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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)

**CANCELLATION OF GRANTED OPTIONS
AND GRANT OF NEW OPTIONS**

CANCELLATION OF GRANTED OPTIONS AND GRANT OF NEW OPTIONS

Reference is made to the announcement of Taung Gold International Limited (the “**Company**”) dated 14 December 2011 (the “**Announcement**”) in relation to the grant of options to subscribe for up to a total of 32,500,000 ordinary shares in the Company (the “**Granted Options**”) to certain directors and employees of the Company (the “**Grantees**”) under and pursuant to its share option scheme adopted on 4 January 2010 (the “**Share Option Scheme**”).

The board of directors (the “**Board**”) of the Company hereby announces that 30,000,000 of the unexercised Granted Options have been cancelled with effect from the date of this announcement. The Board further announces that the Company has granted (subject to acceptances of the grantees and compliance with applicable laws and regulations) an aggregate of 30,000,000 share options (the “**Options**”) to subscribe for ordinary shares of par value HK\$0.01 each in the capital of the Company (the “**Shares**”) on 26 April 2013 under and pursuant to the Share Option Scheme. A summary of such grant is set out below:

Date of grant	:	26 April 2013
Exercise price of Options	:	HK\$0.159 per Option
Number of Options granted	:	30,000,000 Options, each carrying the right to subscribe for one Share at the aforesaid exercise price
Market price of the Shares on the date of grant	:	HK\$0.159 per Share
Validity period of the Options	:	26 April 2013 to 25 April 2015

* For identification purpose only

All 30,000,000 Options were granted (subject to acceptances of the grantees and compliance with applicable laws and regulations) to certain executive directors and independent non-executive directors of the Company, with details as follow:

Name of directors	Position	Number of Options granted
Li Hok Yin	Executive director	7,500,000
Cheung Pak Sum	Executive director	7,500,000
Chui Man Lung, Everett	Independent non-executive director	7,500,000
Li Kam Chung	Independent non-executive director	7,500,000

In accordance with Rule 17.04(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the grant of Options to each of the executive directors and independent non-executive directors of the Company has been approved by the other independent non-executive directors of the Company who are not the grantees of the Options concerned.

REASONS FOR CANCELLATION OF GRANTED OPTIONS AND GRANT OF NEW OPTIONS

As the trading of the Company’s shares has been suspended from 8 June 2012, the Grantees have been unable to exercise the Granted Options for a long period of time, and the Granted Options can no longer serve the purpose of providing incentives or rewards to the Grantees. The Board considers that it will be in the interest of the Company as well as the Grantees to cancel all the outstanding Granted Options granted but not exercised and to grant new options to certain directors of the Company on 26 April 2013 in order to better serve the purpose of the Share Option Scheme. The cancellation of the Granted Options and grant of new Options to certain directors of the Company are in compliance with the Share Option Scheme and Chapter 17 of the Listing Rules.

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

By Order of the Board
Taung Gold International Limited
Li Hok Yin
Chairman

Hong Kong, 26 April 2013

As at the date of this announcement, the Board comprises five Directors. The Executive Directors are Mr. Li Hok Yin and Ms. Cheung Pak Sum. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung.