



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

SCALE & GRADE

A SIGNIFICANT SOUTH AFRICAN GOLD DEVELOPER WITH GLOBAL REACH

SEHK Stock Code: 0621
www.taunggold.com

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Precious Metals Summit
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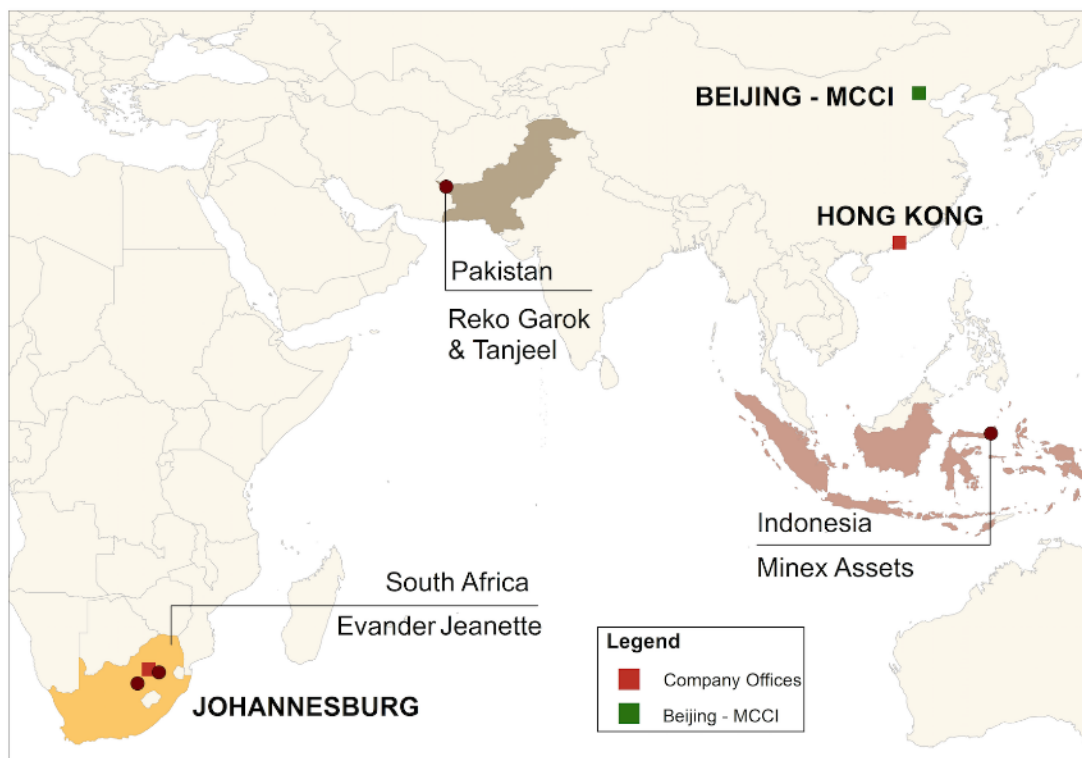
For further details, reference is made to the management discussion and analysis in the Company's annual report filed with the Hong Kong Stock Exchange and available electronically on the Company's website, www.taunggold.com

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ACTIVE IN THREE HIGHLY PROSPECTIVE JURISDICTIONS

- Substantial high-grade brownfield endowment in South Africa:
 - 22.8Moz total Resource including
 - 11.4Moz Probable Reserves and
 - very attractive \$/oz all-in sustaining costs (AISC)
- Significant growth potential in Pakistan and Indonesia
- Advancing engagement with MCCI to advance Evander



