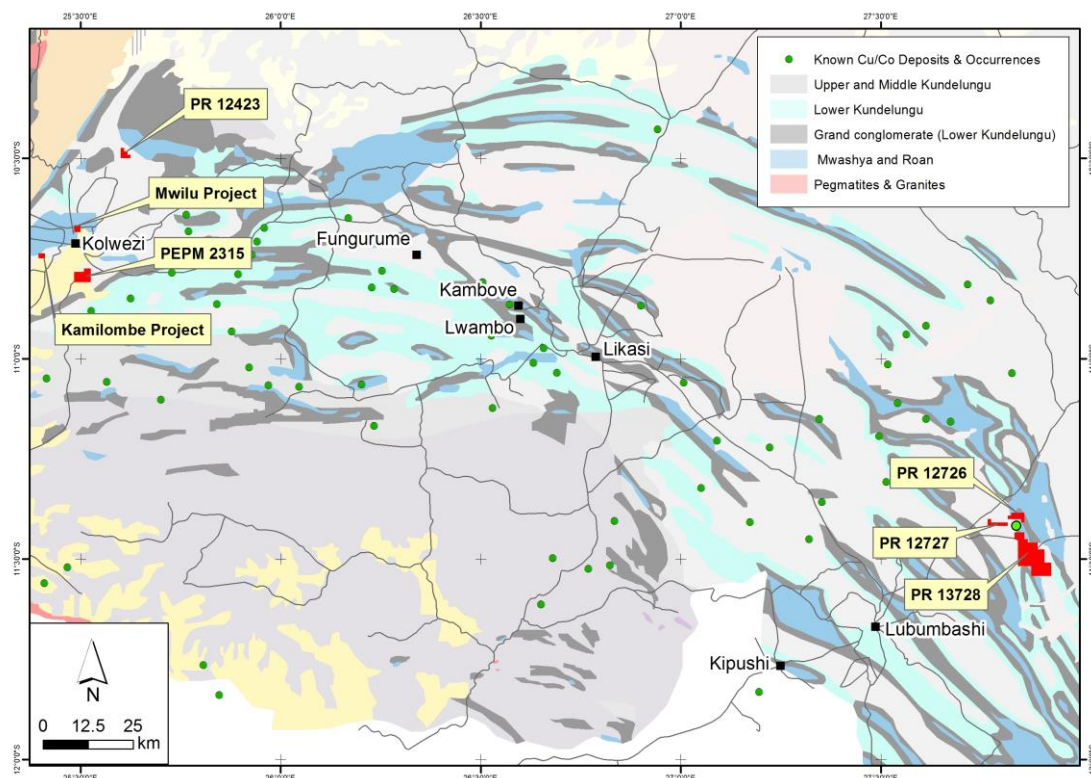


Figure 1: Regional geology showing location of Taruga's optioned tenements

¹ Refer to full ASX announcement, 1 March 2018

Taruga has entered in an agreement with a consortium including the Government of Lualaba Province and local construction and development company, Mint-Master, to earn a 60% interest in the high grade Mwilu (portion of Permis d'Exploitation – PE 4960) and Kamilombe (portion of PE 11599) Cobalt-Copper projects. The Company has agreed to a 6 month due diligence period and intends to conduct drilling programmes to better understand the true mineralised potential of both deposits, which are currently being mined from surface by artisanal miners. Taruga has already collected a series of channel samples through the artisanal workings and reports grades of up to 13% Co (range 0.2% Co to 13% Co) using a handheld XRF Niton. In addition, Taruga has also secured a first right of refusal to assess and develop additional Cobalt-Copper licences held by the Government of Lualaba Province and Mint-Master.

The Company has also signed agreements with Madini for the acquisition of Madini's 70% option on four highly prospective Copper-Cobalt licences as well as up to 100% interest of PR 12423, all of which cover a total of 116km² of highly prospective ground with known cobalt and copper occurrences within inferred/mapped Roan sediments.

Central African Copperbelt

All tenements are located within the Central African Copper Belt, which hosts many of the largest known copper-cobalt deposits both in the south-eastern DRC and Zambia.

The geology of the Copper Belt sequence has been well studied, and a substantial history of mining and exploration provides a strong platform for future development work. Cobalt-copper mineralisation was traditionally expected within the lower sedimentary sequences of the Lower Roan sub-group of rocks known as the Mines Group (R-2), although recent exploration has led to the discovery of several deposits in the overlying Mwashya (R-4) and Nguba Groups. The most significant example being Ivanhoe's Kamoa deposits (>25m tonnes of contained copper) hosted in the "Grand Conglomerate Formation" at the base of the Lower Kundulungu. These new discoveries have highlighted the potential for additional units with the geological formation to host major cobalt-copper mineralisation and significantly highlight large areas of prospective ground that has had little to no previous exploration. Taruga will fast track soil sampling and shallow air core drilling programmes on the early stage projects on the successful conclusion of the due diligence periods.

In addition to the appointment of Mr Gasson, Taruga has also appointed Mr Jamie Anderson as in country Exploration Manager and Mr Rhett Brans as the Company's engineering consultant.

Jamie is a geologist with 14 years of experience predominantly in exploration and resource definition roles. He has 10 years of DRC experience, and has adequate experience in both stratiform and structurally controlled mineralisation within the copper belt.

Rhett is an experienced civil engineer with over 45 years' experience in project developments, who has been involved in the management of feasibility studies and the design and construction of mineral treatment plants across a range of commodities and geographies including for gold in Ghana, copper in the DRC and graphite in Mozambique.

Lithium Exploration, DRC

As announced in the on 1 March 2018, the Company has undertaken geological review and reconnaissance site visit during the due diligence period in respect of ZRG 0705, a lithium project that Taruga held an option over. The results of the due diligence were not positive, with no significant lithium, tin or tantalum identified in any of the exposures within the licence boundaries during a reconnaissance field visit conducted on the property. The Company therefore decided to withdraw its interest in ZRG 0705.

West Africa Gold Exploration Projects

No field activity to report from Cote d'Ivoire or Niger exploration.

Subsequent Events

On the 3rd of April, the Company announced the results reported by ALS Global in Johannesburg, confirming the cobalt and copper portable XRF Niton analyser (Niton) results reported in the ASX release on 1 March 2017 at both Mwili and Kamilombe. The laboratory results confirmed the high-grade channel and grab sample results reported from the artisanal workings. Higher cobalt grades up to 16% were consistently found in the high-grade samples from the laboratory. A site visit has been undertaken to assess the potential for an early small scale mining operation at Mwili.

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

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Competent person's statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Mark Gasson, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Gasson is an Executive Director of Taruga Gold Limited. Mr Gasson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Gasson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Annexure 1: Taruga Gold Limited – tenements held directly by Taruga Gold or subsidiary company

Tenements	Acquired during quarter	Disposed of during quarter	Held at end of quarter	Country
Kossa 1	-	-	100%	Niger
Kossa 2	-	-	100%	Niger
Kouriki	-	-	100%	Niger
Ounzerbe	-	-	100%	Niger
Mankono	-	-	100%	Cote d'Ivoire
Yaghong North	-	-	100%	Application – Western Australia
Gidgee East	-	-	100%	Application – Western Australia
E70/5029	-	-	100%	Application – Western Australia
E70/5030	-	-	100%	Application – Western Australia
E70/5031	-	-	100%	Application – Western Australia