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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)

**REGISTRATION OF THE MINING RIGHT FOR
THE JEANETTE PROJECT IN THE REPUBLIC OF SOUTH AFRICA**

This announcement is made by the board of directors (the “**Board**”) of 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 Board of the Company is pleased to announce the registration of the Mining Right for the Company’s Jeanette Project in the Free State Province of the Republic of South Africa.

The Jeanette Project Mining Right

The Mining Right for the Jeanette Project has been issued to Taung Gold Free State (Pty) Limited (“**TG Free State**”), a wholly-owned subsidiary of Taung Gold (Pty) Limited, which is a non-wholly owned subsidiary of the Company.

The Mining Right was executed in the name of TG Free State on 9 November 2017 and was subsequently registered at the Minerals and Petroleum Titles Registration Office on 6 December 2017. The Mining Right has an effective date of 7 June 2017, being the date upon which the Environmental Management Programme for the Mining Right was approved in terms of Section 39(4) of the Minerals and Petroleum Resources Development Act (“**MPRDA**”), and is valid for a period of 30 years from the effective date. Accordingly, the Mining Right will be in force until 6 June 2047. The Mining Right is renewable for a further period of thirty years.

The Mining Right covers an area of 9,120.9 hectares.

* *For identification purpose only*

Commenting on the registration of the Mining Right for the Jeanette Project, Mr. Neil Herrick, the Company's Chief Executive Officer, said *"the registration of the Mining Right is the culmination of more than two years of work with the Department of Mineral Resources and represents a significant milestone for the advancement of the Jeanette Project. As demonstrated with the results of the Pre-Feasibility Study ("PFS"), our Jeanette Project presents a very attractive investment case for a large mechanized high-grade gold mine that will be able to produce gold in the lowest quartile of the industry cost curve. We now look forward to commencing the Bankable Feasibility Study for the project.*

The Company's asset portfolio, including its two South African projects, namely Evander and Jeanette, presents a compelling investment case in a world in which large scale, high-grade gold deposits are increasingly rare. In addition, the existing infrastructure at each of the South African sites has clearly demonstrated tangible benefits in terms of reduced capital expenditure and shorter time to production."

The Jeanette Project

The Jeanette Project is located close to the town of Allanridge within the southwest margin of the Witwatersrand Basin, north east of Welkom, in the Free State Province of South Africa.

The Company has completed a Pre-Feasibility Study ("PFS") for the Jeanette Project which targeted a Measured and Indicated Resource of 13.1 million tons of Basal Reef at an average gold grade of 22.41g/t (measure over a reef channel width of 38cm), containing 9.44 million ounces of gold. On 23 May 2016, the Company declared a maiden Mineral Reserve (Probable Reserve) at its Jeanette Project of 7.12 million ounces of gold, from 19.21 million tons of ore at an average head grade of 11.52g/t. The modifying factors used to determine the Probable Reserve were based on mining methods that have been designed to eliminate the technical risks associated with the Khaki Shale (located proximally above the Basal Reef) and which methods have been designed and reviewed by independent industry experts to a PFS level. The drilling and three-dimensional seismic reflection survey work carried out during 2011 and 2012 resulted in a revised geological model for the Basal Reef and, in particular, revealed that the target area is shallower dipping than previously expected and therefore amenable to mechanized mining methods. The application of mechanized mining methods in the mine design and scheduling has therefore resulted in significant reductions in the various dilution factors, when compared to traditional non-mechanized mining methods and, this is reflected in the Probable Reserve grade. These mining methods will be subject to additional and more detailed design at the BFS level of project study.

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

Hong Kong, 21 December 2017

As at the date of this announcement, the Board comprises eight 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. Phen Chun Shing Vincent. The Independent Non-executive Directors are Mr. Chong Man Hung Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang.