

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

**(1) CHANGE OF DIRECTORS
(2) CANCELLATION OF ELECTRUM WARRANTS
AND
(3) CONTINUED SUSPENSION OF TRADING OF THE SHARES**

**CHANGE OF DIRECTORS AND COMPLIANCE WITH REQUIREMENTS UNDER
RULE 3.10(1), 3.10A AND 3.21 OF THE LISTING RULES**

As disclosed in the Company's announcement dated 6 August 2013, the Board has been notified that a group of Shareholders who together hold an aggregate of approximately 37.91% of the shareholding interest in the Company, have entered into the Shareholders Agreement. Pursuant to the terms of the Shareholders Agreement and upon due consideration by the Board, on 19 August 2013, the Company appointed Mr. Levental as an executive director and Mr. Segsworth as an independent non-executive director of the Company. In addition, the Board wishes to announce that with effect from 19 August 2013, (1) Dr. Twist and Mr. Steyn have resigned as executive directors of the Company; and (2) Mr. Segsworth was appointed as a member of the Audit Committee.

Following the appointment of Mr. Segsworth as an independent non-executive director and a member of the Audit Committee of the Company on 19 August 2013, the Company is fully compliant with the requirements under Rule 3.10(1), 3.10A and 3.21 of the Listing Rules.

CANCELLATION OF THE ELECTRUM WARRANTS

Electrum has entered into an agreement with TGL for the cancellation of all of the Electrum Warrants, the cancellation of which has become effective upon the satisfaction of all conditions of the Shareholders Agreement on 19 August 2013.

BACKGROUND

References are made to the Company's announcements dated 13 June 2012, 19 September 2012, 27 November 2012, 21 January 2013, 21 February 2013, 22 March 2013, 29 April 2013, 31 May 2013, 28 June 2013, 29 July 2013 and 6 August 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.

* For identification purpose only

1. CHANGE OF DIRECTORS

As disclosed in the Company's announcement dated 6 August 2013, the Board has been notified that a group of Shareholders who together hold an aggregate of approximately 37.91% of the shareholding interest in the Company, have entered into the Shareholders Agreement. Pursuant to the terms of the Shareholders Agreement and upon due consideration by the Board, on 19 August 2013, the Company appointed Mr. Levental as an executive director and Mr. Segsworth as an independent non-executive director of the Company. In addition, the Board wishes to announce that with effect from 19 August 2013, (1) Dr. Twist and Mr. Steyn have resigned as executive directors of the Company; and (2) Mr. Segsworth was appointed as a member of the Audit Committee.

A. Appointment of executive director and independent non-executive director

(1) Mr. Levental has been appointed as an executive director of the Company; and (2) Mr. Segsworth has been appointed as an independent non-executive director and a member of the Audit Committee of the Company.

Igor Levental

Mr. Levental, aged 57, is a director of TGL. He is also the director of Gabriel Resources Ltd., which is engaged in the development of major precious metals deposits in Romania; he is also a director of NOVAGOLD Resources Inc., a TSX and NYSE Market-listed company involved in the advancement of a major gold development project in Alaska and a copper-gold development project in British Columbia; he is also a director of NovaCopper Inc., a TSX and NYSE Market-listed company involved in the exploration and development of major copper-dominant deposits in Alaska; and Sunward Resources Ltd, a TSX-listed company engaged in the exploration and development of a large porphyry gold-copper project in Colombia. With more than 30 years of experience across a board-cross section of the international mining industry, Mr. Levental has held senior positions within major mining companies including Homestake Mining Company, a major international gold mining company with interests in the United States, Canada, Australia and South America, as well as International Corona Corporation, a gold producer. In 2007, he joined Electrum (USA) Ltd. as executive vice president and in March 2010 became president of the Electrum group of companies (which currently holds 2,295,047,831 shares in the Company as well as the Electrum TGL Shares) He is a registered professional engineer in Canada. He graduated from the University of Alberta with a Bachelor of Science degree in Chemical Engineering in 1978 and received his MBA degree from the University of Alberta in 1982.

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. Levental 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. Levental is interested in 765,000 shares in TGL, and is deemed to be interested in 32,664,402 shares of the Company, as follows:

- (a) Mr. Levental holds options in TGL which entitles him to purchase 765,000 shares in TGL; and
- (b) Mr. Levental has a put option to sell 612,000 shares in TGL (being 80% of 765,000 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 32,664,402 shares of the Company or (ii) to GoldCom (who 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 32,664,402 shares of the Company on the market on the date of exercise of such put option.

Mr. Levental has not entered into any service contract with the Company. Mr. Levental 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 emolument payable to Mr. Levental 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. Levental 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. Levental 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 Mr. Levental 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.

Walter Thomas Segsworth

Mr. Segsworth, age 64, currently is a Director of Pan America Silver Corp., a TSX and NASDAQ Market-listed company and Gabriel Resources Ltd., a TSX Market-listed company, which is engaged in the development of major precious metals deposits in Romania. He serves Director of Alterra Power Corporation, a TSX Market-listed company, a leading global renewable energy company involved in geothermal, hydraulic and wind power generation and is also Director of Heatherdale Resources Ltd., a TSX Market-listed company. He has over 38 years of experience in mining in Canada and overseas. Mr. Segsworth served on the Boards of Directors of several mining companies including Westmin Resources, where he was President and Chief Executive Officer and Homestake Mining Company, where he was President and Chief Operating Officer. He was also Director of Great Basin Gold Ltd. from 2003 to 2011 and Explorator Resources, Inc. from 2009 to 2011. Mr. Segsworth is past Chairman of both the Mining Associations of British Columbia and Canada and was named the British Columbia's Mining Person of the year in 1996. He is currently member of Association of Professional Engineers of British Columbia and Fellow of Canadian Institute of Mining Metallurgy and Petroleum. Mr. Segsworth holds a BSc in Mining Engineering from Michigan Technical University.

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. Segsworth 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. Segsworth is interested in 1,000,000 shares of the Company.

Mr. Segsworth has not entered into any service contract with the Company. Mr. Segsworth 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 emolument payable to Mr. Segsworth 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. Segsworth 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. Segsworth 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 Mr. Segsworth 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.

B. Resignation of executive directors

(1) Mr. Steyn and (2) Dr. Twist have resigned as executive directors of the Company with effect from 19 August 2013.

Mr. Steyn and Dr. Twist confirmed that they have no disagreement with the Company and the Board and there was no matter in relation to their resignations as executive directors 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. Steyn and Dr. Twist for their contributions to the Company during their tenures of the service.

C. Compliance with requirements under Rule 3.10(1), 3.10A and 3.21 of the Listing Rules

As disclosed in the Company's announcement dated 29 April 2013 and 29 July 2013, the Company had 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, the Company had only two members in the Audit Committee, the number of which was below the minimum number required under Rule 3.21 of the Listing Rules.

Following the appointment of Mr. Segsworth as an independent non-executive director and a member of the Audit Committee of the Company on 19 August 2013, the Company is fully compliant with the requirements under Rule 3.10(1), 3.10A and 3.21 of the Listing Rules.

2. CANCELLATION OF THE ELECTRUM WARRANTS

Electrum has entered into an agreement with TGL for the cancellation of all of the Electrum Warrants, the cancellation of which has become effective upon the satisfaction of all conditions of the Shareholders Agreement on 19 August 2013.

3. CONTINUED SUSPENSION OF TRADING OF THE 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:

“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
“Dr. Twist”	Dr. David Twist, a former executive director of the Company who has resigned from the position on 19 August 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
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Levental”	Mr. Igor Levental, who has been appointed as an executive director of the Company on 19 August 2013
“Mr. Segsworth”	Mr. Walter Thomas Segsworth, who has been appointed as an independent non-executive director of the Company on 19 August 2013
“Mr. Steyn”	Mr. Stefanus David Steyn, a former executive director of the Company who has resigned from the position on 19 August 2013
“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

“Shareholders Agreement”	the shareholders agreement in respect of the Company dated 2 August 2013 entered into between Electrum, Mandra Materials, Mandra Esop and Woo Foong Hong
“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 Options”	the aggregate of 23,645,210 outstanding options previously granted by TGL to certain employees of TGL which have become vested on or before 1 November 2010. They are exercisable for a maximum of 23,645,210 TGL Shares
“TGL Share(s)”	the ordinary shares of R0.01 each in the issued share capital of TGL
“TGL Warrants”	the Twist Warrants and the Electrum Warrants
“R”	South African Rand, the lawful currency of South Africa

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

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

Hong Kong, 19 August 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 and Mr. Igor Levental. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Walter Thomas Segsworth.