

31 March 2022

ASX Release

**Full Year Statutory Accounts for the Year Ended 31 December 2021**

Turaco Gold Limited (ASX: TCG, the "Company") attaches its statutory accounts for the year ended 31 December 2021 and provides a reconciliation of key differences between its Consolidated Statement of Cash Flows reported in the Appendix 5B and Consolidated Statement of Cash Flows reported in the attached statutory accounts.

<b>Consolidated statement of cash flows</b>	<b>Appendix 5B December 2021 disclosure (\$'000)</b>	<b>December 2021 Financial Report disclosure (\$'000)</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(499)	(499)
(e) administration and corporate costs	(567)	(1,100)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,062)</b>	<b>(1,595)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	(1,000)	(1,000)
(b) tenements	-	-
(c) property, plant and equipment	(145)	(17)
(d) exploration & evaluation	(2,617)	(2,189)
(e) investments	-	-
(f) other non-current assets	-	-

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<b>Consolidated statement of cash flows</b>		<b>Appendix 5B December 2021 disclosure (\$'000)</b>	<b>December 2021 Financial Report disclosure (\$'000)</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Corporate transaction – due diligence	(120)	(120)
	Security deposit paid	(16)	(16)
	Cash acquired on completion of acquisition	69	69
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,829)</b>	<b>(3,275)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	13,500	13,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	710	710
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(777)	(780)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Lease liability payment	-	(15)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>13,433</b>	<b>13,415</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,329	5,329
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,062)	(1,595)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,829)	(3,275)

<b>Consolidated statement of cash flows</b>		<b>Appendix 5B December 2021 disclosure (\$'000)</b>	<b>December 2021 Financial Report disclosure (\$'000)</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,433	13,415
4.5	Effect of movement in exchange rates on cash held	(2)	(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,869</b>	<b>13,873</b>

In summary, the material differences between the two reports are exploration related salaries and Cote d'Ivoire overhead expenses being recognised as an investing activities rather than operating activities.

The slight difference in the closing cash is due to adjustment in petty cash balances in Cote d'Ivoire.

Approved for release by the Board of Directors of Turaco Gold Limited

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**TURACO GOLD LIMITED**  
**(formerly Manas Resources Limited)**

ABN 23 128 042 606

**Annual Report**

**31 December 2021**

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**Turaco Gold Limited  
Corporate Directory**

<b>Directors</b>	John Fitzgerald Justin Tremain Alan Campbell Bruce Mowat	Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director
<b>Company Secretary</b>	Susmit Shah	
<b>Registered and Administrative Office</b>	Level 2, Suite 9, 389 Oxford Street Mount Hawthorn, Western Australia 6016  PO Box 281 Mount Hawthorn Western Australia 6915 Telephone: Facsimile: Website:	(61 8) 9380 6062 (61 8) 9380 6761 <a href="http://www.turacogold.com.au">www.turacogold.com.au</a>
<b>Auditors</b>	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth, Western Australia 6000	
<b>Share Registry</b>	Automic Pty Ltd Level 5, 191 St Georges Terrace Perth, Western Australia 6000 Telephone:	1300 288 664
<b>Securities Exchange Listing</b>	Australian Securities Exchange	(Code – TCG)

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Dear Fellow Shareholders,

I am pleased to present the 2021 Annual Report for Turaco Gold Limited (ASX: TCG, "Turaco" or the "Company").

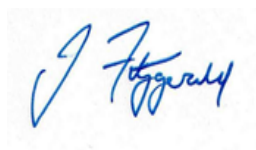
The 2021 year was a transformational year for Turaco with the Company securing a large, prospective exploration package in Côte d'Ivoire from Resolute Mining Ltd. The acquisition was concluded in August 2021 and has transformed Turaco into a leading Côte d'Ivoire explorer, laying the foundations for company-making opportunities.

The acquisition has grown Turaco's position to ~8,350km<sup>2</sup> of highly prospective Birimian greenstone terrain located in northern and central-east Côte d'Ivoire, with four highly prospective project areas being identified in the Boundiali, Eburnea, Tongon North and Ferke Gold Projects.

We welcomed a number of new employees in Côte d'Ivoire which allowed the Company to immediately commence its exploration activities across the portfolio. Concurrent with the acquisition, there were changes to the Board of Turaco which include my appointment, and a change in the Company's name. I am excited to be part of the rejuvenation of Turaco as we aggressively explore the Company's newly acquired prospective exploration position.

I would like to thank you, our long term and new Shareholders for your support of the Company's strategy and confidence in the new Board and management team. This support was demonstrated by the \$10 million equity raising completed in December 2021. The raising has placed the Company in a strong financial position and facilitates very active exploration programs. At the time of writing, the Company has several drilling rigs operating across the Eburnea, Boundiali and Tongon North Projects and has begun delivering some very encouraging results. The Company is focussed on defining mineral resources through exploration that will support standalone economic project development opportunities.

The Directors would like to acknowledge the contribution of our management team and all staff, who are focussed on delivering positive outcomes for the Company's shareholders and all stakeholders.



John Fitzgerald  
Chairman

**Overview**

In May 2021, Turaco (the ‘Company’ or ‘Turaco’) entered into a number of agreements with Resolute Mining Ltd (‘Resolute’) and Predictive Discovery Ltd (‘Predictive’) for the transformational acquisition of 6,194km<sup>2</sup> of exploration tenure covering highly prospective Birimian greenstones, located in northern and central-east Côte d’Ivoire. The acquisition was completed in August 2021 following the satisfaction of various conditions, including Turaco shareholder approval.

Together with Turaco’s existing land holding, the total exploration position in Côte d’Ivoire grew fourfold as a result of the acquisition to ~8,350km<sup>2</sup>, positioning Turaco as a leading Côte d’Ivoire gold explorer.

The Company’s focus being on four core project areas (refer Figure One):

- Boundiali Project,
- Tongon North Project,
- Eburnea Project, and
- Ferke Project

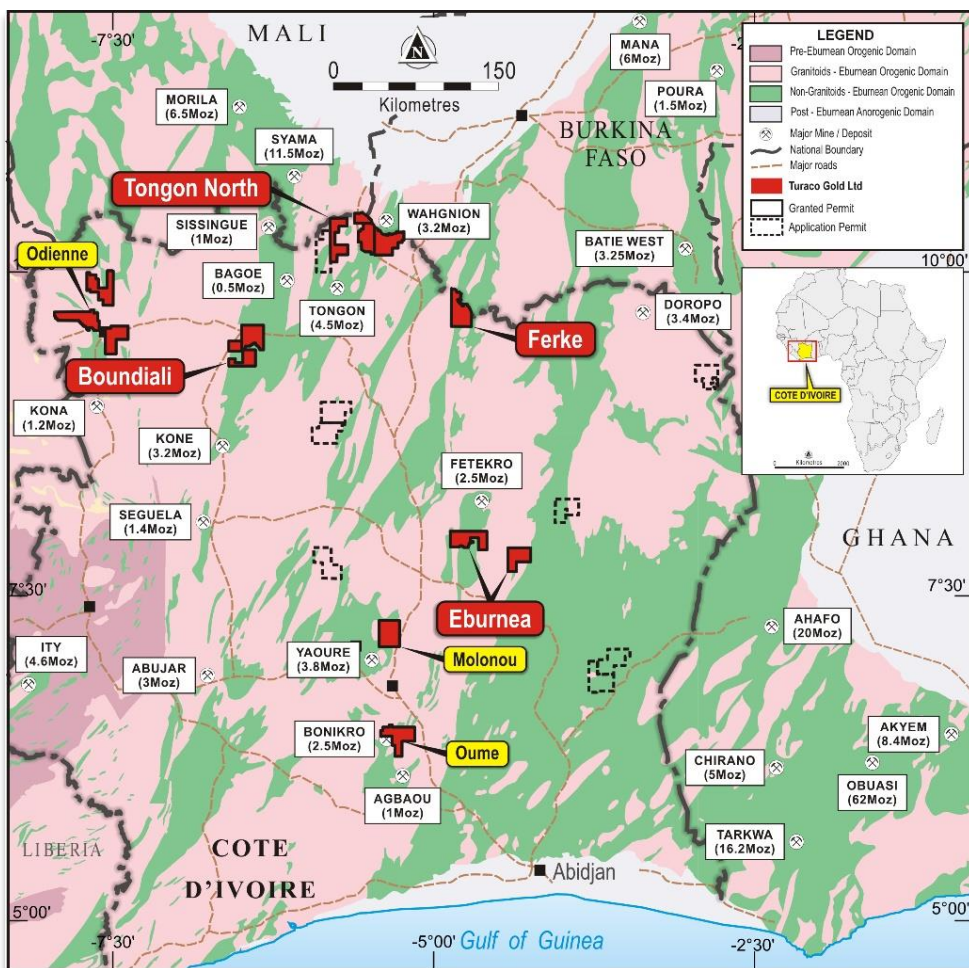


Figure One | Project Locations



## Summary of Turaco’s Côte d’Ivoire Gold Projects

### Eburnea Project

The Eburnea Project covers two granted permits covering 690km<sup>2</sup> (refer Figure Two).

The Bouake North permit is positioned on the Oume-Fetekro belt which hosts the 2.5Moz Fetekro gold project approximately 35km to the north and the 2.5Moz Bonikro and 1.0Moz Agbaou gold mines 200km to the south.

The Satama permit covers a significant north-east trending shear splaying off the crustal scale Ouango-Fitini shear, which marks the margin of the Birimian Comoé basin.

Turaco has completed drilling across both Satama and Bouake North with reverse circulation (‘RC’), air core (‘AC’) and auger drilling, along with soil geochemistry. Drilling is ongoing along with planned geophysics, including an Induced Polarisation (‘IP’) survey and a detailed airborne magnetic survey.

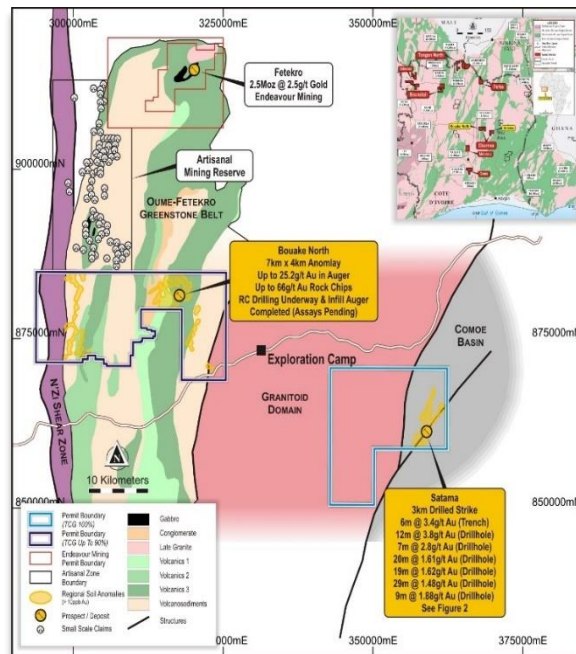


Figure Two | Eburnea Gold Project with Soil Geochemistry

#### Bouake North (Turaco up to 90% Interest)

An initial auger program of approximately 2,600m was completed over three high tenor gold-in-soil anomalies identified through a surface sampling infill program on a 100m by 250m grid which had returned high tenor anomalism of up to 19.6g/t gold.

The auger program comprised 25m spaced vertical holes on 200m to 400m spaced lines. Auger holes were drilled to 3-10m depth with a bottom-of-hole sapolite sent for assay.

A significant number of auger holes returned >100ppb gold from bottom of hole sapolite, with up to 25.2g/t gold reported (refer to ASX announcement dated 6 December 2021).

The auger results defined a number of subparallel, north-south striking, gold trends extending for over 1.3km to 1.6kms of strike, which remain ‘open’.

Field mapping identified a zone of small-scale mining (orpaillage) associated with one of the auger trends. Rock chips from this trend have returned values up to 66g/t gold from quartz veins.

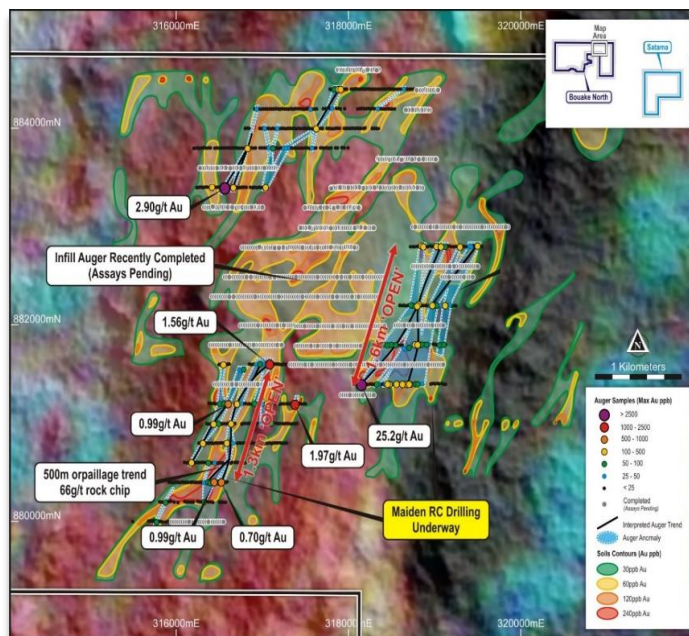


Figure Three | Bouake North Auger and Soil Geochemistry

In addition to this first phase of auger drilling, an infill soil sampling programme was undertaken between the three previously identified gold-in-soil anomalies, which showed the three anomalies forming one large soil anomaly extending over an area of 7 kilometres by 4 kilometres. As a result, the auger drilling was expanded to test the central area of soil anomalism and to infill the earlier auger drilling. Turaco has now completed auger testing this large area on a 25m by 200m grid (refer to Figure Three).

A maiden RC drilling program commenced in February 2022. Results from this RC drilling at Bouake North and the infill auger drilling are pending at the time of this report.

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*Satama (Turaco 100% Interest)*

Turaco initially completed a power auger drill program across 4.5kms of north-east trending gold-in-soil anomalism at Satama which returned highly encouraging results. Auger drilling across the central 2.5kms of strike returned up to 9.91g/t gold with multiple high tenor results across a width of up to 600m, with a best result of 9m @ 4.49g/t gold from 1m (refer ASX announcement dated 13 October 2021).

Following these auger results, a maiden combined AC/RC drilling and trenching program commenced to test for mineralisation in the weathered zone beneath the anomalous auger holes. RC drilling was employed initially to ensure adequate depth penetration before moving to faster AC drilling once the depth of oxide was established. The oxide profile extends to 80m in depth in some sections. The maiden program comprised 7 trenches for 800m, mechanically dug using an excavator, five traverses of AC holes (37 in total) for 2,150m and 14 RC holes for 1,300m using a small multipurpose drill rig. Trenches were simultaneously employed to confirm the dip direction of the auger anomaly. Trenching returned 6m @ 3.36g/t gold and 10m @ 1.27g/t gold.

This initial shallow drilling confirmed the presence of gold mineralisation at shallow depths along the Satama trend with multiple subparallel trends open along strike and depth. This maiden drilling program was undertaken across wide 240 metre to 280 metre spaced sections.

Significant results (+10gm) from this maiden program included (refer ASX announcement dated 2 February 2022):

- 12m @ 3.80g/t gold from 24m (STAC0031)
- 20m @ 1.61g/t gold from surface (STAC0016)
- 19m @ 1.62g/t gold from 56m (STAC0015)
- 7m @ 2.78g/t gold from 27m (STRC012)
- 7m @ 2.52g/t gold from 2m (STRC009)
- 11m @ 1.54g/t gold from 3m (STRC001)
- 16m @ 1.23g/t gold from 75m (STRC008)

Given these results, a further 5,076m of AC drilling was undertaken, stepping out the north and to the south. At the time of this report results had been received for an additional 3,448m of this expanded AC program with gold mineralisation intersected in all drill lines across multiple zones and along 3kms of drilled strike.

The latest significant AC results (+10gm) included (refer Figure Four and ASX announcement dated 21 March 2022):

- 29m @ 1.48g/t gold from 29m (STAC0061)
- 7m @ 1.61g/t gold from 31m (STAC0066)
- 52m @ 0.69g/t gold from surface (STAC0055)
- 10m @ 1.37g/t gold from 32m (STAC0083)
- 9m @ 1.88g/t gold from 34m (STAC0079)

These latest results confirm the main trend remains open along strike to the northeast with drilling on the most northerly traverse returning 29m at 1.48g/t gold. In addition, a second priority trend striking north-northeast which remains open for at least 1.5km along strike to a trench that returned 6m at 3.36g/t gold has been identified (refer Figure Four).

