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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)

**(1) SETTLEMENT AGREEMENT
IN RELATION TO THE INCIDENT AND
(2) CHANGE OF DIRECTORS AND
(3) CONTINUED SUSPENSION OF TRADING OF THE SHARES**

SETTLEMENT AGREEMENT

The Board is pleased to announced that, after several months of negotiations, the Company has on 26 April 2013 entered into the Settlement Agreement with TGL. Pursuant to the Settlement Agreement, the Company has upon execution of the Settlement Agreement (a) withdrawn its proceedings against TGL in relation to the Incident and the Potentially Unlawful Events, (b) appointed Mr. de Bruin, Mr. Herrick, Dr. Twist and Mr. Steyn as new directors to the Board and appointed Mr. Herrick as the chief executive officer of the Company with effect from 26 April 2013, and (c) agreed to take steps to resume trading of the Shares on the Stock Exchange as soon as practicable.

Pursuant to the Settlement Agreement, the Twist Warrants and the voting rights attached to the TGL Options have been cancelled, and TGL's legal advisers has confirmed that no voting rights have ever been attached to the Electrum Warrants. As a result, the Company's voting rights in TGL would be approximately 55.94%, which is the same as immediately prior to the Potentially Unlawful Events. Although the Electrum Warrants remain to be outstanding following the execution of the Settlement Agreement, the performance of TGL's undertakings given under the Settlement Agreement would ensure that the Company will be holding 50.1% or more voting rights and beneficial interest of TGL. The Company is considering its position regarding the Electrum Warrants. Following the execution of the Settlement Agreement, the Company will also work with its auditors to determine that TGL had been its subsidiary at all material times.

Further, the Company has obtained from TGL its audited consolidated annual financial statements for the financial year ended 31 March 2012 and the unaudited consolidated financial statements for the six-month period ended 30 September 2012. The Company will commence preparation of the 2012 Results Announcement, the 2012 Annual Report, the 2012 Interim Results Announcement, the 2012 Interim Report, the 2013 Results Announcement and the 2013 Annual Report as soon as possible. The Company will also make application to the Stock Exchange for resumption of trading of the Shares on the Stock Exchange in due course. The Company will keep the Shareholders and potential investors informed of the progress on the above as when appropriate.

* For identification purpose only

The Board believes that it is in the best interest of the Company and Shareholders as a whole to resolve the Dispute amicably by entering into the Settlement Agreement. The Board also believes that the settlement of the Dispute would allow the Company to publish all outstanding financial information and reports of the Company and retain control over the TGL Group, and therefore facilitates the resumption of trading of the Shares on the Stock Exchange.

CHANGE OF DIRECTORS

Pursuant to the terms of the Settlement Agreement, with effect from 26 April 2013, Mr. de Bruin, Mr. Herrick, Mr. Steyn and Dr. Twist were appointed as executive directors and Mr. Herrick was appointed as chief executive officer of the Company.

In addition, the Board wishes to announce that with effect from 26 April 2013, (1) Mr. Li resigned as chairman of the Board and chief executive officer of the Company; (2) Mr. Li and Mr. de Bruin were appointed as co-chairmen of the Board; (3) Mr. Hui resigned as an independent non-executive director, chairman of nomination committee and member of audit committee of the Company; (4) Mr. Chui Man Lung, Everett replaced Mr. Hui as chairman of nomination committee; and (5) Mr. Li was appointed as a member of nomination committee.

Following Mr. Hui's resignation, the Company has only two independent non-executive directors, the number of which falls below the minimum number required under Rule 3.10(1) and 3.10A of the Listing Rules. Further, Mr. Hui was previously a member of the audit committee of the Company, and as a result of his resignation, the Company has only two members in the audit committee, the number of which falls below the minimum number required under Rule 3.21 of the Listing Rules.

As at the date of this announcement, the Company is still identifying a suitable candidate to fill the vacancy of an independent non-executive director. The Board shall appoint an appropriate candidate as an independent non-executive director of the Company as well as a member of the audit committee to meet the aforesaid requirements. Further announcement will be made by the Company as soon as practicable.

SUSPENSION OF TRADING OF SHARES

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 8 June 2012 at the request of the Company. Trading in the Shares will remain suspended until further notice.

BACKGROUND

Reference is made to the Company's announcements dated 13 June 2012, 19 September 2012, 27 November 2012, 21 January 2013, 21 February 2013 and 22 March 2013 in relation to, amongst other things, the Incident and the Potentially Unlawful Events (the "**Announcements**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those used in the Announcements. This announcement is made by the Company to update the Shareholders and potential investors of the development of the matters relating to the suspension of trading in the Shares of the Company.

As disclosed in the Announcements, trading in the Shares has been suspended due to a dispute between the Company and TGL concerning (i) the non-delivery by TGL of the relevant management accounts of the TGL Group for the year ended 31 March 2012 and the subsequent financial periods, which has prevented the Company's auditors from performing and completing the audit procedures on the Company's consolidated financial statements for the corresponding financial periods; and (ii) the issue of the TGL Warrants and the grant of voting rights to the TGL Options by TGL, which could potentially lead to the Company's voting rights in TGL decreasing from approximately 55.94% to 40.69% so that TGL would cease to be a subsidiary of the Company as a result. The Company has taken appropriate legal actions against TGL as stated in the Announcements and has been engaged in discussions with TGL about possible ways to resolve and settle the Incident.

1. SETTLEMENT AGREEMENT

The Board is pleased to announce that, after several months of negotiations, the Company has on 26 April 2013 entered into the Settlement Agreement with TGL. Material terms of the Settlement Agreement are summarised below:

PRINCIPAL TERMS OF THE SETTLEMENT AGREEMENT

Date

26 April 2013

Parties

- (i) the Company; and
- (ii) TGL

TGL's obligations under the Settlement Agreement

Pursuant to the Settlement Agreement, TGL has upon execution of the Settlement Agreement:

- (a) cancelled the Twist Warrants;
- (b) delivered evidence to the Company that the voting rights of the TGL Options had been removed;
- (c) amended the TGL Share Option Scheme, so among other things, that no voting rights can be granted or attached to any options granted under such scheme and undertaken to amend the TGL Share Option Scheme, so as to comply with Chapter 17 of the Listing Rules;
- (d) delivered to the Company a legal opinion from its South African legal counsel confirming that (i) no voting rights are attaching to the TGL Options and the Electrum Warrants; (ii) the TGL Share Option Scheme has been duly amended pursuant to the applicable laws and regulations of South Africa; and (iii) the Twist Warrants have been duly terminated and have no further effect;
- (e) delivered TGL's audited consolidated annual financial statements for the financial year ended 31 March 2012 and unaudited consolidated financial statements for the six-month period ended 30 September 2012 to the Company;
- (f) delivered a copy of a letter from TGL's auditors to the Company that based on the agreed-upon procedures performed under the International Standard on Related Services (ISRS) 4400, the Company had control over TGL since TGL was acquired by the Company on 8 September 2011; and
- (g) appointed Mr. Ma Bo Ping and Mr. Li Kam Chung, who were nominated by the Company as directors to the TGL Board with effect from 26 April 2013. Mr. Derek Kyle, Mr. Johannes Wessels and Mr. Dawid Strydom have resigned as directors of the TGL Board with effect from 26 April 2013.

The Company's obligations under the Settlement Agreement

Pursuant to the Settlement Agreement, the Company has upon execution of the Settlement Agreement:

- (a) withdrawn its proceedings against TGL in relation to the Incident and the Potentially Unlawful Events;
- (b) appointed Mr. de Bruin, Mr. Herrick, Dr. Twist and Mr. Steyn as new directors to the Board and appointed Mr. Herrick as the chief executive officer of the Company with effect from 26 April 2013; and
- (c) agreed to take steps to resume trading of the Shares on the Stock Exchange as soon as practicable.

Undertakings

- Subject to the parties honouring their respective obligations under the Settlement Agreement, each of the Company and TGL undertook not to bring any action against the other party from claims, demands, and actions arising in connection with the Dispute and/or the underlying facts and circumstances relating to the Dispute, whether based in law or in equity.
- TGL has also provided the following further undertakings to the Company under the Settlement Agreement:
 - (1) it shall take all reasonable steps to provide all necessary documents or information and provide all reasonable assistance to the Company in a timely manner in order to enable the Company to (a) prepare its audited and unaudited consolidated financial statements and make any necessary results announcements and reports pursuant to the Listing Rules; (b) resume trading of the Shares on the Stock Exchange as soon as practicable; and (c) (for as long as the Company remains listed on the Stock Exchange) fully comply with its obligations under the Listing Rules and the applicable laws;
 - (2) it shall not issue or grant, and shall take other steps to ensure that there will not be any issue or grant of, any further securities or instruments or derivative interests in TGL that would result in the Company holding 50.1% or less voting rights and beneficial interest of TGL or would otherwise prevent the Company from consolidating the financial results of TGL in preparing its financial reports in accordance with the Listing Rules;

- (3) it will take all steps to ensure that (a) until the third anniversary of the date of the Settlement Agreement, the New TGL Board formed pursuant to the Settlement Agreement shall remain in place and the two new directors as nominated by the Company (i.e. Mr. Ma Bo Ping and Mr. Li Kam Chung) to the TGL Board (or their replacements nominated by the Company) will not be removed from the TGL Board; and (b) if trading in the Shares on the Stock Exchange has not recommenced on or before the first anniversary of the Settlement Agreement, three new directors as nominated by the Company will immediately thereafter be appointed as directors of the TGL Board to replace two existing directors of the TGL Board (other than the two directors as nominated by the Company pursuant to the Settlement Agreement) and the sole chairman of the TGL Board shall resign forthwith and he, together with a director of TGL as nominated by the Company, shall be appointed as co-chairmen of the TGL Board.

INFORMATION ON THE COMPANY

The Company is an investing holding Company and its subsidiaries are principally engaged in operations, acquisition, exploration and development of gold mines in South Africa and the sale of mineral products, the Shares of which are listed on the Main Board of the Exchange.

INFORMATION ON TGL

TGL is incorporated under the laws of South Africa. The TGL Group is engaged in the acquisition, exploration and development of mineral assets in respect of gold (and minerals associated with gold) located in South Africa.

EFFECTS OF THE SETTLEMENT AGREEMENT

The Twist Warrants and the voting rights attached to the TGL Options have been cancelled, and TGL's legal advisers has confirmed that no voting rights have ever been attached to the Electrum Warrants. As a result, the Company's voting rights in TGL would be approximately 55.94%, which is the same as immediately prior to the Potentially Unlawful Events. Although the Electrum Warrants remain to be outstanding following the execution of the Settlement Agreement, the performance of TGL's undertakings given under the Settlement Agreement would ensure that the Company will be holding 50.1% or more voting rights and beneficial interest of TGL. The Company is considering its position regarding the Electrum Warrants. The Company will also work with its auditors to determine that TGL had been its subsidiary at all material times following the execution of the Settlement Agreement.

Further, the Company has obtained from TGL its audited consolidated annual financial statements for the financial year ended 31 March 2012 and the unaudited consolidated financial statements for the six-month period ended 30 September 2012. The Company will commence preparation of the 2012 Results Announcement, the 2012 Annual Report, the 2012 Interim Results Announcement, the 2012 Interim Report, the 2013 Results Announcement and the 2013 Annual Report as soon as possible. The Company will also make application to the Stock Exchange for resumption of trading of the Shares on the Stock Exchange in due course. The Company will keep the Shareholders and potential investors informed of the progress on the above as when appropriate.

REASONS FOR ENTERING INTO THE SETTLEMENT AGREEMENT

Trading in the Shares on the Stock Exchange has been suspended since 8 June 2012 due to the Dispute. The Company has spent a lot of time and resources to resolve the Dispute through both legal proceedings and negotiations with TGL. The Board believes that it is in the best interest of the Company and the Shareholders as a whole to resolve the Dispute amicably by entering into the Settlement Agreement. The Board also believes that the settlement of the Dispute would allow the Company to publish all outstanding financial information and reports of the Company and to retain control over the TGL Group, and therefore facilitates the resumption of trading of the Shares on the Stock Exchange.

2. CHANGE OF DIRECTORS

As stated in this announcement above, on 26 April 2013, the Company appointed Mr. de Bruin, Mr. Herrick, Dr. Twist and Mr. Steyn as executive directors of the Company, and Mr. Herrick as chief executive officer of the Company. In addition, the Board wishes to announce that with effect from 26 April 2013, (1) Mr. Li resigned as chairman of the Board and chief executive officer of the Company; (2) Mr. Li and Mr. de Bruin were appointed as the co-chairmen of the Board; (3) Mr. Hui Wah Tat, Anthony resigned as an independent non-executive director, chairman of the nomination committee and member of the audit committee of the Company; (4) Mr. Chui Man Lung, Everett replaced Mr. Hui Wah Tat, Anthony as chairman of the nomination committee; and (5) Mr. Li was appointed as a member of the nomination committee.

A. Resignation of chairman and chief executive officer; appointment of co-chairmen and executive director

Mr. Li resigned from the positions of chairman of the Board and chief executive officer of the Company and was subsequently appointed as one of two co-chairmen of the Board. He will also remain to be an executive director of the Company. Mr. Li confirmed that he has no disagreement with the Board and there is no other matter relating to his decision to resign from the positions of chairman of the Board and chief executive officer of the Company that needs to be brought to the attention of the shareholders of the Company. Mr. de Bruin was appointed as one of two co-chairmen of the Board and as an executive director of the Company.

Christiaan Rudolph de Wet de Bruin

Mr. de Bruin, aged 60, is a director of TGL as well as of Taung Gold Exploration Limited, Taung Gold Exploration (West) (Pty) Ltd, Taung Gold (Free State) (Pty) Ltd, Taung Gold (North West) (Pty) Ltd, Taung Gold (Secunda) (Pty) Ltd (previously Pluriclox (Pty) Ltd), Sephaku Gold Exploration (Pty) Ltd, and Ulinet (Pty) Ltd, all of which are wholly owned subsidiaries of TGL, is the co-founder of TGL, Platmin Ltd and Sephaku Holdings Ltd. Mr. de Bruin received a Bachelor of Commerce degree (Cum Laude) from the University of the Free State in 1975 and a Bachelor of Law degree (Cum Laude) from the Rand Afrikaans University in 1977 and practised as an advocate at the Pretoria Bar from 1979 to 1989, specialising in commercial law and mineral law cases. Mr. de Bruin left the Bar in 1989 and focused on finding, acquiring and developing mineral exploration and mining projects in various African countries. Mr. de Bruin was

involved in aspects of law relating to minerals, companies, stock exchange and international finance. He also acted as a consultant to a number of South African companies, becoming involved in their management, including the management of their systems, human resources, customers and financing activities. Between 1999 and 2005, he was a co-founder member of the Platmin Group of companies, which developed the Pilanesberg Platinum Mine. His role was to engineer the acquisition of mineral projects including supervising the execution of over 300 mineral rights agreements and the conversion of the Platmin Group's old order rights into new order rights and the acquisition of new mining rights. Mr. de Bruin was also involved with the applications for new mining rights and the management of the operational aspects, including logistics, human resources and administration during his time with the Platmin Group. Mr. de Bruin is currently a non-executive director of Gentor Resources Inc., a company involved with copper exploration activities in the Sultanate of Oman and Turkey, and listed on the Toronto Venture Exchange (TSX-V). Mr. de Bruin is also a non-executive director of Sephaku Holdings Limited, a company listed on the Johannesburg Stock Exchange. The Sephaku group's portfolio currently comprises valuable holdings in a range of operating assets which provide raw materials, supplies and/or services in the cement and limestone exploration sector.

Save as disclosed above, he does not hold any other position in the Company or any of its subsidiaries nor did he hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas. Mr. de Bruin does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the date hereof, Mr. de Bruin is interested in 9,263,886 shares in TGL and is deemed to be interested in 476,283,484 shares of the Company, as follows:

- (a) Mr. de Bruin holds 6,497,249 shares in TGL;
- (b) Mrs. S de Bruin, wife of Mr. de Bruin, holds 1,065,427 shares in TGL;
- (c) Mr. de Bruin also holds options in TGL which entitles him to purchase 1,701,210 shares in TGL;
- (d) Mr. de Bruin has a put option to sell the 7,562,676 shares in TGL to GoldCom (which in turn has a put option to sell them to the Company) within a period of three years from 9 September 2011, in consideration for a sum of money equivalent to the cash proceeds from selling up to 403,644,259 shares of the Company on the market on the date of exercise of such put option; and
- (e) Mr. de Bruin also has a put option to sell 1,360,968 shares in TGL (being 80% of 1,701,210 shares) to GoldCom after exercising his options to purchase shares in TGL (which in turn has a put option to sell them to the Company), within a period of three years from 9 September 2011, in consideration for a sum of money equivalent to the cash proceeds from selling up to 72,639,225 shares of the Company on the market on the date of exercise of such put option.

Mr. de Bruin has not entered into any service contract with the Company. Mr. de Bruin is not appointed for a specific term and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the by-laws of the Company. The emoluments payable to Mr. de Bruin will be determined by the Board with reference to the recommendation from the remuneration committee of

the Company, his duties and responsibilities with the Company, time commitment, the Company's performance and the prevailing market conditions. The ordinary remuneration payable to Mr. de Bruin is governed by the Bye-law 106(A) of the Company and will be determined by the shareholders at the Company's annual general meeting.

Save as disclosed above, Mr. de Bruin does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and there are no other matters concerning the appointment of Mr. de Bruin that need to be brought to the attention of the shareholders of the Company nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2) of the Listing Rules.

B. Appointment of executive directors and chief executive officer

(1) Mr. Herrick has been appointed as an executive director and chief executive officer of the Company; (2) Dr. Twist and (3) Mr. Steyn have been appointed as executive directors of the Company.

Neil Andrew Herrick

Mr. Herrick, aged 49, is a director and chief executive officer of TGL as well as director of Taung Gold Secunda (Pty) Ltd (previously Pluriclox (Pty) Ltd), which is a wholly-owned subsidiary of TGL. Mr. Herrick has over 20 years of experience in the gold mining industry, having joined the Gold Division of Anglo American in 1988 and became section manager at AngloGold Limited from 1994 to 1997 with responsibility for an underground section of a mine and a shaft system. He became production manager at AngloGold Limited from 1997 to 1999 and was responsible for an entire shaft complex. From 1999 to 2002 he was the general manager of the North West Operations of Durban Roodepoort Deep Limited. In 2002, he joined Gold Fields Limited as senior manager and was responsible for the completion of two pre-feasibility studies for the exploitation of below infrastructure resources at Kloof mine and later as Senior Manager in charge of Kloof mine's underground operations. From 2006 to 2007, he was a mine manager at Anglo Platinum Limited, after which he joined Norilsk Nickel Africa (Pty) Limited as a mining executive. He is registered as a professional engineer with the Engineering Council of South Africa, and is a past president and council member of the Association of Mine Managers of South Africa. He is a former Chairman of the Mines Professional Associations Committee of Management. He graduated from the University of Newcastle upon Tyne in 1987 with a Bachelor of Engineering degree (Honours) in Mining Engineering.

Save as disclosed above, Mr. Herrick does not hold any other position in the Company or any of its subsidiaries nor did he hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas. Mr. Herrick does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules).

As at the date hereof, Mr. Herrick is interested in 2,019,500 shares in TGL and is deemed to be interested in 86,277,786 shares of the Company, as follows:

(a) Mr. Herrick holds 4,500 shares in TGL;

- (b) Mr. Herrick has a put option to sell the 4,500 shares in TGL to GoldCom (which in turn has a put option to sell same to the Company) within a period of three years from 9 September 2011, in consideration for a sum of money equivalent to the cash proceeds from selling 240,179 shares of the Company on the market on the date of exercise of such put option;
- (c) Mr. Herrick also holds options in TGL which entitle him to purchase 2,015,000 shares in TGL; and
- (d) Mr. Herrick also has a put option to sell 1,612,000 shares in TGL (being 80% of 2,015,000 shares) to GoldCom after exercising his options to purchase shares in TGL (who in turn has a put option to sell same to the Company), within a period of three years from 9 September 2011, in consideration for a sum of money equivalent to the cash proceeds from selling up to 86,037,607 shares of the Company on the market on the date of exercise of such put option.

Mr. Herrick has not entered into any service contract with the Company. Mr. Herrick is not appointed for a specific term and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company. The emoluments payable to Mr. Herrick will be determined by the Board with reference to the recommendation from the remuneration committee of the Company, his duties, responsibilities with the Company, time commitments the Company's performance and the prevailing market conditions. The ordinary remuneration payable to Mr. Herrick is governed by the Bye-law 106(A) of the Company and will be determined by the shareholders at the Company's annual general meeting.

