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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a significant loss, which is mainly impairment loss, for the year ended 31 March 2012 as compared with the audited loss for the corresponding period in 2011.

The information contained in this announcement is only based on the unaudited management accounts and preliminary estimation of the Group, which have not been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Taung Gold International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (“**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on the unaudited management accounts of the Group for the period ended 29 February 2012, it is expected that the Group may record a significant loss, which is mainly impairment loss, for the year ended 31 March 2012 as compared with the audited loss for the corresponding period in 2011. The impairment loss attributable to certain non-cash expense items which would not be expected to have any adverse effect on the Group's cash flows: (i) the possible impairment of goodwill arising from the acquisition of Taung Gold Limited; and (ii) the possible impairment loss on loan receivable from Gold Commercial Services Limited by comparing the published share price of the Company at the date of exchange (8 September 2011) and the recent market price of the share of the Company.

* For identification purposes only

For the details of the above, please refer to the circular of the Company dated 28 July 2011 regarding the very substantial acquisition of up to 86.966% of Taung Gold Limited.

The information contained in this announcement is only based on the unaudited management accounts and preliminary estimation of the Group, which have not been audited or reviewed by the Company's auditors. Further details of the financial information of the Group will be disclosed as and when the annual results of the Group for the year ending 31 March 2012 are released.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Taung Gold International Limited
Li Hok Yin
Chairman and Chief Executive Officer

Hong Kong, 5 March 2012

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