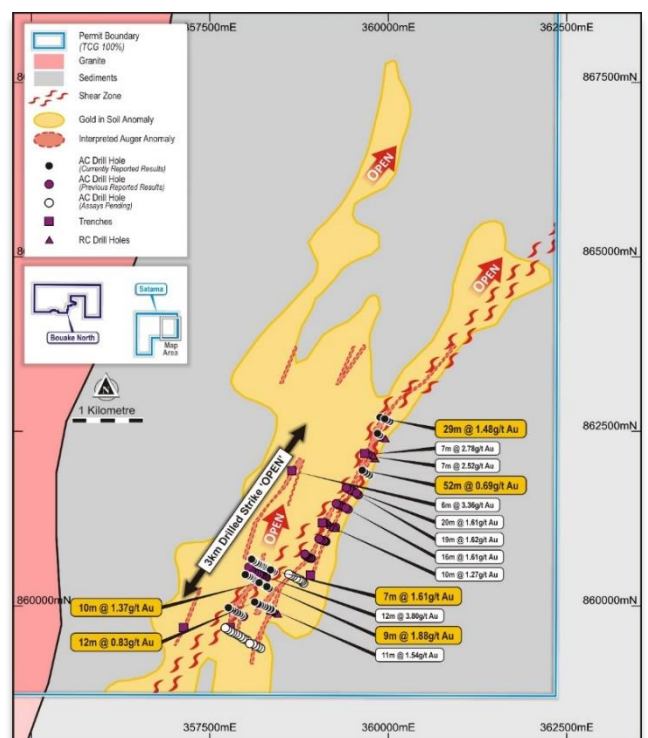


Figure Four | Satama Drill Plan, Geochemistry and Geology

The likely intersection of these two trends immediately south of the current drilling has also been identified as a priority follow-up target. Assays for a total of 1,628m of the AC program remain outstanding at the time of this report.

A maiden RC program of at least 4,500m on the main northeast trend had commenced at the time of this report. The program is designed to reduce drill traverse spacing to a nominal 160m and test the down dip extension of mineralisation into fresh rock to approximately 100-120m vertical.

### Boundiali Project

The Boundiali belt is a highly prospective greenstone belt hosting Resolute's world class Syama gold operation and the Tabakoroni deposit.

On the belt's southern extension into Côte d'Ivoire several smaller high-grade deposits have been discovered, including Perseus Mining Ltd's Sissingue gold operation and the Bagoé deposits and Montage Gold's 3.2Moz Kone gold discovery to the southwest where it merges with the Senoufo belt.

The Boundiali Project covers two contiguous granted exploration permits covering 572km<sup>2</sup> (refer Figures One and Five). The northern permit is held 35% by the Turaco-Predictive Joint Venture with a local entity holding the remaining 65%. A earn-in arrangement to increase this interest to 85% is subject to a dispute. The southern exploration permit is held 100% by the Turaco-Predictive Joint Venture (Turaco 89%) and has been the focus of exploration work and includes the Nyangboue gold discovery which is a priority target for Turaco (refer Figure Five).

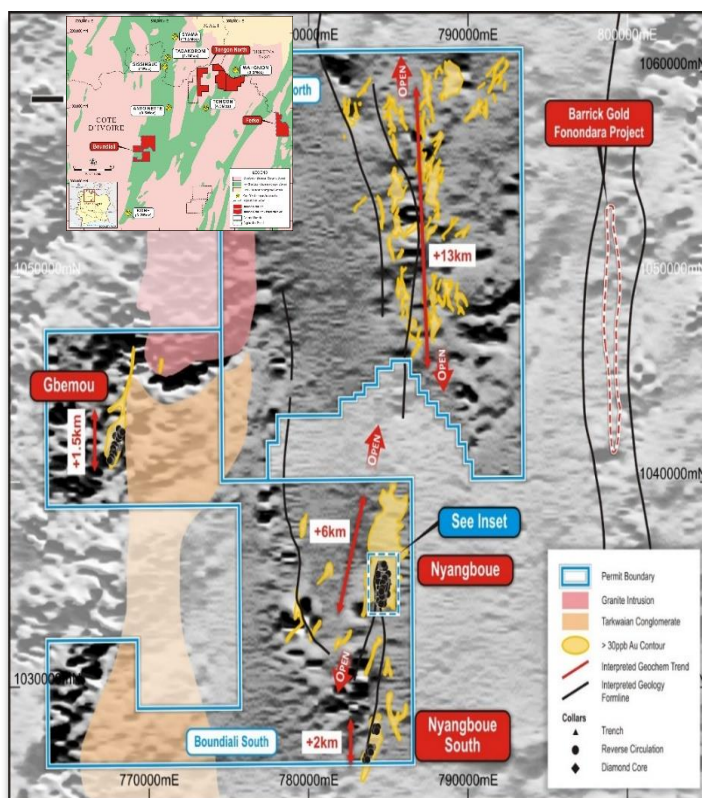


Figure Five | Boundiali Gold Project

### Nyangboue Gold Discovery (Turaco 89% Interest)

Past shallow RC drilling (and some limited amount of diamond core drilling) resulted in a significant discovery at Nyangboue with drill results including (refer Figure Six and Predictive's ASX announcements dated 23 June 2016, 25 July 2016, 8 August 2016, 17 May 2017, 29 May 2017, 27 May 2019):

- 20m @ 10.45g/t gold from 38m
- 30m @ 8.30g/t gold from 39m
- 28m @ 4.04g/t gold from 3m and 6m @ 3.29g/t gold from 47m
- 9m @ 7.90g/t gold from 99m
- 27m @ 2.42g/t gold from 27m
- 28m @ 1.55g/t gold from 1m
- 4.5m @ 6.59g/t gold from 75m
- 9m @ 2.86g/t gold from 68m

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Turaco completed its first RC drilling program at the Nyangboue gold discovery with 29 RC holes for 3,215m in a phase one program. The initial 11 RC holes were drilled into the central strike of the Nyangboue prospect. These holes were designed to reduce drill spacing down to 80m x 40m to better resolve higher grade zones within the mineralisation. Results included (refer ASX announcement dated 12 November 2021):

- 11m @ 1.09g/t gold from 77m
- 3m @ 4.24g/t gold from 48m
- 6m @ 1.91g/t gold from 59m & 8m @ 1.65g/t gold from 84m within 103m @ 0.59g/t gold from 22m
- 17m @ 1.49g/t gold from 116m
- 14m @ 1.96g/t gold from 17m including 9m @ 2.62g/t gold from 17m
- 9m @ 1.67g/t gold from 46m
- 15m @ 1.19g/t gold from 52m including 6m @ 2.46g/t gold from 61m
- 7m @ 1.71g/t gold from 74m
- 4m @ 3.52g/t gold from 7m

The remaining RC holes were drilled to test the presence of subparallel hanging wall zones and for shallow extensions to the south. Results reported included:

- 5m @ 3.87g/t gold from 16m (BDRC020)
- 7m @ 1.67g/t gold from 87m (BDRC025)
- 1m @ 10.86g/t gold from 39m (BDRC028)

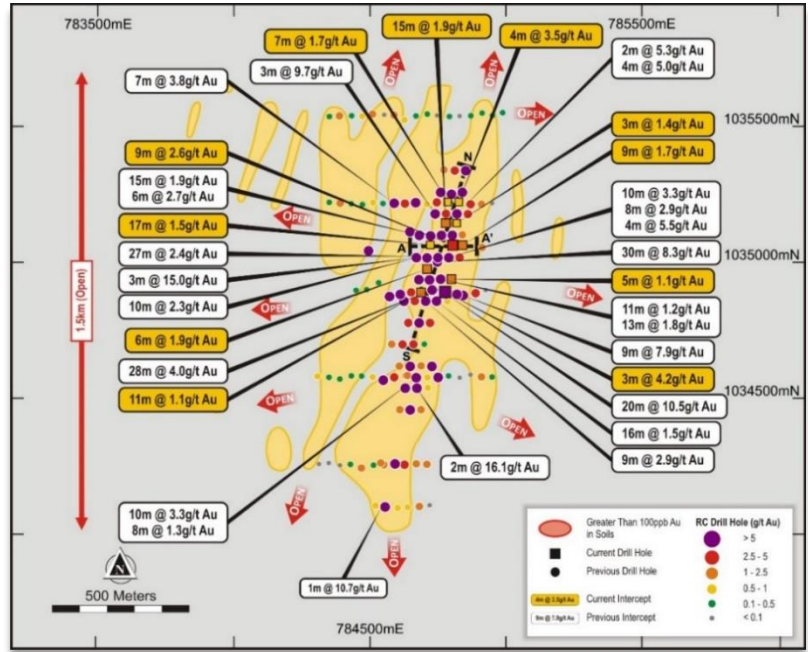


Figure Six | Nyangboue RC Drill Hole Plan

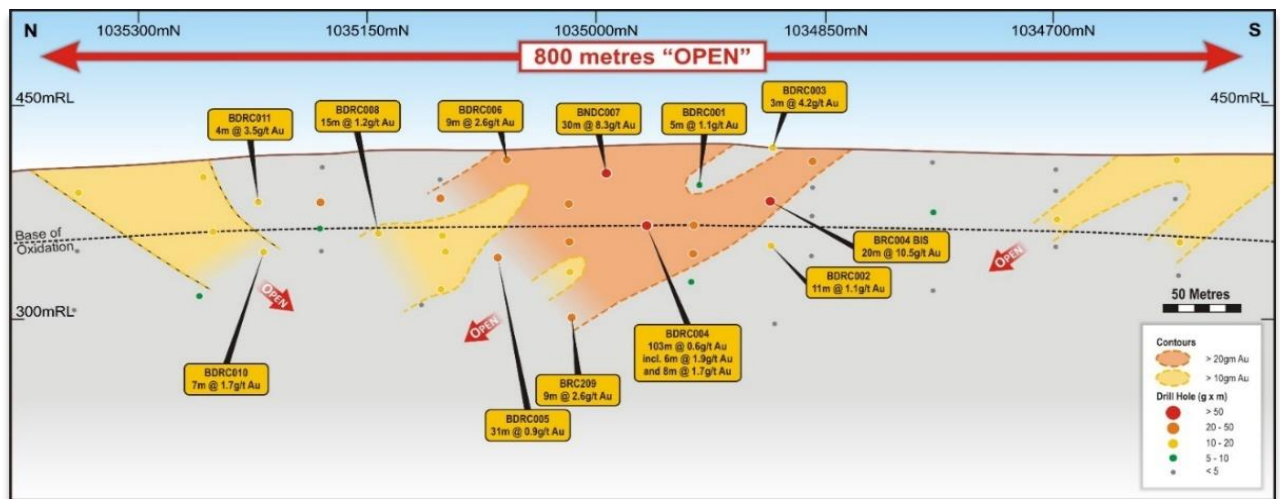


Figure Seven | Nyangboue Long Section Looking East

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Mineralisation encountered discrete higher-grade zones within a broad low-grade envelope within a folded sedimentary package. Extensive sulphide and carbonate alteration occurs with higher grade zones being associated with structurally controlled zones of quartz veining. Oxidation extends to approximately 50m vertical depth and being a sedimentary protolith is soft and friable. On some sections there appears to be some secondary dispersal of gold within oxidation, but further drilling is required to determine to what extent.

Mineralisation is hosted in a sedimentary package comprising alternating sandstones and shales with minor intraformational conglomerates. Broad zones of relatively low-grade disseminated mineralisation envelope higher grade zones which are in some instances associated with quartz veining with visible gold.

Interpretation of the geologically constrained dominant mineralised surface at Nyangboue has highlighted several northerly down-plunge targets at shallow depths (<150m). Further diamond core drilling and AC drilling is underway at the time of this report.

### Tongon North Project

The Tongon North Project is located on the highly prospective Senoufo greenstone belt in northern Côte d'Ivoire and covers a total area of ~1,540km<sup>2</sup> across four granted exploration permits and one exploration permit application (refer Figures One and Eight). The granted permits are held 100% by Turaco. The project area is immediately adjacent to the north of the operating 4.5Moz Tongon Gold Mine owned by Barrick Gold.

Turaco has commenced systematic exploration of the Tongon North Project area in late 2021 with two auger rigs testing anomalous geochemistry defined by previous soil sampling undertaken predominately by Randgold Resources Ltd. Results for 612 auger holes (3,959 meters) have been received from the Natogo target on the central Pongala exploration permit. The Natogo target comprises an untested 5km +60ppb gold-in-soil anomaly associated with a NE to ENE striking, structurally complex zone on the margin of a major granite pluton. The target is located approximately 30km from Barrick Gold's Tongon gold mine.

At least three +100ppb Au bottom of hole (saprolite) auger anomalies have been defined, each with more than 1km strike and up to 100m wide (refer Figure Nine). Best results include (refer ASX announcement dated 21 March 2022):

- TNAG0010 1,320ppb gold at 6m (bottom of hole)
- TNAC0082 670ppb gold at 4m (bottom of hole)
- TBAC0508 1,170ppb gold at 3m (bottom of hole)

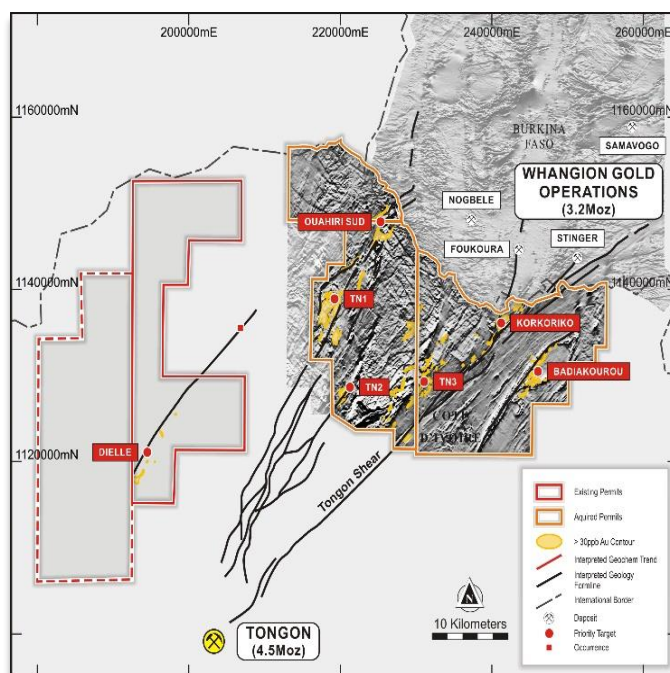


Figure Eight | Tongon North Gold Project

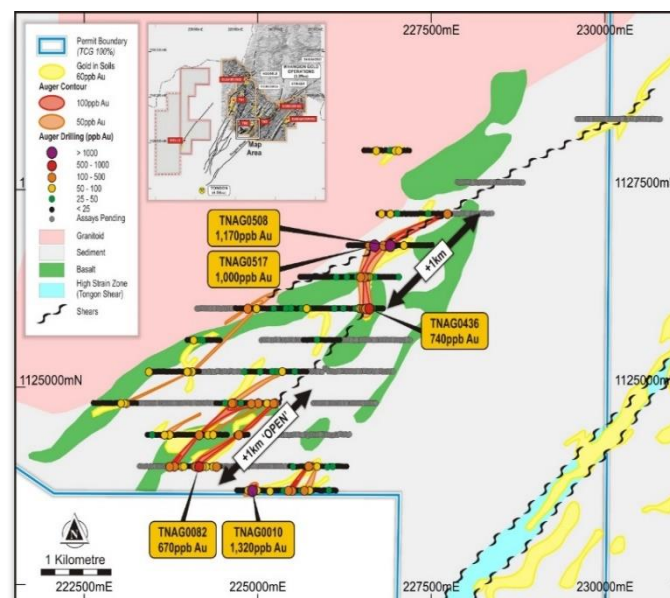


Figure Nine | Tongon North Auger Drilling

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## Ferke Project

The Ferke Project comprises a granted exploration permit covering 300km<sup>2</sup> located on the eastern margin of the Daloa greenstone belt at the intersection of major regional scale shear zones, in northern Côte d'Ivoire (refer Figure One).

Initial exploration undertaken at Ferke Project by Predictive in 2016 and 2017 comprised several phases of geochemical stream and soil sampling across the permit area which defined the >16km gold-in-soils 'Leraba Gold Trend'. Detailed aeromagnetics were flown over the eastern portion of the Ferke Project area in early 2017 covering the Leraba Gold Trend (refer Figure Ten). Aeromagnetics suggests the Leraba Gold Trend is associated with a large-scale flexure on regional scale shear zones.

Initial wide-spaced reconnaissance shallow RC drilling returned 25m @ 3.06g/t gold from 64m at the Ouarigue South prospect, located in the southern portion of the +16km Leraba Gold Trend (refer Figure Ten and Predictive's ASX announcement dated 26 June 2018).

