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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)**

**ENGINEERING PROCUREMENT AND CONSTRUCTION CONTRACT  
SIGNED FOR JEANETTE GOLD PROJECT (PHASE 1)**

This announcement is made by Taung Gold International Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 30 August 2019 (the “**Announcement**”) in relation to the results of the Feasibility Study at its flagship Jeanette Gold Project (Phase 1) (the “**Project**”). Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Announcement.

On 30 December 2019, the Company, through its non-wholly owned subsidiary Taung Gold (Pty) Limited (“**TGL**”) and TGL’s wholly-owned subsidiary, Taung Gold Free State (Pty) Limited, (“**TGFS**”), the holder of the mining right over the Project registered under the MPRDA, entered into an Engineering Procurement and Construction Contract for the Project (the “**EPC Contract**”) with Metallurgical Corporation of China Ltd (中國冶金科工股份有限公司) (“**MCC**”, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1618)). The Accepted Contract Amount of the EPC Contract is US\$521,546,000. Pursuant to the EPC Contract; (i) TGFS has agreed to engage MCC and MCC in turn has agreed to undertake the works of the Project (the “**Works**”) on an Engineering, Procurement and Construction basis for the execution and completion of such Works and the remedying of any defects therein; and (ii) the EPC Contract will be split into two contracts, one being between TGFS and MCC for the Engineering and Procurement aspect, and the other being between TGFS and MCC’s South African branch for the Construction aspect.

## **NEXT STEPS WITH THE EPC CONTRACT**

In order to progress with the engineering work for the Project, the Company and MCC have agreed to immediately commence with final engineering design for the Project in order to facilitate the completion of the design work for long-lead items and for the early works program. The final amount for the EPC Contract may differ from the Accepted Contract Amount of US\$521,546,000 as a result of any variations in scope that may arise during the final engineering design work. In addition, MCC will assist the Company to secure equity and debt financing for the EPC Contract for the Project at the TGFS level from independent third parties, including but not limited to, strategic investors in the mining sector and Chinese banks. The Company will keep shareholders informed of any material development in this regard in due course.

## **CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS**

Certain information regarding the Company contained herein may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurances that such expectations will prove to have been correct. The Company cautions that actual performance may be affected by a number of factors, most of which are beyond its control and that future events and results may vary substantially from what the Company currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include, market prices, exploitation and exploration results, continuing availability of capital and financing and general economic, market and business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of 30 December 2019 and may be subject to change thereafter.

**As the EPC contract may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in its Shares.**

By order of the Board  
**Taung Gold International Limited**  
**Cheung Pak Sum**  
*Co-chairman*

Hong Kong, 30 December 2019

*As at the date of this announcement, the executive directors of the Company are Mr. Christiaan Rudolph de Wet de Bruin (Co-chairman), Ms. Cheung Pak Sum (Co-chairman), Mr. Neil Andrew Herrick (Chief Executive Officer) and Mr. Phen Chun Shing Vincent; and the independent non-executive directors are Mr. Chong Man Hung Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang.*

\* *For identification purpose only*