

TARUGA GOLD LIMITED
ACN 153 868 789

SHAREHOLDER COMMUNICATION GUIDELINES AND POLICY

1 INTRODUCTION – “RESPECT THE RIGHTS OF SHAREHOLDERS”

These guidelines are to assist Taruga Gold Limited (**Company**) to develop policies and procedures to improve the Company’s communications with its shareholders.

This best practice policy focuses on improving communications with shareholders, providing them with useful information about the Company, and facilitating shareholder participation in company meetings.

2 SHAREHOLDER COMMUNICATION POLICY

It is imperative the Company keep its shareholders informed of its activities, its financial status and its forward strategy. The Company should communicate effectively with shareholders and make all company information understandable and accessible.

The Company is firmly committed to encouraging and facilitating shareholder communication with the Company and will do its utmost to ensure this is made as simple and effective as possible for shareholders.

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company through the disclosure and distribution of financial reports, changes in the business, future developments and other pertinent issues.

3 SHAREHOLDER COMMUNICATIONS STRATEGY

3.1 Purpose

These guidelines are designed to establish a policy for effective communication with shareholders utilising technology to promote and to facilitate shareholder communications, and in particular improving shareholder participation in meetings.

3.2 Developing good communication practices

To improve shareholder communication, the Company will:

- (a) appoint an officer to deal with shareholder enquiries via the Company website;
- (b) use e-mail to:
 - (i) provide investor updates including ASX releases; and
 - (ii) respond to shareholder queries and concerns;
- (c) post a ‘contact us’ web link designed for shareholders on the website;

- (d) disclose all relevant announcements and financial data made to the market, and related information, on the Company website promptly after they have been released to the market in a prominent and accessible position to shareholders and other market participants who may be considering an investment in the Company;
- (e) disclose the full text of notices of meetings and explanatory material on the Company website;
- (f) consider webcasting or teleconferencing analyst and media briefings and general meetings (allowing shareholders to participate via teleconference technology) and/or posting a transcript or summary on the website;
- (g) allow proxies to be sent electronically;
- (h) allow shareholders to electronically submit general meeting questions before the meeting;
- (i) disclose the shareholder communication policy on the website; and
- (j) disclose the shareholder communication procedures implemented in the annual report.

3.3 Investor information on the Company website

As most shareholders will have access to the Company's website, the Company has developed a specific investor page to the website. Information that is posted on the investor page includes:

- (a) share price;
- (b) corporate profile:
 - (i) structure;
 - (ii) directors; and
 - (iii) management;
- (c) shareholder updates;
- (d) news and information;
- (e) financial calendar;
- (f) ASX company announcements;
- (g) a facility through which shareholders can subscribe for ASX announcements;
- (h) hyper link to share registry;
- (i) annual reports;
- (j) annual general meeting information:
 - (i) notice of meeting;
 - (ii) chairman's address;

- (iii) managing director's address;
- (iv) resolution results;
- (v) transcript;
- (vi) slide/overheads; and
- (vii) webcast;
- (k) corporate governance policies;
- (l) query form/"contact us";
- (m) speeches, presentations and publications involving analysts briefings; and
- (n) investor FAQ's.

4 ANNUAL GENERAL MEETINGS

Shareholders at the annual general meeting are encouraged to ask both the Company and its auditor questions regarding the Company's governance and business. Questions can be submitted electronically before the meeting by following the links on the Company's website.

Shareholders who cannot be present at the annual general meeting and who wish to observe the proceedings can do so by using the webcam facility if available.

In addition, the chairman's address to the annual general meeting, a transcript of the meeting and copies of overheads and power point presentations used, are available on the Company website immediately after the annual general meeting.

5 ANNUAL REPORT

The Company's annual report is the main vehicle for communicating activities and performance for the previous 12 months. The annual report for the previous three years is posted on the Company's website and can be downloaded.

6 DISCLOSURE POLICY

The Company's disclosure policy and practices are aimed at ensuring timely access for all investors to company information released under the continuous disclosure rules. The Company's disclosure policy can be found on the Company website.

Regular media and ASX announcements and external presentations in relation to performance and business activities are also posted on the website.

The Company's senior management meets regularly to consider the adequacy of its disclosure policy and its compliance with its disclosure obligations.

7 REVIEW OF POLICY

The Board will, at least once in each financial year, review this policy to determine its appropriateness to the needs of the Company and make any amendments it determines are necessary or desirable.

Approved by the Board on 9 December 2011.