The initial discovery hole was then followed up with trenching at Ouarigue South returning significant mineralisation including (refer Predictive's ASX announcements dated 13 February 2019):

- 34m @ 5.29g/t gold (trench FNTR035)
- 92m @ 1.76g/t gold (trench FNTR029)
- 78m @ 1.30g/t gold and 22m @ 1.6g/t gold (trench FNTR028)

Following on from the exceptional trenching results, a total of 18 diamond holes were drilled at Ouarigue South (refer Figure Eleven). This maiden diamond drilling program returned highly encouraging results and confirmed a significant gold discovery, with the potential for further discoveries along the +16km Leraba Gold Trend.

Diamond drilling results from Ouarigue South include (refer Predictive's ASX announcements dated 16 April 2020 and 4 June 2019):

- 14m @ 10.74g/t gold from 33m (FNDC012)
- 45.3m @ 3.16g/t gold from 45.9m, 10.9m @ 1.94g/t gold from 95.7m and 4.7m @ 6.14g/t gold from 134m (FNDC001)
- 39.7m @ 3.54g/t gold from 51.4m (FNDC008)
- 9.75m @ 7.46g/t gold from 104m (FNDC019)
- 40.4m @ 1.88g/t gold from 104m and 13.65m @ 2.13g/t gold from 194m (FNDC018)
- 15m @ 2.06g/t gold from 0m, 10.5m @ 1.71g/t gold from 34.5m and 59.7m @ 1.35g/t gold from 49.5m (FNDC005)
- 45m @ 1.52g/t gold from 42.1m (FNDC002)
- 33m @ 1.62g/t gold from 28m (FNDC015)
- 16.5m @ 2.43g/t gold from 24m (FNDC004)

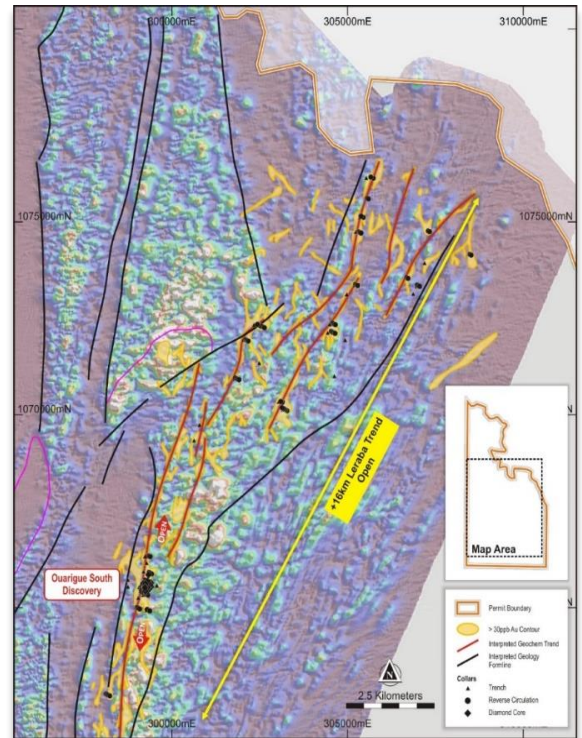


Figure Ten | Ferke Gold Project – >16km Leraba Gold Trend

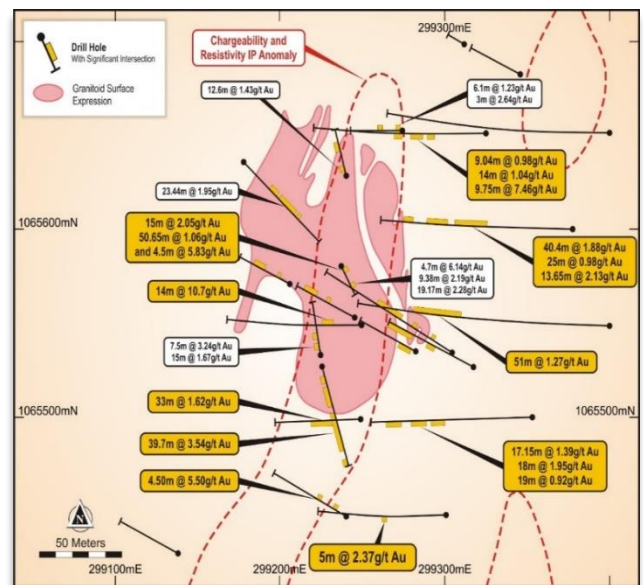


Figure Eleven | Ferke Gold Project - Ouarigue South Prospect Drill Hole Plan with IP Anomalies

Given its proximity to the Comoé National Park and Burkina Faso border, in late 2021 Turaco has undertaken a security risk assessment in preparation for undertaking its first exploration programs at Ferke. This included consultation with local authorities, communities and Gendarmerie. At the time of this report, the Company had advised the Department of Mines that it was waiting for an improvement in the security situation in the area before commencing exploration activities.

### **Regional Côte d'Ivoire Projects**

Turaco holds several other lower priority projects, including the Odienne, Molonou and Oume Projects.

The Odienne Project, comprises three granted exploration permits, one being held 100% by Turaco and the two others held by the Turaco-Predictive JV in joint venture with GIV. The project covers a total area of 1,085km<sup>2</sup> and provides Turaco with a dominant land position in an emerging area of exploration focus. Geologically, the project area lies on the regional scale Sassandra fault which forms the partition between the Archean Kenema Man domain and the Proterozoic Baoule-Mossi Domain. Despite hosting comparable stratigraphy to Guinea's Siguri basin the Odienne region remains largely unexplored, though recent exploration success includes Centamin Mining's 1.2Moz Kona gold discovery which is located along strike to the south. Turaco is planning a high resolution airborne magnetic and radiometric survey over one of the exploration permits, along with infilling a previous regional scale soil sampling grid.

The Company also holds the 391km<sup>2</sup> Molonou Project located north-east of Perseus' Yaoure gold operation in central Côte d'Ivoire. Turaco has reviewed the historical exploration which comprised stream sediment sampling and some regional scale soil sampling. Following this review, it was determined that the Molonou Project was not core to Turaco's activities and a decision has been made to relinquish the permit.

Turaco is currently undertaking a review of historical datasets of the 400km<sup>2</sup> Oume Gold Project located on the Oume-Fetekro belt, south of the Company's Eburnea Project. The Oume Project comprises two exploration permits held through two separate joint ventures with local Ivorian companies. The Company currently considers the Eburnea, Boundiali and Tongon North Projects offer more upside to its shareholders.

### **Board Changes, Name Change and Share Consolidation**

The Company received approval from shareholders in July 2021 for a company name change from Manas Resources Limited to Turaco Gold Limited and to undertake a 1 for 10 share consolidation. At the same time, Turaco appointed Mr John Fitzgerald as Non-Executive Chairman with the Company's previous Non-Executive Chairman, Mr Alan Campbell, remaining a Non-Executive Director on 23 July 2021. Mr David Kelly was replaced as Resolute's representative by Mr Bruce Mowat as a Non-Executive Director on 9 August 2021.

### **Equity Raisings**

Concurrent with acquisition of the exploration package from Resolute, the Company undertook an equity raising of \$3.3m (before costs) in May 2021. In addition, the Directors of Turaco subscribed for \$0.2m on the same terms. In December 2021, Turaco completed a further equity raising to institutional and sophisticated investors to raise \$10.0 million (before costs) at a price of 12 cents per share. The Directors also participated in this equity raising, with shareholder approval for this participation received in January 2022.

In addition, various options with exercise prices between \$0.075 and \$0.10 were exercised during the course of the year (refer to Note 14b for the movement), raising an additional \$0.7 million.

Proceeds from the equity raisings and exercised options has placed Turaco in a strong financial position to execute its aggressive exploration strategy in 2022 with approximately \$13.9 million cash at the end of the 2021 year.

### Capital Structure

As at the date of this Report the Company's capital structure is as follows:

#### Quoted Securities

Number	Class	ASX Code
427,716,669	Ordinary Fully Paid	TCG

#### Unquoted Securities:

Number	Class
14,789,964	Options exercisable at \$0.10 expiring 31 Jul 2022
27,100,000	Performance Rights with various vesting conditions and expiry

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## DIRECTORS' REPORT

Your Directors present their report together with the financial report of Turaco Gold Limited ("Turaco" or the "Company") and its controlled entities (the "Consolidated Entity" or "Group"), for the year ended 31 December 2021 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

### DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows:

John Fitzgerald	Non-Executive Chairman (appointed 23 July 2021)
Justin Tremain	Managing Director
Alan Campbell	Non-Executive Director
Bruce Mowat	Non-Executive Director (appointed 9 August 2021)
David Kelly	Non-Executive Director (resigned 9 August 2021)

Directors were in office for the entire period unless otherwise stated.

#### **John Fitzgerald**

##### **Non-Executive Chairman (Appointed 23/7/2021)**

Mr Fitzgerald is an experienced Company Director and resource financier. He has worked with the resources sector for 30 years providing corporate advisory, project finance and commodity risk management services to a large number of companies in that sector. He has previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank, HSBC Precious Metals and Optimum Capital.

Mr Fitzgerald is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and a graduate member of the Australian Institute of Company Directors.

##### *Other current and former directorships in the last 3 years*

Northern Star Resources Limited – appointed November 2012

Medallion Metals Limited – appointed January 2019

Danakali Limited – appointed February 2015, resigned 11 October 2021

##### *Interest in securities*

2,472,222	Ordinary shares in Turaco Gold Limited
2,000,000	Performance Rights with various vesting conditions

#### **Justin Tremain**

##### **Managing Director (Appointed 1/12/2020)**

Mr Tremain has extensive experience across the mineral resources sector. Most recently, he served as Managing Director of Exore Resources Ltd for over two years before it was taken over by Perseus Mining Ltd. Before that, Mr Tremain founded Renaissance Minerals Limited, listed it on the Australian Securities Exchange in June 2010 and served as Managing Director until its takeover by Emerald Resources NL in November 2016. During that time, Mr Tremain oversaw Renaissance's growth as first mover into the frontier jurisdiction of Cambodia and successfully defined a highly economic +1 million ounce JORC gold resource and completion of a feasibility study.

Prior to Renaissance, he had over 10 years' investment banking experience in the natural resources sector and has held positions with Investec, NM Rothschild & Sons and Macquarie Bank.

##### *Other current and former directorships in the last 3 years*

Future Metals NL – appointed June 2021

Caspin Resources Limited – appointed October 2020

Exore Resources Limited – appointed February 2018, resigned September 2020

Fin Resources Limited – appointed May 2018, resigned June 2020  
Odin Metals Limited – appointed October 2017, resigned June 2020  
Carnaby Resources Limited – appointed February 2016, resigned March 2020

**Interest in securities**

5,805,555	Ordinary shares in Turaco Gold Limited
10,000,000	Performance Rights with various vesting conditions

**Alan Campbell**

**Non-Executive Director (Appointed 1/11/2018)**

Mr Campbell is a geologist, with extensive experience and knowledge in the resource sector built over a career spanning more than 30 years in mineral exploration. He was Managing Director of Papillon Resources from December 2009 to May 2012, leading the team which discovered the 5moz Fekola gold deposit in Mali before Papillon's merger with B2Gold in 2014. Mr Campbell has worked and lived in Africa, Asia and Australia, having held senior roles and directorships in major and junior companies, including Anglo American and De Beers Group.

*Other current and former directorships in the last 3 years*

-

**Interest in securities**

3,250,000	Ordinary shares in Turaco Gold Limited
833,333	Unlisted Options
1,000,000	Performance Rights with various vesting options

**Bruce Mowat**

**Non-Executive Director (Appointed 9/8/2021)**

Mr Mowat is a geologist with more than 30 years experiences exploring for and finding gold and base metal deposits in Australia, PNG, Indonesia and West Africa. He has held senior positions in a number of companies, including Chief Geologist for Straits Resources Limited. Mr Mowat is currently the Executive General Manager for Exploration for Resolute Mining Limited, a substantial shareholder of Turaco.

*Other current and former directorships in the last 3 years*

-

**Interest in securities**

83,333	Ordinary shares in Turaco Gold Limited
--------	--

**Susmit Shah**

**BSc Econ**

**Company Secretary (Appointed 17/10/2007)**

Mr Shah is an accountant with more than 25 years' experience. Over the past 20 years, Mr Shah has been involved with a diverse range of Australian listed public companies in company secretarial and financial roles. His experience includes negotiation and conduct of mining joint ventures, public flotations and mergers and acquisitions.

## DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the year ended 31 December 2021 are:

Director	Board Meetings	
	Eligible to attend	Attended
John Fitzgerald (appointed 23 July 2021)	3	3
Justin Tremain	6	6
Alan Campbell	6	6
David Kelly (resigned 9 August 2021)	3	3
Bruce Mowat (appointed 9 August 2021)	3	3

There are no Remuneration or Audit Committees in place. The Board as a whole has assumed their roles. In addition, matters of Board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Company's activities throughout the period.

## PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was acquiring, exploring and developing mineral interests, prospective for precious metals and other mineral deposits.

## RESULTS AND DIVIDENDS

The loss for the year from continuing operations ended 31 December 2021 was \$5,067,191 (31 December 2020 loss from continuing operations of \$1,277,696). The loss can be attributed to the substantial write-off of capitalised exploration expenditure on projects deemed not prospective for economic mineral deposits, due diligence costs associated with the new asset acquisition and general increase in administrative and corporate costs due to increased activities during the year, including share based payments to company personnel.

No dividends were paid during the year and the Directors do not recommend payment of a dividend.

## LOSS PER SHARE

Basic loss per share for the year ended 31 December 2021 was 1.58 cents (31 December 2020: basic loss per share 0.048 cents).

## REVIEW OF OPERATIONS

A review of operations of the Consolidated Entity during the year ended 31 December 2021 is provided in the "Review of Operations" section immediately preceding this Directors' Report.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than the two capital raising exercises completed in May and December 2021 (refer to note 14b), exercise of options at various intervals over the course of the financial year and the acquisition of Resolute Mining Limited's mineral interests in Côte d'Ivoire through the purchase of its subsidiary companies CDI Mining Holdings Pty Ltd and CDI Holdings (Guernsey) Ltd (refer to note 21).

## EVENTS SUBSEQUENT TO REPORTING DATE

833,333 new shares at \$0.12 each were issued on 4 February 2022 to Directors who participated in the November 2021 placement after obtaining shareholder approval in January 2022 to raise a total of \$100,000.

555,555 options were exercised at \$0.10 each for \$55,556 on the 4 February 2022.

Apart from the above, no other matter or circumstance has arisen since the end of the financial year and to the date of this report which significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial year(s).

## COVID-19

The Company has implemented procedures to minimise safety and health risks for staff and contractors during the COVID-19 pandemic, including regular testing, altered rosters and strict quarantining procedures. As at the date of this report, the Company's exploration projects have not been directly affected by COVID-19 restrictions in Côte d'Ivoire, however the Company continues to monitor this closely with the health and wellbeing of all staff and contractors a high priority.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

As noted in the "Review of Operations", the Consolidated Entity's focus over the coming period (subject to the comments made above in relation to the COVID-19 pandemic) will be to continue exploration work at its various projects in Côte d'Ivoire. The Group also continues to assess other project opportunities in Côte d'Ivoire and elsewhere.

## SHARE OPTIONS / PERFORMANCE RIGHTS

Unissued ordinary shares of the Company under option/performance rights at the date of this report are as follows:

Grant Date	Exercise price (cents)	Expiry date	Number
<b>Options (TCGAD)</b>			
23 July 2021	10	31 July 2022	14,789,964
<b>Performance Rights (TCGAC)</b>			
16 November 2020	-	30 November 2025	12,400,000
6 August 2021	-	6 August 2026	10,000,000
23 July 2021	-	30 November 2025	3,500,000
6 August 2021	-	30 November 2025	200,000
1 November 2021	-	30 November 2025	1,000,000

## **REMUNERATION REPORT (Audited)**

This report outlays the remuneration arrangements in place for the Key Management Personnel (as defined under section 300A of the Corporations Act 2001) of Turaco Gold Limited.

The following were Key Management Personnel of the Company during or since the end of the financial period.

### **Directors**

John Fitzgerald (appointed 23 July 2021)  
Justin Tremain  
Alan Campbell  
Bruce Mowat (appointed 9 August 2021)  
David Kelly (resigned 9 August 2021)

### **Other Senior Management**

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

Justin Tremain                      Managing Director / CEO

There have been no other changes of Key Management Personnel after the reporting date and up to the date the financial report was authorised for issue.

### **Remuneration Philosophy**

The Board reviews the remuneration packages applicable to the Executive Directors and Non-Executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

The Board as a whole is responsible for remuneration matters and no Remuneration Committee meetings were held during the year.

### **Remuneration Structure**

In accordance with best practice corporate governance, the structure of remuneration for Non-Executive Directors and Executive Directors is separate and distinct.

