

TORONTO – Further to its press release of June 21, 2011, Desert Gold Ventures Inc. (TSX-V: DAU) (the "Company" or "Desert Gold") is pleased to provide the following update with respect to its proposed acquisition (the "Acquisition") from TransAfrika Resources Cyprus Limited (the "Vendor") of all of the outstanding shares of TransAfrika Belgique S.A. ("TransAfrika"), a private Belgian company which owns interests in three advanced exploration-stage gold deposits in central and western Africa through subsidiaries in Rwanda, Mali and Senegal.

Closing of Subscription Receipt Financing

Effective October 4, 2011, the Company successfully closed a private placement (the "Financing") of 4,949,665 subscription receipts at a price of \$0.75 per subscription receipt for aggregate gross proceeds of \$3,712,250. The Company engaged MGI Securities Inc. ("MGI") as agent in connection with the Financing.

The gross proceeds of the Financing, less certain costs and expenses of MGI, will be held in trust by Computershare Trust Company of Canada ("Computershare"), as subscription receipt agent, and released to the Company upon completion of the Acquisition (the "Effective Date") pursuant to the terms of a subscription receipt indenture entered into between the Corporation, MGI and Computershare.

These funds, combined with existing cash on hand, will enable the Company to satisfy the first phase of TransAfrika's work program and fulfill its working capital obligations under the terms of the definitive sale of shares agreement entered into with the Vendor and TransAfrika in respect of the Acquisition (the "Share Exchange Agreement").

On the Effective Date, each subscription receipt will automatically convert into one unit (a "Unit") of the Company, with each such Unit consisting of one common share and half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$1.00 for a period of 24 months following the Effective Date, provided that, in the event that the closing price of the outstanding 2 common shares on the TSX Venture Exchange ("TSXV") is greater than \$1.50 for a period of 20 consecutive trading days at any time following the Effective Date, the Company may, at its option, accelerate the expiry date of the warrants by giving written notice to the holders thereof and in such case the warrants will expire on the date which is the earlier of: (i) the 30th day after the date on which such notice is given by the Company; and (ii) 24 months from the Effective Date.

In its capacity as agent, MGI received a work fee in the amount of \$56,500 (including HST) and 49,496 broker warrants, each being exercisable, commencing upon the Effective Date and for a period of 18 months thereafter, into one Unit at an exercise price of \$0.75.

All securities issuable in the Financing will be subject to a statutory four-month hold period.

Filings with TSX Venture Exchange and Anticipated Timing

On September 22, 2011, the Company submitted its draft filing statement to the TSXV in respect of the Acquisition. Subject to, inter alia, receipt of all necessary regulatory (including

TSXV) approvals, the Company expects to formally close the Acquisition by mid-November, 2011.

To the extent that the TSXV determines that the Acquisition requires the approval of the Company's shareholders, the Company will, in an effort to eliminate the additional cost and delay associated with calling a special meeting of its shareholders, seek to obtain shareholder approval of the Acquisition by way of written consents from shareholders holding a majority of the outstanding Company shares, in accordance with TSXV policies.

Please refer to the Company's press release of June 21, 2011 (available at www.sedar.com) for further details concerning the Acquisition.

Amendment to Share Exchange Agreement

On August 17, 2011, the Share Exchange Agreement was amended to provide as follows:

- The Vendor agreed to provide up to \$750,000 to TransAfrika in the form of a non-interest bearing loan in order to enable TransAfrika to advance and maintain the subject mineral properties during the period prior to closing of the Acquisition. Upon successful completion of the Acquisition, Desert Gold will be obligated to assume and repay any sums so advanced (to a maximum of \$750,000), provided that that if the Acquisition is not completed for any reason, Desert Gold will be under no obligation to assume or repay all or any part of such interim financing.
- In light of recent market conditions, the parties agreed to reduce the requirement for cash on hand upon completion of the Acquisition from \$10,000,000 to \$5,000,000. Following the successful completion of the Financing, the Company expects to have at least \$5,000,000 in available cash upon closing and, on this basis, will be able to fund all aspects of the recommended Phase I work programs on TransAfrika's properties.

