

31 January 2018

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 December 2017

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

CORPORATE

Cash Position

As at 31 December 2017, the Company has approximately \$1.45 million of cash.

OPERATIONS

Project Evaluation Activities, Democratic Republic of Congo

Lithium

During the Quarter, Taruga announced that it had entered a Binding Agreement to acquire, subject to due diligence, up to a 65% interest in permit ZRG0705 in the Manono Tin Tantalum Mining District in the Tanganyika Province, east-central DRC (**Project**).

The Project lies within the renowned “Katanga Tin Belt” where both primary and alluvial tin and tantalum have been mined since early 1900’s. Re-evaluation of the region highlights the potential for high grade extensive lithium mineralisation hosted within the Sn-Ta-Li pegmatite bodies that potentially occur throughout the belt where all previous exploration focus was on tin and tantalum mineralisation.

Due Diligence is continuing and a decision on this project will be made in the March quarter.

Copper-Cobalt Projects

Taruga and its strategic consultants are continuing to identify and review opportunities in the DRC that have potential to host high grade Copper and Cobalt mineralisation. The DRC is the major supplier of Cobalt to the world market and project generation has identified key areas for project acquisition. Taruga has entered into discussions with several parties and is seeking to develop a portfolio of projects from advanced exploration with drilling data and further priority drill ready targets through to high priority greenfields exploration projects.

Lithium Exploration, Australia

During the Quarter, the Company announced that it had lodged three Exploration tenement applications in the south-west of Western Australia. The tenement areas are in the Balingup Greenstone belt, and are located to the south of the Greenbushes Tin-Tantalum-Lithium, the largest hard rock lithium mine in the world (Figure 1).

Taruga identified the region as highly prospective for the discovery of additional lithium mineralised pegmatite bodies through review of historic data and geological mapping completed by the Geological Survey of Western Australia. The tenement areas contain identified Lithium exploration targets, including the historic Tin-Tantalum-Lithium Yerraminup prospect. The geological setting is interpreted to be analogous to the setting of the Greenbushes mine and a detailed exploration programme of mapping and sampling is proposed for the tenements when granted.

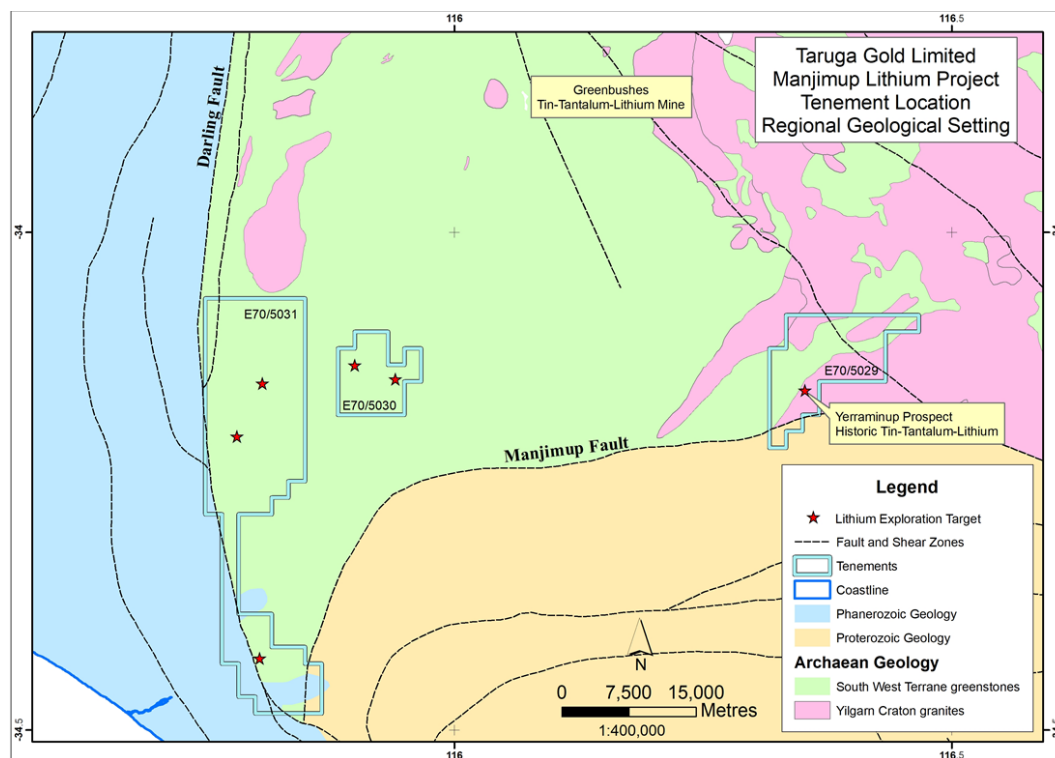


Figure 1: Taruga Gold Limited – Tenement Application Location Plan

West Africa Gold Exploration Projects

The Company maintains the Kossa Project in Niger. During the Quarter, the Company's Niger based Senior Geologist completed site visits and reported on the increasing artisanal working on site. The Company has maintained a base within the Kossa project and will de-commission the base during the March quarter.

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

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 Announcement that relates to exploration results is based on information compiled by Mr Bernard Aylward.

Mr Aylward is a Non-Executive Director of Taruga Gold Limited. Mr Aylward is a member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Aylward consents to the inclusion in the announcement of matters based on his information in the form and context 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%	-	100%	Application – Western Australia
Gidgee East	100%	-	100%	Application – Western Australia
E70/5029	100%	-	100%	Application – Western Australia
E70/5030	100%	-	100%	Application – Western Australia
E70/5031	100%	-	100%	Application – Western Australia