#### **(a) Compensation Arrangements**

##### ***Non-Executive Directors' Remuneration***

###### **Objective**

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

###### **Structure**

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by the shareholders in a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination

## REMUNERATION REPORT - continued

was at a general meeting on 27 May 2013 when shareholders approved aggregate remuneration of \$300,000 per year.

Although ASX Corporate Governance guidelines indicate that securities incentives should only be provided to Executive Directors, Turaco, in common with a large majority of junior mineral explorers, takes the view that as a Company not earning any operating revenue it is appropriate to conserve cash and attract good quality Non-Executive Directors by offering securities-based compensation.

The Board reviews the remuneration packages applicable to the Non-Executive Directors on an annual basis. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

### *Use of remuneration consultants*

During the financial year ended 31 December 2021, the Company did not engage any remuneration consultants.

### *Relationship between remuneration policy and Group performance*

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and key management personnel. From time to time, this is facilitated through the issue of options and performance rights to encourage the alignment of personal and shareholder interest. The Company believes this policy will be effective in increasing shareholder wealth.

### *Performance on shareholder wealth*

In considering the Group's performance and benefits for shareholder wealth, the Board has regarded the following indices in respect of the current and previous four financial years:

	2021	2020	2019	2018	2017
Basic earnings / (loss) per share (cents)	(1.58)	(0.048)	(0.026)	(0.002)	(0.15)
Dividends (cents)	-	-	-	-	-
Net profit / (loss) for the year (\$)	(5,067,191)	(1,277,696)	(681,643)	(63,608)	(4,063,295)
Share price (\$)	0.1225	0.06 <sup>1</sup>	0.02 <sup>1</sup>	0.04 <sup>1</sup>	0.045 <sup>1</sup>

<sup>1</sup>Historical share prices have been adjusted for the 1 for 10 share capital consolidation that was effected in July 2021

The remuneration of the Non-Executive Directors for the financial year ended 31 December 2021 is detailed in Table 1 of this report.

### **(b) Details of Remuneration**

Details of the remuneration of the Directors and other Key Management Personnel of the Company are set out in the following table. The Key Management Personnel of the Company are the Directors of Turaco Gold Limited, including the Managing Director. Detail of the employment contract with the Managing Director is as follows:

Name	Term of Agreement	Base Salary including Statutory Superannuation per annum	Notice
Justin Tremain Managing Director	Ongoing commencing 1 December 2020	\$298,295	6 months' notice by Turaco and 3 months' notice by employee

**REMUNERATION REPORT – continued**

**Table 1 - Key Management Personnel Remuneration for the financial year ended 31 December 2021 and 31 December 2020**

	Short-term employee benefits	Post Employment	Equity		Percentage of Remuneration linked to Performance
	Salary/Fees	Superannuation/Retirement Benefits	Value of Options / Rights	Total	
	\$	\$	\$	\$	%
<b>Directors:</b>					
John Fitzgerald <sup>(i)</sup>					
2021	26,154	2,615	118,721	147,490	80
2020	-	-	-	-	-
Justin Tremain					
2021	260,000	38,295	406,756	705,051	58
2020	21,667	1,808	23,128	46,603	50
Alan Campbell					
2021	42,878	-	59,361	102,239	58
2020	36,563	-	-	36,563	-
Bruce Mowat <sup>(ii)</sup>					
2021	15,795	1,579	-	17,374	-
2020	-	-	-	-	-
David Kelly <sup>(ii)</sup>					
2021	18,192	1,745	-	19,937	-
2020	22,500	2,138	-	24,638	-
Susmit Shah <sup>(iii)</sup>					
2020	14,583	1,385	-	15,968	-
Total, all specified Directors					
2021	363,019	44,234	584,838	992,091	59
2020	95,313	5,331	23,128	123,772	11
<b>Other Key Management Personnel:</b>					
Chief Executive Officer Chris Mackenzie					
2021	-	-	-	-	-
2020	325,000 <sup>(iv)</sup>	-	30,000	355,000	8
<b>Total Key Management Personnel:</b>					
2021	363,019	44,234	584,838	992,091	59
2020	420,313	5,331	53,128	478,772	11

(i) Mr Fitzgerald was appointed Non-Executive Chairman on 23 July 2021.

(ii) Mr Mowat replaced Mr Kelly as a Non-executive Director of the Company on 9 August 2021, as a nominee of Resolute Mining Ltd, a major shareholder of Turaco.

(iii) Mr Shah resigned as a Non-executive Director on 30 November 2020. In the year ended 31 December 2020, total fees of \$115,759 were paid or were payable to Corporate Consultants Pty Ltd, an entity in which Mr Shah has a beneficial interest, for secretarial services as well as the provision of office space, administration and accounting services.

(iv) Included a payment of \$93,750 to Mr MacKenzie, which represented an amount due in lieu of notice on cessation of employment.

**(c) Share-Based Compensation**

*Non-Plan-Based Payment*

*Share Options*

The Company makes share-based payments to Key Management Personnel from time to time, not under any specific plan. The options are issued for nil consideration and in accordance with the specific guidelines

## REMUNERATION REPORT - continued

established by the Directors of Turaco Gold Limited. The vesting period and maximum term of options granted vary according to the Board's discretion.

Any share-based payments to Directors require the approval of shareholders at a general meeting.

No options were granted during the year as part of remuneration arrangement.

### *Plan-Based Payment*

The Company has adopted an Employee Option Plan as well as a Performance Rights Plan in accordance with ASX Listing Rules. There are no cash settlement alternatives under either of these plans. Participation in the plans is at the Board's discretion and no individual has a contractual right to participate in the plans or receive any guaranteed benefit.

During the year, no options were granted under Employee Option Plan.

On 6 August 2021, the Company issued 3,500,000 performance rights to directors and key management personnel under the Performance Rights Plan. These performance rights were issued for nil consideration and are subject to various vesting conditions on or before 30 November 2023. During the year ended 31 December 2021, 1,750,000 performance rights have vested.

On 14 August 2020, the Company issued 1,600,000 performance rights (post consolidation) to the then CEO, Chris MacKenzie as part of his remuneration package. These performance rights were issued for nil consideration and were subject to satisfaction of various performance hurdles on or before 31 July 2023. During the year ended 31 December 2020, 600,000 performance rights (post consolidation) vested and were converted to shares. The remaining 1,000,000 performance rights (post consolidation) lapsed upon cessation of Chris MacKenzie's employment.

On 30 November 2020, 12,400,000 (restated on a post-consolidation basis) performance rights were issued to management of the Company for nil consideration, subject to satisfaction of various performance hurdles on or before 30 November 2025 (refer to Note 17). Of these performance rights, 10,000,000 (restated on a post-consolidation basis) were issued to incoming Managing Director, Justin Tremain.

### **Incentive Securities Granted as Part of Remuneration**

Details of incentive securities (options over ordinary shares) in the Company affecting remuneration in the previous, current or future reporting dates are as follows:

#### *Share-Based Compensation*

##### *Other Key Management Personnel*

Performance Rights	Grant date	Date vested & exercisable	Fair-value per right at grant date (\$)	Exercise price per right (\$)	Expiry date	Number of rights vested during the financial year ended 31 December 2021
10,000,000	16 November 2020	(i)	0.059	-	30 November 2025	7,500,000
3,000,000	23 July 2021	(ii)	0.135	-	30 November 2025	1,500,000

- (i) Issued as part of the remuneration package, with various vesting and performance conditions  
(ii) Issued under the Performance Rights Plan with various vesting and performance conditions.



## REMUNERATION REPORT – continued

During the year ended 31 December 2021, a total of 9,000,000 performance rights vested (31 December 2020: 600,000) due to the completion of 12 months continuous employment of key executive as well as the performance of the Company's share price.

### Loans to Directors and Executives

During the financial year ended 31 December 2021, there were no loans provided to Directors and Executives (31 December 2020: Nil).

### Shareholdings

The numbers of shares in the Company held during the financial year ended 31 December 2021 and 2020 by Key Management Personnel, including shares held by entities they control, are set out below:

2021	Opening Balance	Received as Remuneration	Share capital consolidation	Other Movements	Balance at appointment/resignation	Closing Balance
<b>Directors</b>						
John Fitzgerald <sup>1</sup>	-	-	-	-	2,222,222	2,222,222
Justin Tremain	55,555,555	-	(50,000,000)	-	-	5,555,555
Alan Campbell	5,000,000	-	(4,500,000)	2,500,000	-	3,000,000
Bruce Mowat <sup>2</sup>	-	-	-	-	-	-
David Kelly <sup>3</sup>	-	-	-	833,333	(833,333)	-
<b>2020 (Pre-consolidation)</b>						
<b>Directors</b>						
Alan Campbell	5,000,000	-	-	-	5,000,000	5,000,000
Justin Tremain	-	-	-	55,555,555	55,555,555	55,555,555
David Kelly	-	-	-	-	-	-
Susmit Shah	3,000,000	-	-	(3,000,000)	-	-
<b>Other KMP</b>						
Chris MacKenzie	-	-	6,000,000	(6,000,000)	-	-

<sup>1</sup> Mr Fitzgerald was appointed Non-Executive Chairman on 23 July 2021.

<sup>2</sup> Mr Mowat was appointed Non-Executive Director on 9 August 2021.

<sup>3</sup> Mr Kelly resigned as a Non-Executive Director on 9 August 2021.

**REMUNERATION REPORT - continued**

**Other securities holdings**

The number of Performance Rights over ordinary shares in the Company held during year ended 31 December 2021 and 2020 by Key Management Personnel, including securities held by entities they control, are set out below:

<b>2021</b>	<b>Opening Balance</b>	<b>Received as Remuneration</b>	<b>Other Movements (share capital consolidation)</b>	<b>Closing Balance/Balance at resignation</b>
<i>Parent entity Directors</i>				
John Fitzgerald <sup>1</sup>	-	2,000,000	-	2,000,000
Justin Tremain	100,000,000	-	(90,000,000)	10,000,000
Alan Campbell	-	1,000,000	-	1,000,000
Bruce Mowat <sup>2</sup>	-	-	-	-
David Kelly <sup>2</sup>	-	-	-	NA
<b>2020 (Pre-consolidation)</b>	<b>Opening Balance</b>	<b>Received as Remuneration</b>	<b>Other Movements / (exercise lapsed)</b>	<b>Closing Balance/Balance at resignation</b>
<i>Parent entity Directors</i>				
Alan Campbell	-	-	-	-
Justin Tremain	-	100,000,000	-	100,000,000
David Kelly	-	-	-	-
Susmit Shah	-	-	-	NA
Other KMP				
Chris MacKenzie <sup>3</sup>	40,000,000 <sup>4</sup>	16,000,000	(16,000,000)	40,000,000

<sup>1</sup> Mr Fitzgerald was appointed Non-Executive Chairman on 23 July 2021.

<sup>2</sup> Mr Mowat replaced Mr Kelly as a Non-Executive Director on 9 August 2021.

<sup>3</sup> Mr MacKenzie ceased employment effective on 31 December 2020. 40m securities were options exercisable at \$0.0075, expiring 30/11/2021, whereas 16m securities were performance rights of which 6m vested and converted to shares and 10m lapsed.

The number of options over ordinary shares in the Company held during year ended 31 December 2021 and 2020 by Key Management Personnel, including securities held by entities they control, are set out below:

<b>2021 (Post-consolidation)</b>	<b>Opening Balance</b>	<b>Received as Remuneration</b>	<b>Other Movements</b>	<b>Closing Balance/Balance at resignation</b>
<i>Parent entity Directors</i>				
Alan Campbell	-	-	833,333	833,333

**End of Remuneration Report**

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. The Directors and officers of the Company have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium for the policy period September 2021 to September 2022 amounting to \$17,759 (ex. GST) relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

## ENVIRONMENTAL REGULATIONS

The Consolidated Entity's operations are subject to Côte d'Ivoire environmental laws, regulations and permit conditions while conducting exploration activities at the gold projects in Côte d'Ivoire. There have been no known breaches of environmental laws or permit conditions during this period.

## NON-AUDIT SERVICES

There have been no non-audit services provided by the Company's auditor during the year.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

## AUDITOR'S INDEPENDENCE DECLARATION

The Company's auditor, HLB Mann Judd (WA Partnership), has provided the Board of Directors with an independence declaration in accordance with section 307C of the Corporations Act 2001.

The independence declaration is provided on the following page and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



Justin Tremain  
Managing Director  
Perth, 30 March 2022

## Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Elliot Grant, who is a Member of the Australasian Institute of Geoscientists. Mr Grant is a full-time employee of Turaco Gold Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Grant consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

References may have been made in this report to certain past ASX announcements, including references regarding exploration results. For full details, refer to the referenced ASX announcement on the said date. The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier market announcements.

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Turaco Gold Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



**Perth, Western Australia**  
**30 March 2022**

**M R Ohm**  
**Partner**

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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	Notes	Consolidated	
		2021	2020
		\$	\$
Other income	2	4,667	34,656
		<b>4,667</b>	34,656
Foreign exchange gain / (loss)		212	(367,760)
Employee benefits expense		(722,233)	(330,557)
Share-based payments	15a	(727,987)	(58,679)
Depreciation and amortisation expense	9, 10	(126,877)	(56,190)
Exploration expenditure written off	11	(2,603,266)	(180,845)
Occupancy expenses		(29,565)	(25,252)
Travel expenses		(22,513)	(14,259)
Corporate and administration expenses		(661,677)	(276,835)
Due diligence expenses		(177,952)	-
Other expenses		-	(1,975)
Loss before income tax		(5,067,191)	(1,277,696)
<b>Income tax benefit</b>	5	-	-
<b>Loss for the year from continuing operations</b>		(5,067,191)	(1,277,696)
<b>Loss for the year</b>		(5,067,191)	(1,277,696)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange losses arising on translation of foreign operations		(111,835)	(65,024)
<b>Total comprehensive loss for the year, net of tax</b>		(5,179,026)	(1,342,720)
Loss attributable to:			
Owners of Turaco Gold Limited		(5,056,075)	(1,277,696)
Non-controlling interests		(11,116)	-
		(5,067,191)	(1,277,696)
Total comprehensive loss attributable to:			
Owners of Turaco Gold Limited		(5,167,910)	(1,342,720)
Non-controlling interests		(11,116)	-
		(5,179,026)	(1,342,720)
Loss per Share			
Basic loss per share (cents per share)	4	(1.58)	(0.48)
Diluted loss per share (cents per share)	4	(1.58)	(0.48)

The above statement should be read in conjunction with the accompanying notes.

	Notes	Consolidated	
		2021	2020
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	19	13,872,625	5,328,722
Other receivables	7	170,510	17,339
<b>Total Current Assets</b>		<b>14,043,135</b>	<b>5,346,061</b>
<b>Non-Current Assets</b>			
Other assets	8	36,470	20,000
Property, plant and equipment	9	137,270	205,938
Right of use assets	10	148,987	-
Exploration and evaluation expenditure	11	3,809,353	2,874,002
<b>Total Non-Current Assets</b>		<b>4,132,080</b>	<b>3,099,940</b>
<b>Total Assets</b>		<b>18,175,215</b>	<b>8,446,001</b>
<b>Current Liabilities</b>			
Trade and other payables	12	721,800	360,626
Provisions		119,078	-
Lease liabilities	13	49,407	-
<b>Total Current Liabilities</b>		<b>890,285</b>	<b>360,626</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	13	101,453	-
<b>Total Non-Current Liabilities</b>		<b>101,453</b>	<b>-</b>
<b>Total Liabilities</b>		<b>991,738</b>	<b>360,626</b>
<b>Net Assets</b>		<b>17,183,477</b>	<b>8,085,375</b>
<b>Equity</b>			
Issued capital	14	67,070,815	53,609,222
Reserves	15	4,669,500	3,965,800
Accumulated losses	16	(54,545,722)	(49,489,647)
Owners of Turaco Gold Limited		17,194,593	8,085,375
Non-controlling interest		(11,116)	-
<b>Total Equity</b>		<b>17,183,477</b>	<b>8,085,375</b>

The above statement should be read in conjunction with the accompanying notes.

**Turaco Gold Limited**  
**Consolidated Statement of Changes in Equity**

**31 December 2021**

	<b>Issued Capital</b>	<b>Share-Based Payment Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2020</b>	53,083,579	4,046,544	(44,399)	(48,211,951)	8,873,773
Loss attributable to members of the parent entity	-	-	-	(1,277,696)	(1,277,696)
Exchange differences arising on translation of foreign operations	-	-	(65,024)	-	(65,024)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(65,024)</b>	<b>(1,277,696)</b>	<b>(1,342,720)</b>
Share issue	500,000	-	-	-	500,000
Share issue cost	(4,357)	-	-	-	(4,357)
Conversion of performance rights	30,000	(30,000)	-	-	-
Recognition of share-based payments	-	58,679	-	-	58,679
<b>Balance at 31 December 2020</b>	<b>53,609,222</b>	<b>4,075,223</b>	<b>(109,423)</b>	<b>(49,489,647)</b>	<b>8,085,375</b>

	<b>Issued Capital</b>	<b>Share-Based Payment Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Accumulated Losses</b>	<b>Attributable to the owners of Turaco Gold Ltd</b>	<b>Non-controlling interest</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2021</b>	53,609,222	4,075,223	(109,423)	(49,489,647)	8,085,375	-	8,085,375
Loss attributable to members of the parent entity	-	-	-	(5,056,075)	(5,056,075)	(11,116)	(5,067,191)
Exchange differences arising on translation of foreign operations	-	-	(111,835)	-	(111,835)	-	(111,835)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(111,835)</b>	<b>(5,056,075)</b>	<b>(5,167,910)</b>	<b>(11,116)</b>	<b>(5,179,026)</b>
Share issue	13,500,000	-	-	-	13,500,000	-	13,500,000
Share issue cost	(780,395)	-	-	-	(780,395)	-	(780,395)
Exercise of options	709,888	-	-	-	709,888	-	709,888
Recognition of share-based payments	32,100	815,535	-	-	847,635	-	847,635
<b>Balance at 31 December 2021</b>	<b>67,070,815</b>	<b>4,890,758</b>	<b>(221,258)</b>	<b>(54,545,722)</b>	<b>(17,194,593)</b>	<b>(11,116)</b>	<b>17,183,477</b>

The above statement should be read in conjunction with the accompanying notes.

	Notes	Consolidated	
		2021	2020
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Interest received		4,667	17,696
Payments to suppliers and employees		(1,599,674)	(442,054)
Government grant		-	20,000
<b>Net cash (outflow) from Operating Activities</b>	19	<b>(1,595,007)</b>	<b>(404,358)</b>
<b>Cash Flows from Investing Activities</b>			
Payment for purchase of plant and equipment		(17,052)	(203,646)
Payment for exploration and evaluation expenditure		(2,189,415)	(1,306,437)
Payment for shareholdings in subsidiary companies	21	(1,000,000)	-
Payment for due diligence expenses		(120,444)	-
Security deposit paid		(16,470)	-
Cash acquired on acquisition of assets	21	68,721	-
<b>Net cash (outflow) from Investing Activities</b>		<b>(3,274,660)</b>	<b>(1,510,083)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from share issues		13,500,000	500,000
Payment of share issue costs		(780,395)	(4,357)
Proceeds from exercise of options		709,888	-
Lease liability payment		(14,747)	-
<b>Net cash inflow from Financing Activities</b>		<b>13,414,746</b>	<b>495,643</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>8,545,079</b>	<b>(1,418,798)</b>
Cash and cash equivalents at the beginning of the year		5,328,722	7,217,081
Net foreign exchange differences		(1,176)	(469,561)
<b>Cash and Cash Equivalents at the end of the year</b>	19	<b>13,872,625</b>	<b>5,328,722</b>

The above statement should be read in conjunction with the accompanying notes.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Consolidated Entity (or “Group”) consisting of Turaco Gold Limited and its subsidiaries. For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

### **Basis of preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and other requirements of the law and Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report has been prepared on a historical cost basis, except where otherwise stated.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated and domiciled in Australia that has operated during the year in Australia and Côte D’Ivoire. The Group’s principal activities are evaluation and exploration of mineral interests, prospective for precious metals and other mineral deposits.

### *Going Concern*

The financial report has been prepared on a going concern basis. At balance date, the Group had a working capital surplus of \$13,152,850. The board of the Group considers that, based on its assessment of cash flows, it is appropriate to prepare the financial statements on a going concern basis.

### **Adoption of new and revised standards**

#### *Standards and Interpretations adopted with no effect on the financial statements*

For the year ended 31 December 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by AASB that are relevant to the Group and effective for the current reporting period.

#### *Standards and Interpretations on issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations that have been issued but are not yet effective for the year ended 31 December 2021. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group’s business and, therefore, no change necessary to Group accounting policies.

### **Statement of compliance with IFRS**

The financial report was authorised for issue on 30 March 2022. It complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### **Basis of consolidation**

#### *(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Turaco Gold Limited (“Company” or “parent entity”) as at 31 December 2021 and the results of all subsidiaries for the twelve months then ended or the period in which those subsidiaries were controlled. Turaco Gold Limited and its subsidiaries together are referred to in this financial report as the “Group” or the “Consolidated Entity”.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Turaco Gold Limited.

### *(ii) Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Turaco Gold Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### **Significant accounting judgements, estimates and assumptions**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### *Exploration and evaluation expenditure*

The Board of Directors determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

### *Share-based payment expense*

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Trinomial Option model, using the assumptions detailed in Note 17.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

### Interest income recognition

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. A provision for expected credit loss is made when collection of the full amount is no longer expected. Bad debts are written off when identified.

### Foreign currency transactions and balances

The functional and presentation currency of Turaco Gold Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the financial report are taken to the statement of comprehensive income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the statement of comprehensive income.

### Taxes

#### *Income tax*

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed

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## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### ***Goods and Services Tax (GST)***

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST or GST equivalent incurred is not recoverable from the Australian Tax Office or overseas tax authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### **Property, plant and equipment**

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy “Impairment”).

#### ***Plant and equipment***

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

#### ***Depreciation***

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period is three years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

### **Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group’s rights of tenure to that area of interest are current and

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of the right to explore, studies, exploration drilling, sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Accumulated costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment, accounting policy).

### Impairment

The carrying amount of the Group's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset(s) does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Leases (the Group as a lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognized as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### Employee benefits

#### *Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the (undiscounted) amounts expected to be paid when the liabilities are settled.

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

### Share-based payments

#### *Equity-settled transactions*

The Group provides benefits to employees, consultants and contractors of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently an Employee Option Plan in place to provide these benefits to employees, consultants and contractors.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes, Trinomial or Binomial model, further details of which are given in Note 17.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Share-based payment transactions with parties other than employees and contractors are measured by reference to the fair value of the goods or services rendered at the date on which the Company obtains the goods or the counterparty renders services.

### Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Earnings per share

Basic earnings per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Turaco Gold Limited.

**2. OTHER INCOME**

	Consolidated	
	2021	2020
	\$	\$
Interest income	4,667	14,656
Government grant – Cashflow boost	-	20,000
	<u>4,667</u>	<u>34,656</u>

**3. AUDITOR'S REMUNERATION**

Audit services:

- Auditors of the Company – HLB Mann Judd	29,200	27,300
	<u>29,200</u>	<u>27,300</u>

**4. LOSS PER SHARE**

	2021	2020
Basic loss per share (cents per share)	(1.58)	(0.48) <sup>1</sup>
Loss for the year (\$)	(5,056,075)	(1,277,696)
Basic loss per share from continuing operations (cents per share)	(1.58)	(0.48) <sup>1</sup>
Diluted loss per share from continuing operations (cents per share)	(1.58)	(0.48) <sup>1</sup>
Weighted average number of ordinary shares used in the calculation of basic loss per share	319,829,190	2,655,321,565

<sup>1</sup> Restated to reflect a 10 for 1 share consolidation completed during the current financial year ended 31 December 2021.



**5. INCOME TAX EXPENSE**

**Consolidated**

The major components of tax benefit are:

	2021	2020
	\$	\$
The prima facie income tax benefit on pre-tax accounting result from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before tax from continuing operations	(5,067,191)	(1,277,696)
Income tax (benefit) calculated at 30%	(1,520,157)	(383,309)
Non-deductible expenses	218,996	17,645
Other deferred tax assets and tax liabilities not recognised	1,301,161	365,664
Income tax benefit reported in the statement of comprehensive income	-	-

(b) **Unrecognised deferred tax balances**

The following deferred tax assets and liabilities have not been brought to account:

Deferred tax assets comprise:

Losses available for offset against future taxable income – revenue	3,454,638	3,171,161
Losses available for offset against future taxable income – capital	11,668,463	11,668,463
Other deferred tax assets / (liabilities)	803,972	64,623
	<u>15,927,073</u>	<u>14,904,247</u>

(c) **Income tax expense recognised directly in equity**

	2021	2020
	\$	\$
Share issue costs	(234,119)	-
	<u>(234,119)</u>	<u>-</u>

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits thereof.

Deferred tax liabilities have not been recognised in respect of these taxable temporary differences as the entity is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

## 6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board considers the business from both a product and a geographic perspective and has identified one reportable segment.

### (a) Description of segments

During the financial year the Group considers that it has only operated in one segment, being the continued exploration and evaluation of mineral interests in Côte D'Ivoire.

### (b) Segment information provided to the Board

The segment information provided to the Board for the reportable segments:

2021

Consolidated	Côte D'Ivoire	Corporate and Unallocated	Total
	\$	\$	\$
<b>Results</b>			
Segment result	(2,893,307)	(2,173,884)	(5,067,191)
Interest income	-	4,667	4,667
Employee benefits expense	(102,812)	(619,421)	(722,233)
Share-based payments	-	(727,987)	(727,987)
Depreciation	(102,762)	(24,115)	(126,877)
Occupancy	(11,075)	(18,490)	(29,565)
Corporate, administrative and other	(73,392)	(788,538)	(861,930)
Exploration expenditure written off	(2,603,266)	-	(2,603,266)
<b>Segment Assets</b>			
Exploration and evaluation expenditure	3,809,353	-	3,809,353
Other segment assets	868,215	13,497,647	14,365,862
	4,677,568	13,497,647	18,175,215
<b>Segment Liabilities</b>			
Trade and other payables	637,261	84,539	721,800
Other segment liabilities	101,723	168,215	269,938
	738,984	252,754	991,738

6. SEGMENT INFORMATION – continued

2020

Consolidated	Côte D'Ivoire	Corporate and Unallocated	Total
	\$	\$	\$
<b>Results</b>			
Segment result	(299,439)	(978,257)	(1,277,696)
Interest income	-	14,656	14,656
Employee benefits expense	-	(330,557)	(330,557)
Share-based payments	-	(58,679)	(58,679)
Depreciation	(33,699)	(22,491)	(56,190)
Occupancy	-	(25,252)	(25,252)
Corporate, administrative and other	(84,895)	(191,940)	(276,835)
Exploration expenditure written off	(180,845)	-	(180,845)
<b>Segment Assets</b>			
Exploration and evaluation expenditure	2,874,002	-	2,874,002
Other segment assets	196,385	5,375,614	5,571,999
	3,070,387	5,375,614	8,446,001
<b>Segment Liabilities</b>			
Trade and other payables	150,654	209,972	360,626

7. OTHER RECEIVABLES

	Consolidated	
	2021	2020
	\$	\$
<b>Current</b>		
Other receivable	64,655	5,045
Prepayments and advances	105,855	12,294
	170,510	17,339

8. OTHER ASSETS

Non-Current	Consolidated	
	2021	2020
	\$	\$
Security deposit <sup>(1)</sup>	20,000	20,000
Rental deposit <sup>(2)</sup>	16,470	-
	36,470	20,000

(1) Security deposit held with bank for a corporate credit card facility.

(2) Security deposit held with landlord over the rental of office premises.

## 9. PROPERTY, PLANT AND EQUIPMENT

### *Plant and equipment*

	<b>Consolidated</b>	
	<b>2021</b>	2020
	\$	\$
At cost	<b>581,888</b>	302,858
Less accumulated depreciation	<b>(444,618)</b>	(96,920)
	<b>137,270</b>	205,938

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Consolidated</b>	
	<b>2021</b>	2020
	\$	\$
<b>Reconciliation:</b>		
Balance at the beginning of the year	<b>205,938</b>	30,993
Additions	<b>17,052</b>	231,085
Disposal	-	(2,061)
Acquired as part of Rolute Mining transaction (note 21)	<b>63,080</b>	-
Depreciation expense	<b>(113,332)</b>	(56,190)
Foreign exchange movement	<b>(35,468)</b>	2,111
Carrying amount at the end of the year	<b>137,270</b>	205,938

## 10. RIGHT OF USE ASSETS

	<b>Consolidated</b>	
	<b>2021</b>	2020
	\$	\$
ROU asset		
Office lease – at cost	<b>162,532</b>	-
Less accumulated depreciation	<b>(13,545)</b>	-
Net carrying value	<b>148,987</b>	-
Movement for the year:		
Initial recognition of lease	<b>162,532</b>	-
Depreciation charge	<b>(13,545)</b>	-
Closing net carrying amount	<b>148,987</b>	-
Amount recognised in P&L		
Depreciation expense on ROU asset	<b>13,545</b>	-
Interest paid on lease liabilities	<b>3,075</b>	-
Total cash outflows for leases	<b>14,747</b>	-

During the year ended 31 December 2021, the Company entered into an office lease agreement at Level 1, 50 Ord Street, West Perth WA 6005 for three years from 1 October 2021 to 30 September 2024. Discounted cashflow was calculated using an incremental borrowing rate of 8% per annum.

## 11. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2021	2020
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of the year	2,874,002	1,654,195
Expenditure incurred during the year	2,755,032	1,447,921
Acquisition cost recognised <sup>1</sup>	953,309	-
Expenditure written off <sup>2</sup>	(2,603,266)	(180,845)
Foreign exchange movement	(169,724)	(47,269)
	<u>3,809,353</u>	<u>2,874,002</u>

<sup>1</sup> During the year, the Company acquired an exploration package in Côte d'Ivoire from Resolute and Predictive. The asset acquisition resulted in an acquisition cost of \$953,309 being recognised in exploration and evaluation expenditure (refer to note 21).

<sup>2</sup> The Company entered into a joint venture (Turaco 70% / Perseus Mining Limited 30%) to fund the exploration activities at the Mbengue permit (PR272) forming part of the Mbengue gold project in Côte D'Ivoire. During the year ended 31 December 2021, the Company withdrew from this joint venture and has no residual interest in the Mbengue permit (PR272). All exploration expenditure capitalised on PR272 has been written off in the financial statements.

The recoupment of cost carried forward in relation to “areas of interest” in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

## 12. TRADE AND OTHER PAYABLES

	Consolidated	
	2021	2020
Current	\$	\$
Trade payables	653,643	327,555
Other accruals	68,157	33,071
	<u>721,800</u>	<u>360,626</u>

There are no amounts included within these balances that are not expected to be settled within the next 12 months. The average credit terms for services received by the Company are 30 days from invoice date and are non-interest bearing.

## 13. LEASE LIABILITIES

	Consolidated	
	2021	2020
	\$	\$
Maturity analysis		
Less than 1 year	49,407	-
Greater than 1 year	101,453	-
	<u>150,860</u>	<u>-</u>

The Company has an office lease at Level 1, 50 Ord Street, West Perth WA 6005, which has been included in the Right of use asset (refer to Note 10).