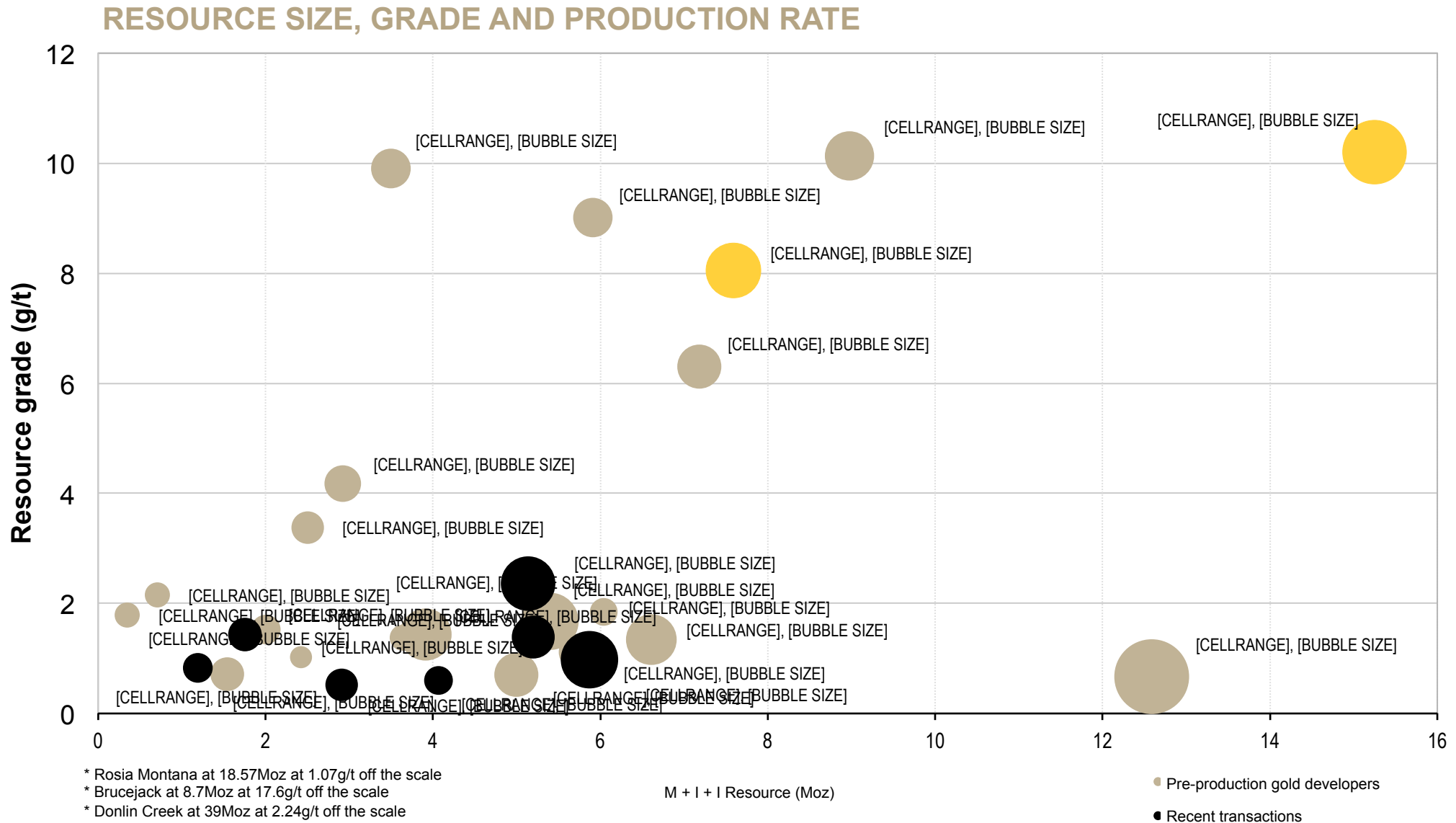
SOUTH AFRICA

Evander	Jeanette
<ul style="list-style-type: none"> • 4.3Moz Probable Reserve at 6.8g/t head grade • AISC \$583/oz • Bankable feasibility study (BFS) completed in February 2016 • Mining Right registered in 2013 	<ul style="list-style-type: none"> • 7.1Moz Reserve at 11.5g/t head grade • AISC \$392/oz • Pre-feasibility study (PFS) completed in February 2016 • Granting letter for Mining Right received and execution and registration in progress

PAKISTAN

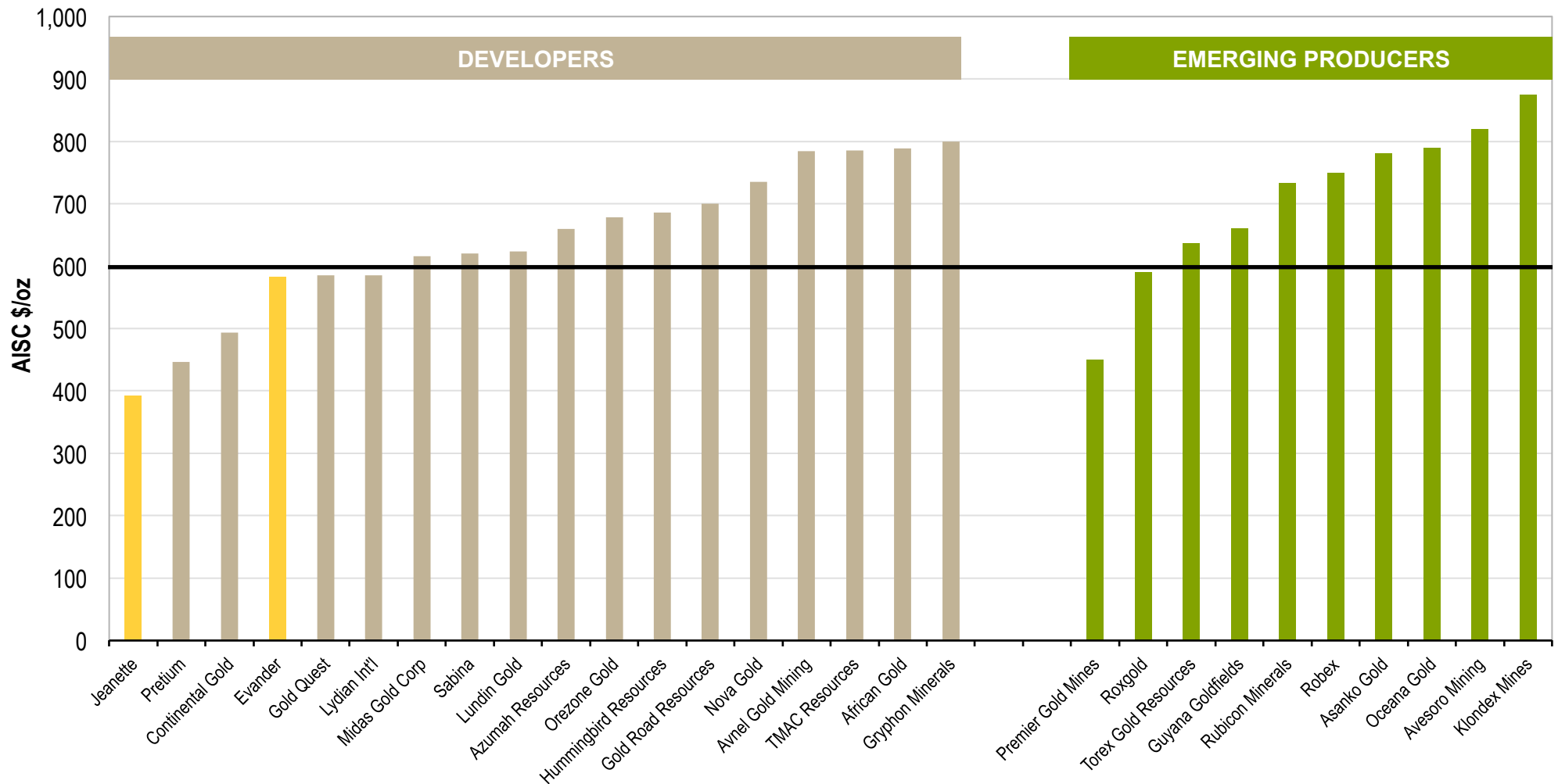
Reko Garok	Minex
<ul style="list-style-type: none"> • Well-known Cu-Au region on the Tethyan Magmatic Arc • Advancing towards JORC-compliant mineral resource and feasibility 	<ul style="list-style-type: none"> • Additional licence secured over Kutai and PMA conversion completed • Metallurgical test work completed and further work being planned to grow resource base

