



# TARUGA GOLD

## **Taruga Gold Limited**

**ACN 153 868 789**

### **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Monday, 20 November 2017**

**11:00am (WST)**

Ascent Capital  
33 Ord Street  
West Perth WA 6005  
Australia

The Annual Report is available online at [www.tarugagold.com.au](http://www.tarugagold.com.au)

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 (0)8 9486 4036.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Taruga Gold Limited will be held at the Ascent Capital, 33 Ord Street, West Perth WA 6005, on Monday, 20 November 2017 at 11:00am (WST).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 17 November 2017 at 4:00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum can be found in the Definitions section at page 14.

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## AGENDA

### Annual Report

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To receive and consider the Company's Annual Report for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

### Resolution 1 – Adoption of Remuneration Report

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To consider and if thought fit, to pass the following as an ordinary resolution:

*“That the Remuneration Report included in the Annual Report for the financial year ended 30 June 2017 be adopted by the Shareholders on the terms and conditions set out in the Explanatory Memorandum.”*

The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the “voter”) described above may vote on this Resolution if the vote is not cast on behalf of a person described above and either:

- (c) the voter does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

## **Resolution 2 – Re-election of Director – Gary Steinepreis**

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To consider and if thought fit, to pass the following as an ordinary resolution:

*"That Mr Steinepreis, retires by rotation in accordance with clause 11.3 of the Constitution and, being eligible, is hereby re-elected as a Director."*

## **Resolution 3 – Re-election of Director – Sheena Eckhof**

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To consider and if thought fit, to pass the following as an ordinary resolution:

*"That Ms Eckhof, having been appointed by the Directors on 6 September 2017 until this Annual General Meeting, retires in accordance with clause 11.10 of the Constitution and, having offered herself for re-election and being eligible, is hereby re-elected as a Director."*

## **Resolution 4 – Approval of 10% Placement Facility**

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To consider and if thought fit, to pass with or without amendment, the following as a special resolution:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the proposed issue and a person (and any associates of such person) who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares. However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

Dated 19 October 2017

**BY ORDER OF THE BOARD**



**Gary Steinepreis**

Director

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# EXPLANATORY MEMORANDUM

## 1 Introduction

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This Explanatory Memorandum has been prepared for the information of members of Taruga Gold Limited ("Taruga") in connection with the business to be conducted at the Annual General Meeting to be held on Monday, 20 November 2017 commencing at 11:00am at Ascent Capital, 33 Ord Street, West Perth WA 6005.

This Explanatory Memorandum forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

Shareholders should note that all the Directors approved the proposal to put the resolutions to Shareholders as outlined in the Notice of Annual General Meeting and to prepare this Explanatory Memorandum.

The purpose of this Explanatory Memorandum is to provide information for Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

## 2. Action to be taken by Shareholders

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Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

### 2.2 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's

representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.securitytransfer.com.au](http://www.securitytransfer.com.au)).

### **3. Annual Report**

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In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2017 Annual Report will be tabled at the Annual General Meeting. There is no requirement for Shareholders to approve the Annual Report, however Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

The Annual Report is available online at [www.tarugagold.com.au](http://www.tarugagold.com.au).

Representatives from the Company's auditors, HLB Mann Judd, will be present to take Shareholders' questions and comments about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report; and
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

### **4. Resolution 1 – Adoption of Remuneration Report**

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The Annual Report for the financial year ended 30 June 2017 contains a Remuneration Report, which forms part of the Directors' Report and sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for executive directors, senior management and non-executive directors.

The Corporations Act requires listed companies to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

Under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2017 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of Directors of the Company ("Spill Resolution").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting ("Spill Meeting") within 90 days of the Company's 2017 annual

general meeting. All the Directors who were in office when the Company's 2017 Director's report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

At the Company's previous annual general meeting the votes cast against the remuneration report were less than 25%. Accordingly, the resolution for the re-election of the Board is not relevant for this Meeting.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

## **5. Resolution 2 – Re-election of Director – Gary Steinepreis**

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In accordance with the requirements of the Company's Constitution and the Corporations Act, one-third of the Directors of the Company retire from office at this Annual General Meeting, and, being eligible, may offer themselves for re-election. Mr Steinepreis retires by rotation and offers himself for re-election.

Details of Mr Steinepreis' background and experience are set out in the Annual Report.

The Directors (excluding Mr Steinepreis) recommend that Shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

## **6. Resolution 3 – Re-election of Director – Sheena Eckhof**

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Ms Eckhof was appointed to the Board during the year in accordance with clause 11.10 of the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Eckhof automatically retires at this Annual General Meeting in accordance with clause 11.10 of the Constitution, and being eligible, seeks re-election at the Meeting.

Details of Ms Eckhof's background and experience are set out in the Annual Report.

The Directors (excluding Ms Eckhof) recommend that Shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

## **7. Resolution 4 – Approval of 10% Placement Facility**

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### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements in the 12 month period after an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Company may use the 10% Placement Facility to fund ongoing development.

The Directors of the Company believe Resolution 4 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

### **7.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX: TAR).

#### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A** is number of shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the 12 months;
  - (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
  - (d) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.4**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 105,716,239 Shares and therefore has a capacity to issue:

- (i) 15,857,743 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 4, 10,571,623 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued or agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:



- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

### **7.3 Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **7.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of listed Options, only if the listed Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than of the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or issued for non-cash consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (iii) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% (rounded up) and increased by 100% as against the current market price.

#### Dilution example

Variable “A” in Listing Rule 7.1A.2		Dilution		
		\$0.039 50% decrease in Issue Price	\$0.077 Issue Price	\$0.015 100% increase in Issue Price
Current Variable “A”  103,917,239 Shares	10% Voting Dilution	10,391,723 Shares	10,391,723 Shares	10,391,723 Shares
	Funds raised	\$400,081.34	\$800,162.67	\$1,600,325.34
50% increase in current Variable “A”  155,875,859 Shares	10% Voting Dilution	15,587,585 Shares	15,587,585 Shares	15,587,585 Shares
	Funds raised	\$600,122.02	\$1,200,244.05	\$2,400,488.09
100% increase in current Variable “A”  207,834,478 Shares	10% Voting Dilution	20,783,447 Shares	20,783,447 Shares	20,783,447 Shares
	Funds raised	\$800,162.71	\$1,600,325.42	\$3,200,650.84

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No listing Options (including any listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.

- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.077, being the closing price of the Shares on ASX on 12 October 2016.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (iii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (iv) the effect of the issue of the Equity Securities on the control of the Company;
- (v) the financial situation and solvency of the Company; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its 2016 annual general meeting. During the 12 month period preceding 20 November 2017, being the date of the Meeting, the Company issued a total of 25,700,000 Equity Securities (consisting of 25,700,000 Shares), representing

approximately 33% of the total number of Equity Securities on issue at the commencement of that 12 month period.

- (f) Information relating to issues of Equity Securities by the Company in the 12 months prior to 20 November 2017 is as follows:

<b>Date of Appendix 3B</b>	<b>Number of Equity Securities</b>	<b>Class of Equity Securities and summary of terms</b>	<b>Names of recipients or basis on which recipients determined</b>	<b>Issue price of Equity Securities and discount to the closing market price on the trading day prior to the issue</b>	<b>If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration</b>
23 Feb 2017	19,500,000	Note 1	Shares issued to unrelated institutional and sophisticated investors.	\$0.035 per share (12.5% discount).	\$682,500 The funds were raised for project evaluation and general working capital purposes.
18 April 2017	6,200,000	Note 1	Shares issued to unrelated institutional and sophisticated investors.	\$0.035 per share (12.5% discount).	\$217,000 The funds were raised for project evaluation and general working capital purposes.

**Notes:**

1. Fully paid ordinary shares in the capital of the Company, ASX Code: TAR (terms are set out in the Constitution).

The Company's cash balance on 25 November 2016 was approximately \$1,100,000. Cash raised from issues in the previous 12 months totals \$899,500. The Company's cash balance at the date of this Notice is approximately \$1,600,000. Remaining funds will be applied towards advancing the Company's various exploration projects in West Africa, for the review of new projects and for general working capital expenses.

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## Definitions

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In this Notice and the Explanatory Memorandum:

**10% Placement Facility** has the meaning given in Section 6.

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2017.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** has the meaning contained in the Listing Rules.

**Chair** or **Chairman** means the person appointed to chair the Meeting conveyed by this Notice.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; and
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means Taruga Gold Limited.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the meaning given in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Meeting or Annual General Meeting** means the meeting convened by this Notice (as adjourned from time to time).

**Notice or Notice of Annual General Meeting** means this notice of annual general meeting.

**Option** means an option to acquire a Share

**Proxy Form** means the proxy form attached to the Notice.

**Related Party** has the meaning given in the Listing Rules.7.2

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2017.

**Resolution** means a resolution contained in the Notice.

**Section** means a section contained in this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.



# TARUGA GOLD

## PROXY FORM

The Secretary  
Taruga Gold Limited

By delivery:  
Unit 5, Ground Floor, 1 Centro Avenue  
Subiaco WA 6008

By post:  
PO Box 510, Subiaco, WA 6904

By facsimile:  
+61 8 9486 4799

Name of  
Shareholder <sup>1</sup>:

Address of  
Shareholder:

Number of Shares  
entitled to vote:

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

### Step 1 – Appoint a Proxy to Vote on Your Behalf

The Chairman of  
the Meeting (mark  
box)

☐

OR if you are **NOT** appointing the  
Chairman of the meeting as your proxy,  
please write the name of the person or  
body corporate (excluding the registered  
shareholder) you are appointing as your  
proxy <sup>2</sup>

or failing the person/body corporate named, or if no person/body is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at Ascent Capital, 33 Ord Street, West Perth WA 6005 on Monday, 20 November at 11.00am WST.

### Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

Where you have appointed the Chairman of the Meeting as your proxy (or the Chairman becomes your proxy by default), you expressly authorise the Chairman to exercise your proxy on Resolution 1 (to adopt the Remuneration Report) (except where you have indicated a different voting intention above) even though Resolution 1 (to adopt the Remuneration Report) is connected directly with the remuneration of a member of key management personnel for the Company.

## Step 2 – Instruction as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Gary Steinepreis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Sheena Eckhof	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

Authorised signature/s

This section must be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div></div>	<div></div>	<div></div>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
<div></div>	<div></div>	<div></div>
Contact Name	Contact Daytime Telephone	Date

<sup>1</sup>Insert name and address of Shareholder      <sup>2</sup>Insert name and address of proxy

### Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate or Appointment of Representative prior admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:                      where the holding is in more than one name all of the holders must sign.

Power of Attorney:              if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy, of the Power of Attorney to this Proxy Form when you return it.

Companies:                      a Director can sign jointly with another Director or Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicated the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company at PO Box 510, Subiaco WA 6904 or Facsimile +61 8 9486 4799 not less than 48 hours prior to the time of commencement of the Meeting.