



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

SEHK Stock Code: 0621

14-16 SEPTEMBER 2016



AN ATTRACTIVE BROWNFIELD DEVELOPMENT OPPORTUNITY

Neil Herrick
Chief Executive Officer
Precious Metals Summit
Beaver Creek, Colorado

www.taunggold.com

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The only gold developer listed on SEHK



INTRODUCING TAUNG GOLD

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Introducing Taung Gold



- Listed on the Stock Exchange of Hong Kong (HKG: 0621)
- +23Moz total resource and 11.4Moz probable reserve
- Three brownfield projects in two well-known gold mining regions:

South Africa

Evander

BFS completed
Advancing towards construction

Jeanette

Mining Right under application
PFS being finalized

Indonesia

Minex

Metallurgical testwork underway
Near term cash flow potential

- South African projects have significant existing infrastructure
- Established engagement with strong and reputable Chinese partners for Evander Project:
 - China ENFI Engineering Corporation (ENFI)
 - MCC International Incorporation (MCCI)

Taung Gold: the gold investment of choice



Very large, high-grade resource	<ul style="list-style-type: none">• ~23Moz Total Resource, +11.4Moz Probable Reserves• Probable Reserve head grades >6.5g/t
Brownfield projects	<ul style="list-style-type: none">• SA projects: existing infrastructure in the Wits Basin• Indonesian assets in region previously mined by Newmont
Proven extraction techniques	<ul style="list-style-type: none">• Mining methods used extensively in SA – high degree of confidence• Very well understood SA metallurgy – metallurgical recovery of 96%
Attractive economics	<ul style="list-style-type: none">• Anticipated AISC in lowest quartile of cost curve• Low capital intensity
Expert management team	<ul style="list-style-type: none">• Experienced board with global reach• Executive management with extensive experience and local knowledge
Respected shareholders and partners	<ul style="list-style-type: none">• Largest shareholders based in North America and Hong Kong• Excellent Chinese technical partners – ENFI¹ and MCCI²

Notes

1. China ENFI Engineering Corporation, a subsidiary of Metallurgical Corporation of China

2. MCC International Incorporation, a subsidiary of Metallurgical Corporation of China

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A high-grade and low-cost brownfield development opportunity



THE EVANDER PROJECT

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Evander Project **overview**

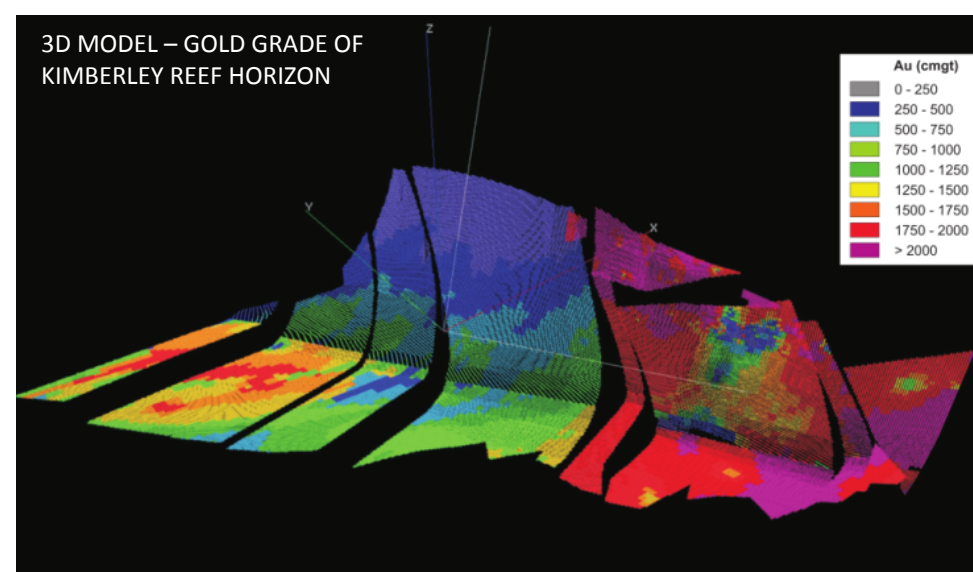
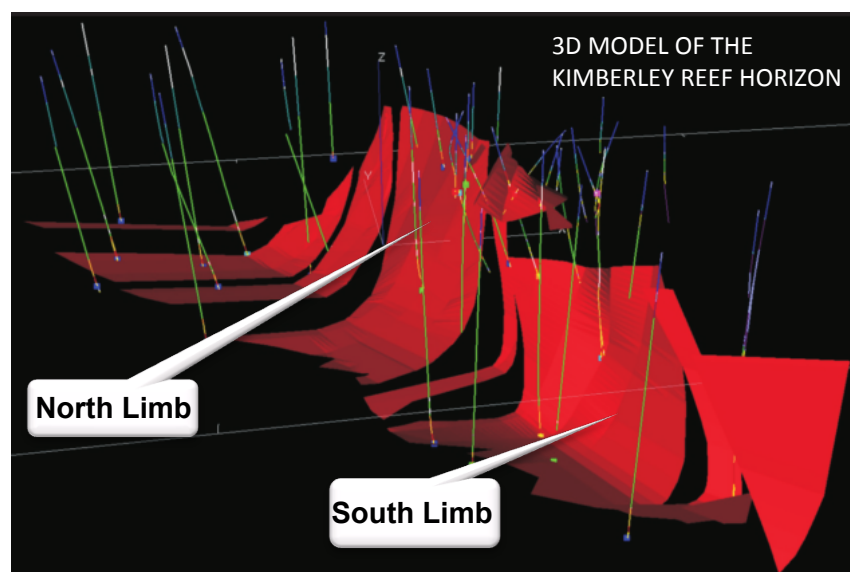
- Project suspended in 1998
- Mining right registered in November 2013
- Bankable Feasibility complete
 - robust economics
 - 20-year life-of-mine with upside potential
- Project scope
 - site establishment and dewatering
 - extend shafts to access resource
 - ore reserve development
 - construct metallurgical plant & TSF
 - commission and operate
- Water disposal agreement in place
- Eskom 22kv 2MVA connection imminent
- Permitting well advanced
 - mining right being amended
 - WUL application being prepared



