

# Turaco Gold Ltd ('Turaco' or 'Company') and its subsidiaries ('Group')

## Risk Management Policy

April 2023





## RISK MANAGEMENT POLICY

Turaco Gold Limited ('Turaco' or the 'Company') and its subsidiaries ('Group') has adopted a common-sense approach to the management of risk. This approach involves a clear strategy defining the risks that the Group is in a business to take and those that it is not.

The basis of this Risk Management Policy ('Policy') is the obligation and desire to protect:

- a) Turaco's people and stakeholders;
- b) the environment in which Turaco operates;
- c) Turaco's shareholders.

Turaco's policy in respect of these foundations attributes that its physical, financial and human resources will be applied to ensure that Turaco's standards of products and services achieve and exceed expectations. To do this the entity must pursue opportunities that involve some degree of risk. Shareholders and stakeholders must expect that optimisation of such rewards are only gained from this degree of risk taking.

The application of this Policy is the responsibility of the Board of Directors ('Board') of Turaco via the Managing Director or CEO. The Managing Director or CEO and the leadership team are responsible for implementation of this Policy and report performance and strategic targets that will be conducted routinely depending on the nature of the economic size of the risk and its effect on the business bottom line. This strategy is supported by a detailed management framework to identify and evaluate risk, control, response measures, all to improve or optimise Turaco's profile and key performance indicators (KPI's) that apply across the organisation.

The risk management framework will facilitate, at least, six monthly reports to be given by management to the Board. The Board will review this at least annually as a separate Board agenda and ensure its continued application and relevance.

The risk management framework also obliges specific Board consideration at annual intervals of reports to be given by management to the Board. Each year annual budgets are submitted by management for Board approval. Monthly results, including comparisons against budget, are submitted to the Board at each meeting.

Guidelines for capital expenditure have been established, including the requirements for Board approval of capital expenditure beyond certain approved limits, detailed submissions from management seeking Board approval of such capital expenditure, due diligence procedures prior to purchases of businesses and regular post capital expenditure reviews.

Management provides written reports to the Board prior to each Board meeting, including Managing Director's report, covering the business of the Group and reports of external transactions likely to have relevance to the Group and contacts with regulatory agencies. The report also contains litigation initiated either for or against the Company. Reports covering mineral exploration activities are also received. The Company also has in place an annual review of its insurance cover.

Turaco is committed to the philosophy of effective business risk management as a core management capability required to create growth of long-term shareholder wealth.

### Policy History

Last Reviewed: 19 April 2023  
Review Frequency: Annually or as required

