

TAUNG GOLD INTERNATIONAL LIMITED

Technical, Safety and Environment Committee

These terms of reference (the “Terms of Reference”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Technical, Safety and Environmental Committee (the “Committee”) of the Board of Directors (the “Board”) of Taung Gold International Limited (the “Company”).

1 PURPOSE

1.1 The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- recommend the Board technical matters relating to exploration, development, permitting, construction and operation of the Company’s mining activities;
- resources and reserves on the Company’s mineral resource properties;
- recommend the Board of material technical commercial arrangements regarding project construction activities;
- recommend the Board of operating and production plans for proposed and existing operating mines;
- assist the Company to comply with internal guidelines regarding Chapter 18 (mining companies) under the rules governing the listing of securities of the Stock Exchange of Hong Kong Limited (the “Listing Rules”) by making relevant recommendations to the Board;
- recommend of other due diligence in the development, implementation and monitoring of systems and programs for the management and compliance with applicable law related to health, safety, environment and social responsibility; and
- assist the Board in ensuring the Company implements best-in-class property development and operating practices.

2 COMPOSITION AND MEMBERSHIP

2.1 The Committee has been set up by the Board pursuant to a resolution passed in the Board meeting on [date] 2014. These terms of reference with the authority and duties of the Committee have been approved by the Board on [date] and the Board has the authority to review and amend the terms of reference from time to time.

2.2 The Board is empowered appoint the members (“Members”) of the Committee. The Committee should consist of a minimum of three Members. The Members will be appointed to hold office until their successors are appointed by the Board. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.

2.3 All Committee members will have a general familiarity with technical, safety, environmental and social responsibility matters.

2.4 The Board will appoint one of the Members, who shall be an independent non-executive director of the Company, to act as the Chairman of the Committee. The company secretary of the

Company (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3 MEETINGS

- 3.1 Meetings of the Committee will be held at such times and places as the Chairman may determine. Five working days advance notice of each meeting will be given to each member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- 3.2 The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present, then the Members present may select one of their numbers to act as Chairman of the meeting.
- 3.3 A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by a written resolution signed by all Members.
- 3.4 The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without management at each meeting of the Committee.
- 3.5 In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4 DUTIES AND RESPONSIBILITIES

- 4.1 The Committee will have the following duties and responsibilities, as amended and delegated by the Board from time to time:

Technical Activities

- 4.2 Review the technical aspects of the Company's exploration, development, permitting, construction and mining programs and, in the Committee's discretion, make recommendations to the Board for consideration.

Resources and Reserves

- 4.3 Review all resource and reserve estimates for the Company's mineral resource properties, management's procedures for the disclosure of resource and reserve information and the compliance of such disclosure with regulatory and listing requirements, subject to the Board's consideration and approval.

Commercial Arrangements

- 4.4 Review major commercial arrangements for activities planned for the development of mineral resource properties and, in the Committee's discretion, make recommendations to the Board for consideration.

Mine Construction Programs

- 4.5 Review all material proposals for mine construction programs and, in the Committee's discretion, make recommendations to the Board for consideration.

Mining Operations

- 4.6 Review annual operating and production plans, together with operating reports, for all proposed and existing operating mines and, in the Committee's discretion, make recommendations to the Board for consideration.

Policy Review

- 4.7 Annually review the adequacy of the Company's safety, environment and social responsibility policy and, in the Committee's discretion, recommend any changes to the Board for consideration which are necessary to keep pace with health, safety, environmental and social responsibility trends or developments in the international mining industry;

Policy Compliance

- 4.8 Annually:
- (a) Monitor the Company's programs and procedures related to safety, environment and social responsibility to ensure compliance with applicable laws and regulations;
 - (b) Review management's assessment of the impact of proposed or enacted laws, regulations, international treaties and voluntary codes and initiatives related to safety, environment and social responsibility; and
 - (c) Report to the Board on the sufficiency of resources available for carrying out the Company's health, safety, environmental and social responsibility obligations.

Performance and Audit

- 4.9 Review an annual health, safety, environment and social responsibility performance report together (if any) with any other reports the Committee deems appropriate, including audit reports.

Risk Management

- 4.10 Regularly review the health, safety and environmental risks arising from the Company's operations, the procedures and management plans designed to manage and mitigate such risks, and management's reports on those matters.

Investigations

- 4.11 Direct and supervise the investigation into any matter brought to its attention within the scope of its duties and report back to the Board.

Other Duties

- 4.12 Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

5 REPORTING

- 5.1 The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6 ACCESS TO INFORMATION AND AUTHORITY

- 6.1 The Committee will be granted unrestricted access to all information regarding the Company and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities.

7 REVIEW OF THE TERMS OF REFERENCE

- 7.1 The Committee will annually review and assess the adequacy of this Terms of Reference and recommend any proposed changes to the Board for consideration.