

ASX Announcement

27 November 2024

Agreement for Turaco to Increase Afema Interest to 80%

Highlights

- Agreement to immediately increase Turaco's interest to 80% in the Afema Project
- Acceleration of previously agreed progressive earn-in milestone and deferred payments totalling US\$5.805 million (~A\$8.9 million) comprising:
 - US\$2.055 million (was originally US\$2.5 million) due at completion of preliminary feasibility study ('PFS') to increase interest from current 51% to 65%; and
 - US\$3.75 million due at completion of Feasibility to further increase interest from 65% to 70%
- Turaco to further increase its interest in the Afema Project to 80% (i.e. additional 10%) by making an addition payment of US\$8.395 million (~A\$12.9 million)
- Reduction in the net smelter royalty ('NSR') to 1.5% (from 2.0%) if, upon Decision to Mine, joint venture partner elects convert its 20% interest rather than contribute with Turaco holding a pre-emptive right over the NSR
- Combined payment of US\$14.2 million (~A\$21.8 million) to be satisfied by a US\$7.1 million (~A\$10.9 million) cash payment and the issue of US\$7.1 million of Turaco fully paid ordinary shares (~36.3 million shares at the 15-day VWAP)
- Cash payment to be funded from Turaco's proforma cash position of approximately A\$48 million (following completion of equity placement, refer ASX announcement dated 18 October 2024)
- Following settlement, the only remaining payment obligation in relation to Turaco's acquisition of its interest in the Afema Project is a US\$680,000 payment due to Endeavour Mining Corporation in March 2025
- In consideration for increasing its interest in the Exploration Permit areas to 80%, Turaco has agreed to make an additional discovery payment of US\$1.0 million upon declaring a JORC resource estimate of at least 2.0 million ounces at greater than 1.2g/t gold from within the Exploration Permit areas
- Three drill rigs operating at Afema along with geophysical (IP), soil sampling and auger programs, with ongoing metallurgical testwork and optimisation

Managing Director, Justin Tremain commented:

"We are pleased to have been able to reach an agreement with our joint venture partner to increase our interest in the exciting Afema Project to 80%.

Turaco will remain in an excellent financial position following settlement of this transaction given our joint venture partner has agreed for 50% of the consideration to be in the form of Turaco shares. We welcome them as a Turaco shareholder."

Turaco Gold Limited (**ASX | TCG**) ('Turaco' or the 'Company') is pleased to announce it has executed agreements with its joint venture partner, Sodim Ltd ('Sodim'), to accelerate and increase its interest in the Afema Project in southeast Cote d'Ivoire (refer Figure One) to 80%.

Under the current agreements with Sodim (refer ASX announcement dated 21 November 2023 and June Quarterly Activities Report dated 29 July 2024), Turaco was to make the following milestone payments to Sodim to progressively increase its interest in the Afema Project from 51% to 70%:

- If Turaco completes a PFS based on a JORC Resource of at least 2Moz (within the Mining Permit) within 30 months (i.e. by September 2026), Turaco could increase its interest to 65% by a cash payment of US\$2.055 million; and
- Upon increasing its interest to 65%, Turaco had a 12-month option to further increase its interest to 70% by a cash payment of US\$3.75 million.

Turaco and Sodim have agreed to accelerate these milestones and for Turaco to move to an 80% interest in the Afema Project by Turaco making a payment of US\$14.2 million with 50% satisfied by a cash payment and 50% by the issue of fully paid ordinary Turaco shares at the 15-day VWAP prior to this announcement (the 'Consideration Shares'). This amount effectively represents:

- Acceleration of the currently agreed outstanding milestone payments above of US\$5.805 million; and
- US\$8.395 million payment for an additional 10% interest for a total Turaco interest of 80%

The issue of the Consideration Shares is subject to Turaco receiving any requisite shareholder approvals prior to 14 January 2025. Should Turaco be able to satisfy this condition and issue the Consideration Shares, then the equivalent consideration shall be paid in cash.

