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

(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

RESULTS

The board of directors (the "**Board**") of Taung Gold International Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2018 together with the comparative figures for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000* (Re-presented)
Other income	*4*	**25,403**	48,135
Other gains and losses	*4*	**(171,545)**	(196,233)
Fair value change on gross obligation under put options		**–**	(25,934)
Administrative and operating expenses		**(45,365)**	(47,309)
Reversal of impairment loss on exploration assets	*8*	**–**	400,457
Finance costs – unwinding of discounting effect of provision for rehabilitation costs		**(6,093)**	–
Share of results of associates		**(1,362)**	(8)
(Loss) profit before taxation		**(198,962)**	179,108
Income tax expense	*5*	**–**	–
(Loss) profit for the year from continuing operations		**(198,962)**	179,108

* *For identification purpose only*

	Notes	2018 HK$'000	2017 HK$'000 (Re-presented)
Discontinued operation			
Loss for the year from discontinued operation		**(215,881)**	(1,212)
(Loss) profit for the year	*6*	**(414,843)**	177,896
Other comprehensive (expense) income			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		**79,914**	75,231
Total comprehensive (expense) income for the year		**(334,929)**	253,127
(Loss) profit for the year attributable to owners of the Company:			
– from continuing operations		**(173,168)**	129,369
– from discontinued operation		**(215,879)**	(1,152)
		(389,047)	128,217
(Loss) profit for the year attributable to non-controlling interests			
– from continuing operations		**(25,794)**	49,739
– from discontinued operation		**(2)**	(60)
		(25,796)	49,679
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(325,973)**	182,234
Non-controlling interests		**(8,956)**	70,893
		(334,929)	253,127
(Loss) earnings per share			
From continuing and discontinued operations	*7*		
– Basic and diluted (loss) earnings per share (HK cents)		**(2.14)**	0.82
From continuing operations			
– Basic and diluted (loss) earnings per share (HK cents)		**(0.95)**	0.83

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**3,588**	3,545
Exploration assets	8	**4,571,246**	4,523,585
Prepayment for acquisition of exploration assets		**–**	154,029
Interests in associates		**648**	2,010
Available-for-sale investment		**–**	49,336
Loans to shareholders of a subsidiary		**121,539**	193,967
Deposits for rehabilitation		**–**	674
Deposits for acquisition of investments		**60,000**	60,000
Pledged bank deposits		**3,334**	2,413
		4,760,355	4,989,559
Current assets			
Other receivables, prepayment and deposits		**13,218**	12,854
Restricted bank deposits		**120,235**	–
Bank balances and cash		**162,906**	383,894
		296,359	396,748
Current liabilities			
Other payables and accruals		**12,778**	23,658
Net current assets		**283,581**	373,090
Total assets less current liabilities		**5,043,936**	5,362,649
Non-current liability			
Provision for rehabilitation costs		**15,483**	–
		5,028,453	5,362,649
Capital and reserves			
Share capital	9	**181,515**	181,515
Reserves		**3,840,471**	4,166,444
Equity attributable to owners of the Company		**4,021,986**	4,347,959
Non-controlling interests		**1,006,467**	1,014,690
Total equity		**5,028,453**	5,362,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

Taung Gold International Limited (the "**Company**") is incorporated in Bermuda as an exempted company and registered with limited liability under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and Unit 1901, 19/F, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are investment holding, trading of mineral and exploration, development and mining of gold and associated minerals.

The functional currency of the Company is United States dollars ("**USD**"). For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong dollars ("**HK$**") as the shares of the Company are listed on the Stock Exchange.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and financial positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and related amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018.

[2] Effective for annual periods beginning on or after 1 January 2019.

[3] Effective for annual periods beginning on or after a date to be determined.

[4] Effective for annual periods beginning on or after 1 January 2021.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided.

The Group's operating and reportable segments under HKFRS 8 are as follows:

(a) gold exploration and development in South Africa;

(b) gold exploration and development in Indonesia; and

(c) trading of minerals.