Following completion of the Acquisition and depending on market conditions, the Company may consider raising additional equity in order to fund the further advancement of the TransAfrika properties and, potentially, to finance accretive acquisitions of adjacent properties.

Ayub Khan, Chairman and CEO of Desert Gold, commented:

"We are very pleased that the Company was able to successfully complete the Financing in light of such challenging market conditions. We are equally pleased to have forged such a positive working relationship with our partners at TransAfrika. Desert Gold believes strongly in the potential of TransAfrika's western African gold assets and looks forward to completing the Acquisition and continuing the exciting exploration and development work being done in western Africa."

About TransAfrika Belgique S.A.

TransAfrika has acquired a portfolio of advanced mineral projects in Central and West Africa the most important of which include:

Rwanda: TransAfrika, through its wholly owned subsidiary TransAfrika Rwanda Gold Ltd., has acquired 100% ownership of two exploration permits in the two main gold domains in Rwanda. These include permit No 107/16.03/05 issued on 13 November 2007 covering 90,119 hectares ("ha") (Byumba) and 7,044 ha (Rusizi), and permit No 0040/16.03/05 issued on 1 September 2008 covering 14,754 ha (Nyamugali) and 684 ha (Rusizi Extension). The exploration permits lie within the Central African Kibaran Orogen stretching from Katanga, Democratic Republic of Congo, into Uganda. The Kibaran hosts Banro's Twangiza, Namoya, Lugushwa and Kamitunga deposits with a total resource of 10.5 million ounces of gold ("Au").

Whilst Rwanda hosts a number of coltan, tin and tungsten mines as well as small artisanal gold mines, TransAfrika's Byumba Project is the first significant gold resource discovered in the country. These properties currently represent early stage exploration targets. The Byumba Project is located in the Gicumbi District in the Northern Province of the Republic of Rwanda. A diamond drilling program, comprising 33 holes for 5,183 m was carried out between July 2008 and August 2009 by TransAfrika on the Byumba Project and an inferred resource of 5,551 kt at a grade of 1.48 g/t for 257,000 ounces Au was declared for the Rubaya deposit. Mineralization is of the disseminated type and occurs in 14 parallel higher grade zones within a broad mineralized zone of up to 80 m wide and is expected to be amenable to open pit mining. Drilling tested the mineralization over a strike of 1,160 m. The Rubaya deposit is open down dip and along strike and has yet to be fully delineated.

The next phase of drilling is intended to increase the resource. To date TransAfrika has spent USD \$7.6 million in exploration expenses in respect of its properties in Rwanda.

Mali: TransAfrika, through its subsidiaries and joint venture agreements, has three exploration permits (EP) focused on gold in Mali. The permits in Mali are held by TransAfrika Mali SA, a joint venture company incorporated in Mali held 74% by TransAfrika and 13% by each of the two joint venture partners. The permits include Farabantourou, PR08/3549 covering 112 km², Loulo-Est, PR 08/349 covering 52 km² and Segala-Ouest, PR 09/396 covering 16 km². The permits are underlain by Birimien volcano-sedimentary formations of the Kenieba inlier.

Several gold mines occur within the Kenieba inlier, including Loulo, Sadiola, Yatela, Tabakoto, Segala and Sabodala. Realization of the importance of the Birimian rocks as the major source of gold in West Africa led to a series of discoveries and mine development over the last two decades in the West African countries of Ghana, Ivory Coast, Guinea Mali and Burkino Faso, leading to Ghana and Mali becoming the second and third largest producers of gold in Africa.

The Senegal-Mali Fault Zone ("SMFZ") straddles the Farabantourou permit. Mines associated with the SMFZ include Loulo (11.5 million ounce gold resource) and Sadiola (9.2 million ounce gold resource). The Loulo-Est and Segala Ouest permits are adjacent to the Segala/Tabakoto Mines (3.32 million ounce gold resource) of Avion Gold Corp., a TSXV issuer, with gold mineralization extending from the Segala Mine onto the Segala Ouest permit. All of these mines are open pit operations with underground potential. The TransAfrika permits have potential to host similar deposits.

Since acquiring the permits, TransAfrika has conducted exploration work on these permits including soil sampling, trenching, auger drilling, IP surveys, reverse circulation ("RC") drilling

and diamond drilling. On Loulo-Est, TransAfrika drilled 60 RC holes and 12 diamond drill holes on soil anomalies for a total of 8,224 m. 29 of the holes intersected more than 1 g/t Au. Intersections include values of up to 21 g/t Au over 1 m and intersection widths of up to 7 m at 1.95 g/t Au.

Between 2001 and 2003, 823 RC holes were drilled on Frabantourou for a total of 53,139 m. This drilling program was a follow-up on targets identified by geochemical surveys, aeromagnetic surveys and artisanal workings. Gold mineralization was discovered in six areas; Barani, Barani East, Keniegoulou, Dambamba, Kousilli and Linnguekoto. Significant mineral intercepts include 4 m at 9.31 g/t Au and 6m at 7.90 g/t Au at Barani East, 4 m at 5.90 g/t Au and 20 m at 1.62g/t Au at Keniegoulou, 7 m at 2.04 g/t Au and 12 m at 1.88 g/t Au at Dambamba and 4 m at 6.16g/t Au at Kousilli. Further TransAfrika drilling gave values of 1.26 g/t over 18 m. Since 2008 TransAfrika spent a total of USD \$5.4 million in exploration expenses in respect of its properties in Mali.

Senegal: TransAfrika through its subsidiary TAR Senegal SA has acquired the Souroundou gold exploration permit with an area of 299.33 km² in eastern Senegal on the Falémé river on the border with Mali. The geological setting is similar to that of the Malian permits. The permit is immediately north of and adjacent to the exploration permit area held by Mineral Deposits Limited which operates the Sabodala Mine.

Exploration work carried out up until May 2010 included a soil geochemical covering the southwestern part of the permit (a total of 1,612 soil samples were collected), hard rock grab sampling of outcrops in areas of anomalous soil values, and an IP survey over areas with anomalous gold in soil values. To date TransAfrika has spent a total of USD \$347,000 in exploration expenses in respect of its properties in Senegal.

NI 43-101 technical reports have been completed for all projects in Rwanda, Mali and Senegal and were prepared by Coffey Mining, an independent geological consulting firm. The authors Mark McKinney, Janine Flemming and Kathleen Body are Qualified Persons as defined by NI 43-101 for the purposes of this news release. Copies of the technical reports will be available on SEDAR following review and approval by the TSX-V.

About Desert Gold Ventures Inc.

Desert Gold Ventures Inc. is an advanced exploration and development company which holds a 50% participating interest in a joint venture agreement with Kinross Goldbanks Mining Company (a subsidiary of Kinross Gold Corporation) of Toronto, Ontario in respect of the Goldbanks Mining property located in Pershing County, Nevada, USA.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. All dollars in this release are in Canadian funds.

Completion of the transaction is subject to a number of conditions, including TSXV acceptance. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in a Filing Statement prepared in connection with the transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Desert Gold should be considered highly speculative.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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For further information on Desert Gold Ventures Inc. please visit our website at:
www.desertgold.ca

FORWARD-LOOKING STATEMENTS

This press release includes certain "forward-looking statements". All statements regarding the ability of the Company to successfully complete the Acquisition, to successfully integrate the businesses of Desert Gold and TransAfrika and to delineate new resources in proposed drilling programs are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. All statements that are not historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, are "forward-looking statements". We caution you that such "forward looking statements" involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such risks and uncertainties include the inability of the Company to close the Acquisition and the concurrent financing due to the state of the capital markets and other factors, including those risk factors discussed in the Company's filings with Canadian securities regulatory agencies. The Company expressly disclaims any obligation to update any forward-looking statements except as may be required by law.