Turaco remains responsible for sole funding the Afema Project to a 'Decision to Mine' at which point Sodim may elect to contribute to maintain its 20% interest or convert to a 1.5% NSR (was previously 2.0%). Turaco holds a pre-emptive right over the NSR.

Under the current agreements, Turaco is required to make a milestone payment to Sodim of US\$1.5 million upon declaring a JORC Mineral Resource estimate of at least 1.0 million ounces at greater than 1.2g/t gold within the Exploration Permit areas (refer Figure One). This payment may be made, at Sodim's election, in cash or Turaco shares (20-day VWAP at time of payment, subject to Turaco shareholder approval if required).

As part of the agreement to accelerate and increase Turaco's interest, Turaco has agreed to a further discovery payment of US\$1.0 million upon declaring a JORC Mineral Resource estimate of at least 2.0 million ounces at greater than 1.2g/t gold from within the Exploration Permit areas. There are currently no declared JORC Mineral Resources located within the Exploration Permit areas, with all of the Company's currently declared JORC Mineral Resource Estimate of 2.52 million ounce located within the Mining Permit area (refer Table One and Appendix One).

All other terms of the agreements with Sodim remain unchanged as announced 21 November 2023.

Afema Project

Turaco recently announced a maiden JORC Mineral Resource Estimate ('MRE') for the Afema Project of 2.52Moz gold comprising the Woulo Woulo, Jonction and Anuiri deposits (refer ASX announcement 27 August 2024, Table One and Appendix One).

Afema Project JORC 2012 Mineral Resource Estimate			
Deposit	Tonnes	Gold Grade	Ounces
Woulo Woulo (0.5g/t cut-off)	42.6Mt	0.9g/t	1,250,000
Jonction (0.7g/t cut-off)	10.1Mt	2.0g/t	660,000
Anuiri (0.7g/t cut-off)	11.6Mt	1.6g/t	600,000
Total			2,520,000

Table One | Afema Project JORC Mineral Resource Estimate (figures may not add up due to appropriate rounding)