As the gold exploration and development operation in Indonesia was discontinued upon the Group's relinquishment of the mining licences in Indonesia in the current year, the segment information reported below does not include financial information in respect of the discontinued operation which are disclosed in more detail in note 3A. Accordingly, the comparatives of segment information was re-presented.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 31 March 2018

Continuing operations

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
REVENUE			
External sales	**–**	**–**	**–**
Segment loss	**(120,419)**	**–**	**(120,419)**
Unallocated other income			**6**
Unallocated corporate expenses			**(28,708)**
Impairment loss on available-for-sale investment			**(50,017)**
Reversal of impairment loss on amount due from an associate			**1,538**
Share of results of associates			**(1,362)**
Loss before taxation			**(198,962)**

Segment revenues and results

For the year ended 31 March 2017 (Re-presented)

Continuing operations

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
REVENUE			
External sales	–	–	–
Segment profit	265,332	–	265,332
Unallocated other income			1,583
Unallocated corporate expenses			(29,576)
Impairment on amount due from an associate			(32,289)
Fair value change on gross obligation under put options			(25,934)
Share of results of associates			(8)
Profit before taxation			179,108

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment (loss) profit during the years ended 31 March 2018 and 31 March 2017 represents (loss) profit from each segment without allocation of certain other income, central administration and operating expenses, impairment loss on available-for-sale investment, reversal of/impairment loss on amount due from an associate, fair value change on gross obligation under put options and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

At 31 March 2018

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
Assets			
Segment assets	**4,719,436**	**–**	**4,719,436**
Property, plant and equipment			**1,357**
Interests in associates			**648**
Deposits for acquisition of investments			**60,000**
Other receivables, prepayment and deposits			**1,349**
Restricted bank deposits			**120,235**
Bank balances and cash			**150,847**
			5,053,872
Assets relating to discontinued operation			**2,842**
Consolidated assets			**5,056,714**
Liabilities			
Segment liabilities	**22,454**	**–**	**22,454**
Other payables and accruals			**5,508**
			27,962
Liabilities relating to discontinued operation			**299**
Consolidated liabilities			**28,261**

Segment assets and liabilities

At 31 March 2017 (Re-presented)

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
Assets			
Segment assets	4,753,650	111	4,753,761
Property, plant and equipment			1,426
Interests in associates			2,010
Deposits for acquisition of investments			60,000
Other receivables, prepayment and deposits			392
Available-for-sale investment			49,336
Bank balances and cash			335,856
			5,202,781
Assets relating to discontinued operation			183,526
Consolidated assets			5,386,307
Liabilities			
Segment liabilities	18,290	–	18,290
Other payables and accruals			5,062
			23,352
Liabilities relating to discontinued operation			306
Consolidated liabilities			23,658

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments, other than certain property, plant and equipment, available-for-sale investment, interests in associates, deposits for acquisition of investments, certain other receivables, prepayment and deposits, restricted bank deposits, assets relating to discontinued operation and certain bank balances and cash.

- all liabilities are allocated to operating and reportable segments other than liabilities relating to discontinued operation and certain other payables and accruals.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

Continuing operations

For the year ended 31 March 2018

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Additions to property, plant and equipment	**14**	**–**	**743**	**757**
Additions to exploration assets	**28,231**	**–**	**–**	**28,231**
Depreciation of property, plant and equipment	**95**	**–**	**561**	**656**
Loss on disposal of property, plant and equipment	**176**	**–**	**–**	**176**
Impairment loss on loans to shareholders of a subsidiary	**123,984**	**–**	**–**	**123,984**
Impairment loss on available-for-sale investment	**–**	**–**	**50,017**	**50,017**
Reversal of impairment loss on amount due from an associate	**–**	**–**	**(1,538)**	**(1,538)**
Imputed interest income on loans to shareholders of a subsidiary	**(22,634)**	**–**	**–**	**(22,634)**
Interest income on bank deposits	**(2,179)**	**–**	**(6)**	**(2,185)**

Other segment information

For the year ended 31 March 2017 (Re-presented)

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to property, plant and equipment	1,170	–	368	1,538
Additions to exploration assets	44,868	–	–	44,868
Depreciation of property, plant and equipment	226	–	575	801
Gain on disposal of property, plant and equipment	(92)	–	–	(92)
Adjustment to carrying amount of the loan to shareholder of a subsidiary	7,856	–	–	7,856
Impairment loss on loan to a shareholder of a subsidiary	156,181	–	–	156,181
Impairment loss on amount due from an associate	–	–	32,289	32,289
Reversal of impairment loss on exploration assets	(400,457)	–	–	(400,457)
Interest income on loan to a shareholder of a subsidiary	(39,138)	–	–	(39,138)
Imputed interest income on loan to a shareholder of a subsidiary	(1,249)	–	–	(1,249)
Interest income on bank deposits	(6,167)	–	–	(6,167)

