

29 January 2016

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

- Exploration activity continued on the Tiebissou and Nielle Concessions in Cote d'Ivoire
- Binding Farm-In agreement signed with Newcrest Mining Limited (ASX:NCM), over the Dabakala concession, Cote d'Ivoire

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

Resolute Mining Limited ("Resolute") as part of the Cote d'Ivoire farm-in and Joint Venture, has commenced exploration activities, including geological reconnaissance, interpretation of geochemical sampling and planning and preparation for aircore drilling. Taruga also continued to assess its 100% owned projects in Mali, Cote d'Ivoire and Niger.

In December Taruga signed a Binding farm-in agreement with top-tier gold producer, Newcrest Mining Limited ("Newcrest"), in respect of Taruga's 100% owned Dabakala Project, Cote d'Ivoire. Newcrest have immediately commenced activities on the ground and will be completing a major auger drilling programme in the March quarter.

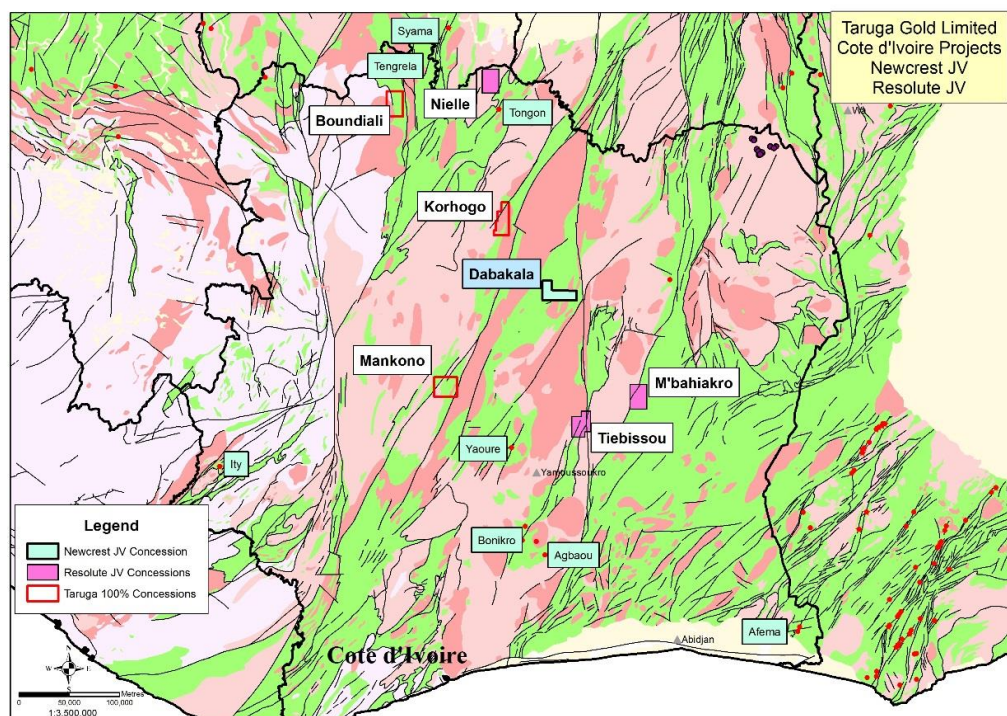


Figure 1 – Taruga Cote d'Ivoire Projects, showing concessions subject of JV or farm-in

Cote d'Ivoire

Resolute Mining Limited Joint Venture

Resolute continued exploration activities at the Tiebissou concession in central Cote d'Ivoire during the quarter. Activities consisted of geological review and evaluation of geochemical anomalies, geological reconnaissance and planning and preparation for aircore drilling. The aircore drilling programme is designed as a first pass test of the extensive Gold-Arsenic-Antimony (Au-As-Sb) anomaly that is continuous from the Resolute ground to the Joint Venture ground as identified in the September Quarter report. The anomaly is associated with a zone of strong shearing and geological complexity that is prospective for development of mineralisation.

Aircore drilling commenced in January and is expected to be complete with assays returned during the March quarter.

For the Nielle concession, located in northern Cote d'Ivoire, Resolute have undertaken geological review, mapping and planning of geochemical sampling. Exploration activities are expected to continue in the March quarter.

Newcrest Mining Limited Farm-in (Cote d'Ivoire)

The Binding Farm-in agreement with Newcrest for the Dabakala concession was finalised during the quarter. The Dabakala concession, located in central Cote d'Ivoire, is 100% owned by Taruga and adjoins concessions owned by Newcrest (Figure 2). Under the terms of the agreement, Newcrest will have the ability to earn a 75% interest in a JV company in Cote d'Ivoire by incurring exploration expenditure of US\$1.7m over three years.

Newcrest have immediately commenced activity on the project, with geological reconnaissance and mapping being completed over areas of known surface gold anomalism. Newcrest have planned auger sampling programmes to target potentially gold mineralised structures identified from early geochemical sampling and a programme of stream sediment sampling completed by Newcrest during the due diligence period.

The auger geochemical sampling program initially consists of 395 sample locations, with line clearing and preparation commenced in early January. The programme is expected to be completed in the March quarter.

About Dabakala

The Dabakala concession is located in central Cote d'Ivoire and is 100% owned by Taruga subsidiary company International Goldfields CIV SARL. The concession was granted to Taruga in 2014.

Taruga has completed first pass geochemical sampling that outlined extensive surface gold anomalism associated with a major shear structure.

The anomalies are regionally extensive and require infill geochemistry to define targets for reconnaissance drilling.

Newcrest has completed a regional stream sediment, rock chip and laterite sampling program as part of the project review which confirms the anomalous gold trends.

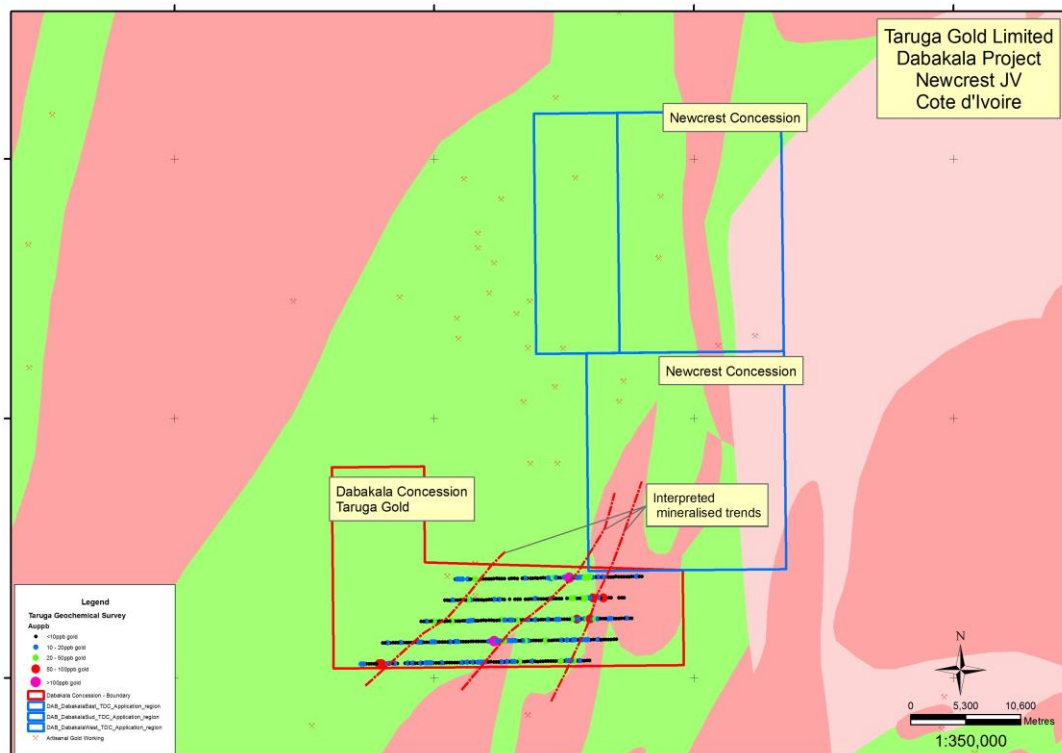


Figure 2 – Taruga Dabakala Project and adjacent Newcrest concessions.

Mali

The Company continued its review of landholding and proposed activities for its two high priority project areas in Mali - the Nangalasso project located in southeastern Mali and the SLAM project located in western Mali.

Exploration activities are proposed for the Nangalasso project where previous drilling has outlined extensive areas of gold anomalism. Recent field reconnaissance has highlighted new artisanal mining sites located adjacent to completed drilling and trenching and highlights the potential for near surface gold mineralisation to be defined. A programme of trenching, geochemical sampling and limited drilling is being planned.

For the SLAM project, the company has identified the Kambali prospect as high priority with geological reconnaissance locating areas of intensive artisanal mining. These areas are close to previous drilling undertaken by Taruga and will



be a focus of proposed field work that is planned to include trenching and limited drilling.

Niger

The company is continuing to compile and review all available exploration information and completing a geological review of the concession areas.

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

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About Taruga Gold

Taruga is a West African focused gold explorer that has compiled a diverse portfolio of exploration projects within the Birimian geology of West Africa. This region is at present one of the world's great gold districts and has had a significant rate of discovery and development of new gold mines over past decades.

Taruga has ~4,000km² of highly prospective tenements in Niger, Southern Mali and Cote d'Ivoire, all within similar geological settings as world-class goldmines. The Company's Kossa Project in Niger is 15km from the 5moz Essakane goldmine; in Mali, the Nangalasso project is 30km west of the 7moz Syama project.

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 the Managing Director of Taruga Gold Limited and is a full-time employee of the Company. 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 – Granted 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
Tiebissou			100%	Cote d'Ivoire
Mankono			100%	Cote d'Ivoire
Korhogo			100%	Cote d'Ivoire
Dabakala			100%	Cote d'Ivoire
Nielle			100%	Cote d'Ivoire

Annexure 2: Taruga Gold Limited – Tenements held via option agreement by Taruga Gold or subsidiary company

Tenements	Acquired option agreement	Disposed of option agreement	Held at end of quarter	Country
Djelibani Sud			100%	Mali
Kambali			100%	Mali
Nangalasso			100%	Mali
Sotian			100%	Mali