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



Substantial high grade M+I resource and probable reserve, with some upside

Evander Project BFS: production



Key production indicators	Life of mine	Full production per annum
Tons milled	19.64Mt	1.46Mt
Head grade	6.80g/t	7.02g/t
Metallurgical recovery	96%	96%
Recovered grade	6.51g/t	6.75g/t
Gold produced	4.11Moz	0.309Moz
Waste tons	7.11Mt	0.64Mt



Tried and tested mining and metallurgy, with a substantial production profile

Evander Project BFS: operating cost



Activity	\$/t
Mining	29.3
Metallurgical and TSF	7.2
Labour	35.1
Services and environmental	21.5
Other	8.6
Total	101.7

Unit Costs	Value
Cost per ton milled	\$101.7/t
Cash cost	\$486/oz
AISC	\$583/oz
AIC	\$724/oz

\$/oz costs as per World Gold Council Guidance Note on AISC and AIC Costs – 27 June 2013

Basis of operating costs used in the BFS as of 29 February 2016:

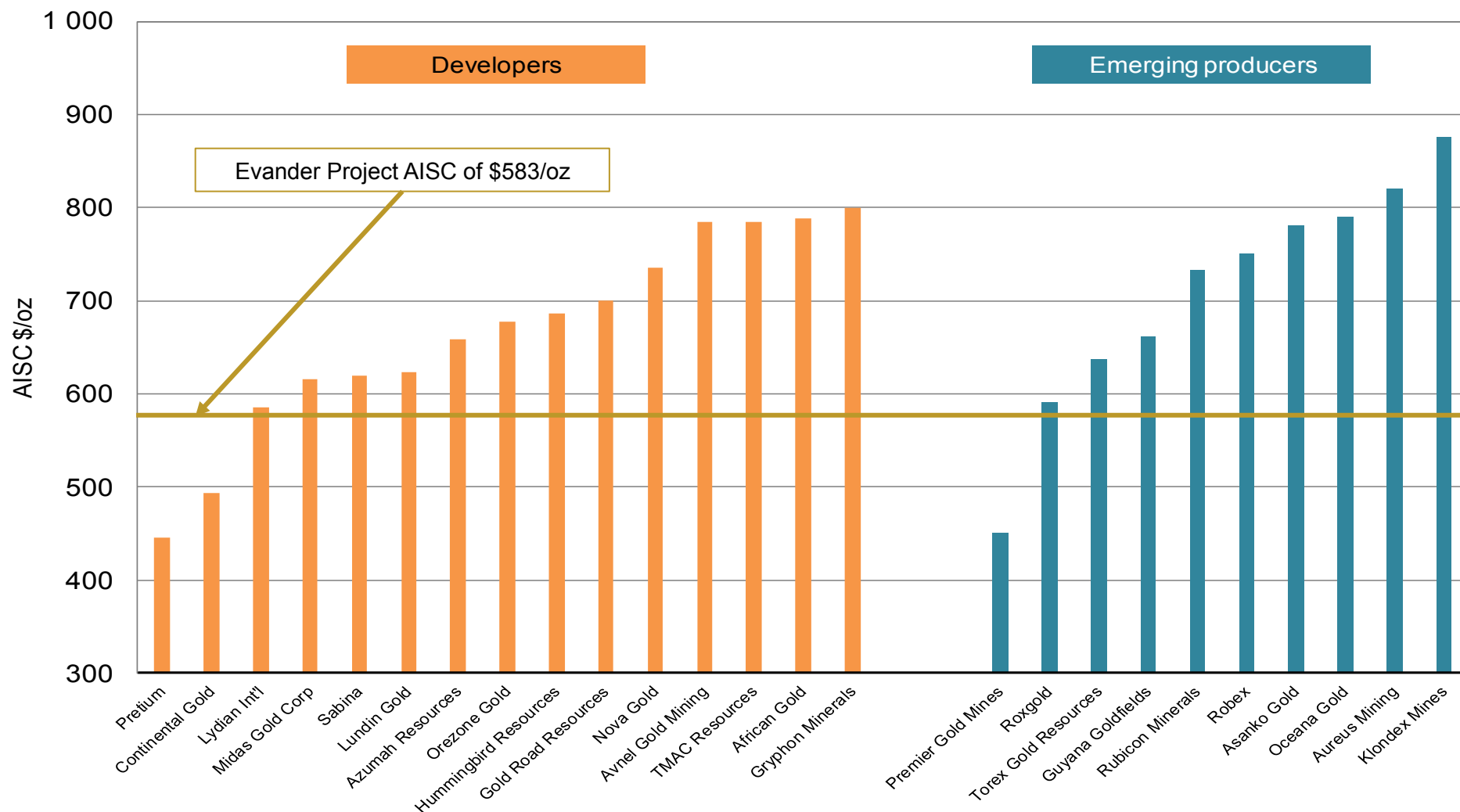
1. Zero based costing using supplier quotations and industry benchmarked consumption factors for all consumables & supplies
2. OEM quotations for equipment based on new equipment
3. Manpower costed using prevailing salary conditions in the SA gold mining sector with benchmarked productivity factors