EVANDER AND JEANETTE: WORLD-CLASS ASSETS



FEW PEERS HAVE AISC <\$600/OZ

AISC BENCHMARKING



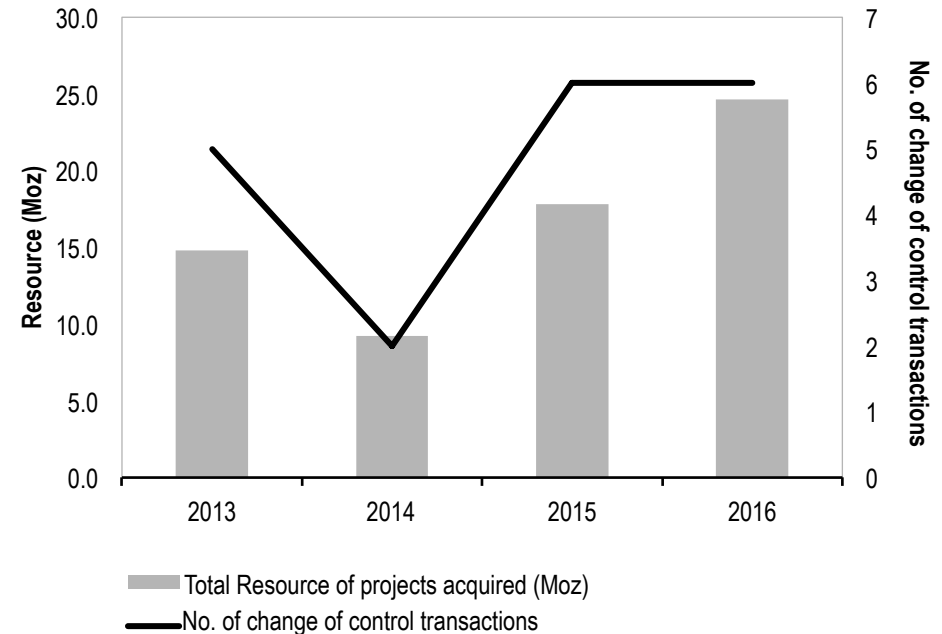
Source: Company presentations

AISC is typically US\$600-800/oz for gold developers and emerging producers. However, Evander and Jeanette AISC is expected to be lower than \$600/oz

GOLD SECTOR M&A: ENCOURAGING FOR JUNIOR DEVELOPERS

- Liquid M&A market for junior gold developers
- Acquisition of gold developers is driven by:
 - increasing reserve replacement demand
 - growing scarcity of quality projects
 - broad universe of buyers capable of making large acquisitions
- Since early 2010, more than 38 'change of control' transactions completed of pre-production projects:
 - majority of these were 100% acquisitions for stock
 - in addition, many other transactions took place for minority stakes/JVs where acquirers sought to mitigate risk

TOTAL RESOURCE OF PROJECTS ACQUIRED (MOZ)



Very few pre-production assets with both scale and grade. TGIL has two such projects:

- Evander Probable Reserve is 4.3Moz @ 6.80g/t
- Jeanette Probable Reserve is 7.1Moz @ 11.52g/t

Scale, grade and recovery are key drivers of AISC costs

“Quality projects are scarce: of the pre-production gold companies in our database of 270 companies, only 5 have resources larger than the 8-year take-over average of 5.2Moz and grades above 2.4g/t.”