Save as disclosed above, Mr. Herrick does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and there are no other matters concerning the appointment of Mr. Herrick that need to be brought to the attention of the shareholders of the Company nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Stefanus David Steyn

Mr. Steyn, aged 48, is a director and chief financial officer of TGL as well as a director of Ulinet (Pty) Ltd which is a wholly-owned subsidiary of TGL. Mr. Steyn joined the South African Revenue Services for two years in 1990 before being appointed as a practising assistant in an auditing practice. From 1995 to 1998 he was financial manager for two different companies and re-joined private practice in 1998. He was appointed as director in 2000 and acted as auditor of a number of listed companies between 2000 and 2007. He has been employed by TGL since 2007. He graduated from the University of Pretoria in 1988 with a Bachelor of Commerce (Accounting) degree, and received a Bachelor of Commerce degree (Honours) from the University of South Africa in 1990. Mr. Steyn qualified as a Chartered Accountant in South Africa in 1991.

Save as disclosed above, Mr. Steyn does not hold any other position in the Company or any of its subsidiaries nor did he hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas. Mr. Steyn does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the date hereof, Mr. Steyn is interested in 1,724,000 shares in TGL and is deemed to be interested in 76,291,660 shares of the Company, as follows:

- (a) Mr. Steyn holds 251,000 shares in TGL;
- (b) Mr. Steyn has a put option to sell the 251,000 shares in TGL to GoldCom (which in turn has a put option to sell same to the Company) within a period of three years from 9 September 2011, in consideration for a sum of money equivalent to the cash proceeds from selling 13,396,675 shares of the Company on the market on the date of exercise of such put option;
- (c) Mr. Steyn holds options in TGL which entitles him to purchase 1,473,000 shares in TGL;
- (d) Mr. Steyn has a put option to sell 1,178,400 shares in TGL (being 80% of 1,473,000 shares) after exercising his options to purchase shares in TGL, within a period of three years from 9 September 2011, either (i) to the Company, in consideration for 62,894,985 shares of the Company or (ii) to GoldCom (which in turn has a put option to sell same to the Company), in consideration for a sum of money equivalent to the cash proceeds from selling 62,894,985 shares of the Company on the market on the date of exercise of such put option.

Mr. Steyn has not entered into any service contract with the Company. Mr. Steyn is not appointed for a specific term and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company. The emoluments payable to Mr. Steyn will be determined by the Board with reference to the recommendation from the remuneration committee of the Company, his duties and responsibilities with the Company, time commitment, the Company's performance and the prevailing market conditions. The ordinary remuneration payable to Mr. Steyn is governed by the Bye-law 106(A) of the Company and will be determined by the shareholders at the Company's annual general meeting.

Save as disclosed above, Mr. Steyn does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and there are no other matters concerning the appointment of Mr. Steyn that need to be brought to the attention of the shareholders of the Company nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2) (h) to (v) of the Listing Rules.

David Twist

Dr. Twist, aged 59, a former director of TGL, is one of the co-founders of TGL, Platmin Ltd and Sephaku Holdings Ltd. Dr. Twist is a registered member of the South African Council of Natural Scientists, a member of the Geological Society of London and a member of the Society of Economic Geologists. He was a geologist at the Impala Platinum Mines, Rustenburg from 1980 to 1981. From 1981 to 1990 he worked as a post-doctoral research geologist at the University of Pretoria in South Africa, researching on various geological issues relating to the Bushveld Complex, the largest repository of magmatic mineral deposits on Earth. Dr. Twist was also involved in numerous consulting assignments on mineral deposits. In particular, he was contracted by Anglo American to assist in its regional exploration programme for gold in the Bushveld Complex of South Africa, and by Gold Fields of South Africa in its exploration of the granophyres of the Rooiberg fragment. He was also commissioned by the Atomic Energy Corporation of South Africa to report on the causes of copper-gold-uranium mineralisation at the

Olympic Dam discovery in Australia. In the 1990s, Dr. Twist began focusing on mineral exploration opportunities, including gold exploration opportunities in Africa. In mid to late 1990s, Dr. Twist acted as an executive director and exploration manager of Coronation International Mining Corporation, where he focused on gold exploration projects in West Africa and undertook investigations of gold prospects in Nigeria, Benin, Togo, Niger and Burkina Faso. In Benin, Niger and Burkina Faso, Dr. Twist helped to identify gold targets and planned, implemented and supervised regional gold exploration programs. During the 2000s, Dr. Twist continued to be involved in precious metal exploration. He was a founding member and executive director of African Precious Minerals Limited, which engaged in gold exploration of targeted Archaean greenstone belts primarily in Tanzania and Mozambique. Dr. Twist is a founding member of TGL and has been involved in the target generation and exploration planning of Taung Gold's South African Witwatersrand gold projects for the past seven years. Dr. Twist received a Bachelor of Science degree (Honours) in Geology from the University of Reading in 1975 and a Doctoral degree in geology from the University of Newcastle-upon-Tyne in 1980.