High-grade and scale of production result in lowest quartile cash costs

Few peers have AISC <\$600/oz

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All-in sustaining cost benchmarking



Source: Company presentations

AISC are typically US\$600-800/oz for gold developers

However, Evander's AISC is expected to be lower than \$600/oz

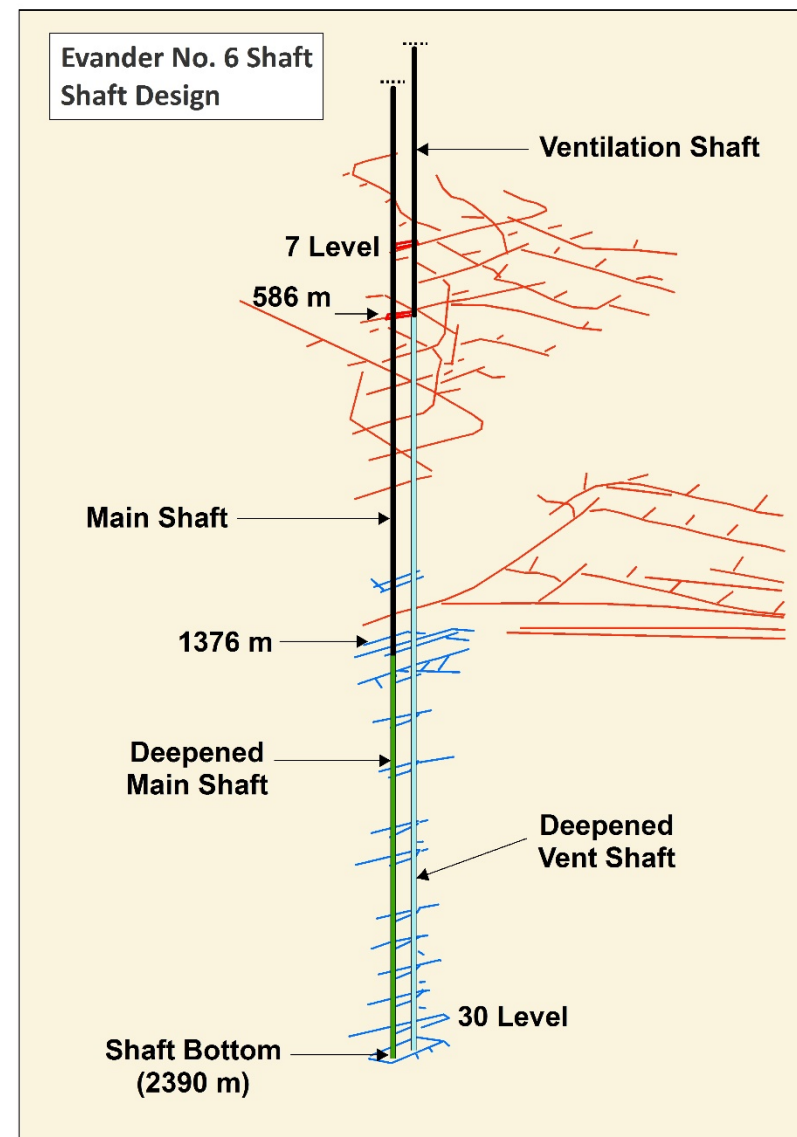
Evander Project BFS: capital

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Initial Capital Cost	\$m
Shaft rehabilitation and sinking	368.3
Development to reef	10.0
Metallurgical plant and TSF	55.5
Ventilation and refrigeration	24.9
Electrical power	26.4
Other	68.0
Owner's cost	7.4
Capitalised revenue	-3.1
Sub-Total	557.4
Contingency	21.9
Total	579.3

Total project capital is \$714.7m including:

1. Additional contingency of \$28.3m
2. Additional development of \$100.4m
3. Additional other of \$6.8m



Existing infrastructure results in significantly reduced capital

Evander Project BFS: economic results



Indicator	Value
Gold produced	4.11Moz
Initial capital cost estimate	\$579.3m
Total capital estimate	\$714.7m
Capital efficiency	\$2 696/oz
After-tax NPV ^{5%}	\$724.8m
After-tax IRR	17.6%
Payback	3.6 years
Cash cost	\$486/oz
Profit margin	57.5%
AISC	\$583/oz

Assumptions used in the BFS:

1. Gold price of ZAR580 638/kg – US\$1 290/oz and an exchange rate of US\$1.00 = ZAR14.00.
2. Capital estimate accuracy of ±10%.
3. Payback calculated from date of first production.
4. Mineral Royalty calculated based on revenue generated using a sliding scale formula with a minimum royalty of 0.5% and a maximum of 5%.
5. Tax calculated on mining profits after capital and other input costs have been recuperated. The maximum rate of taxation is 34% and tax is zero if the profit margin is less than 5%.
6. A 12% Capital Allowance for post 1990 gold mines is added to the unredeemed capital at the beginning of each financial year, provided that the mine is not in commercial production.

Sensitivity to gold price

Gold price (\$/oz)	After-tax NPV ^{5%} (\$m)	After-tax IRR (%)
1 000	390.7	12.2
(Base) 1 290	724.9	17.6
1 500	979.9	20.8
2 000	1 598.1	26.9

Sensitivity to discount rate

Discount rate (%)	After-tax NPV (\$m)
(Base) 5	724.9
7.2	471.2
10	258.5

Robust economics with a break-even price of <US\$850/oz

Evander Project **permitting**



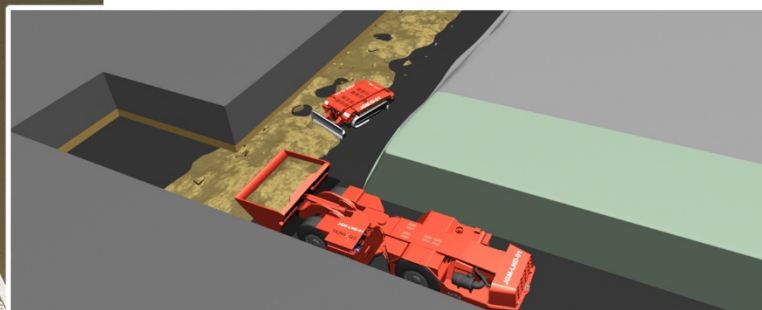
- Mining right registered in November 2013
 - Section 102 application being submitted to amend:
 - Environmental Management Plan
 - Social and Labour Plan
 - Mining Works Program
- EA for dewatering surface pipeline already approved
 - WUL application being prepared
- Application for Integrated WUL being prepared for total project
- Finalizing surface rights and servitudes
 - TSF pipelines
 - waste rock dump
- Eskom power
 - Eskom 22kv 2MVA line installed with connection imminent
 - pending confirmation for 88kv 20MVA supply to be available by Q1 2018
 - 132kv 68MVA supply required in Q2 2020

Evander Project ENFI & MCCI

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- Technical Consultancy Agreement executed with ENFI in May 2014
 - ENFI review of draft Evander Project BFS
 - opportunity to reduce capital through procurement, productivity
- Framework Agreement executed with MCCI in 2014
 - co-operate towards agreement to construct Evander Project
 - contract value to be “based” on ENFI capital estimate
- FIDIC Employer Requirements document being finalized
 - scope of work
 - work breakdown structure
 - roles and responsibilities
- Technical and design DD in next two months
- Drafting of EPC Design and Build Contract under way
- MCCI to assist with financing through Chinese banks



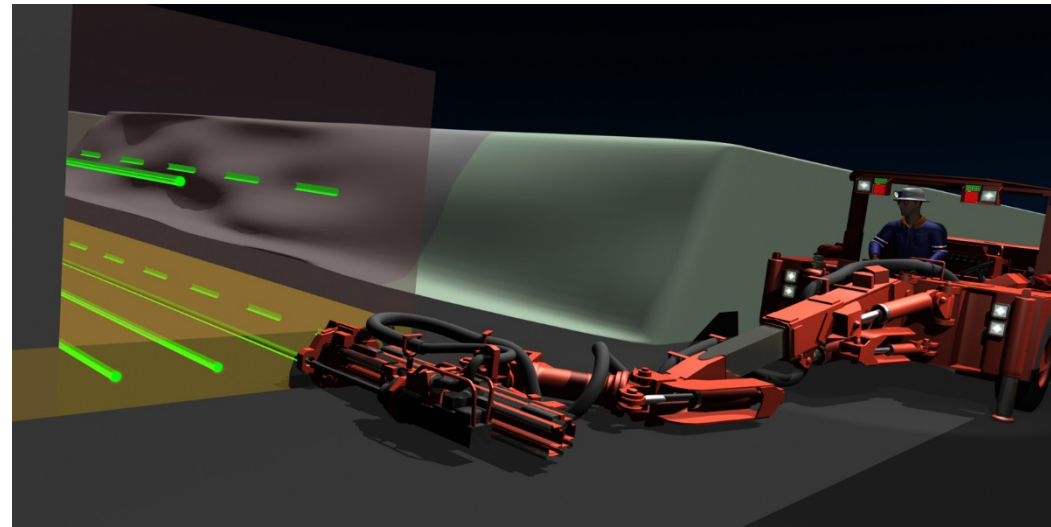
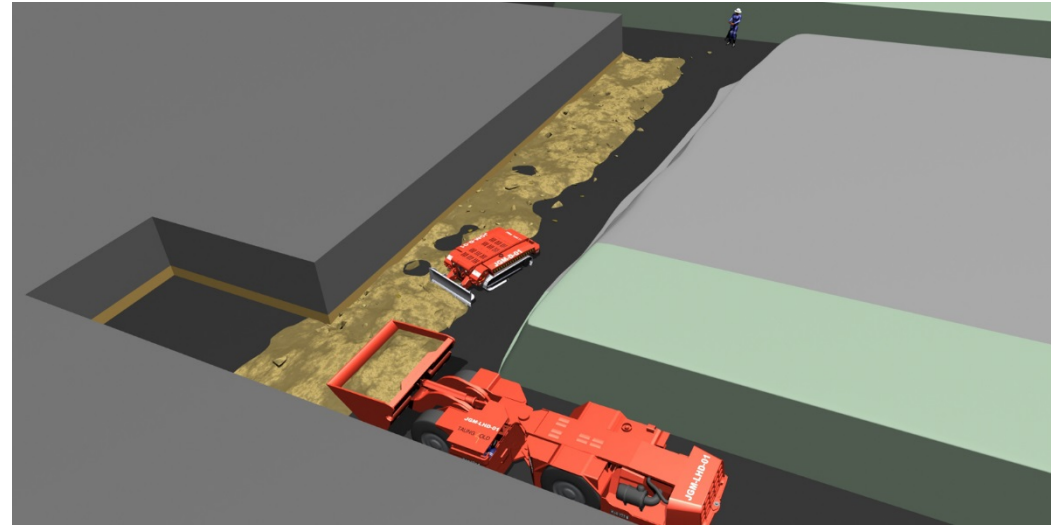


THE JEANETTE PROJECT

Jeanette Project **overview**

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- New high-grade, mechanised project
- Existing shaft to be deepened to 2 300m
 - 9.4Moz M+I Resource
 - 7.1Moz Probable Reserve
 - 11.21g/t recovered grade
 - low \$/oz cost potential
 - 400koz pa peak production
- Two shafts to be sunk for men, material and rock
- Dedicated processing facility
 - established technology with 96% RF
- Permitting well-advanced
 - mining right application submitted in May 2015, grant expected in H1 2017
- PFS review being completed
- BFS to commence after grant of mining right



Mechanisation reduces dilution, resulting in higher head grade

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

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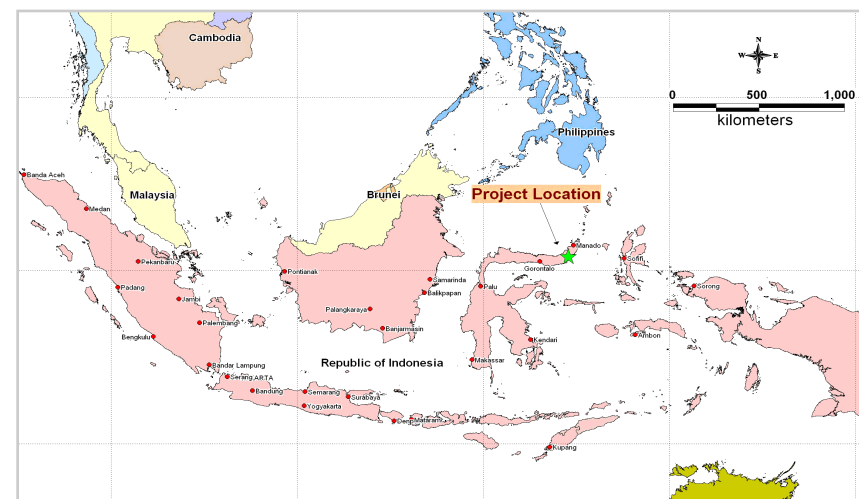
INDONESIA

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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 in a well-established gold mining region, previously explored, partially mined by Newmont
- Short-term production and cashflow potential
- Minex may form platform for growth in South East Asia, given region's high exploration potential



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

Potential for significant uplift in resource

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CONCLUSION

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Conclusion

- Substantial high-grade gold endowment in world-renowned gold mining jurisdictions
- Brownfield development projects significantly lower risk and less expensive than greenfield
- Strong financial position – \$25m in cash, no debt
- Strong board with global reach
- Management with extensive experience, local knowledge
- Engagement with MCCI evolving towards Design & Build Contract with financing support for Evander
- Permitting for Evander well-advanced
- Eskom situation rapidly improving



Attractive valuations for world-class assets



Pre-production developers

Company	Location	Total resource M, I & I (Moz)	Valuation EV/resource (\$/oz)
1 Gold Standard Ventures	USA, Nevada	1.4	349.6
2 TMAC Resources	USA, Canada	5.9	174.2
3 Pretium	Canada	13.6	146.3
4 Dalradian Resources	N. Ireland	3.5	89.1
5 Novagold	USA, Alaska	45.0	74.4
6 Gold Road Resources	Western Australia	5.6	59.4
7 Lundin Gold	Ecuador	9.8	49.3
8 Midas Gold Corp.	USA, Idaho	5.4	47.2
9 Corvus Gold	USA, Nevada	1.5	45.6
10 Continental Gold	Columbia	9.0	41.0
11 Xtra-Gold Resources	Ghana	0.4	32.5
12 Avnel Gold Mining	Mali	2.9	28.4
13 Sabina	Canada	7.2	25.6
14 Helio Resources	Tanzania & Namibia	0.3	23.7
15 Orezone Gold	Burkina Faso	3.8	15.6
16 Lydian International	Armenia	5.0	11.9
17 Gryphon Minerals	Burkina Faso	3.7	11.9
18 Gabriel Resources	Romania	18.6	9.9
19 African Gold	Mali	2.4	8.5
20 Legend Gold	Mali	0.3	7.8
21 Taung Gold International	South Africa, Indonesia	23.0	7.3
22 Azumah Resources	Ghana	2.0	6.4
23 International Tower Hill	USA, Alaska	20.1	5.8
24 Hummingbird Resources	Mali, Liberia	6.0	4.3
25 Castle Minerals	Ghana	0.4	1.8
Average			51.1

Emerging producers

Company	Location	Total resource M, I & I (Moz)	Valuation EV/resource (\$/oz)
1 Klondex Mines	USA, Nevada. Canada, Manitoba	1.2	563.7
2 Roxgold	Burkina Faso	1.1	371.0
3 Torex Gold Resources	Mexico	5.4	366.8
4 Premier Gold Mines	Canada	6.0	296.2
5 Guyana Goldfields	Guyana	8.3	130.9
6 Asanko Gold	Ghana	7.9	103.5
7 Robex	Mali	0.4	94.1
8 Oceana Gold	USA, NZ, Philippines	1.7	67.3
9 Aureus Mining	Liberia, Cameroon	2.8	37.0
11 Rubicon Minerals	Ontario, Canada	6.0	6.4
Average			203.7

Source: TGIL own analysis based on company reports and share prices as at 2 September 2016

TGIL has world-class assets but is relatively unknown in the market



APPENDICES

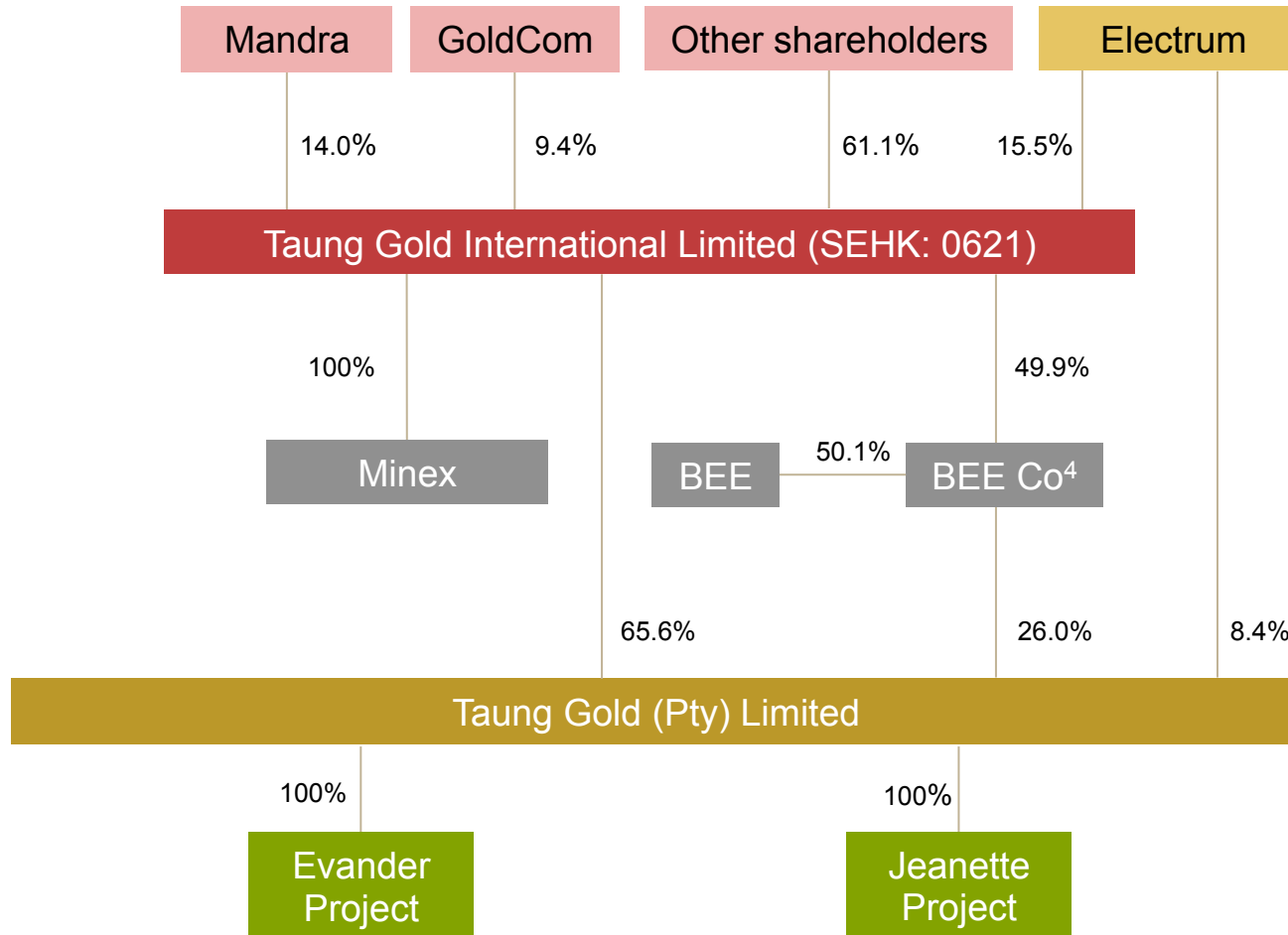
- Stable and maturing constitutional democracy with dependable judicial system
- Leading and enabling minerals legislative framework that works
- Strong tradition of gold mining dating back more than 130 years
- World-class expertise in geosciences, mining, engineering, metallurgy, etc.
- Well-developed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

For post-1990 gold mines:

- Attractive capital allowance that recognizes the cost and time involved to build new gold mines

Corporate structure and ownership

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Corporate information

Shares in issue	14.37bn
Share price ¹	HK\$0.102
Market capitalisation	US\$195m
Net cash ²	US\$25m

TGIL	%
Electrum Strategic Exploration	15.5
Mandra Materials	10.9
Gold Commercial Services ³	9.9
Woo Foong Hong	2.9
Mandra ESOP	0.2
Sub-total	39.4
Public	60.6
Total	100.0

Notes

1. Share price as at close of business on 2 September 2016
2. Net cash as at 31 July 2016
3. Gold Commercial Services (GoldCom) holds TGIL shares on behalf of SA shareholders (SASH), who exercised put options and sold their TGL shares, through GoldCom, to TGIL
4. BEE Co is Sephaku Gold Holdings (Pty) Ltd. (24.02%) and Taung Gold EPP (Pty) Ltd (1.98%)

TGIL has a total interest of 78.57% in TGL

Directors and management



Directors

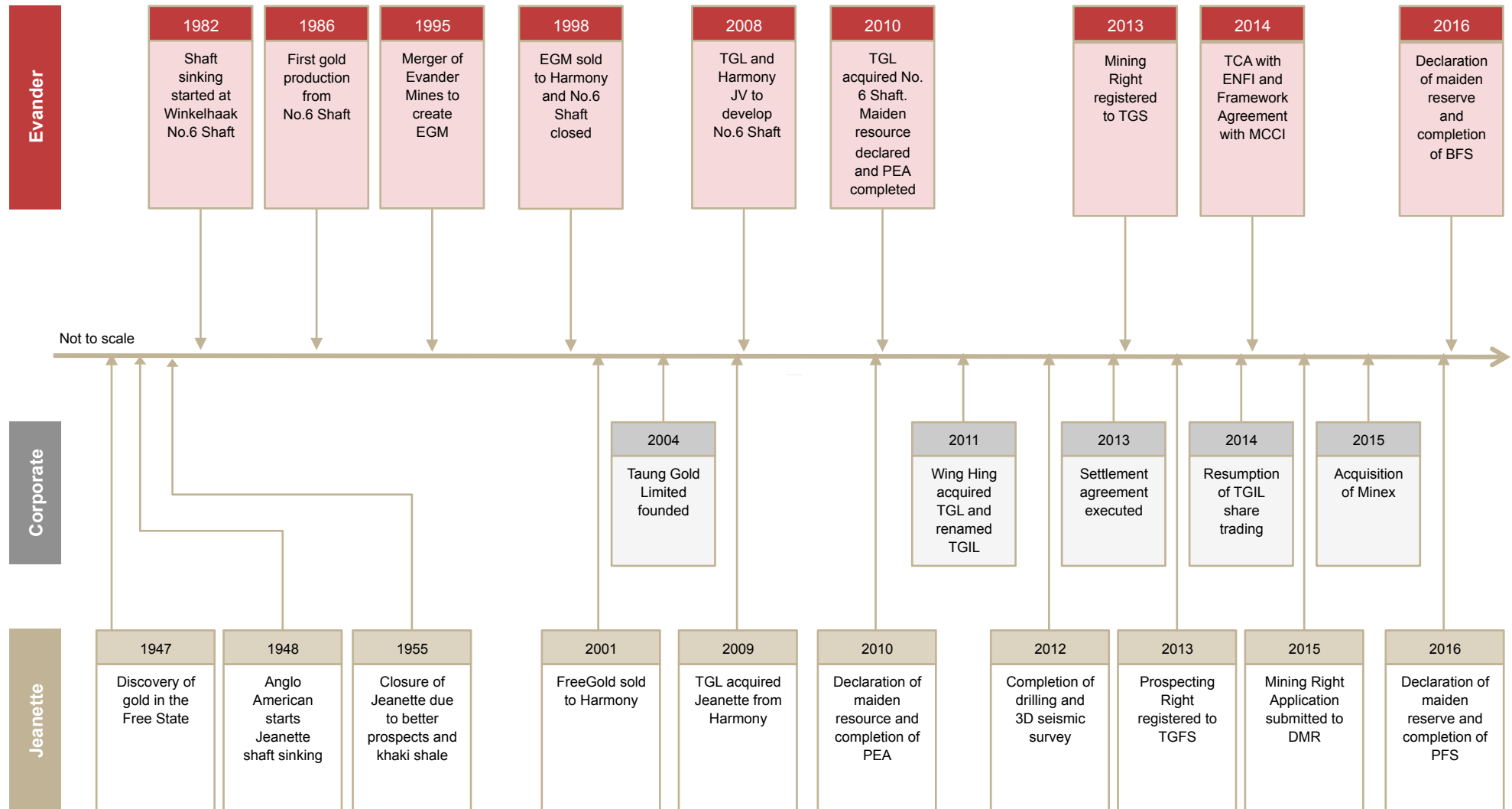
Rudolph de Bruin	<ul style="list-style-type: none"> Co-Chairman, Executive Director, LLB Visionary, co-founder of TGL
Li Hok Yin	<ul style="list-style-type: none"> Co-Chairman, Executive Director; B Eng Businessman, investment manager
Neil Herrick	<ul style="list-style-type: none"> CEO; B Eng Hons Mining, Pr. Eng. 28 years' industry experience, >23 years in gold
Igor Levental	<ul style="list-style-type: none"> ED; BSc Eng, MBA, >30 years experience President of Electrum Group of Companies
Ms. Cheung Pak Sum	<ul style="list-style-type: none"> Executive Director HR/administration manager
Phen Chun Shing	<ul style="list-style-type: none"> Non-Executive Director, BDeg in Bus & Mar Investment/corporate banking professional
Chui Man Lung	<ul style="list-style-type: none"> Independent Non-Executive Director, BSSc, ICA Director of Cen-1 Partners
Li Kam Chung	<ul style="list-style-type: none"> Independent Non-Executive Director Director of Zhidao International Holdings
Tsui Pang	<ul style="list-style-type: none"> GM of Chang Yang Mining Ltd, BA Arts and Design in Education

Management

Neil Herrick	<ul style="list-style-type: none"> CEO; B Eng Hons Mining, Pr. Eng. 28 years' industry experience, >23 years in gold
Tung Yee Shing	<ul style="list-style-type: none"> CFO; BSSc Econ. & MBA, HKICPA, ACCA Chairman of Zhidao International Holdings
Steven Steyn	<ul style="list-style-type: none"> CFO TGL; B Com Hons Accounting, Chartered Accountant
Peter Warring	<ul style="list-style-type: none"> Executive - Commercial BA, LLB, HND Labour Law
Ms. Annelise Barradale	<ul style="list-style-type: none"> Executive - Legal LLB (UK & RSA)
Jacques du Plessis	<ul style="list-style-type: none"> Executive - Mining & Projects BSc Mining, MBA
Andre du Plessis	<ul style="list-style-type: none"> Executive - Mineral Resources BSc Geology & Soil Science, GDE

Company and project history

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