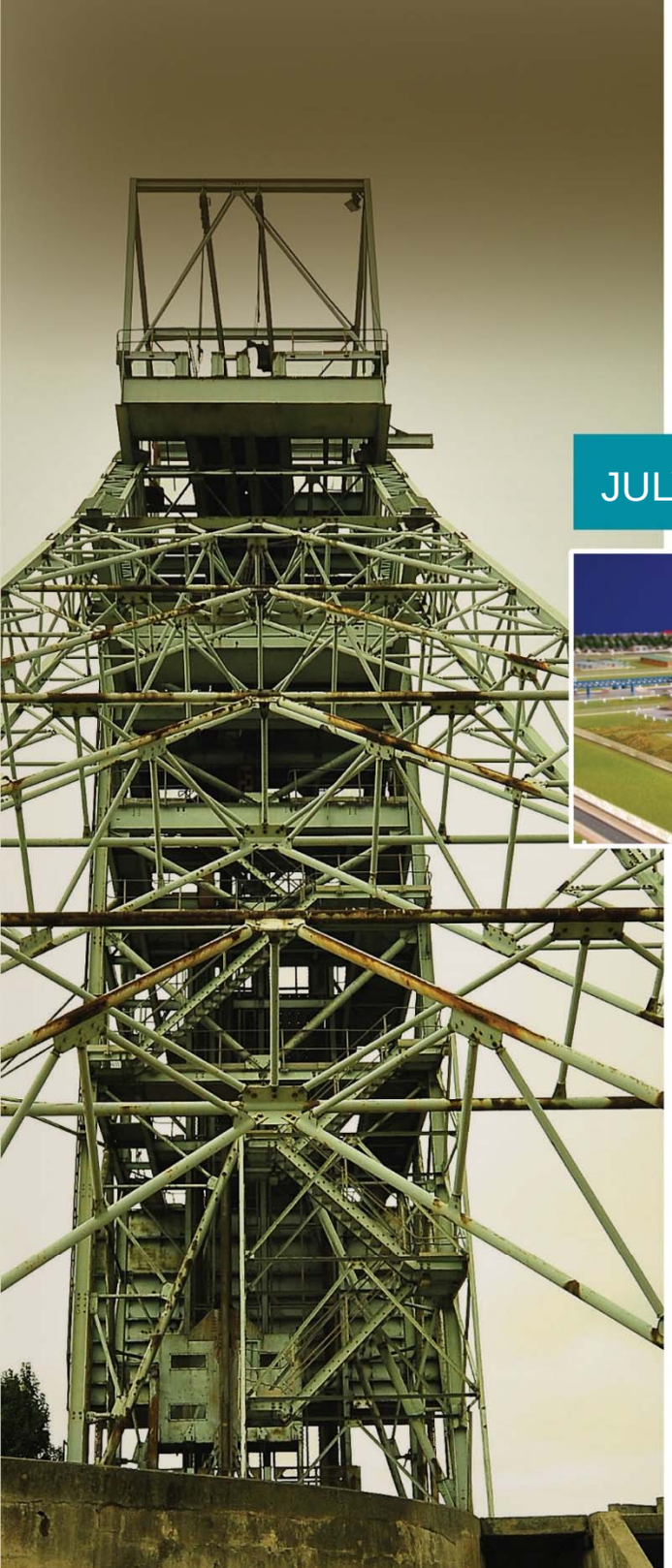


TAUNG GOLD INTERNATIONAL LIMITED
壇金礦業有限公司

SEHK Stock Code: 0621

JULY 2016

Evander

Jeanette

THE GOLD INVESTMENT OF CHOICE IN HONG KONG

Neil Herrick
Chief Executive Officer

www.taunggold.com

Disclaimer

This presentation, which has been compiled from information provided by the directors of Taung Gold International Limited ("Taung") and from publicly available sources, involves elements of subjective judgment and analysis which may or may not be correct and have not been independently verified.

The information contained in this presentation is also subject to completion, revision, verification and amendment without prior notice and without liability to compensate or reimburse any person.

No representation or warranty, express or implied is or will be given by Taung or its directors, partners, employees or advisors or any other person as to the accuracy, completeness or fairness of this presentation and, so far as permitted by law and except in the case of fraud by the party concerned, no responsibility or liability whatsoever is accepted for the accuracy, completeness or fairness thereof or for any errors, omissions or misstatements (negligent or otherwise) relating thereto.

This presentation includes certain forward-looking statements, estimates, targets, forecasts and projections provided by Taung with respect of its anticipated future performance. Such forward-looking statements, estimates, targets, forecasts and projections reflect significant assumptions and subjective judgments and analysis by Taung's management concerning anticipated results which may or may not prove to be correct and there can be no assurance that any forward-looking statements, estimates, targets, forecasts or projections are attainable or will be realised. Nothing contained in this presentation is, or shall be relied upon as a promise or representation, whether as to the past or the future. Accordingly, (subject as aforesaid) neither Taung nor its directors, partners, employees or advisors nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any forward-looking statement in or omission from this presentation and any such liability is expressly disclaimed. In particular, but without limitation, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any forward-looking estimates, targets, forecasts or projections contained in this presentation (or otherwise provided by or on behalf of Taung with respect to the subject matter of this presentation). In all cases, addressees should conduct their own investigation and analysis of Taung and the information contained in this presentation.

This presentation is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy shares in Taung. Further, it does not constitute a recommendation by Taung or any other party to sell or buy shares in Taung or any other securities. All written or oral forward-looking statements attributable to Taung or persons acting on their behalf are qualified in their entirety by this disclaimer.

This presentation has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. It is important that you view this presentation in its entirety. If you are in any doubt in relation to these matters, you should consult your stockbroker, bank manager, solicitor, accountant, taxation adviser or other independent financial adviser.