Dr. Twist is currently a non-executive director of Gentor Resources Inc., a company involved with copper exploration activities in the Sultanate of Oman and Turkey, and listed on the Toronto Venture Exchange (TSX-V). Dr. Twist is also a director of Sefhaku Holdings Limited, a company listed on the Johannesburg Stock Exchange. The Sefhaku group's portfolio currently comprises valuable holdings in a range of operating assets which provide raw materials, supplies and/or services in the cement and limestone exploration sector. Dr. Twist is also a non-executive director of Baobab Resources plc, a Mozambique-focused mineral exploration company listed on the Alternative Investment Market of the London Stock Exchange (AIM), and a non-executive director of Universal Coal plc, a South Africa-focused coal exploration company listed on the Australian Stock Exchange.

Save as disclosed above, Dr. Twist does not hold any other position in the Company or any of its subsidiaries nor did he hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas. Dr. Twist does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders (as respectively defined in the Listing Rules) of the Company.

As at the date hereof, Dr. Twist is interested in 1,203,000 shares in TGL and is deemed to be interested in 393,269,095 shares of the Company, as follows:

- (a) Dr. Twist holds options in Taung Gold which entitles him to purchase 1,203,000 shares in TGL;
- (b) Dr. Twist has a put option to sell 962,400 shares in TGL (being 80% of 1,203,000 shares) after exercising his options to purchase shares in TGL, within a period of three years from 9 September 2011, either (i) to the Company, in consideration for 51,366,373 shares of the Company or (ii) to GoldCom (which in turn has a put option to sell same to the Company), in consideration for a sum of money equivalent to the cash proceeds from selling 51,366,373 shares of the Company on the market on the date of exercise of such put option; and
- (c) Dr. Twist holds 341,902,722 shares of the Company.

Dr. Twist has not entered into any service contract with the Company. Dr. Twist is not appointed for a specific term and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company. The emolument payable to Dr. Twist will be determined by the Board with reference to the recommendation from the remuneration committee of the Company, his duties and responsibilities with the Company, time commitment, the Company's performance and the prevailing market conditions. The ordinary remuneration payable to Dr. Twist is governed by the Bye-law 106(A) of the Company and will be determined by the shareholders at the Company's annual general meeting.

Save as disclosed above, Dr. Twist did not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and there are no other matters concerning the appointment of Dr. Twist that need to be brought to the attention of the shareholders of the Company nor any information required to be disclosed pursuant to the requirements of Rules 13.51(2) (h) to (v) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. de Bruin, Mr. Herrick, Mr. Steyn and Dr. Twist to join the Board.

C. Resignation of independent non-executive director and change of composition of audit committee and nomination committee

Mr. Hui resigned as independent non-executive director, chairman of nomination committee and a member of audit committee of the Company due to personal career development. As a result of Mr. Hui's resignation, Mr. Chui Man Lung, Everett replaced Mr. Hui as chairman of nomination committee of the Company and Mr. Li has been appointed as a member of nomination committee of the Company.

Mr. Hui confirmed that he has no disagreement with the Company and the Board and there was no matter in relation to his resignation as independent non-executive director of the Company that will need to be brought to the attention to the shareholders of the Company and the Stock Exchange.

The Board would like to express its gratitude to Mr. Hui for his contributions to the Company during his tenures of the service.

D. Non-compliance with requirement under Rule 3.10(1), 3.10A and 3.21 of the Listing Rules

Following Mr. Hui's resignation, the Company has only two independent non-executive directors, the number of which falls below the minimum number required under Rule 3.10(1) and 3.10A of the Listing Rules. Further, Mr. Hui was previously a member of audit committee of the Company, and as a result of his resignation, the Company has only two members in the audit committee, the number of which falls below the minimum number required under Rule 3.21 of the Listing Rules.

As at the date of this announcement, the Company is still identifying a suitable candidate to fill the vacancy of an independent non-executive director. The Board shall appoint an appropriate candidate as an independent non-executive director of the Company as well as a member of the audit committee to meet the aforesaid requirements. A further announcement will be made by the Company as soon as practicable.