	Consolidated		Consolidated				
	2021 Number	2020 Number	2021 \$	2020 \$			
<b>14. ISSUED CAPITAL</b>							
<b>(a) Issued and paid-up share capital</b>							
Ordinary shares, fully paid	<b>426,327,781</b>	2,760,273,598	<b>67,070,815</b>	53,609,222			
<b>(b) Movements in ordinary shares</b>							
Balance at beginning of the year	<b>2,760,273,598</b>	2,643,162,488	<b>53,609,222</b>	53,083,579			
Placement issue at \$0.006 in May 21	<b>550,000,000</b>	-	<b>3,300,000</b>	-			
Shares issued in lieu of annual fee payable to Eburnea Gold Resources SARL	<b>5,350,000</b>	-	<b>32,100</b>	-			
1 for 10 capital consolidation in Jul 21	<b>(2,984,061,361)</b>	-	-	-			
Placement issue at \$0.06 in Jul 21	<b>3,333,333</b>	-	<b>200,000</b>	-			
Exercise of 10c options in Sep 21	<b>1,777,776</b>	-	<b>177,777</b>	-			
Exercise of 10c options in Oct 21	<b>2,293,325</b>	-	<b>229,333</b>	-			
Exercise of 7.5c options in Nov 21	<b>4,000,000</b>	-	<b>300,000</b>	-			
Exercise of 10c options in Nov 21	<b>27,777</b>	-	<b>2,778</b>	-			
Placement issue at \$0.12 in Nov 21	<b>83,333,333</b>	-	<b>10,000,000</b>	-			
Placement issue at \$0.0045 on 24 Nov 20	-	111,111,110	-	500,000			
Conversion of performance rights	-	6,000,000	-	30,000			
Less: share issue costs	-	-	<b>(780,395)</b>	(4,357)			
Balance at end of the year	<b>426,327,781</b>	2,760,273,598	<b>67,070,815</b>	53,609,222			
<b>(c) Movements in unlisted options</b>							
Grant date	Exercise price	Expiry date	Opening balance	New issues	Exercised/ Vested/ cancelled/ lapsed	Balance at end of year	Vested/ exercisable at end of year
	\$		Number	Number	Number	Number	Number
<b>2021 (Post consolidation)</b>							
23 Jul 2018	\$0.075	30 Nov 2021	4,000,000	-	(4,000,000)	-	-
28 May 2021	\$0.10	31 Jul 2022	-	19,444,444	(4,098,925)	15,345,519	15,345,519
			<b>4,000,000</b>	<b>19,444,444</b>	<b>(8,098,925)</b>	<b>15,345,519</b>	<b>15,345,519</b>
<b>2020 (Pre consolidation)</b>							
12 Aug 2016	\$0.005	30 Jun 2020	30,000,000	-	(30,000,000)	-	-
23 Jul 2018	\$0.0075	30 Nov 2021	40,000,000	-	-	40,000,000	40,000,000
			<b>70,000,000</b>	<b>-</b>	<b>(30,000,000)</b>	<b>40,000,000</b>	<b>40,000,000</b>

## 14. ISSUED CAPITAL - continued

### (d) Movements in Performance Rights

Grant date	Exercise price	Expiry date	Opening balance	New issues	Vested and converted	Lapsed/ Forfeited	Balance at end of year
	\$		Number	Number	Number	Number	Number
<b>2021 (Post consolidation)</b>							
16 Nov 2020	-	30 Nov 2025	12,400,000	-	-	-	12,400,000
6 Aug 2021	-	6 Aug 2026	-	10,000,000	-	-	10,000,000
23 Jul 2021	-	30 Nov 2025	-	3,500,000	-	-	3,500,000
6 Aug 2021	-	30 Nov 2025	-	200,000	-	-	200,000
1 Nov 2021	-	30 Nov 2025	-	1,000,000	-	-	1,000,000
			12,400,000	14,700,000	-	-	27,100,000
<b>2020 (Pre consolidation)</b>							
14 Aug 2020	Nil	31 Jul 2023	-	16,000,000	(6,000,000)	(10,000,000)	-
16 Nov 2020	0.0001	30 Nov 2025	-	124,000,000	-	-	124,000,000
			-	140,000,000	(6,000,000)	(10,000,000)	124,000,000

## 15. RESERVES

	Consolidated	
	2021	2020
	\$	\$
Share-based payment reserve (a)	4,890,758	4,075,223
Foreign currency translation reserve (b)	(221,258)	(109,423)
	<b>4,669,500</b>	<b>3,965,800</b>
<b>(a) Share-based payment reserve</b>		
Opening balance	4,075,223	4,046,544
Share based payment expense	727,987	58,679
Conversion to shares	-	(30,000)
Performance Rights issued for acquisition	87,548	-
Closing balance 31 December	<b>4,890,758</b>	<b>4,075,223</b>

The share-based payment reserve is used to record the value of share-based payments provided by the issue of options and performance rights. Refer to Note 17 for further details.

	Consolidated	
	2021	2020
	\$	\$
<b>(b) Foreign currency translation reserve</b>		
Opening balance	(109,423)	(44,399)
Currency translation differences arising during the year	(111,835)	(65,024)
Closing balance 31 December	<b>(221,258)</b>	<b>(109,423)</b>

The foreign currency translation reserve is used to record exchange differences from the translation of the financial statements of foreign operations.

## 16. ACCUMULATED LOSSES

	Consolidated	
	2021 \$	2020 \$
Accumulated losses at the beginning of the year	(49,489,647)	(48,211,951)
Loss from continuing operations	(5,056,075)	(1,277,696)
Accumulated losses at the end of the year	<u>(54,545,722)</u>	<u>(49,489,647)</u>

## 17. SHARE-BASED PAYMENTS

### *Securities Incentive Plans*

The Company has adopted the Turaco Gold Limited Employee Option Plan as well as the Turaco Gold Limited Performance Rights Plan ("Plans"). The Plans were adopted following shareholder approval and are required to be renewed by shareholder approval every three years. The Plans are designed to provide incentives, assist in the recruitment, reward and retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company. The Plans generally allow the Company to set the terms and conditions of each grant, subject to compliance with the overall framework of the Plans, ASX Listing Rules and any other applicable regulations.

### *Non-plan-based payments*

The Company also makes share-based payments to Directors, consultants and/or service providers from time to time, not under any specific plan.

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments is \$727,987 (31 December 2020: \$58,679), relating to performance rights and options.

The following tables illustrates the number and weighted average exercise prices of and movements in share options and performance rights issued during the year under the Plans:

Options	2021 Number	2021 Weighted average exercise price	2020 Number	2020 Weighted average exercise price
Outstanding at the beginning of the year	40,000,000	\$0.075	70,000,000	\$0.006
1 for 10 capital consolidation	(36,000,000)	-	-	-
Issued during the year	19,444,444	\$0.10	-	-
Exercised during the year	(8,098,925)	\$0.088		
Forfeited during the year	-	-	(30,000,000)	\$0.006
Outstanding at the end of the year	<u>15,345,519</u>	<u>\$0.10</u>	<u>40,000,000</u>	<u>\$0.002</u>
Exercisable at the end of the year	<u>15,345,519</u>	<u>\$0.10</u>	<u>40,000,000</u>	<u>\$0.006</u>

During the year ended 31 December 2021, 19,444,444 attaching options were issued as part of the equity placement completed in May 2021. During the same period, 8,098,925 options were exercised and converted to shares.

For the year ended 31 December 2020, 30,000,000 options expired. No options were exercised.

## 17. SHARE-BASED PAYMENTS - continued



	2021 Number	2020 Number
<b>Performance Rights</b>		
Outstanding at the beginning of the year	124,000,000	-
1 for 10 capital consolidation	(111,600,000)	-
Granted during the year	14,700,000	140,000,000
Converted during the year	-	(6,000,000)
Lapsed during the year	-	(10,000,000)
Outstanding at the end of the year	<u>27,100,000</u>	<u>124,000,000</u>
Vested at the end of the year	<u>11,150,000</u>	<u>-</u>

The following table lists the inputs to the model used for the financial period ended 31 December 2021 and 2020.

2021	Performance Rights (Directors/management)	Performance Rights (Asset acquisition)
Number	4,700,000	10,000,000
Volatility	100-138%	138%
Risk-free interest rate	1.0%	1.0%
Expected life of Rights	4-5 years	5 years
Exercise price	Nil	Nil
Share price at grant date	\$0.10 - 0.16	\$0.10

2020	Performance Rights	Performance Rights
Number (pre-consolidated)	16,000,000	124,000,000
Volatility	100%	100%
Risk-free interest rate	1.5%	1.0%
Expected life of Rights	2.96 years	5 years
Exercise price	Nil	\$0.0001
Share price at grant date	\$0.005	\$0.006

During the year ended 31 December 2021, the Company issued a total of 10 million Performance Shares to Predictive Discovery Limited ("PDI") as part of the Predictive transaction that was completed in August 2021 (refer to Note 21 for details).

The Company also issued 4,700,000 performance rights to directors and personnel of the Company for nil consideration and subject to various performance hurdles, as part of the Performance Rights Plan.

During the year ended 31 December 2020, 124,000,000 performance rights were issued to management of the Company, of which 100,000,000 (pre-consolidated) performance rights were issued to Managing Director, Justin Tremain for nil consideration and subject to satisfaction of various performance hurdles.

## 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The activities of the Group expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group employs different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

## 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

### (a) Market risk

#### (i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Côte d'Ivoire Franc (CFCA).

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. At 31 December 2021, the Group held \$721,624 in CFCA bank balances. At 31 December 2021, had the Australian dollar strengthened/weakened by 10% against the CFCA franc with all other variables held constant, the profit/(loss) for the year would have been \$65,603 lower (December 2020: \$26,328) / \$80,181 higher (31 December 2020: \$32,179).

The Group has not entered into any general or specific contracts to hedge against gains and losses that may arise from exchange rate fluctuations.

#### (ii) Interest rate risk

The Group may be exposed to interest rate risk through financial assets and liabilities. The risk is measured using sensitivity analysis and cash flow forecasting.

At 31 December 2021, if interest rates had increased/decreased by 100 basis points from the weighted average effective rate for the year, with other variables constant, the (loss)/profit for the year would have been \$71,680 lower (December 2020: \$5,364)/\$71,680 higher (December 2020: \$5,364).

None of the financial assets and financial liabilities are readily traded on organised markets in standardised form. The carrying amounts of financial assets and financial liabilities are materially in line with their fair values.

The following table summarises interest rate risk for the Group, together with effective interest rates as at balance date.

2021	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in:		Non-interest Bearing	Total
			1 year or less	Over 1 year		
		\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and cash equivalents	0.07%	645,988	12,500,000	-	726,637	13,872,625
Other receivables	0.25%	-	20,000	-	16,470	36,470
<b>Total Financial Assets</b>		645,988	12,520,000	-	743,107	13,909,095

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS – continued

2021	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in:		Non-interest Bearing	Total
			1 year or less	Over 1 year		
		\$	\$	\$	\$	\$
<b>Financial Liabilities</b>						
Trade and other payables		-	-	-	721,800	721,800
Lease liabilities – current	8%	-	49,407	-	-	49,407
Lease liabilities – non-current	8%	-	-	101,453	-	101,453
<b>Total Financial Liabilities</b>		-	49,407	101,453	721,800	872,660

2020	Weighted average effective interest rate	Floating interest rate	Fixed interest rate maturing in:		Non-interest Bearing	Total
			1 year or less	Over 1 year		
		\$	\$	\$	\$	\$
<b>Financial Assets</b>						
Cash and cash equivalents	0.23%	5,038,773	-	-	289,949	5,328,722
Other receivables	1.50%	-	20,000	-	5,045	25,045
<b>Total Financial Assets</b>		5,038,773	20,000	-	294,994	5,353,767
<b>Financial Liabilities</b>						
Trade and other payables		-	-	-	360,626	360,626
<b>Total Financial Liabilities</b>		-	-	-	-	360,626

(iii) *Commodity price risk*

As Turaco is exploring primarily for gold, it will be exposed to the risks of fluctuation in gold prices. The risk is measured using sensitivity analysis and cash flow forecasting. Gold is primarily priced in US dollars in an active worldwide market in which prices respond to daily changes in quantities offered and sought. Newly mined gold is only one source of supply; investment and disinvestment can be important elements of supply and demand. Prices fluctuate widely in response to changing levels of supply and demand but, in the long run, prices are related to the marginal cost of supply.

(b) **Credit risk exposures**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and financial instruments.

As the Group is exclusively involved in exploration rather than trading there is currently very little credit risk. For banks and financial institutions, only reputable institutions with sound financial positions are dealt with.

## 18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

### (c) Liquidity and capital risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objective when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements. Whilst the Group is in an exploration phase, it is unlikely to operate with debt capital, although this may change as projects become more advanced.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The risk is measured using sensitivity analysis and cash flow forecasting. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring its forecasted and actual cash flows.

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecast operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### (d) Fair value estimation

The Directors consider that the carrying amount of financial assets and financial liabilities, as recorded in the financial statements, represent or approximate their respective fair values. The Group's financial assets and liabilities are measured at amortised cost. Therefore, the disclosures required by *AASB13: Fair Value Measurement*, of the fair value measurement hierarchy have not been made.

## 19. CASH AND CASH EQUIVALENTS

	Consolidated	
	2021	2020
	\$	\$
Cash at bank and on hand	<b>13,872,625</b>	5,328,722
	<b>13,872,625</b>	5,328,722

Cash at bank earns interest at floating rate based on daily bank deposit rates.

Term deposits (less than 6 months) earn interest at the end of the tenure at an average rate of 0.07%.

### (a) Statement of Cash Flows

#### *Reconciliation of the loss after income tax from ordinary activities to the net cash used in operating activities*

Loss from ordinary activities after income tax	<b>(5,067,191)</b>	<b>(1,277,696)</b>
Add back non-cash items:		
Depreciation expense	<b>113,332</b>	56,190
Depreciation on leases	<b>13,545</b>	-
Share-based payment expense	<b>727,987</b>	58,679
Exploration expenditure written off	<b>2,603,266</b>	180,845
Recognition of provisions upon acquisition	<b>120,167</b>	-
Interest on lease liability	<b>3,075</b>	-
Foreign exchange loss/(gain)	<b>134,862</b>	367,760
Net cash (outflow) from operating activities before change in assets and liabilities	<b>(1,350,957)</b>	(614,222)
Change in assets and liabilities:		
(Increase) / decrease in operating receivables	<b>(153,170)</b>	41,550
(Decrease) / increase in operating payables	<b>(90,880)</b>	168,314
<b>Net cash (outflow) from operating activities</b>	<b>(1,595,007)</b>	(404,358)

## 20. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were Key Management Personnel of the Company at any time during the reporting period and unless otherwise indicated were Key Management Personnel for the entire year:

### **Other Key Management Personnel**

Justin Tremain – Managing Director

### **Non-Executive Directors**

John Fitzgerald – Non-executive Chairman (appointed 23 July 2021)

Alan Campbell

Bruce Mowat (appointed 9 August 2021)

David Kelly (resigned 9 August 2021)

## 20. KEY MANAGEMENT PERSONNEL DISCLOSURES – continued

The Key Management Personnel compensation included in ‘employee benefits expense’ and share based payments are as follows:

	<b>Consolidated</b>	
	<b>2021</b>	2020
	\$	\$
Short-term employee benefits	<b>363,019</b>	326,563
Post-employment benefits	<b>44,234</b>	5,331
Termination payment	-	93,750
Share-based payments	<b>584,838</b>	53,128
	<b>992,091</b>	478,772

### *Individual Directors and executives compensation disclosures*

Information regarding individual Directors and executives compensation and some equity instruments disclosures as permitted by Schedule 5B to the Corporations Regulations 2001 is provided in the Remuneration Report section of the Directors’ Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors’ interests existing at year-end.

### *Loans to Key Management Personnel and their related parties*

There were no loans outstanding at the reporting date to Key Management Personnel and their related parties.

### *Other transactions with Key Management Personnel*

A number of key management persons, or their related parties, held positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

- Mr Shah resigned as a Non-executive Director on 30 November 2020. In the year ended 31 December 2020, total fees of \$115,759 were paid or were payable to Corporate Consultants Pty Ltd, an entity in which Mr Shah has a beneficial interest, for secretarial services as well as the provision of office space, administration and accounting services.

## 21. ASSET ACQUISITION

On 6 August 2021, the Company completed the acquisition of Resolute Mining Limited’s (“Resolute”) and Predictive Discovery Limited’s (“Predictive”) exploration package in Côte d’Ivoire through the acquisition of a 100% shareholding interest in CDI Mining Holdings Pty Ltd and a 89% shareholding interest in CDI Holdings (Guernsey) Ltd. Following shareholder approval of the transaction on 23 July 2021, the Company paid AUD\$1 million in cash to Resolute Mining and issued 10 million performance shares (with various vesting conditions) to Predictive Discovery as purchase consideration.

As the acquisition is not deemed a business combination, the transaction is accounted for as a share based payment for the net assets acquired. Refer to note 26 for contingent payments.

## 21. ASSET ACQUISITION – continued

The fair value of the assets acquired at the date of the acquisition and share based payments are outlined as follows:

Purchase consideration:	<b>2021</b>
	<b>\$</b>
Cash paid	<b>1,000,000</b>
Performance shares issued	<b>87,548</b>
Total purchase consideration	<b><u>1,087,548</u></b>
Fair value of assets and liabilities acquired	
Cash and cash equivalents	<b>68,721</b>
Prepayments	<b>2,438</b>
Plant and equipment	<b><u>63,080</u></b>
Net identifiable assets acquired	<b>134,239</b>
Acquisition cost recognised in exploration and evaluation expenditure	<b><u>953,309</u></b>
Net assets acquired	<b><u>1,087,548</u></b>

## 22. SUBSIDIARIES

### (a) Particulars in relation to subsidiaries

Name of Subsidiary	Place of Incorporation	Group's Interest		Class of Shares
		31 December 2021	31 December 2020	
<b>Parent Entity</b>		%	%	
Turaco Gold Limited	Australia	-	-	-
<b>Subsidiaries</b>				
TTFB Pty Ltd	Australia	100	100	Ord
LVG Holdings Pty Ltd <sup>1</sup>	Australia	-	100	Ord
Manas Côte d'Ivoire SARL	Côte d'Ivoire	100	100	Ord
CDI Mining Holdings Pty Ltd <sup>2</sup>	Australia	100	-	Ord
Nimba Resources SARL <sup>2</sup>	Côte d'Ivoire	100	-	Ord
Resolute Côte d'Ivoire SARL <sup>2</sup>	Côte d'Ivoire	100	-	Ord
CDI Holdings (Guernsey) Ltd <sup>2, d</sup>	Guernsey	89	-	Ord
Toro Gold Côte d'Ivoire SARL <sup>2, d</sup>	Côte d'Ivoire	89	-	Ord
Predictive Discovery Côte d'Ivoire SARL <sup>2, d</sup>	Côte d'Ivoire	89	-	Ord

<sup>1</sup> – Deregistered on 27 October 2021

<sup>2</sup> – Acquisition of controlled entities through the completion of the Resolute Mining and Predictive Discovery transaction on 6 August 2021 (refer to Note 21)

### (b) Terms and conditions of loans to related parties

Loan advances are made to subsidiaries noted in the table above to fund exploration activities in Côte d'Ivoire. These loans are interest free, unsecured and repayable only when the borrower's cash flow permits. The recoverability of these loans is dependent upon the successful development and exploitation of the areas of interest currently being explored by the parent's subsidiary entities.

## 22. SUBSIDIARIES - continued

### (c) Risk exposure

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and interest rate risk is provided in Note 18.

### (d) Summarised financial information of subsidiary with a material non-controlling interest

CDI Holdings (Guernsey) Ltd serves as the joint venture vehicle between Turaco and Predictive Discovery Ltd. Turaco is solely responsible for the funding of all expenditure until a "Decision to Mine" has been made. The summarised financial information for CDI Holdings (Guernsey) Ltd sub-group is set out below:

	2021 \$
<b>Financial Position</b>	
<b>Assets</b>	
Current assets	442,427
Non-current assets	<u>1,115,589</u>
Total assets	<u>1,558,016</u>
<b>Liabilities</b>	
Trade creditors and payables	263,469
Inter-group loans	<u>1,396,077</u>
Total liabilities	<u>1,659,546</u>
<b>Net Liabilities</b>	<u>(101,530)</u>
<b>Equity</b>	
Issued capital	4
Foreign currency translation reserves	(481)
Accumulated losses	<u>(89,937)</u>
Attributable to owners of the parent	<u>(90,414)</u>
Attributable to non-controlling interest	<u>(11,116)</u>
	<u>(101,530)</u>
<b>Financial performance</b>	
(Loss) for the year:	
Attributable to owners of the parent	(90,414)
Attributable to non-controlling interest	<u>(11,116)</u>
	<u>(101,530)</u>



## 23. RELATED PARTY TRANSACTIONS

### (a) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 20.

### (b) Other Related Party Transactions

No related party transactions other than those outlined in Note 20.

### (c) Subsidiaries

#### *Wholly-Owned Group*

The parent entity will incur exploration expenditure on behalf of the subsidiaries. Investments in wholly-owned controlled entities are disclosed in Note 22.

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

## 24. PARENT ENTITY DISCLOSURES

	2021	2020
	\$	\$
<b><i>Financial Position</i></b>		
<b>Assets</b>		
Current assets	13,302,975	5,314,554
Non-current assets <sup>(i)</sup>	4,133,256	2,980,793
Total assets	<u>17,436,231</u>	<u>8,295,347</u>
<b>Liabilities</b>		
Current liabilities	151,301	209,972
Non-current liabilities	101,453	-
Total liabilities	<u>252,754</u>	<u>209,972</u>
<b>Net Assets</b>	<u>17,183,477</u>	<u>8,085,375</u>
<b>Equity</b>		
Issued capital	67,070,815	53,609,222
Accumulated losses	(54,778,096)	(49,599,070)
Share-based payments reserves	4,890,758	4,075,223
<b>Total equity</b>	<u>17,183,477</u>	<u>8,085,375</u>
<b><i>Financial performance</i></b>		
(Loss) for the year	<u>(5,179,026)</u>	<u>(1,342,720)</u>
Total comprehensive (loss) for the year	<u>(5,179,026)</u>	<u>(1,342,720)</u>

- (i) The recoupment of the parent entity's investments and loans to its subsidiaries is dependent upon the successful development and commercial exploitation or sale of the underlying exploration assets.

### ***Contingent liabilities of the parent entity***

Under the Sale and Purchase Agreement entered into with Resolute Mining Ltd, the Company is required to pay A\$4 million cash twelve months after commercial gold production from a project development within one of the permits acquired through the transaction with Resolute Mining.

## 25. COMMITMENTS

### (a) Exploration expenditure commitments

In January 2018, the Company entered into an earn-in and joint venture agreement with Eburnea Gold Resources sarl (Eburnea) to acquire the rights to earn an interest of up to 80% in the Bouaké North Gold Project in Côte d'Ivoire (refer ASX announcements dated 23 January and 29 May 2018) as a result of which the Company will be subject to various minimum expenditure outlays as noted below:

#### *Bouaké North*

Turaco is required to make payments of US\$25,000 to Eburnea in each of 2022 and 2023 and US\$75,000 in 2024. Under the terms of its agreement with Eburnea, Turaco is also required to sole fund minimum exploration expenditure on the permit as follows (amounts noted below are cumulative):

- Before the end of Year 2 (February 2022): FCFA 155,000,000;
- Before the end of Year 3 (February 2023): FCFA 309,000,000; and
- Before the end of Year 4 (February 2024): FCFA 615,000,000.

#### *Ferke Project:*

In August 2021, the Company acquired an exploration package from Resolute and Predictive (refer to note 21). In addition to the acquisition, the Company also entered into a separate earn-in agreement with a local Ivory Coast partner, Gold Ivoire Minerals SARL ("GIV") to earn an additional 34% (from current 51%) through the completion of a feasibility study.

#### *Royalty agreement with Resolute:*

A 2.5% net smelter royalty ("NSR") is payable to Resolute Mining on Turaco's share of future production from the permits in the Resolute Sale and Purchase Agreement, and reduced by any 3<sup>rd</sup> party commercial royalties including a reduction to a 1% NSR if GIV converts its interest in the GIV Joint Venture to a 1.5% NSR.

## 26. CONTINGENT LIABILITIES

Under the Sale and Purchase Agreement entered into with Resolute Mining Ltd, the Company is required to pay A\$4 million cash twelve months after commercial gold production from a project development within one of the permits acquired through the transaction with Resolute Mining.

## 27. EVENTS OCCURRING AFTER THE REPORTING DATE

8,333,333 new shares at \$0.12 each were issued to Directors on the 4 February 2022 who participated in the November 2021 placement after obtaining shareholder approval in January 2022.

555,555 options were exercised at \$0.10 each for \$55,556 on the 4 February 2022.

Apart from the above, no matter or circumstance has arisen since the end of the financial year and to the date of this report which significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial year(s).

## **DIRECTORS' DECLARATION**

In the opinion of the Directors of Turaco Gold Limited (the 'Company'):

- a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
  - i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the year then ended; and
  - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;
- b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.



**Justin Tremain**  
**Managing Director**

Dated at Perth, 30 March 2022

**INDEPENDENT AUDITOR’S REPORT**

To the members of Turaco Gold Limited

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Turaco Gold Limited (“the Company”) and its controlled entities (“the Group”), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group’s financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Carrying value of exploration assets</b> Refer to Note 11</p> <p>The Group has a capitalised exploration and evaluation balance of \$3,809,353 as at 31 December 2021. Our audit focused on the Group’s assessment of the carrying amount of</p>	<p>Our procedures included but where not limited to the following:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding of the key processes associated with</li> </ul>

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

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**Key Audit Matter**
**How our audit addressed the key audit matter**


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**Carrying value of exploration assets**

 Refer to Note 11
 

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the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. In addition, the Group completed a significant transaction during the financial year with the acquisition of new exploration projects.

We planned our work to address the audit risk that the capitalised expenditure may not meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.

management's review of the carrying value of each area of interest;

- We obtained the acquisition agreements and relevant supporting documentation and ensured the acquisition during the period had been accounted for correctly in accordance with accounting standards;
  - We considered the Directors' assessment of potential indicators of impairment under AASB 6;
  - We obtained evidence that the Group has current rights to tenure of its areas of interest;
  - We enquired with management, reviewed ASX announcements and reviewed minutes of Director's meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and
  - We examined the disclosures made in the financial report.
- 

*Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Turaco Gold Limited for the year ended 31 December 2021 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**30 March 2022**



**M R Ohm**  
**Partner**

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## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of Turaco Gold Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Turaco Gold Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company's governance approach aims to achieve exploration, development and financial success while meeting stakeholders' expectations of sound corporate governance practices by proactively determining and adopting the most appropriate corporate governance arrangements.

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable and given its size and circumstances the Company has adopted the Eight Essential Corporate Governance Principles and Recommendations ("Recommendations"), as published by ASX Corporate Governance Council ("CGC").

The Company's directors are fully cognisant of the Corporate Governance Principles and Recommendations published by CGC and have adopted those recommendations where they are appropriate to the Company's circumstances. However, a number of those principles and recommendations are directed towards listed companies considerably larger than Turaco Gold Limited, whose circumstances and requirements accordingly differ markedly from the Company's. For example, the nature of the Company's operations and the size of its staff mean that a number of the Board committees and other governance structures recommended by the CGC are not only unnecessary in Turaco's case, but the effort and expense required to establish and maintain them would, in the directors' view, be an unjustified diversion of shareholders' funds.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the ASX Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council ("CGC"). The ASX Principles require the board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles. A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire financial year ended 31 December 2021. They comply with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.<sup>1</sup>

The Company's website at [www.turacogold.com.au](http://www.turacogold.com.au) contains a corporate governance section that includes copies of the Company's corporate governance policies.

- |              |  |
|--------------|--|
| Principle 1. | Lay solid foundations for management and oversight             |
| Principle 2. | Structure the board to add value                               |
| Principle 3. | Instil a culture of acting lawfully, ethically and responsibly |
| Principle 4. | Safeguard the integrity of corporate reports                   |
| Principle 5. | Make timely and balanced disclosure                            |
| Principle 6. | Respect the rights of security holders                         |
| Principle 7. | Recognise and manage risk                                      |
| Principle 8. | Remunerate fairly and responsibly                              |

<sup>1</sup>The 4<sup>th</sup> Edition of ASX Corporate Governance Council's Corporate Governance Principles and Recommendations took effect for the Company's financial year commencing 1 January 2020 and has been adopted as appropriate from that date.



## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

### Principle 1: Lay solid foundations for management and oversight

#### Recommendation 1.1:

*Companies should disclose the respective roles and responsibilities of its board and management and those matters expressly reserved to the Board and those delegated to management and disclose those functions.*

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of the senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board is responsible for:

- Determining the vision and objectives of the Company;
- Overseeing and fostering an appropriate culture for the Company that is directly aligned to its values, strategies and objectives;
- Reviewing and approving the Company's financial position, systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Identifying all areas where written board policy is required, detailing the policies, and overseeing the implementation and monitoring of compliance;
- Formulating short term and long term strategies to enable the Company to achieve its objectives, and ensuring adequate resources are available to meet strategic objectives;
- Approving and monitoring the progress of major expenditure and acquisitions and divestments;
- Approving the annual budgets, and ensuring these are aligned with the Company's strategic objectives;
- Being responsible for the Company's senior management and personnel including appointing and, where appropriate, removing the Chairman;
- Ratifying the appointment, and where appropriate, the removal of the Executive Directors and the Company Secretary;
- Evaluating the performance of the senior management team and determining their remuneration;
- Delegating appropriate powers to senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- Ensuring that policies and procedures are in place consistent with the Company's objectives, and that the Company and its officers act legally, ethically and responsibly in all matters; and
- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy.

The responsibility for the day to day operation and administration of the Group is delegated by the Board to the Chief Executive Officer [CEO] who in turn delegates specific responsibilities to the senior management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the senior management team. These delegations are reviewed as appropriate.

The Board Charter is available on the Company's website under the Corporate Governance section.

The CEO is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board.

The CEO's (or as delegated to Senior Executives) specific responsibilities include:

- responsibility for the achievement of corporate goals and objectives
- development of short, medium and long-term corporate strategies and planning to achieve the Company's vision and overall business objectives
- implementing and monitoring strategy and reporting/ presenting to the Board on current and future initiatives
- advising the Board regarding the most effective organisational structure and oversee its implementation

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

- assessment of business opportunities of potential benefit to the Company
- encouraging staff commitment
- establishing and maintaining effective and positive relationships with Board members, shareholders, the investment community and other government and business liaisons
- undertaking the role of key Company spokesperson
- recommending policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives
- ensuring statutory, legal and regulatory compliance and compliance with corporate policies and standards
- ensuring appropriate risk management practices and policies are in place
- selecting and appointing staff; and
- ensuring there is an appropriate staff appraisal system in place in the Company.

This statement of matters reserved for the Board and areas of delegated authority to the CEO and senior executives is contained in the Board Charter posted on the Company's website.

**Recommendation 1.2:**

*Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company undertakes checks on any person who is being considered as a director. These checks may include character, experience, education and financial history and background.

All security holder releases will contain material information about any candidate to enable an informed decision to be made on whether or not to elect or re-elect a director.

**Recommendation 1.3:**

*Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.*

Letters of appointment are in place for all non-executive directors and employment contracts are in place for the Chief Executive Officer and other senior executives.

**Recommendation 1.4:**

*The Company Secretary should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.*

The Company Secretary has a direct reporting line to the Board, through the Chair.

**Recommendation 1.5:**

*The Company should establish a policy concerning diversity and disclose the policy or summary of the policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.*

The Company recognises that a talented and diverse workforce is a key competitive advantage. The Company is committed to developing a workplace that promotes diversity. The Company's policy is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background. The Company has not yet formalised this policy into a written document. It is the Board's intention to formalise the policy at a time when the size of the Company and its activities warrants such a structure.

During 2021, Turaco Group had two full time and full time equivalent staff. There are no women on the Board.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### **Recommendation 1.6:**

*The Company should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors and whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of individuals. The Chairman conducted an informal review during the financial year whereby the performance of the Board as a whole and the individual contributions of each director were discussed. The Board considers that at this stage of the Company's development an informal process is appropriate.

### **Recommendation 1.7:**

*The Company should have and disclose a process for periodically evaluating the performance of senior executives and whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board undertakes a review of the senior executives' performance, at least annually, including setting the goals for the coming year and reviewing the achievement of these goals.

Performance has been measured to date by the efficiency and effectiveness of the enhancement of the Company's mineral interest portfolio, the designing and implementation of the exploration and development programme and the securing of ongoing funding so as to continue its exploration and development activities. This performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration / pre-development stage and during this period is expected to incur operating losses.

Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of senior executives. The Chairman conducted an informal review process whereby he discussed with senior executives the approach toward meeting the short and long term objectives of the Company. The Board considers that at this stage of the Company's development an informal process is appropriate.

## **Principle 2: Structure the Board to add value**

### **Recommendation 2.1:**

*The Board should establish a Nomination Committee of which the majority should be independent directors (including the Chair).*

The Company does not have a nomination committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

Directors are appointed under the terms of the Company's constitution. Appointments to the Board are based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise, and experience of the board. The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administration skills. Casual appointments must stand for election at the next annual general meeting of the Company.

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. All Directors, with the exception of the Managing Director (if appointed), serve for a period of three years before they are requested to retire and if eligible offer themselves for re-election.

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)**

**Recommendation 2.2:**

*The Company should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.*

The Board composition for the reporting period has been as follows:

Non-executive Chairman – John Fitzgerald, an accountant and an experienced mining executive was appointed a director on 23 July 2021;  
 Managing Director/CEO – Justin Tremain appointed on 1 December 2020  
 Non-executive director – Alan Campbell, a geologist and an experienced mining executive was appointed a director on 1 November 2018 and Bruce Mowat, a geologist and experienced company director, was appointed on 9 August 2021.

	Non-executive Directors
Strategy and leadership • Business leadership • Strategic planning • Stakeholder engagement • Public listed company experience • Non-executive experience • Executive experience • Global economic conditions and mineral markets	X
Mining Industry – Technical and General • Exploration • Mine development • Mining • African experience	X
Finance and Accounting • Corporate finance, capital markets, M&A • Accounting and Audit • Treasury and hedging • Taxation	X
Other • Legal and compliance • Governance and Risk management • Human resources and industrial relations	X

The Board will look to supplement its skills set as and when circumstances change, for example the commencement of development leading to mineral production at its mineral projects at which time mining engineering and production skills may be required as part of the mix.

Each director has the right of access to all relevant company information and to the Company's employees and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Company's expense. The director must consult with an advisor suitably qualified in the relevant field and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

**Recommendation 2.3:**

*The Company should disclose the names of the directors considered to be independent directors and length of service of each director.*

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

The names, experience and responsibilities of Directors of the Company in office at the date of this statement are set out in the Directors' Report (including names of the directors considered to be independent directors and length of service of each director). Details of independent directors and length of service of each director are noted below.

Director	Office held	Independent
John Fitzgerald (appointed 23/7/2021)	Non-executive Chairman	Yes
Alan Campbell (appointed 1/11/2018)	Non-executive director	Yes
Bruce Mowat (appointed 9/8/2021)	Non-executive director	No
Justin Tremain (appointed 1/12/2020)	Managing director	No

### Recommendation 2.4:

*A majority of the Board of the Company should be independent directors.*

In assessing whether a director is classified as independent, the Board considers the independence criteria set out in the ASX Corporate Governance Council Recommendation 2.1 and other facts, information and circumstances deemed by the Board to be relevant. Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that only one of the Directors holding office during the reporting period can be considered to be independent and therefore the Company does not currently have a majority of independent directors. The Company considers that each of the directors possesses the skills and experience suitable for building the Company and that although the Company does not currently have a majority of independent directors, the current composition of the Board is appropriate for the Company's current size and operations.

The Board takes the responsibilities of best practice in corporate governance seriously. It is the Board's intention to review its composition on a continual basis as the Company expands its activities and greater demands and skills amongst Directors become necessary.

### Recommendation 2.5:

*The Chair of the Board should be an independent director and should not be the CEO of the Company.*

The Chairman, Mr John Fitzgerald, is considered the "lead" Director and utilises his experience, skills and leadership abilities to facilitate the governance processes. Mr Fitzgerald is an independent director.

### Recommendation 2.6:

*The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The Board Charter provides for induction and professional development for the Board. The Company Secretary is tasked with coordinating the induction process for new directors. Such a process has not been formalised at this stage. In general terms, directors appointed to the Board in the past and more recently have pre-existing skills and experience as public company directors and a formal induction process is not considered a priority.

All directors are expected to maintain the skills required to discharge their duties as a director. The directors are all experienced directors who serve or have served on numerous public company boards and as such develop themselves professionally on a continuous basis. Members of the executive team brief the Board on relevant industry, financial, accounting, legal, compliance, governance and other developments.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### Principle 3: Instil a culture of acting lawfully, ethically and responsibly

#### Recommendation 3.1, 3.2, 3.3 and 3.4:

The Company has developed a Code of Conduct (the Code) which has been endorsed by the Board and applies to all employees, Directors and officers. The Code may be amended from time to time as necessary to ensure it reflects the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders. The Code outlines the responsibility and accountability of Company personnel to report and investigate reports of unethical practices. A copy of the Code is available on the Company's website.

#### *Securities Trading Policy*

Trading in Company securities is regulated by the Corporations Act and the ASX Listing Rules. The Board makes all Directors, officers and employees aware on appointment that it is prohibited to trade in the Company's securities whilst that Director, officer or employee is in the possession of price sensitive information.

Turaco has adopted a policy that Directors, employees, advisers and consultants (Applicable Persons) and their related parties (spouses, de facto spouses, parents and children) (Related Persons) are aware of legal restrictions in dealing in Company securities while in possession of unpublished price sensitive information.

Under this policy Applicable Persons and Related Persons should:

- not engage in short-term trading of Turaco securities
- not deal in Turaco securities while in possession of Inside Information
- in certain circumstances, notify the Company Secretary of any intended transactions involving Turaco securities; and
- ensure any of their buying or selling of Turaco securities occurs outside of Closed Periods unless prior written clearance is obtained in accordance with this policy.

Securities interests of Directors and other key management personnel are disclosed in Annual Reports. Securities interests of Directors are also reported to the ASX as and when changes take place.

#### *Anti-bribery and Corruption Compliance*

Turaco recognises that Directors, officers, employees and third parties operating outside of Australia have a special responsibility to know and obey laws and regulations of countries where they operate and to conduct themselves in accordance with local business practices.

Turaco recognises that laws, regulations, business practices and customs vary throughout the world and that in certain cases these may vary from those in Australia in the different jurisdictions in which Turaco and its subsidiaries operate. Notwithstanding, in particular, the Turaco Group and its Directors, officers, employees and third parties must comply with all applicable laws relating to foreign corrupt practices, including the relevant laws within Australia and the jurisdictions in which it carries out its exploration activities.

Turaco provides Anti-Bribery and Corruption Compliance training to all employees and consultants.

### Principle 4: Safeguard Integrity in Financial reporting

#### Recommendation 4.1

*The Board should have an Audit Committee.*

The Company does not have an Audit committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of an Audit committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate Audit committee. The Company's stage of development and a focus on reducing corporate and overhead costs means that it is not in a position to comply with the CGC guidelines in this respect.

The Company requires external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

The audit engagement partner from auditors, HLB Mann Judd (WA Partnership) is subject to rotation rules under the Corporations Act.

### **Recommendation 4.2**

*The Board of the Company should, before it approves the Company's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Chief Executive Officer and the Company Secretary, acting in the capacity of CFO, have declared in writing to the Board that the Company's financial statements for the year ended 31 December 2021 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, that this is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively. This representation is made by the Chief Executive Officer and the Company Secretary prior to the Director's approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

### **Recommendation 4.3**

*The Company should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by its external auditor.*

The Board reviews all periodic reports and seeks professional assistance and advice where required to ensure the integrity of those reports. No additional disclosures are made separately on these reports.

## **Principle 5 – Make timely and balanced disclosure**

### **Recommendation 5.1:**

*Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules.*

The Company has not developed a formal ASX Listing Rules Disclosure Strategy. The Company's directors have a long history of involvement with public listed companies and are familiar with disclosure requirements of the ASX listing rules and the Corporations Act.

The Company has in place informal procedures, including discussion about disclosure matters at all formal and informal Board and management meetings, which it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. The Board has nominated the Chairman and the company secretary as being responsible for all matters relating to disclosure.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### **Recommendation 5.2:**

*Companies should ensure that its Board receives all material market announcements promptly after they have been made.*

The Company Secretary is in charge of releasing all market announcements and providing the Board with copies of that announcement promptly after it has been released to the market.

### **Recommendation 5.3:**

*Companies that give a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcement Platform ahead of the presentation.*

As a general practice, the Company releases all new and substantive investor presentations on the ASX Market Announcement Platform.

## **Principle 6 – Respect the rights of security holders**

### **Recommendation 6.1:**

*Companies should provide information about itself and its governance to investors via its website.*

The Company is committed to maintaining a Company website with general information about the Company and its operations, information about governance and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by the ASX, the following are posted to the Company's website:

- relevant announcements made to the market via the ASX;
- notices of meetings;
- investment updates;
- company presentations and media releases;
- copies of press releases and announcements for (at least) the preceding three years; and
- copies of annual, half-yearly and quarterly reports including financial statements for (at least) the preceding three years.

### **Recommendations 6.2 and 6.3:**

*Companies should design and implement an investor relations program to facilitate two-way communication with investors.*

*Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Non-Executive Chairman and the CEO make themselves available to meet shareholders and regularly respond to enquiries made via telephone or email. The CEO also completes periodic investor presentations to facilitate engagement with investors and other financial market participants. From time to time other directors and nominated senior management will also engage with shareholders and investors generally.

The Board encourages full participation of shareholders at the Annual General Meeting. In preparing for general meetings of the Company, the Company drafts the notice of meeting and related explanatory information so that shareholders are provided with all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. The Company allows shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting. The external auditor of the Company is asked to attend each annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Important issues are presented to the shareholders as single resolutions. The shareholders are also responsible for voting on the appointment of Directors.



## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### **Recommendation 6.4:**

*Companies should ensure all substantive resolutions at a meeting of security holders be decided by a poll rather than a show of hands.*

Effective from the 2020 Annual General Meeting held in May 2020, all resolutions are decided by poll and not by show of hands. In 2020, due to the pandemic, the Company held its AGM as a fully virtual meeting. With the use of technology, shareholders were offered the opportunity to virtually participate at the AGM, ask questions and vote on the resolutions.

### **Recommendation 6.5:**

*Companies should give security holders the option to receive and send communications electronically.*

The Company encourages its shareholders to communicate electronically through the share registrar. The contact details of the registrar can be found on our website.

## **Principle 7 – Recognise and manage risk**

### **Recommendation 7.1:**

*The Board should have a committee or committees to oversee risk.*

The Company is not currently of a size to require the formation of committees to oversee risk. The full Board has the responsibility for the risk management, compliance and internal controls systems of the Company.

Senior management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. The Company's risk management policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. The risks involved in a resources sector company and the specific uncertainties for the Company continue to be regularly monitored. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal.

### **Recommendation 7.2:**

*The Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose whether such a review has taken place.*

The Board considers risks and discusses risk management at each Board meeting. Review of the risk management framework is an on-going process rather than an annual formal review. The Company's main areas of risk include:

- capital requirement and future funding;
- geological and technical risk posed to exploration and commercial exploitation success;
- sovereign risk, change in government policy, change in mining and fiscal legislation;
- prevention of access by reason of inability to obtain regulatory or landowner / local community consents or approvals, or loss of social licence;
- retention of key staff;
- change in metal market conditions;
- adverse weather events; and
- mineral title tenure and renewal risks.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### **Recommendation 7.3:**

*The Company should disclose if it has an internal audit function.*

The Company does not have an internal audit function. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of an internal audit function at this time. The Board as a whole regularly evaluates and improves the effectiveness of its risk management (refer above) and internal control processes.

### **Recommendation 7.4:**

*The Company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks. Other than general risks associated with the mineral exploration industry, the Company does not currently have material exposure to environmental and social sustainability risks.

## **Principle 8 – Remunerate fairly and responsibly**

### **Recommendation 8.1:**

*The Board should have a Remuneration Committee.*

The Company does not have a remuneration committee

The Board as a whole addresses the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board has been considering those matters that would usually be the responsibility of a remuneration committee.

### **Recommendation 8.2:**

*Companies should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company provides disclosure of all Directors and executives remuneration in its annual report.

The remuneration policy of the Company has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the company. Directors' remuneration is approved by resolutions of the Board. The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

#### *Non-Executive Directors*

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Payments to the Non-Executive Directors are reviewed annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Non-Executive Directors are entitled to receive incentive options or securities (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES (Continued)

### *Executives*

The senior executives of the Company during the reporting period were the Chief Executive Officer and the Company Secretary. The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any option or securities incentive scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of shareholders and increase performance. The value of shares and incentive securities granted to senior executives is calculated using the Black-Scholes pricing models as described in the Financial Statements.

The objective behind using this remuneration structure is to drive improved performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, incentive share options and other incentive payments.

For details of remuneration paid to Directors and officers for the financial year please refer to the Remuneration Report forming part of the Directors' Report and the Financial Statements generally.

### **Recommendation 8.3:**

*A Company which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or summary of it.*

The Company has equity-based remuneration schemes which are affected by this recommendation. Recipients of equity-based remuneration (eg. incentives options or performance rights) both within the terms of the Employee Option Plan / Performance Rights Plan and outside any specific plan are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

The shareholder information set out below was applicable as at 16 March 2022.

**Substantial Shareholders**

Holdings of substantial shareholders as advised to the Company are set out below.

**Name of Holder**

Resolute Mining Limited	68,248,470
Philip Reese	22,206,199
Yi Weng	22,190,619

**Distribution of Holders of Equity Securities**

<b>Size of Holding</b>	<b>Total Holders</b>	<b>Total Percentage (%)</b>
1 to 1,000	49	0.00
1,001 to 5,000	56	0.05
5,001 to 10,000	83	0.16
10,001 to 100,000	508	5.71
100,001 and over	371	94.08
	<u>1,067</u>	<u>100</u>

The number of shareholdings comprising less than a marketable parcel was 126.

**Voting Rights**

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options has any voting rights.

**Twenty Largest Shareholders**

	<b>Number of Shares</b>	<b>% Held</b>
Resolute (Treasury) Pty Ltd	52,389,983	12.25
Citicorp Nominees Pty Limited	22,600,054	5.28
BNP Paribas Nominees Pty Ltd	14,248,130	3.33
Mr Philip David Reese	13,333,333	3.12
HSBC Custody Nominees (Australia) Limited	10,252,110	2.40
Yarraandoo Pty Ltd	9,833,333	2.30
Mr Philip David Reese	8,272,866	1.93
Mr Yi Weng & Ms Ning Li Yi Weng	7,987,285	1.87
Resolute (Treasury) Pty Ltd	7,929,487	1.85
Resolute Mining Limited	7,929,000	1.85
Mr Yi Weng & Mrs Ning Li	7,000,000	1.64
Alexander Holdings (WA) Pty Ltd	6,700,000	1.57
Mr Jason Alexander Bond & Ms Jennifer Kate Langdon	6,500,000	1.52
Perseus Mining Limited	6,268,383	1.47
Mr Nicholas James Lambos	5,616,999	1.31
Mr Yi Weng & Ms Ning Li	4,730,001	1.11
Mr Justin Tremain & Mrs Sasha Tara Tremain	4,555,555	1.07
Orimco Resource Investments Pty Ltd	4,166,667	0.97
Crying Rock Pty Ltd	4,000,000	0.94
ESM Limited	3,500,000	0.82
	<u>207,813,186</u>	<u>48.59%</u>

### Unquoted equity securities

Unquoted equity securities on issue at 16 March 2022 were as follows:

<b>Class</b>	<b>Number</b>	<b>Number of Holders</b>	<b>Note</b>
Performance Shares	27,100,000	12	14d

Holdings of more than 20% of this class of Performance Shares

Predictive Discovery Limited 10,000,000 (expiry date 6 August 2026)

These performance shares convert to ordinary shares in the Company if the following milestones are achieved:

- 3.5 million performance shares convert to Turaco shares upon Turaco announcing a JORC Mineral Resource Estimate from the Turaco-Predictive Joint Venture permits of greater than 500,000 ounces of gold at a grade greater than 1.5g/t gold; and
- 6.5 million performance shares convert to Turaco shares upon Turaco announcing a JORC Mineral Resource Estimate from the Turaco-Predictive Joint Venture permits of greater than 1,000,000 ounces of gold at a grade greater than 1.5g/t gold.

Mineral Interests of the Turaco Group as at 31 December 2021

Project	Location	Tenement	Area	Interest
Tongon North Gold Project	Côte d'Ivoire	Dielle Permit PR857	347km <sup>2</sup>	100%
		Nambira Application 0876	395km <sup>2</sup>	80%
		Ouarga Permit PR643	108km <sup>2</sup>	100%
		Pongala Permit PR642	293km <sup>2</sup>	100%
		Somavogo Permit PR645	400km <sup>2</sup>	100%
Boundiali Gold Project	Côte d'Ivoire	Boundiali North Permit PR808	349km <sup>2</sup>	35% <sup>1,3</sup>
		Boundiali South Permit PR414	223km <sup>2</sup>	89% <sup>1</sup>
Ferke Gold Project	Côte d'Ivoire	Ferke Permit PR3367	300km <sup>2</sup>	51% <sup>1,2</sup>
Eburnea Gold Project	Côte d'Ivoire	Bouake North Permit PR575	385km <sup>2</sup>	80% <sup>5</sup>
		Satama Permit PR544	302km <sup>2</sup>	100%
Oume Gold Project	Côte d'Ivoire	Beriaboukro Permit PR464	400km <sup>2</sup>	51% <sup>1,2</sup>
		Kokoumbo Permit PR307	224km <sup>2</sup>	85% <sup>1,4</sup>
Odiene Gold Project	Côte d'Ivoire	Odiene Permit PR840	326km <sup>2</sup>	100%
		Odiene North Permit PR866	391km <sup>2</sup>	51% <sup>1,2</sup>
		Odiene South Permit PR865	367km <sup>2</sup>	51% <sup>1,2</sup>
Molonou Gold Project	Côte d'Ivoire	Molonou Permit PR639	391km <sup>2</sup>	100%
Permit Applications	Côte d'Ivoire	Tortiya Application PR876	399km <sup>2</sup>	100%
		Tortiya Application PR854	381km <sup>2</sup>	100%
		Sinematiali Application PR150	319km <sup>2</sup>	100%
		Komnorodogou Application PR135	197km <sup>2</sup>	100%
		Satikran Application PR136	398km <sup>2</sup>	100%
		Bassawa Application PR151	320km <sup>2</sup>	100%
		Kounahiri Application PR137	396km <sup>2</sup>	100%
		Bouna Application PR087	324km <sup>2</sup>	100%
		Amoriakro Application PR644	392km <sup>2</sup>	100%

<sup>1</sup> Held in the Turaco-Predictive JV in which Turaco has a 89% interest

<sup>2</sup> Turaco-Predictive JV has the right to earn up to 85% interest under the joint venture with Gold Ivoire Minerals SARL

<sup>3</sup> Turaco-Predictive JV currently has a 35% interest in the DS Resources JV with a disputed right to increase the interest to 85%

<sup>4</sup> Turaco-Predictive JV has the right to earn up to 85% interest under the joint venture with Ivoir Negoce SARL

<sup>5</sup> Turaco holds an 80% joint venture interest with Eburnea Gold Resources SARL and has right to acquire a further 10% interest for a total interest of 90%