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TAUNG GOLD | **TAUNG GOLD INTERNATIONAL LIMITED**
壇金礦業有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 621)

FRAMEWORK AGREEMENT

This announcement is made by Taung Gold International Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and reference is made to the Company’s announcement dated 28 December 2016 (the “**Announcement**”). Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Announcement.

On 29 December 2016, the Company has entered into a framework agreement (the “**Framework Agreement**”) with MCC International Incorporation Ltd. (“**MCCI**”), a wholly-owned subsidiary of Metallurgical Corporation of China Ltd.* (中國冶金科工股份有限公司), a company listed on the The Stock Exchange of Hong Kong Limited (stock code: 1618), pursuant to which the parties agreed to cooperate on an exclusive basis, and in accordance with the terms of the Framework Agreement, for a period from the date of the Framework Agreement to 31 December 2018 with the objective of entering into an Engineering, Procurement and Construction (“**EPC**”) contract for the development of the EL127 Exploration Licence area in Pakistan (the “**Cooperative Project**”) by MCCI.

MCC is extensively experienced in mining in the relevant region due to its operating right and experience of the Saindak Copper-Gold Mine, which is located near Saindak town in Chagai District of Balochistan, Pakistan since 2002. MCCI will provide assistance in negotiations with the local government in terms of utilizing relevant infrastructure and equipment for the Cooperative Project.

* *For identification purpose only*

Upon completion of the Agreement entered into between the Purchaser and the Seller dated 28 December 2018 and upon finalization of the terms and conditions of the formal EPC contract the Company intends publishing a further announcement in respect of the Cooperative Project and the EPC contract in accordance with the requirements under the Listing Rules as and when appropriate.

As the EPC contract and the Cooperative Project may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

By order of the Board
Taung Gold International Limited
Cheung Pak Sum
Executive Director

Hong Kong, 29 December 2016

As at the date of this announcement, the Board comprises nine Directors. The Executive Directors are Mr. Li Hok Yin, Mr. Christiaan Rudolph de Wet de Bruin, Mr. Neil Andrew Herrick, Ms. Cheung Pak Sum and Mr. Igor Levental. The Non-executive Director is Mr. Phen Chun Shing. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Tsui Pang.