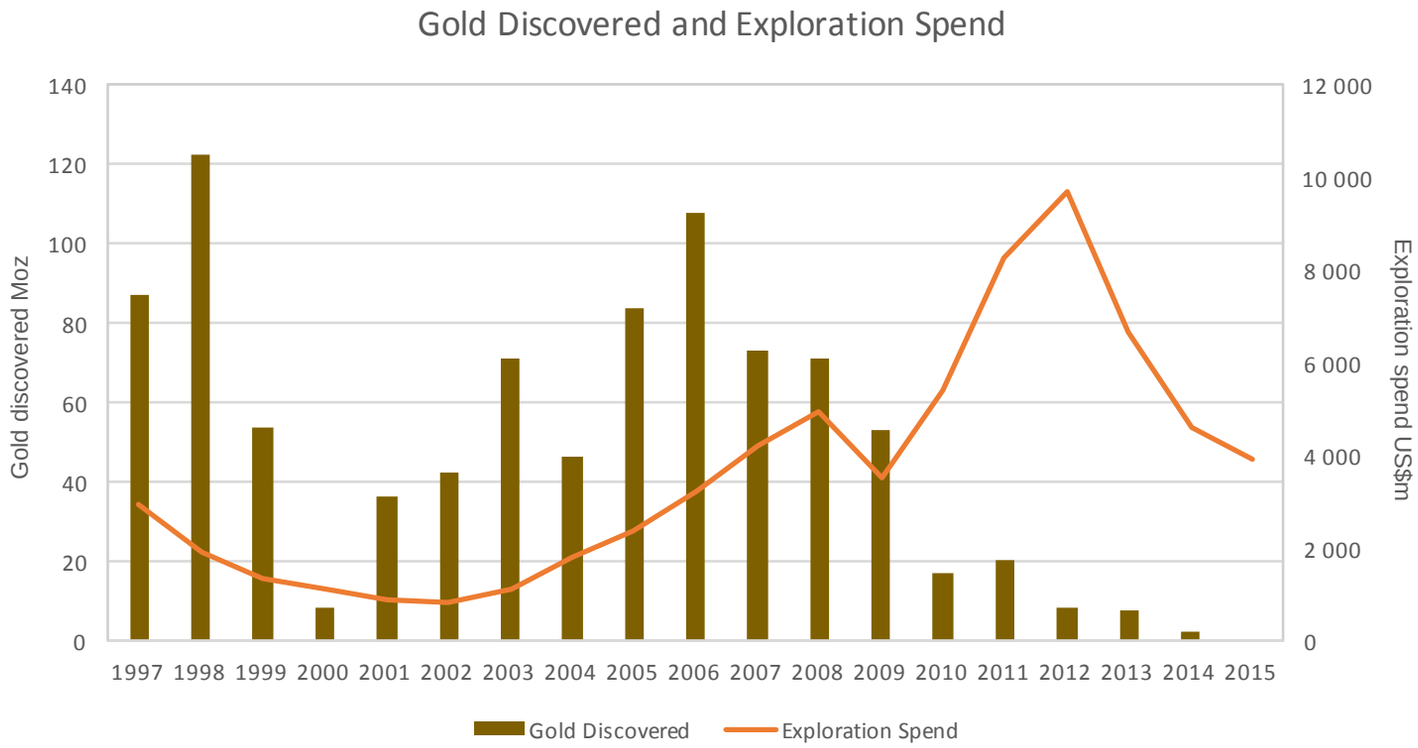
Taung Gold – choice gold investment

Strong outlook for gold	• Macro-economic uncertainty supporting demand and price • Declining exploration and grades make good assets scarce
Very large, high-grade resources and reserves	• One of few developers with >22Moz resource, >11Moz reserves • Head grades >6.5g/t
Brownfield projects in well-known gold mining locations	• SA projects: existing infrastructure with utilities, services in close proximity • Indonesian assets in mining region previously mined by Newmont
Tried and tested mining and metallurgical techniques	• Mining methods used extensively in SA – high degree of confidence • Very well-understood SA metallurgy – metallurgical recovery of 96%
Attractive economics	• Anticipated AISC in lowest quartile of cost curve • Low capital intensity
Strong management team	• Experienced board with global reach • Executive management with extensive experience and local knowledge
Respected shareholders and partners	• Largest shareholders based in North America and Hong Kong • Connectivity with excellent Chinese technical partners – ENFI[1] & MCCI[2]

Notes
1. China ENFI Engineering Corporation, a subsidiary of Metallurgical Corporation of China;
2. MCC International Incorporation, a subsidiary of Metallurgical Corporation of China.

Declining discovery of new gold resources…

- Declining discovery since 2006 despite a significant increase in spend up to 2012
  - no major endowments discovered in last few years
- Exploration spend has declined by 60% in last 4 years as the gold price fell
- New discoveries typically take 15 - 20 years to put into production

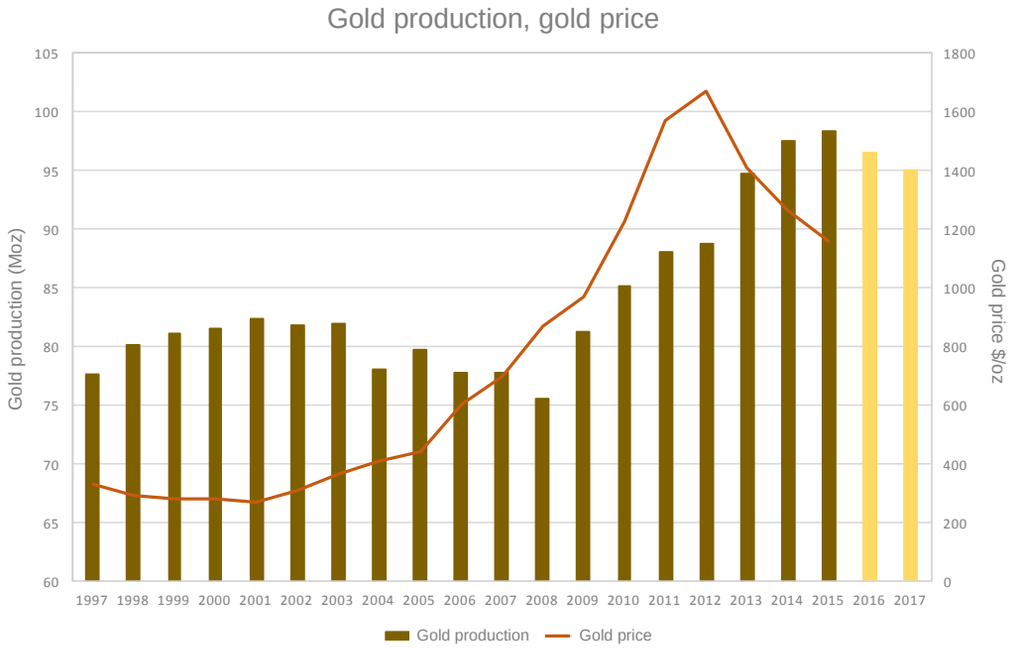


Source: WGC & SNL Metals and Mining

Lack of discovery is ominous for replacement of reserves

…and increased production is depleting resources

- +20% increase in production from 2005 to 2015
  - earlier discoveries now in operation
  - rising gold price stimulated development
- Recent decline in the gold price has resulted in cost cutting and lower exploration spend
- Lack of new discoveries will result in net depletion of reserves, especially for major producers
- Net depletion will result in declining production
- Mid-tier and major producers likely to turn to M&A to maintain reserves and production

