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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)**

**CLARIFICATION ANNOUNCEMENT**  
**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of Taung Gold International Limited (the “**Company**”) dated 9 November 2016 in relation to the placing of a maximum of 2,974,920,000 Placing Shares under the General Mandate (the “**Announcement**”). Unless otherwise defined herein, terms used herein shall have the same meanings as defined in the Announcement.

**REASONS FOR THE PLACING AND USE OF PROCEEDS**

The maximum gross proceeds and the maximum net proceeds from the Placing will be approximately HK\$262.71 million and HK\$258.77 million respectively. The net proceeds from the Placing are intended to be used for (i) approximately HK\$200 million for future potential acquisitions, targeting overseas gold and mineral mining asset(s), which is in preliminary negotiation stage; and (ii) approximately HK\$58.77 million for the general working capital of the Group to meet any future business development requirements and obligations.

**Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

By order of the Board  
**Taung Gold International Limited**  
**Cheung Pak Sum**  
*Executive Director*

Hong Kong, 10 November 2016

*As at the date of this announcement, the Board comprises nine Directors. The Executive Directors are Mr. Li Hok Yin, Mr. Christiaan Rudolph de Wet de Bruin, Mr. Neil Andrew Herrick, Ms. Cheung Pak Sum and Mr. Igor Levental. The Non-executive Director is Mr. Phen Chun Shing Vincent. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Tsui Pang.*

\* *For identification purpose only*