3. SUSPENSION OF TRADING OF SHARES

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 8 June 2012 at the request of the Company. Trading in the Shares will remain suspended until further notice.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“2012 Annual Report”	the annual financial report of the Company for the year ended 31 March 2012
“2013 Annual Report”	the annual financial report of the Company for the year ended 31 March 2013
“2012 Interim Report”	the interim financial report of the Company for the six months ended 30 September 2012
“2012 Interim Results Announcement”	the 2012 interim results announcement of the Company for the six months ended 30 September 2012
“2012 Results Announcement”	the announcement of the audited consolidated annual results of the Company for the year ended 31 March 2012
“2013 Results Announcement”	the announcement of the audited consolidated annual results of the Company for the year ended 31 March 2013
“Board”	the board of directors of the Company
“Company”	Taung Gold International Limited, the Shares of which are listed on the Main Board of the Stock Exchange
“Dispute”	(a) all matters dealt with under the Notice of Motion filed on 7 August 2012 in the legal proceedings instituted by the Company against TGL in the South Gauteng High Court, Johannesburg, Republic of South Africa under Case No. 29800/12 ; and (b) the allegation made by the Company regarding the issue and/or variation of rights attaching to the TGL Options, the Electrum Warrants and the Twist Warrants issued and granted by TGL described in the announcement of the Company dated 19 September 2012
“Dr. Twist”	Dr. David Twist, who was appointed as an executive director of the Company with effect from 26 April 2013
“Electrum”	Electrum Strategic Exploration Ltd., a substantial shareholder of the Company and TGL

“Electrum Warrants”	the aggregate of 30,000,000 warrants issued by TGL to Electrum conferring the right to subscribe for a maximum of 30,000,000 TGL Shares
“GoldCom”	Gold Commercial Services Limited, a shareholder of the Company
“Incident”	the incident that the Board was unable to publish the 2012 Results Announcement by 30 June 2012, being the last day that the Company had to publish the 2012 Results Announcement as required under the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. de Bruin”	Mr. Christiaan Rudolph de Wet de Bruin, who was appointed as a co-chairman of the Board and executive director of the Company with effect from 26 April 2013
“Mr. Herrick”	Mr. Neil Andrew Herrick, who was appointed as the chief executive officer and executive director of the Company with effect from 26 April 2013
“Mr. Hui”	Mr. Hui Wah Tat, Anthony, who has resigned as an independent non-executive director, the chairman of nomination committee and member of audit committee of the Company with effect from 26 April 2013
“Mr. Li”	Mr. Li Hok Yin, an executive director of the Company and who was appointed as a co-chairman of the Board with effect from 26 April 2013
“Mr. Steyn”	Mr. Stefanus David Steyn, who was appointed as an executive director of the Company with effect from 26 April 2013
“New TGL Board”	the new TGL Board formed upon execution of the Settlement Agreement and the Shareholders Agreement
“Potentially Unlawful Events”	the issue of the TGL Warrants with voting rights and the grant of voting rights to the TGL Options such that each TGL Option would carry the same voting right as an issued TGL Share
“Settlement Agreement”	the settlement agreement entered into between the Company and TGL dated 26 April 2013 in relation to, among other things, the settlement of the Dispute
“Shares”	shares of the Company
“South Africa”	the Republic of South Africa
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TGL”	Taung Gold Limited, a principal subsidiary of the Company
“TGL Board”	the board of directors of TGL
“TGL Group”	TGL and its subsidiaries
“TGL Options”	the aggregate of 23,645,210 options previously granted by TGL to certain employees of TGL which have become vested on or before 1 November 2010
“TGL Share(s)”	the ordinary shares of R0.01 each in the issued share capital of TGL
“TGL Share Option Scheme”	the rules governing TGL’s share incentive scheme adopted by TGL on 24 May 2010, as amended
“TGL Warrants”	the Twist Warrants and the Electrum Warrants
“Twist Warrants”	the aggregate of 35,000,000 warrants issued by TGL to Dr. David Twist, conferring the rights to subscribe for a maximum of 35,000,000 TGL Shares
“R”	South African Rand, the lawful currency of South Africa

SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

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

Hong Kong, 29 April 2013

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, Mr. Stefanus David Steyn and Dr. David Twist. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett and Mr. Li Kam Chung.