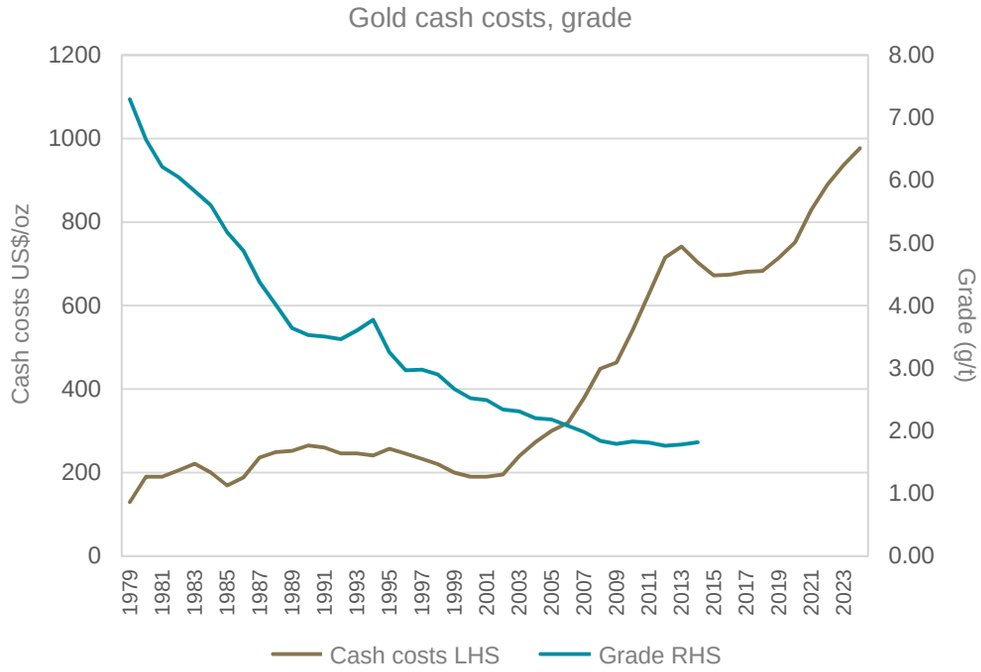


Source: Bank of America Merrill Lynch

Most emerging producers are too small to fill the imminent decline in reserves

Cash costs increasing as grades decline…

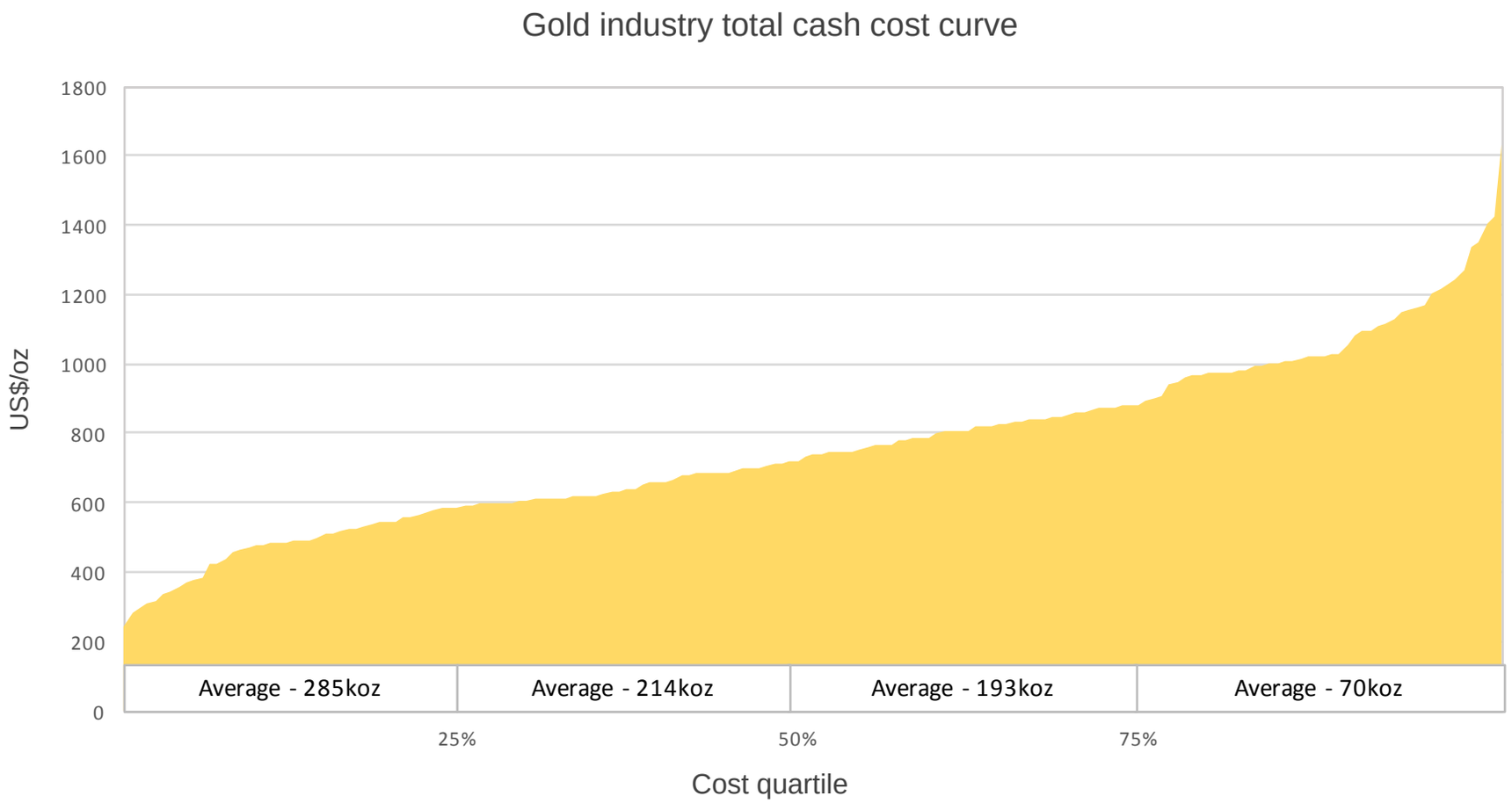
- 5X increase in $/oz cash costs
  - increasingly more gold being produced from higher tonnage, lower grade mines
  - significant cost escalation during late 2000's, especially labour, oil, steel & power
- A 30% decrease in grade
  - declining production from higher grade South African mines as most mines are becoming exhausted
  - plunging quality as the best ore has already been mined
  - increasing gold production from high tonnage, low grade mines



Source: CPM Group

Margins under pressure as grades fall and costs rise

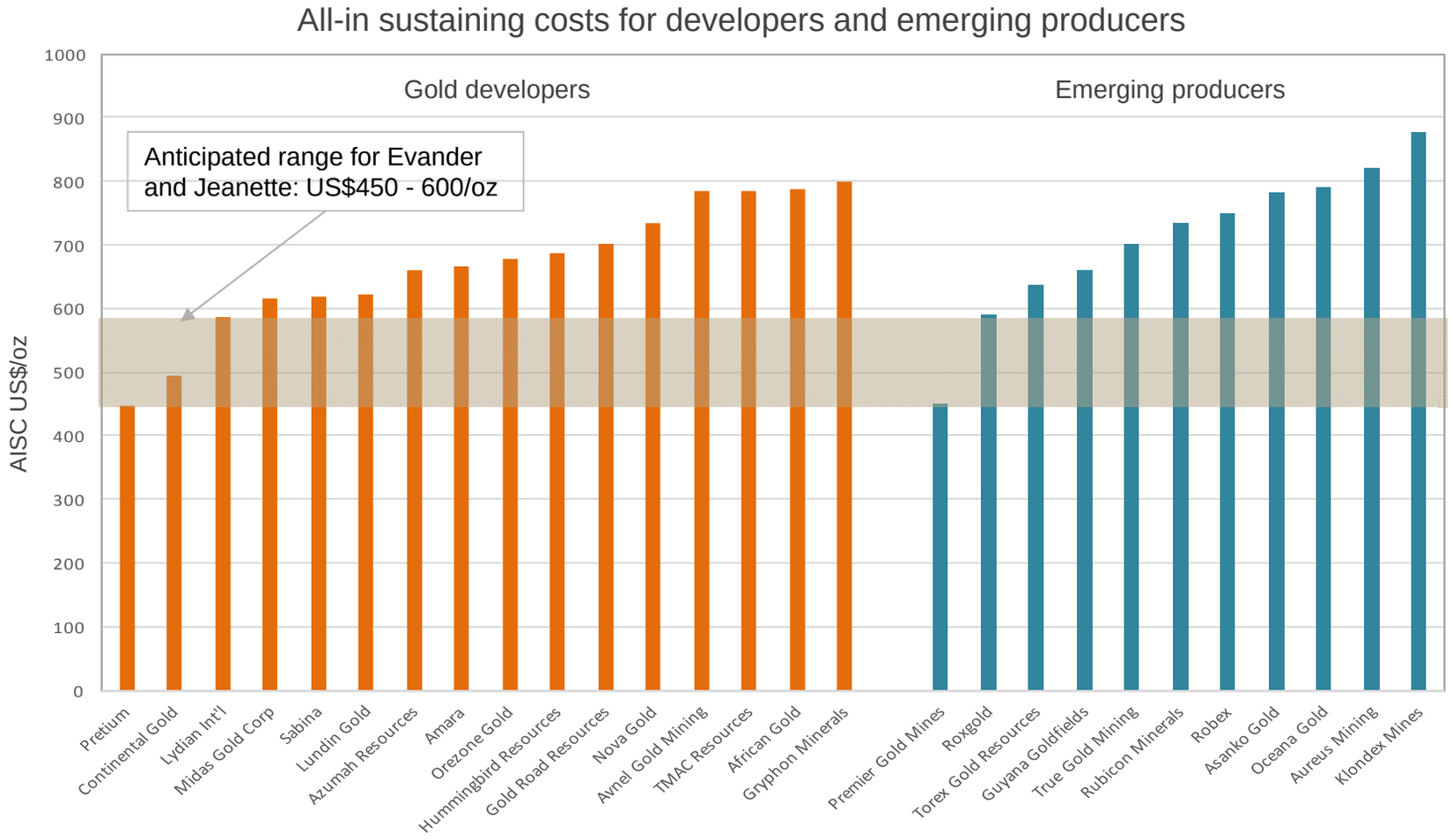
…making grade and scale key for success



Averages – average annual ounces produced per mine in each cost quartile
Total Cash Costs = Mine + Mill + TC/RC & Shipping + Royalty
Source: SNL Mining & Metals

High grade and/or substantial scale of production are key to being a low cost producer

Few peers have AISC <$600/oz



Anticipated range for Evander & Jeanette based on extrapolation of 2010 Scoping Study results.

AISC are typically US$600 - 800/oz for TGIL's peers
However, TGIL's AISC is anticipated to be materially lower than this

Attractive valuations for world class resources

Pre-production developers				
	Company	Location	Total resource M, I & I (Moz)	Valuation EV/resource (US$/oz)
1	Gold Standard Ventures	USA, Nevada	1.4	235.6
2	TMAC Resources	USA, Canada	5.9	156.5
3	Pretium	Canada	13.6	120.0
4	NovaGold	USA, Alaska	45.0	65.1
5	Dalradian Resources	N. Ireland	3.5	64.3
6	Gold Road Resources	Western Australia	5.6	57.0
7	Corvus Gold	USA, Nevada	1.5	51.3
8	Lundin Gold	Ecuador	9.8	47.1
9	Helio Resources	Tanzania & Namibia	0.3	41.8
10	Midas Gold Corp.	USA, Idaho	5.4	40.3
11	Sabina	Canada	7.2	38.4
12	Continental Gold	Columbia	9.0	30.3
13	Amara	Cote d'Ivoire	3.9	24.3
14	Orezone Gold	Burkina Faso	5.7	20.7
15	Avnel Gold Mining	Mali	2.9	10.0
16	Lydian International	Armenia	5.0	8.8
17	African Gold	Mali	2.4	8.6
18	Legend Gold	Mali	0.3	7.8
19	Azumah Resources	Ghana	2.0	6.1
20	Gryphon Minerals	Burkina Faso	3.7	5.7
21	Hummingbird Resources	Mali, Liberia	6.0	4.5
22	Gabriel Resources	Romania	18.6	4.4
23	Taung Gold International	South Africa, Indonesia	23.0	3.8
24	International Tower Hill	Alaska	20.1	3.7
25	Castle Minerals	Ghana	0.4	1.8
			Average	42.3

Emerging producers				
	Company	Location	Total resource M, I & I (Moz)	Valuation EV/resource (US$/oz)
1	Klondex Mines	USA, Nevada. Canada, Manitoba	1.2	335.8
2	Roxgold	Burkina Faso	1.1	321.1
3	Torex Gold Resources	Mexico	5.4	241.3
4	Premier Gold Mines	USA, Nevada	6.0	226.0
5	Guyana Goldfields	Guyana	8.3	134.5
6	Robex	Mali	0.4	127.9
7	Asanko Gold	Ghana	7.9	88.6
8	Oceana Gold	USA, NZ, Philippines	1.7	67.3
9	True Gold Mining	Burkina Faso	5.0	40.2
10	Aureus Mining	Liberia, Cameroon	2.8	38.1
11	Rubicon Minerals	Ontario, Canada	6.0	6.4
			Average	147.9

Source: TGIL own analysis based on Company Reports and Share Prices as of 14 June 2016

TGIL has world class assets but is relatively unknown to the market and this is reflected in its valuation

TAUNG GOLD | TAUNG GOLD INTERNATIONAL LIMITED
壇金礦業有限公司

SEHK Stock Code: 0621

Evander

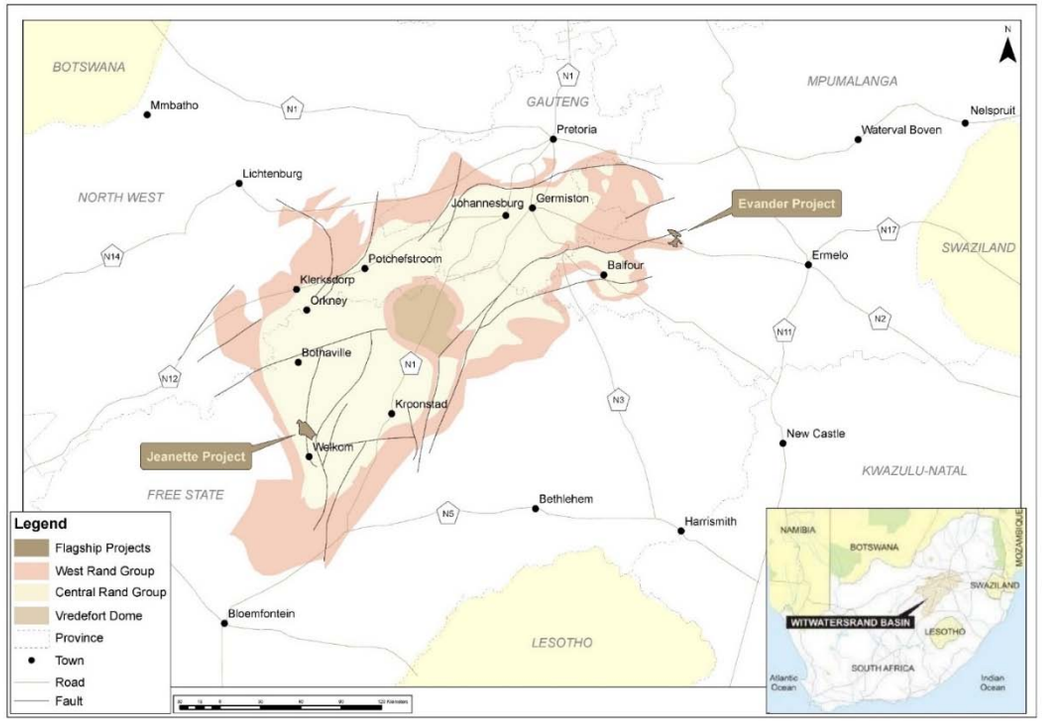
Jeanette

INTRODUCING TAUNG GOLD

www.taunggold.com

Introducing Taung Gold

- Two brownfield projects in SA
  - existing infrastructure
- >22Moz resource and >11Moz reserve
  - Evander Probable Reserve - 4.3Moz
  - Jeanette Probable Reserve - 7.1Moz
- Established mining areas
  - proximal utilities and services
  - strong mining culture
- Growth platform in Sulawesi, Indonesia
- Strong board and management
- 26% Black Economic Empowerment in place
- Established engagement with Chinese partners:
  - China ENFI Engineering Corporation (ENFI)
  - MCC International Incorporation (MCCI)

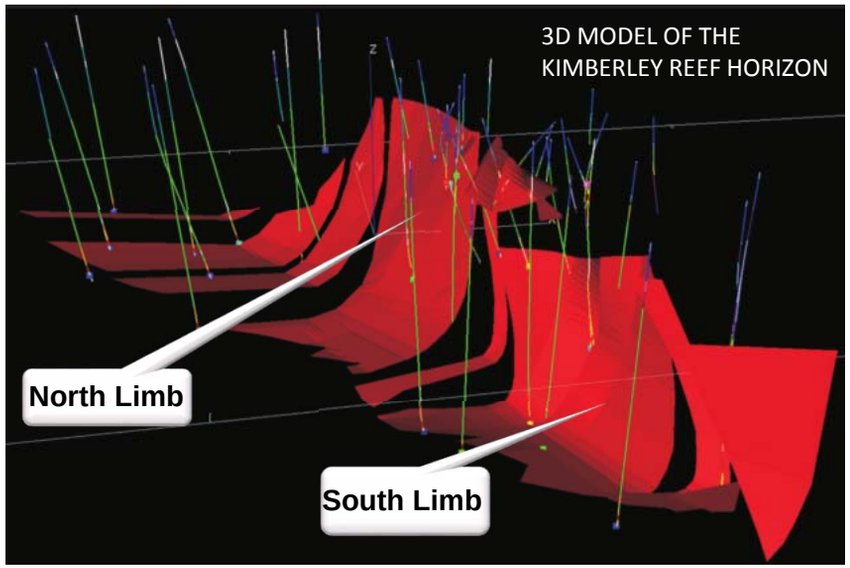


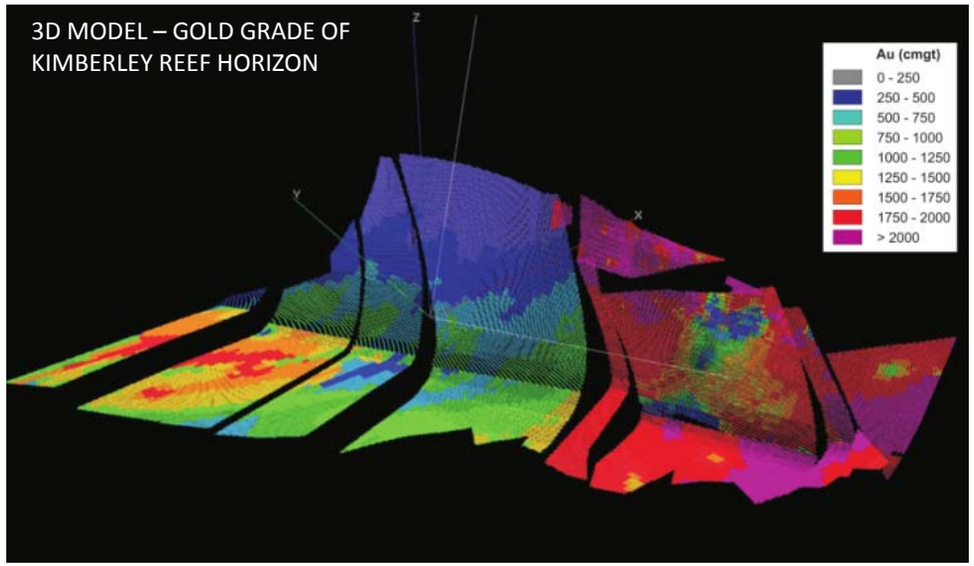
Evander Project – overview

- New high-grade, semi-mechanised project
- Existing shafts to be deepened to 2 300m
  - 5.4Moz M+I Resource
  - 4.3Moz Probable Reserve
  - recovered grade 6.52g/t
  - low $/oz cost potential
  - peak production of 300koz pa
- Water disposal agreement in place
- Dedicated processing facility
  - established technology with 96% recovery
  - TSF site secured
- Advanced engagement with ENFI & MCCI
- Permitting well advanced
  - mining right registration completed in November 2013
  - mining right being amended
  - imminent 2MVA connection to power grid

Evander Project – resource and reserve

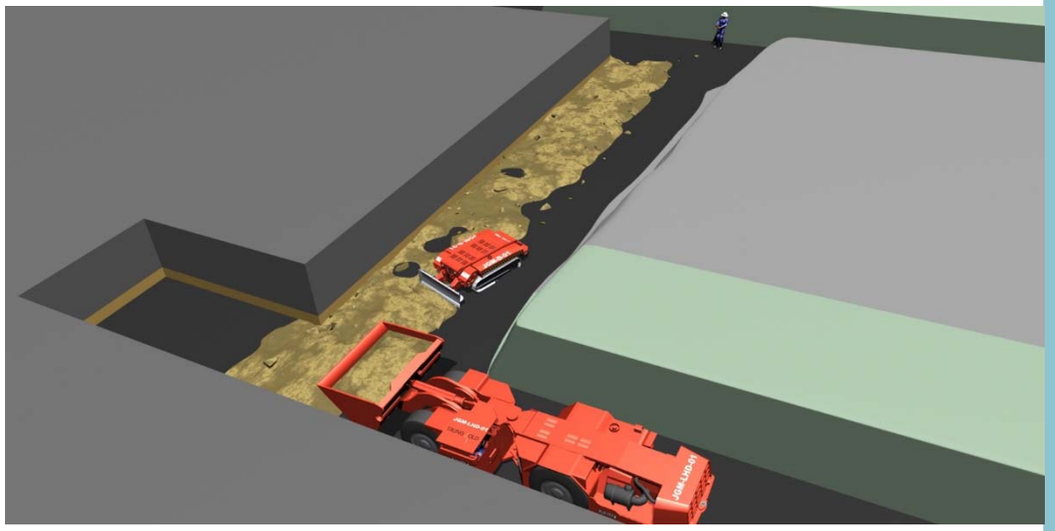
Classification category	Tonnes *(Mt)*	Mining grade *(g/t)*	Gold content *(Moz)*
Measured Resource	0.11	10.18	0.04
Indicated Resource	19.75	8.47	5.37
Measured and Indicated Resource	19.85	8.47	5.41
Inferred Resource	9.51	7.12	2.18
Total Mineral Resource	29.37	8.04	7.59
Probable Reserve	19.64	6.80	4.29

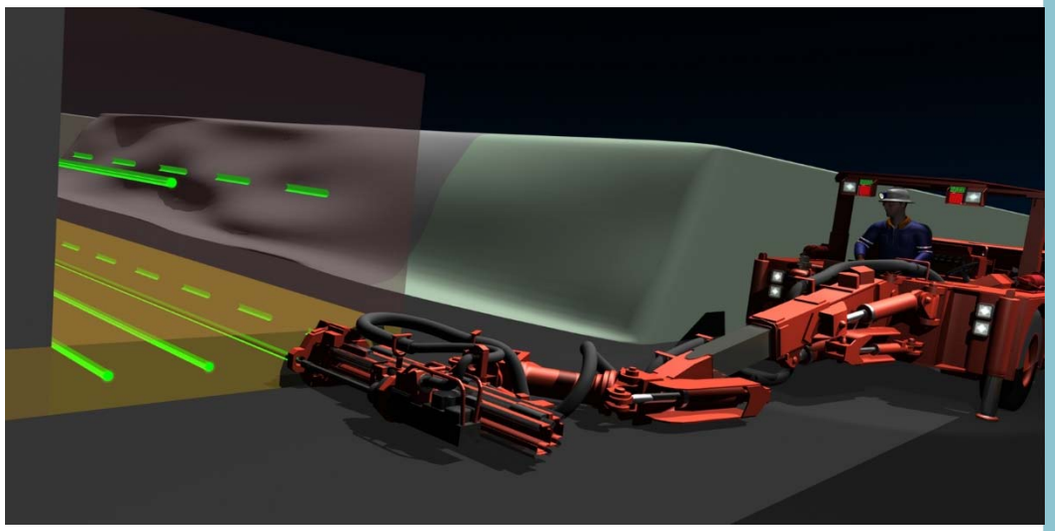




Jeanette Project – overview

- New high-grade, mechanised project
- Existing shaft to be deepened to 2 300m
  - 9.4Moz M+I Resource
  - 7.1Moz Probable Reserve
  - recovered grade 11.21g/t
  - low $/oz cost potential
  - peak production of 400koz pa
- Two shafts to be sunk for men, material and rock
- Dedicated processing facility
  - established technology with recovery of 96%
- Permitting well advanced
  - mining right application submitted in May 2015





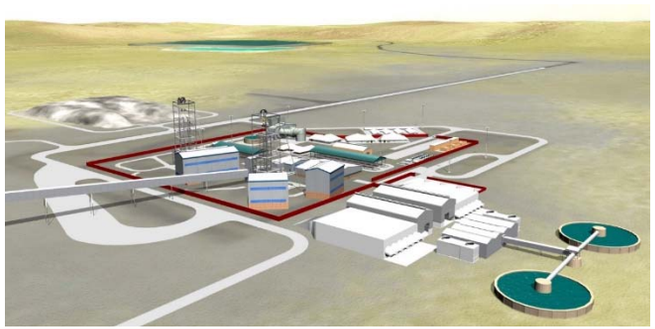
Jeanette Project – resource and reserve

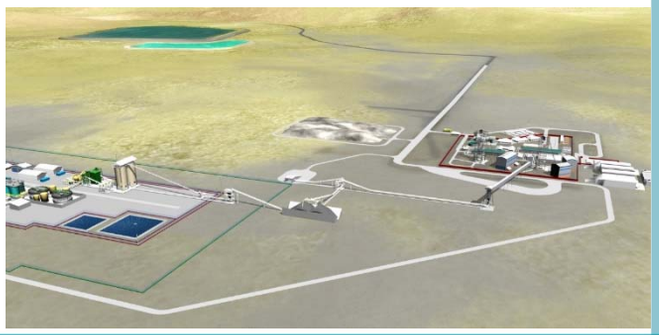
Classification category	Tonnes *(Mt)*	Channel grade *(g/t)*	Gold content *(Moz)*
Measured Resource	-	-	-
Indicated Resource (Black Chert Facies – Basal Reef)	13.10	22.41	9.44
Measured and Indicated Resource	13.10	22.41	9.44
Inferred Resource (Black Chert Facies – Basal Reef)	0.84	17.63	0.48
Inferred Resource (Overlap Facies – Basal Reef)	2.49	8.03	0.64
Inferred Resource (A Reef)	30.08	4.86	4.70
Total Inferred Resource	33.41	5.42	5.81
Total Mineral Resource	46.51	10.20	15.26

Classification category	Tonnes *(Mt)*	Head grade *(g/t)*	Gold content *(Moz)*
Probable Reserve	19.21	11.52	7.12

Engagement with MCCI and ENFI

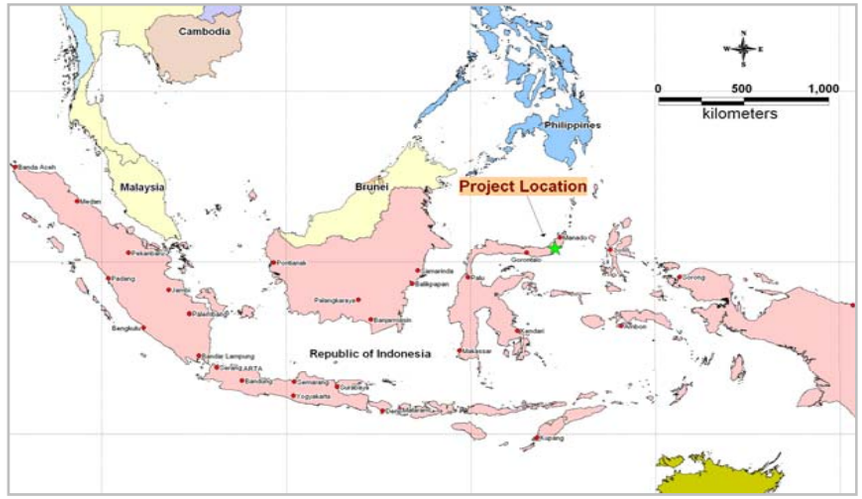
- Technical Consultancy Agreement executed with ENFI in May 2014
  - ENFI review of draft Evander Project BFS
  - opportunity to reduce capital through procurement and productivity
- Framework Agreement executed with MCCI in October 2014
  - to co-operate towards an EPC agreement to construct Evander Project
  - exclusivity for 12 months but still working to same objective
  - contract value to be “based” on ENFI capital estimate
  - MCCI to assist with project financing through Chinese financial institutions
  - FIDIC Employer Requirements document being finalised with MCCI
  - Drafting of EPC Heads of Agreement underway





Minex – North Sulawesi, Indonesia

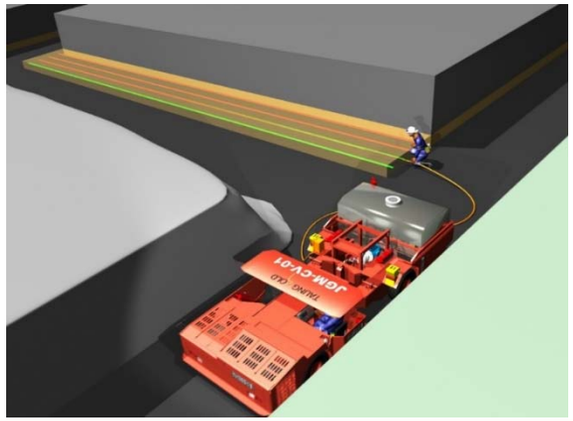
- July 2015 acquisition of Minex saw Taung acquire two Indonesian assets:
  - 95% interest in PT Bolmong Timur Primanusa Resources
  - 75% interest in PT Rihendy Tri Jaya subject to completion of conversion of its legal status to permit direct foreign ownership
- Assets are in a well established gold mining region previously explored and partially mined by Newmont
- Can be put into production quickly - near term cash flow
- Minex may form a platform for a growth in South East Asia given high exploration potential in the region

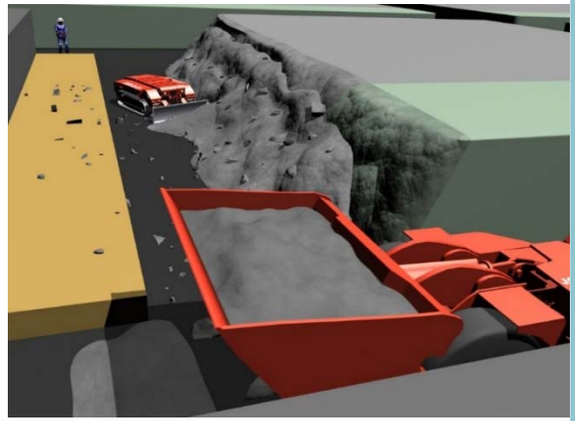


Classification category	Tonnes *(kt)*	Resource grade *(g/t)*	Gold content *(koz)*
Indicated Resource – Eastern Zone	923.81	2.82	83.62
Inferred Resource – Eastern Zone	723.36	2.59	60.14
Inferred Resource – Western Zone	87.73	3.06	8.62
Total Mineral Resource	1,734.90	2.73	152.37

Conclusion

- Global environment supportive of ongoing strong demand and higher gold price
- Substantial high grade gold endowment in a world-renowned gold mining jurisdiction
- Brownfield development projects are significantly lower risk than greenfield projects
- Strong financial position – $25m in cash, no debt
- Strong board with global reach
- Management with extensive experience and local knowledge
- Established engagement with very reputable Chinese partners





TAUNG GOLD INTERNATIONAL LIMITED
壇金礦業有限公司

SEHK Stock Code: 0621

Evander

Jeanette

APPENDICES

www.taunggold.com

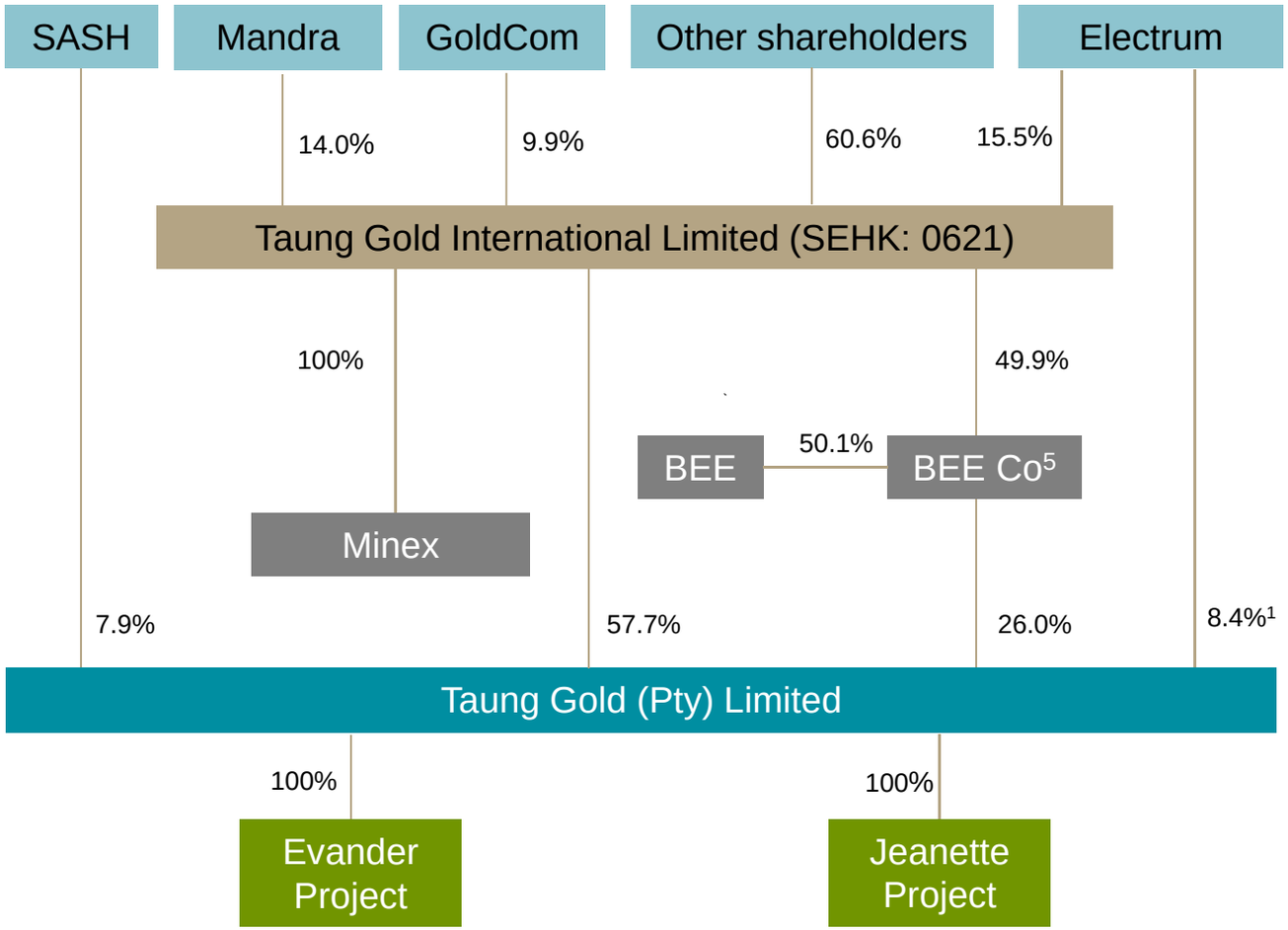
South Africa

- Stable constitutional democracy with a dependable judicial system
- Leading and enabling minerals legislative framework, that works
- Strong tradition of gold mining dating back more than 130 years
- World-class expertise in geosciences, mining, engineering and metallurgy
- Well-developed infrastructure in mining areas
- Rapidly improving electricity situation
- Sophisticated financial, banking systems
- Global transport links, excellent logistics systems
- World-class IT and communication infrastructure

For post-1990 gold mines:

- An attractive capital allowance that recognises the cost and time involved to build new gold mines

Corporate structure, ownership



Notes
1. Electrum may exchange its shares in TGL for shares in TGIL; and
2. Share price as at close of business on 16 May 2016; and
3. Net cash as at 15 June 2016
4. Gold Commercial Services (GoldCom) holds TGIL shares on behalf of SA shareholders (SASH) who hold put options to sell their TGL shares, through GoldCom, to TGIL.
5. BEE Co is Sephaku Gold Holdings (Pty) Ltd. (24.02%) and Taung Gold EPP (Pty) Ltd (1.98%)

Corporate information	
Shares in issue	14.85bn
Share price[2]	HK$0.07
Market capitalisation	US$135m
Net cash[3]	US$25m

TGIL	
Electrum Strategic Exploration	15.5%
Mandra Materials	10.9%
Gold Commercial Services[4]	9.9%
Woo Foong Hong	2.9%
Mandra ESOP	0.2%
Sub-total	39.4%
Public	60.6%
Total	100.0%

TGIL has a total interest of 70.9% in TGL, which will increase to 80.97%

Directors and management

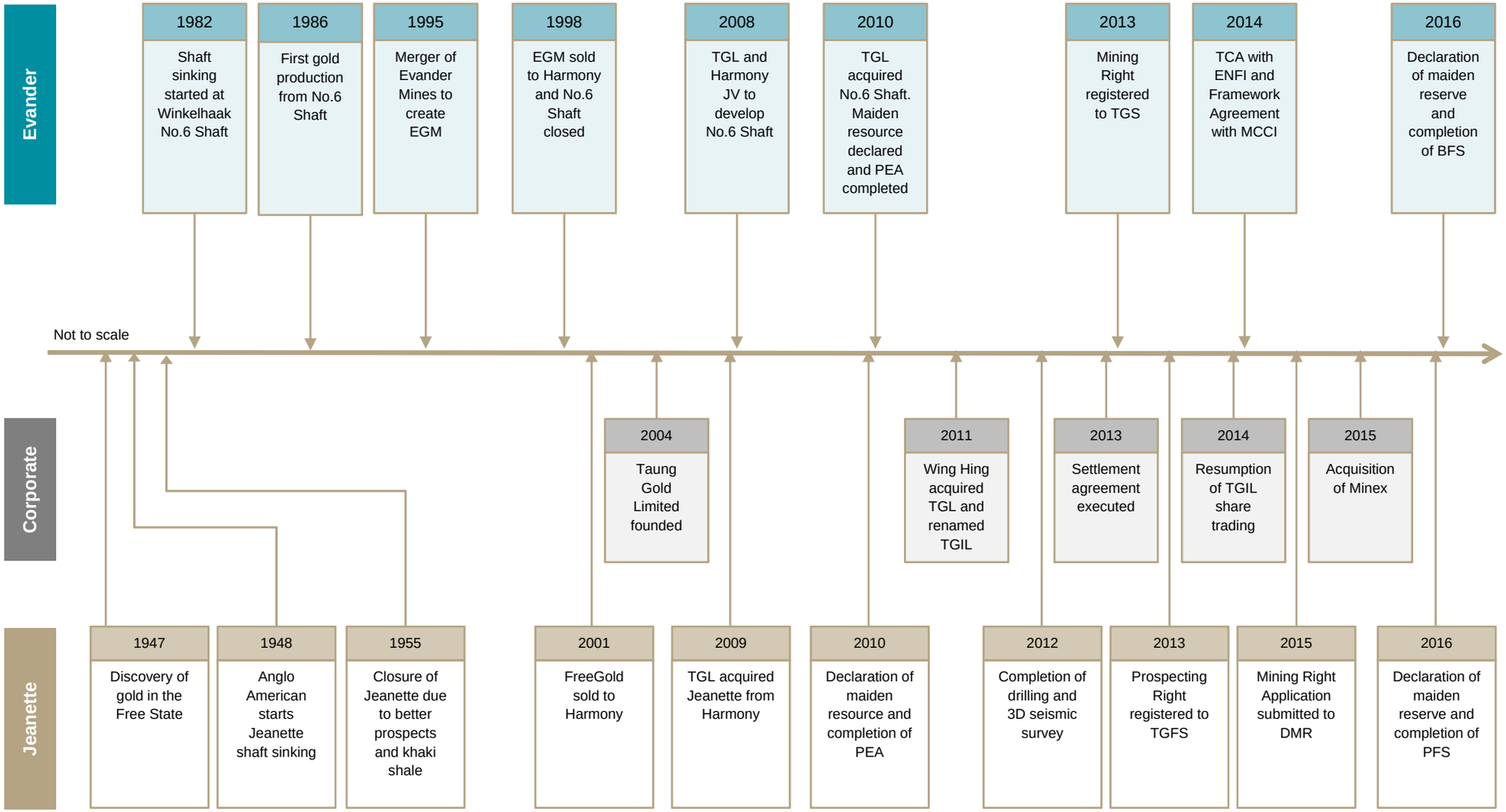
Directors

Rudolph de Bruin	• Co-Chairman, Executive Director, LLB • Visionary, co-founder of TGL
Li Hok Yin	• Co-Chairman, Executive Director; B Eng • Businessman, investment manager
Igor Levental	• ED; BSc Eng, MBA, >30 years experience • President of Electrum Group of Companies
Ms. Cheung Pak Sum	• Executive Director • HR/administration manager
Phen Chun Shing	• Non-Executive Director, BDeg in Bus & Mar • Investment/corporate banking professional
Chui Man Lung	• Independent Non-Executive Director, BSSc, ICA • Director of Cen-1 Partners
Li Kam Chung	• Independent Non-Executive Director • Director of Zhidao International Holdings
Walter Segsworth	• Independent Non-Executive Director, BSc Mining • Director of Pan American Silver, Gabriel Resources

Management

Neil Herrick	• CEO; B Eng Hons Mining, Pr. Eng. • 28 years' industry experience, >23 years in gold
Tung Yee Shing	• CFO; BSSc Econ. & MBA, HKICPA, ACCA • Chairman of Zhidao International Holdings
Steven Steyn	• CFO TGL; B Com Hons Accounting, • Chartered Accountant
Peter Warring	• Executive - Commercial • BA, LLB, HND Labour Law
Ms. Annelise Barradale	• Executive - Legal • LLB (UK & RSA)
Jacques du Plessis	• Executive - Mining & Projects • BSc Mining, MBA
Andre du Plessis	• Executive - Mineral Resources • BSc Geology & Soil Science, GDE

Company and project history



TAUNG GOLD INTERNATIONAL LIMITED
壇金礦業有限公司

Contact details

Neil Herrick, CEO

Tel: +27 (0)82 807 4632

E-mail: neilh@taunggold.com

www.taunggold.com