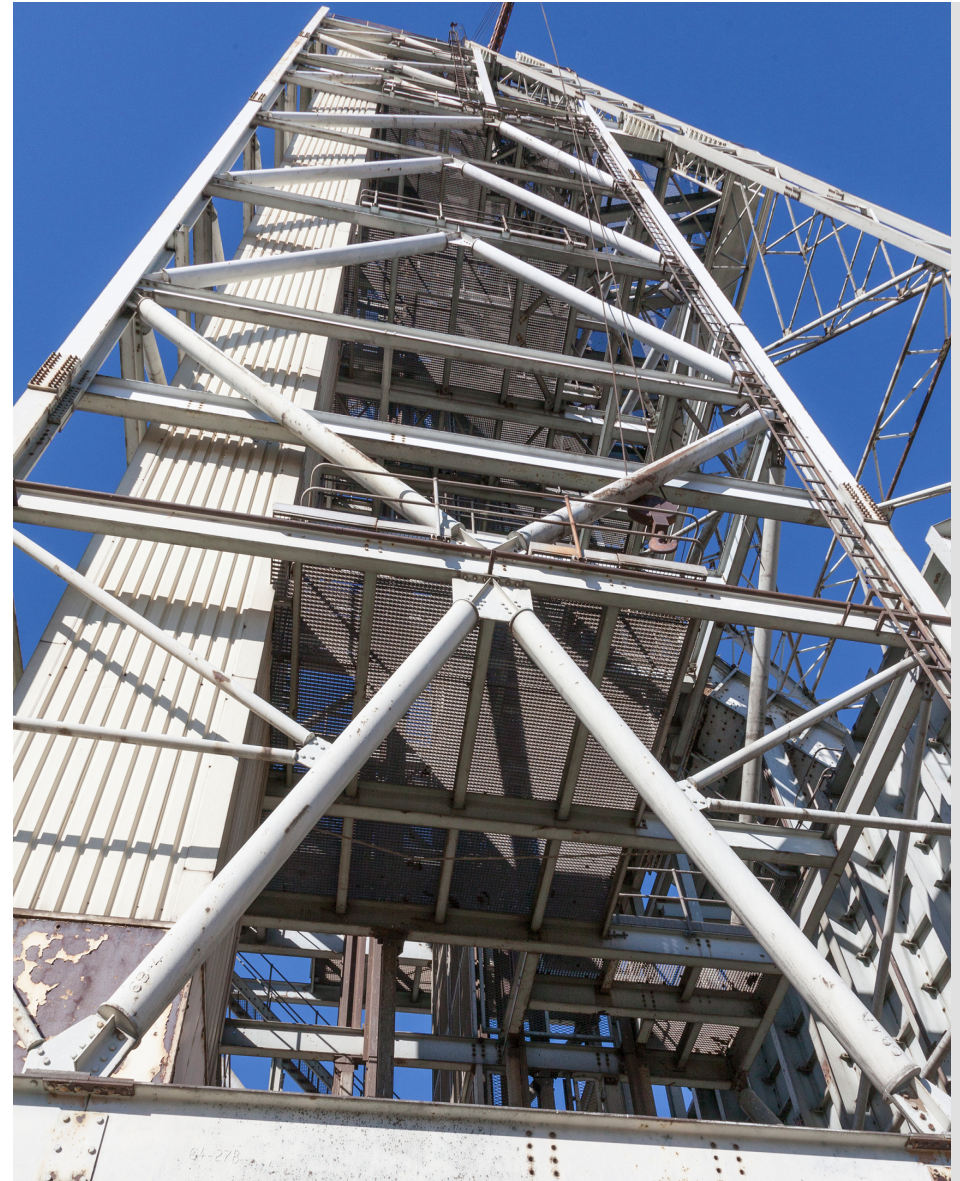
RBC Capital Markets, 2 February 2017

Recent events

- ANC has dominated politics since the end of apartheid in 1994
- President Zuma serves as both head of the ruling party and head of state
- Reputation of President Zuma diminishing; perceived patriarchy, corruption and connections to the Gupta family
- In the 2016 municipal elections, the ANC lost control of four major metropolitan areas
- President Zuma will be replaced as party leader at the ANC's National Conference in December 2017
- Next national election in 2019

Observations

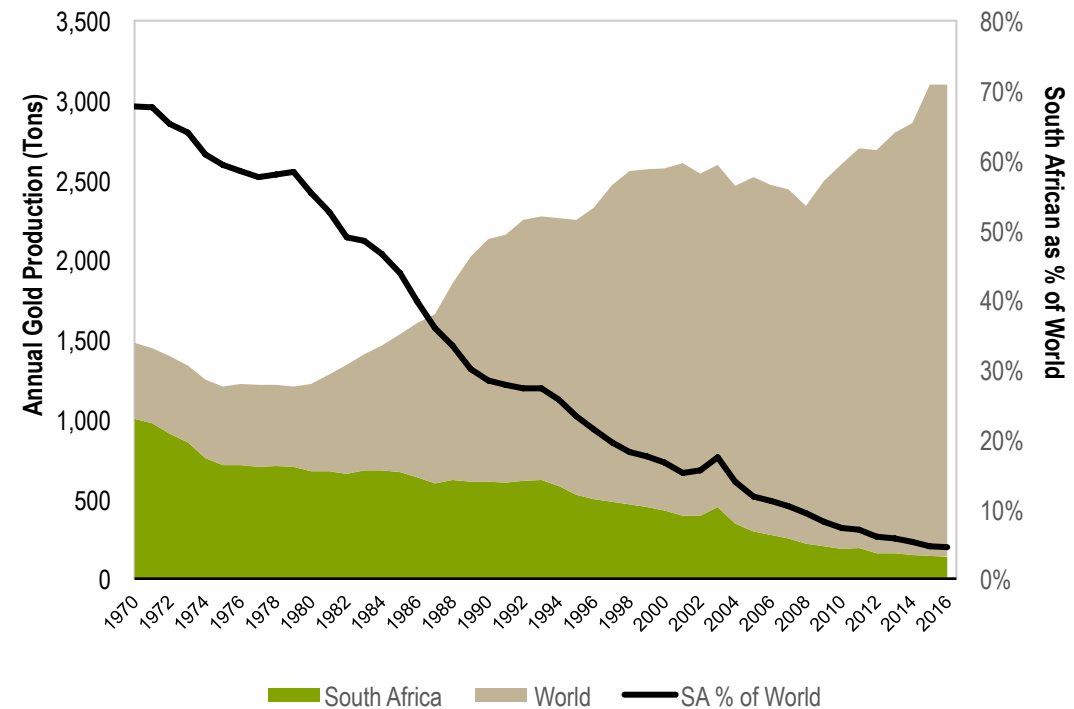
- Constitution and judiciary remain robust
- Civil society increasingly active in exposing patriarchy and corruption
- Government now taking steps to deal with corruption at various government levels and state-owned enterprises
- Some strong succession candidates increasingly critical of President Zuma



SOUTH AFRICAN GOLD MINING

- Wits Basin has been in production for +130 years
 - declining tonnage and grade as many mines approach exhaustion of economically viable ore
- Pre-1994 characterised by:
 - significant geo-political uncertainty
 - no new projects as the political transition approached
- Post-1994 characterised by:
 - break up and reorganisation of 'traditional' South African mining houses
 - offshore diversification of South African gold majors:
 - GFL, AGA, HAR
 - promulgation of new minerals legislation in 2004
 - very few new gold projects

WORLD AND SOUTH AFRICAN ANNUAL GOLD PRODUCTION



Taung was incorporated in 2004 to seek opportunities that would precipitate from these unique circumstances as the gold price increased and was able to secure the mineral rights over the Evander and Jeanette projects

Evander and Jeanette are the most attractive of only a handful of remaining assets that have scale, grade and attractive costs

SOUTH AFRICA: STILL A GREAT GOLD MINING JURISDICTION

An unparalleled tradition of large scale gold mining dating back over 130 years

Very large high-grade resources

Dependable judicial system

Straightforward mining methods

Simple processing with excellent metallurgical recoveries

Well developed infrastructure in the Wits Basin

A rapidly improving electricity situation

World-class expertise in geosciences, mining and metallurgy

Moderate socio-political risk

Sophisticated and respected financial and banking systems

World-class IT and communication systems

Minerals legislation that works for us

- Taung Gold emerged from the aftermath of the political change and the depressed gold price
- Evander and Jeanette are world-class assets in a jurisdiction that has an unrivalled track record of gold production
- Brownfield, but essentially new mines, they each enjoy high grades and cost profiles that set them apart from other ageing South African mines and the global peer group of gold developers
- Evander is heading towards financing and construction
- Jeanette is heading towards BFS



EVANDER PROJECT

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



EVANDER PROJECT: OVERVIEW

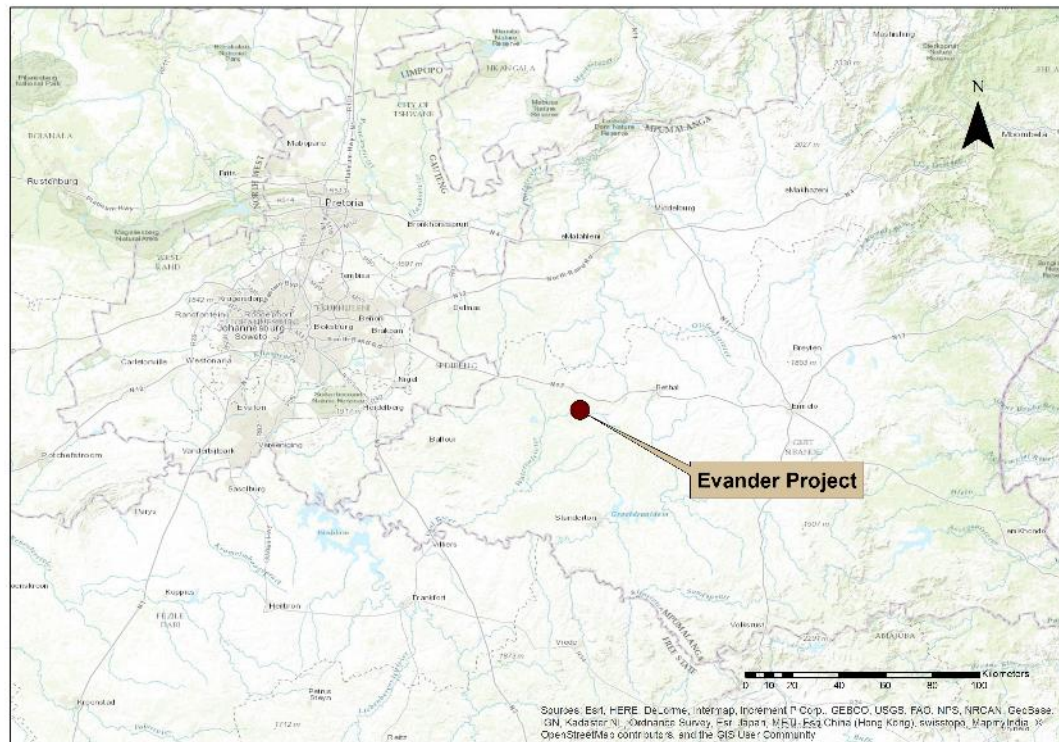
- Project mined between 1992 and 1998
- Mining Right registered to Taung Gold in 2013
- BFS complete
 - robust economics
 - very attractive cash costs and AISC
 - 20-year life-of-mine with upside potential
- Project scope
 - site establishment and dewatering
 - extend shafts to access resource
 - ore reserve development
 - construct metallurgical plant and TSF
 - commission and operate
- Water disposal agreement in place
- Eskom 22kV 2MVA connection completed
 - planning for 88kV 20MVA supply done
- Permitting well advanced
 - mining work programme and EMP being revised
 - Integrated Water Use Licence (WUL) application being prepared



EVANDER PROJECT BFS: PRODUCTION

Resource and Reserve	Tons Mt	Grade (g/t)	Gold (Moz)
Measured Resource	0.11	10.18	0.04
Indicated Resource	19.75	8.47	5.37
M + I Resource	19.85	8.47	5.41
Probable Reserve	19.64	6.80	4.29

Key production indicators	Life of mine	Full production per annum
Tonnes milled	19.64Mt	1.46Mt
Head grade	6.80g/t	7.02g/t
Metallurgical recovery	96%	96%
Recovered grade	6.51g/t	6.7g/t
Gold produced	4.11 Moz	0.309Moz
Waste tonnes	7.11Mt	0.64Mt



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

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

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 recouped. 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

EVANDER PROJECT: STRONG PARTNERS IN ENFI & MCCI TAUNG GOLD

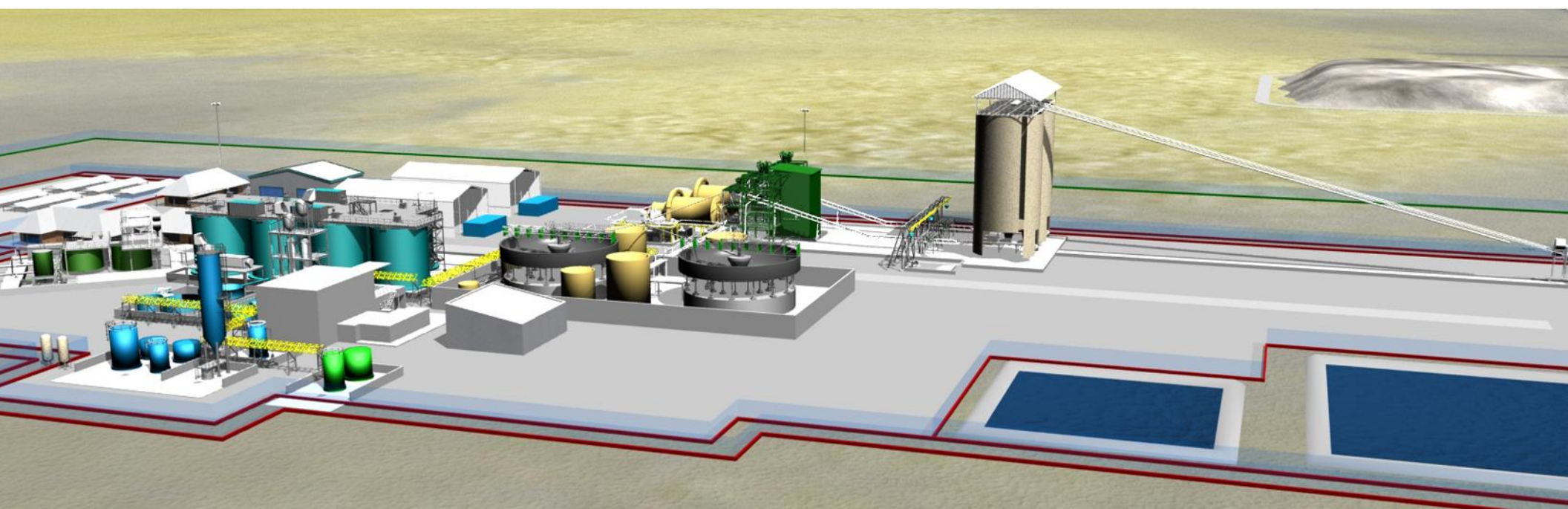
- Technical Consultancy Agreement executed with ENFI in May 2014
 - ENFI review of draft Evander Project BFS
 - opportunity to reduce capital – procurement, productivity
- Framework Agreement executed with MCCI in 2014
 - co-operate towards agreement to construct Evander
 - contract value to be 'based' on ENFI capital estimate
- FIDIC Employer Requirements document finalised
 - scope of work
 - work breakdown structure
 - roles and responsibilities
- Commercial Offer negotiations underway
- Binding term sheet for Design and Build Contract to be finalised
- Drafting of Design and Build Contract in progress
- MCCI assistance with debt financing through PRC banks



JEANETTE PROJECT

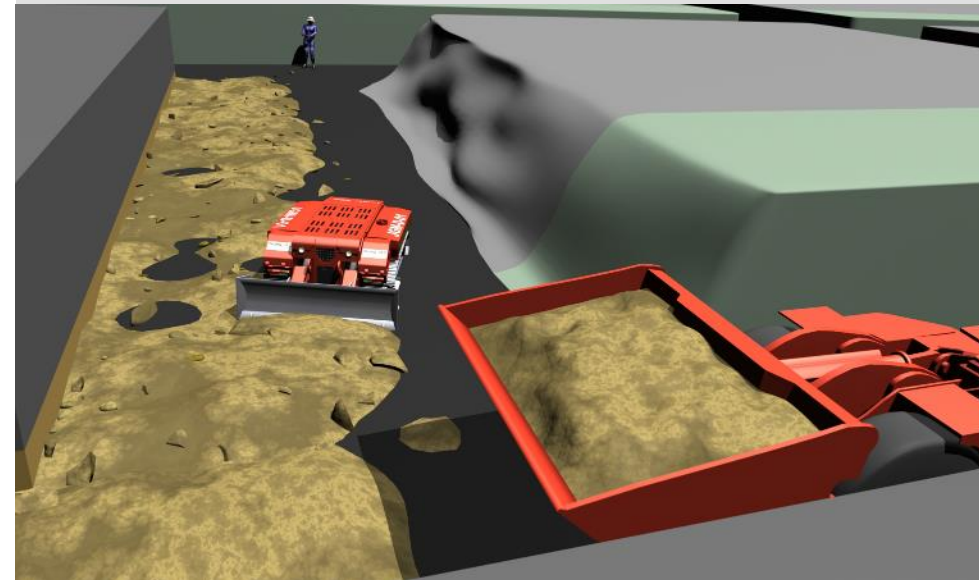
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A high grade mechanised mine with a substantial production profile



JEANETTE PROJECT: OVERVIEW

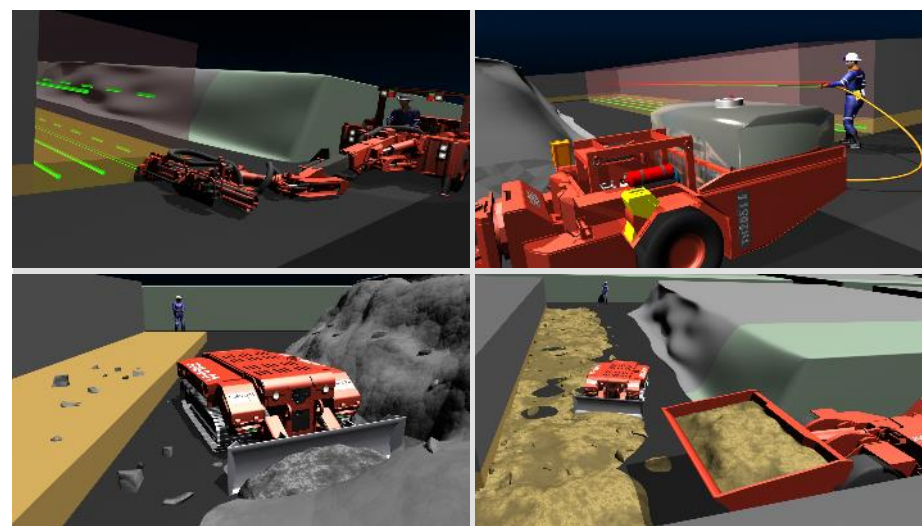
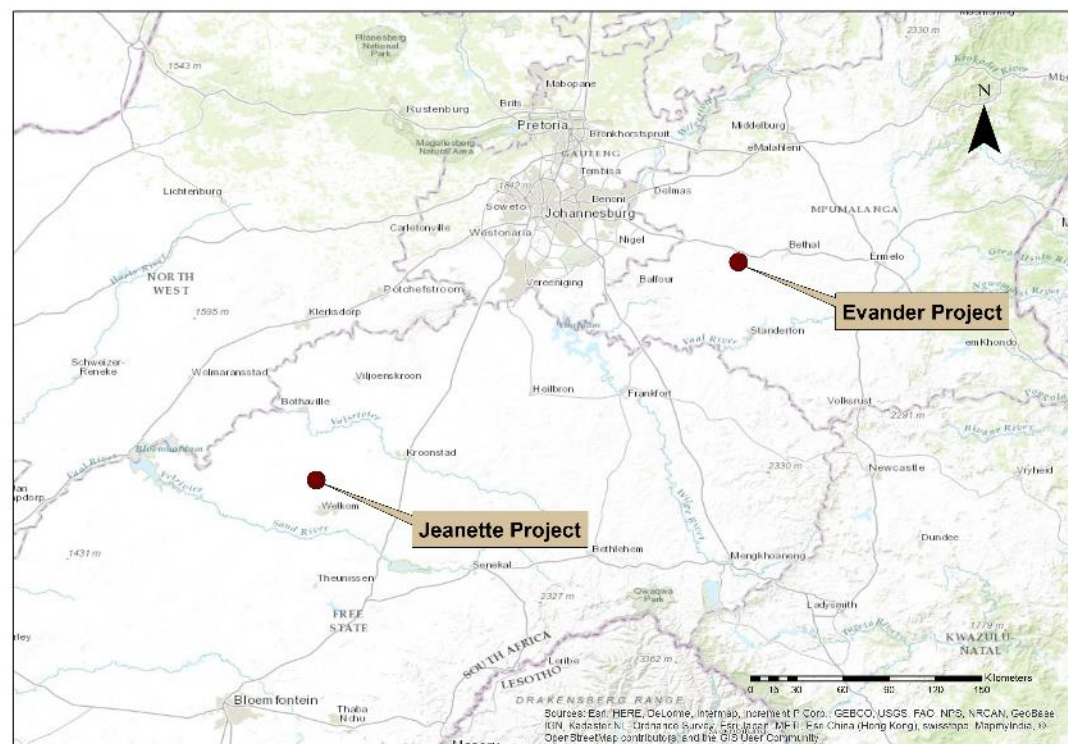
- New high-grade, mechanised project
- Existing shaft to be deepened to 2 300m
 - 9.4Moz M+I Resource
 - 7.1Moz Probable Reserve
 - 11.21g/t recovered grade
 - low \$/oz cost potential
 - 400koz pa peak production
- Two shafts to be sunk for men, material and rock
- Dedicated processing facility
 - established technology with 96% recovery
- Mining Right granting letter received
 - execution and registration in next few months
- Planning for BFS under way



JEANETTE PROJECT PFS: PRODUCTION

Resource and Reserve	Tons Mt	Grade (g/t)	Gold (Moz)
Measured Resource	–	–	–
Indicated Resource	13.10	22.41	9.44
M + I Resource	13.10	22.41	9.44
Probable Reserve	19.21	11.52	7.12

Key production indicators	Life of mine	Full production per annum
Tonnes milled	20.1Mt	1.16Mt
Head grade	11.47g/t	11.49g/t
Metallurgical recovery	98%	98%
Recovered grade	11.21g/t	11.24g/t
Gold produced	7.243Moz	0.418Moz
Waste tonnes hoisted	32.26Mt	1.23Mt



JEANETTE PROJECT PFS: ECONOMIC RESULTS

Indicator	Value
Gold produced	7.24Moz
Initial capital cost estimate	\$759.0m
Total capital estimate	\$1 090.4m
Capital efficiency	\$3 312/oz
After-tax NPV ^{5%}	\$1 550.5m
After-tax IRR	20.3%
Payback	6.9 years
Cash cost	\$343/oz
Profit margin	58.0%
AISC	\$392/oz

Sensitivity to gold price

Gold price (\$/oz)	After-tax NPV ^{5%} (\$m)	After-tax IRR (%)
1 000	1 007.0	15.9
(Base) 1 290	1 550.5	20.3
1 500	1 959.8	22.9
2 000	2 961.6	28.3

Sensitivity to discount rate

Discount rate (%)	After-tax NPV (\$m)
(Base) 5	1 550.5
7.2	1 018.5
10	584.2

Assumptions used in the PFS:

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 +15% to -25%
3. Payback calculated from date of first production
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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

CONCLUSION

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TGIL has world-class assets with scale, grade and attractive AISC



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	2.7	141.1
2 Pretium	Canada	13.6	110.4
3 TMAC Resources	USA, Canada	5.9	102.6
4 Dalradian Resources	Northern Ireland	4.4	79.4
5 Gold Road Resources	Western Australia	6.6	70.4
6 Lundin Gold	Ecuador	9.5	54.4
7 Sabina	Canada	7.2	58.5
8 NovaGold	USA, Alaska	45.0	43.8
9 Avnel Gold Mining	Mali	3.4	42.9
10 Continental Gold	Colombia	9.0	38.8
11 Corvus Gold	USA, Nevada	1.5	37.7
12 Lydian International	Armenia	4.8	35.1
13 Midas Gold Corp.	USA, Idaho	6.5	33.4
14 Gold Quest	Dominican Republic	2.5	25.9
15 Orezone Gold	Burkina Faso	3.0	23.9
16 Legend Gold	Mali	0.3	12.5
17 Hummingbird Resources	Mali, Liberia	6.0	7.1
18 Taung Gold International	South Africa	23.0	5.9
19 Azumah Resources	Ghana	2.0	4.4
20 Helio Resources	Tanzania & Namibia	0.6	3.4
21 Castle Minerals	Ghana	0.4	3.4
22 Gabriel Resources	Romania	18.6	3.3
Average			42.6

Emerging producers

Company	Location	Total resource M, I & I (Moz)	Valuation EV/resource (\$/oz)
1 Roxgold	Burkina Faso	1.1	312.4
2 Torex Gold Resources	Mexico	5.4	220.1
3 Premier Gold Mines	Canada	6.0	215.0
4 Klondex Mines	Nevada, Manitoba	2.5	159.3
5 Robex	Mali	0.4	132.5
6 Guyana Goldfields	Guyana	8.3	71.2
7 Oceana Gold	USA, NZ, Philippines	1.7	67.3
8 Aureus Mining	Liberia, Cameroon	2.8	38.5
9 Asanko Gold	Ghana	7.9	23.6
10 Rubicon Minerals	Canada	6.0	6.4
Average			124.6

Source: TGIL own analysis based on company reports and share prices as at 29 August 2017

Substantial gold endowment	<ul style="list-style-type: none">• 23Moz Total Resource, 11.4Moz in Probable Reserves (>6.5g/t) in South Africa• Substantial Cu-Au porphyry potential at Reko Garok
Brownfield projects	<ul style="list-style-type: none">• South African projects: existing infrastructure in the prestigious Witwatersrand Basin• Co-operation opportunity for Reko Garok with MCC's Saindak Project
Proven extraction techniques	<ul style="list-style-type: none">• Straightforward mining and metallurgical methods – high degree of confidence• Reko Garok – early large-scale open-pit potential
Attractive economics	<ul style="list-style-type: none">• South African projects – AISC in lowest quartile of cost curve with low capital intensity• Reko Garok grades similar to Reko Diq, co-operation opportunity with Saindak
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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