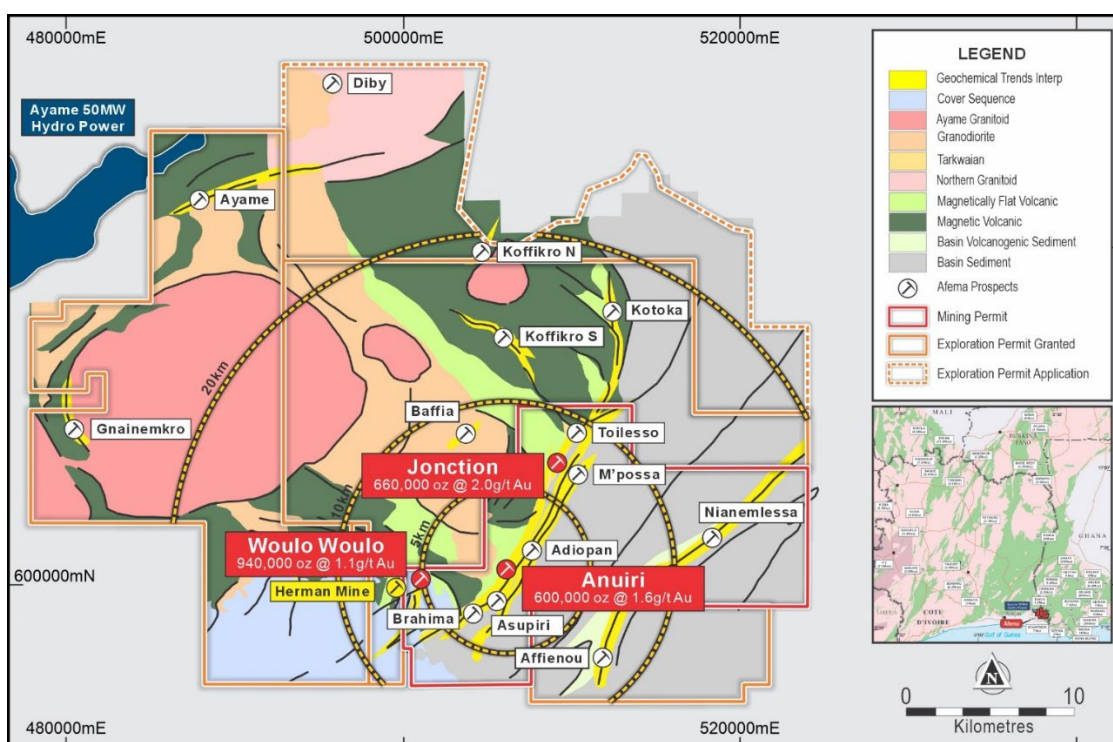


Figure One | Afema Project Permit Area Geology and Deposit & Prospect Locations

This announcement has been authorised for release by the Board of Turaco Gold Limited.

ENDS

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Previously Reported Information

References in this announcement may have been made to certain ASX announcements, including exploration results and Mineral Resources. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and other mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed other than as it relates to the content of this announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Appendix One | Afema Project MRE

On 27 August 2024, Turaco announced a maiden independent JORC Mineral Resource Estimate ('MRE') for the Afema Project. The MRE of 2.52Moz gold comprises the Woulo Woulo, Junction and Anuiri deposits and is considered as an 'interim' resource with drilling ongoing. The MRE excludes other mineralisation drilled along the Afema shear including the Asupiri, Brahima, Adiopan and Toileso deposits which will be subject to further drilling and metallurgical testwork.

Afema Project JORC 2012 Mineral Resource Estimate			
Deposit	Tonnes	Gold Grade	Ounces
Woulo Woulo (0.5g/t cut-off)	42.6Mt	0.9g/t	1,250,000
Junction (0.7g/t cut-off)	10.1Mt	2.0g/t	660,000
Anuiri (0.7g/t cut-off)	11.6Mt	1.6g/t	600,000
Total			2,520,000

Afema Project JORC Mineral Resource Estimate (figures may not add up due to appropriate rounding)

Woulo Woulo JORC 2012 Mineral Resource Estimate				
Cut-Off	Classification	Tonnes	Gold Grade	Ounces
0.5g/t	Indicated	27.4Mt	0.9g/t	800,000
	Inferred	15.2Mt	0.9g/t	450,000
	Total	42.6Mt	0.9g/t	1,250,000
0.7g/t	Indicated	17.1Mt	1.1g/t	610,000
	Inferred	9.1Mt	1.1g/t	330,000
	Total	26.2Mt	1.1g/t	940,000

Woulo Woulo JORC Mineral Resource Estimate (figures may not add up due to appropriate rounding)

Junction JORC 2012 Mineral Resource Estimate				
Cut-Off	Classification	Tonnes	Gold Grade	Ounces
0.5g/t	Indicated	5.9Mt	2.0g/t	390,000
	Inferred	5.8Mt	1.6g/t	310,000
	Total	11.7Mt	1.8g/t	700,000
0.7g/t	Indicated	5.2Mt	2.2g/t	370,000
	Inferred	4.9Mt	1.8g/t	290,000
	Total	10.1Mt	2.0g/t	660,000

Junction JORC Mineral Resource Estimate (figures may not add up due to appropriate rounding)

Anuiri JORC 2012 Mineral Resource Estimate				
Cut-Off	Classification	Tonnes	Gold Grade	Ounces
0.5g/t	Indicated	7.2Mt	1.6g/t	360,000
	Inferred	7.1Mt	1.3g/t	290,000
	Total	14.3Mt	1.4g/t	650,000
0.7g/t	Indicated	5.9Mt	1.8g/t	340,000
	Inferred	5.7Mt	1.4g/t	260,000
	Total	11.6Mt	1.6g/t	600,000

Anuiri JORC Mineral Resource Estimate (figures may not add up due to appropriate rounding)