3A. DISCONTINUED OPERATION

During the year ended 31 March 2018, the Group committed to develop potential mining projects in Pakistan as the Group believes the strategy in Pakistan will provide it with an entry point into the world-class copper and gold mineral resources present in the Chagai area of Balochistan Province, which is recognised as being the host of large copper-gold porphyry. The exploration and development of assets in South Africa and Pakistan will require continuous and substantial financial commitment from the Group in order to advance them into production and a cash generating position. In order to ensure that financial resources are optimally deployed on projects that better serve the Group's interests, the Group has decided to suspend the operation in Indonesia. The Group relinquished the mining licenses held for the mining project in Indonesia. On 2 October 2017, the Group received a letter from Governor of Sulawesi Utara of Indonesia regarding the termination of the mining license held by PT Bolmong Timur Primanusa Resources. On 6 June 2018, the Group received letters which dated on 15 March 2018 from Governor of Sulawesi Utara of Indonesia regarding the termination of the mining licenses held by PT Bulamou Boltium Primas and PT Kotabunan Emas Prima. As a result, the Group has no longer involved in the gold exploration and development in Indonesia and the CODM of the Group has no longer assessed the performance of this segment for the purpose of its resource allocation.

The loss from the discontinued operation for the current and prior year is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented to re-classify performance of the gold exploration and development in Indonesia as a discontinued operation.

	2018	2017
	HK$'000	*HK$'000*
Loss from the gold exploration and development in Indonesia	**(215,881)**	(1,212)
Loss for the year from discontinued operation	**(215,881)**	(1,212)

The results of the gold exploration and development in Indonesia for the current and prior year are as follows:

	2018	2017
	HK$'000	*HK$'000*
Other loss – loss on relinquishment of mining licenses	**(215,832)**	–
Administrative and operating expenses	**(49)**	(1,212)
Loss for the year from discontinued operation	**(215,881)**	(1,212)
Loss for the year attributable to:		
Owner of the Company	**(215,879)**	(1,152)
Non-controlling interest	**(2)**	(60)
	(215,881)	(1,212)

In the opinion of the directors of the Company, the impact of cash flows of the discontinued operation to the Group was immaterial. Therefore, no cashflows information of the discontinued operation is presented.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2018	2017
	HK$'000	*HK$'000*
Other income		
Interest income on loan to a shareholder of a subsidiary	**–**	39,138
Interest income on amount due from an associate	**–**	1,538
Interest income on bank deposits	**2,185**	6,167
Imputed interest income on loans to shareholders of a subsidiary	**22,634**	1,249
Others	**584**	43
	25,403	48,135

	2018	2017
	HK$'000	*HK$'000*
Other gains and losses		
(Loss) gain on disposal of property, plant and equipment	**(176)**	92
Foreign exchange gain, net	**1,132**	–
Adjustment to carrying amount of loan to a shareholder of a subsidiary	**–**	(7,856)
Impairment loss on available-for-sale investment	**(50,017)**	–
Impairment loss on loans to shareholders of a subsidiary	**(123,984)**	(156,181)
Impairment loss on amount due from an associate	**–**	(32,289)
Reverse of impairment loss on amount due from an associate	**1,538**	–
Others	**(38)**	1
	(171,545)	(196,233)

5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the subsidiaries incorporated in Hong Kong have no assessable profits for both years.

Under South African tax law, the corporate tax rate is 28% for both years on taxable profits of South African subsidiaries. No provision for taxation has been made as the subsidiaries in South Africa have no assessable profits for both years.

6. (LOSS) PROFIT FOR THE YEAR

	2018	2017
	HK$'000	*HK$'000*
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**3,557**	3,245
Depreciation of property, plant and equipment	**656**	801
Minimum operating lease payments in respect of rented premises	**2,244**	1,888
Staff costs (including directors' emoluments)		
– Salaries and other benefits	**34,183**	29,521
– Equity-settled share-based payment	**–**	5,058
– Contributions to retirement benefits schemes	**163**	149
	34,346	34,728
Less: Amount capitalised in exploration assets	**(7,237)**	(6,681)
	27,109	28,047

7. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
(Loss) profit		
(Loss) profit for the purposes of calculating basic and diluted (loss) earnings per share		
(Loss) profit for the year attributable to owners of the Company	**(389,047)**	128,217

From continuing operations

The calculation of the basic and diluted (loss) earnings per share from continuing operations attributable to owners of the Company is based on the follow data:

	2018	2017
	HK$'000	*HK$'000*
(Loss) profit is calculated as follows:		
(Loss) profit for the year attributable to the owners of the Company	**(389,047)**	128,217
Add: Loss for the year from discontinued operation	**215,879**	1,152
(Loss) profit for the purpose of calculating basic and diluted (loss) earnings per share from continuing operations	**(173,168)**	129,369

The denominators used are the same as those detailed above for calculating the basic and diluted (loss) earnings per share.

From discontinued operation

Basic and diluted loss per share from discontinued operation is HK1.19 cents (2017: HK0.007 cents) per share, is based on the loss for the year from discontinued operation of approximately HK$215,879,000 (2017: HK$1,152,000) and the denominators detailed above for calculating basic and diluted (loss) earnings per share from continuing operations.

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted (loss) earnings per share	**18,151,472**	15,583,851

The computation of diluted earnings per share for prior year did not account for the impact of adjustment in relation to put options granted by the Company on the profit or loss and the effect of put options on the weighted average number of ordinary shares as they would result in increase in earnings per share.

The computation of diluted earnings per share for prior year did not assume the exercise of the Company's outstanding share options because the exercise price of those share options was higher than the average market price for the Company's shares for prior year.

The computation of diluted loss per share for current year does not assume the exercise of the Company's share options since their assumed exercise would result in a decrease in loss per share from the continuing operations.

8. EXPLORATION ASSETS

	HK$'000
At 1 April 2016	4,039,548
Additions	44,868
Reversal of impairment loss recognised in the profit or loss	400,457
Exchange realignment	38,712
At 31 March 2017	4,523,585
Additions	28,231
Acquired from the acquisition of subsidiaries	183,058
Loss on relinquishment of mining licenses	(215,832)
Exchange realignment	52,204
At 31 March 2018	4,571,246

9. SHARE CAPITAL

	Number of shares	Share capital *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2016, 31 March 2017 and 31 March 2018	30,000,000,000	300,000
Issue and fully paid:		
At 1 April 2016	14,791,170,169	147,912
Issue of new shares under placement	2,974,920,000	29,749
Issue of new shares for potential acquisition on a subsidiary	301,918,288	3,019
Execute of put options by share option holders of a subsidiary	83,463,524	835
At 31 March 2017 and 31 March 2018	18,151,471,981	181,515

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group is principally engaged in investment holding, trading of minerals and exploration, development and mining of gold and associated minerals in Republic of South Africa ("**South Africa**") and Republic of Indonesia ("**Indonesia**").

During the financial year 2017/2018, the Group recorded a loss attributable to owners of the Company of approximately HK$389,047,000 or loss of HK$2.14 cents per share basic, compared with a profit attributable to owners of the Company for the year 2016/2017 of approximately HK$128,217,000 or earnings of HK$0.82 cents per share basic.

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2018 (2017: Nil).

BUSINESS REVIEW

For the year ended 31 March 2018, the Group had no turnover (2017: Nil). The Group recorded a net loss attributable to equity holders of approximately HK$389,047,000 compared with a net profit attributable to equity holders of approximately HK$128,217,000 for the last financial year. The other comprehensive income of approximately HK$79,914,000 (2017 income: HK$75,231,000) mainly arose from the exchange difference on the translation of South African operations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group had no outstanding bank borrowings (2017: Nil) and no banking facilities (2017: Nil). The Group's gearing ratio as at 31 March 2018 was zero (2017: zero), calculated based on the Group's total zero borrowings (2017: zero) over the Group's total assets of approximately HK$5,056,714,000 (2017: HK$5,386,307,000).

As at 31 March 2018, the balance of cash and cash equivalents of the Group was approximately HK$162,906,000 (2017: HK$383,894,000) and were mainly denominated in Hong Kong Dollars and South African Rand. The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship so as to minimize risks to its business.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 March 2018, the Group operated mainly in the South Africa and Indonesia, and the majority of the Group's transactions and balances were denominated in Hong Kong Dollars, United States Dollars, Renminbi and South African Rand. However, as the directors consider that the currency risk is not significant, the Group does not have a policy of hedging foreign currency.

Nevertheless, the Company's management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should this be deemed prudent.

REVIEW OF BUSINESS OPERATIONS

During the period under review the Group did not carry out any field exploration activities and its attention was focused on the following:

- Securing the Mining Right for the Jeanette Project, including activities associated with the Social & Labour Plan ("**SLP**") in the communities surrounding the project;

- Advancing the commercial arrangements for the Design & Build Contract and financing for the Evander Project; and

- Corporate activity with respect to the Pakistan Projects.

As at 31 March 2018 the Company had not conducted any mining or production activities.

The Evander Project

The Evander Project comprises the Six Shaft area and the Twistdraai area on the northeastern limb of the Witwatersrand Basin, Mpumalanga Province, South Africa. Evander Gold Mines Limited ("**EGM**") held the Mining Right No. 107/2010. The Mining Right No. 107/2010 was registered in the name of Taung Gold Secunda (Pty) Limited ("**TGS**") in December 2013 and permits the mining of gold and associated minerals in the Six Shaft and Twistdraai area.

The Evander Bankable Feasibility Study

The BFS for the project targeted a Measured and Indicated Resource of 19.85 million tons of Kimberley Reef at an average gold grade of 8.47g/t (measured over a mining width of 112cm), containing 5.41 million ounces of gold. On 16 May 2016, the Company declared a maiden Mineral Reserve (Probable Reserve) from the Evander Project's Kimberley Reef horizon of 4.29 million ounces of gold, from 19.64 million tons of ore at an average head grade of 6.80 g/t. On 12 September 2016, the Company announced the BFS for the Evander Project and highlights from the results are as follow:

Evander Project BFS Highlights

Annual Gold Recovered at Full Production	309,000 oz
Gold Recovered over Life of Project	4,113,000 oz
Recovered Grade over Life of Project	6.51 g/t
Initial Construction Capital Cost Estimate	US$579.3m
Total Capital Cost over Life of Project	US$714.7m
Capital Efficiency	US$2,696/oz
After-tax Net Present Value ("**NPV**") at 5% Discount Rate	US$724.8m
After-tax Internal Rate of Return ("**IRR**")	17.6%
Life of Mine	20 years
Payback	3.6 years
Cash Operating Costs	US$486/oz
All in Sustaining Costs ("**AISC**")	US$583/oz
All in Costs ("**AIC**")	US$724/oz

Notes:

1. Financials calculated using a gold price of $1,290/oz and an exchange rate of US$1.00 = ZAR14.00.

2. Capital Efficiency is calculated as total capital cost divided by average annual gold production over the production life of mine.

3. Payback calculated from date of first production.

4. US$/oz cost definitions as per World Gold Council Guidance Note on AISC and AIC costs – 27 June 2013.

Turnberry Projects (Pty) Limited ("**Turnberry**"), an independent South African based consultancy, was the lead independent consultant for the BFS, which has an effective date of 29 February 2016. All estimates in this result announcement have been extracted from the BFS report dated 29 February 2016. The engineering, design, scheduling and original capital and operating cost estimating work for the Project was carried out in South Africa by various independent professional consultants under the leadership of Turnberry. As a part of its review process, the Company engaged China ENFI Engineering Corporation Limited, a subsidiary of Metallurgical Corporation of China Limited ("**MCC**"), to investigate further capital cost and construction scheduling optimization. Accordingly, the BFS results include the results of this optimization.

Evander Project Summary

The Evander Project is located close to the town of Secunda, 120km south-east of Johannesburg, in the Mpumalanga Province of South Africa. The Project was acquired from Evander Gold Mining Company Limited ("**EGM**"), then a subsidiary of Harmony Gold Mining Company Limited, in September 2010. The Mining Right over the project area was registered in the name of TGS in the Mineral and Petroleum Titles Registration Office in November 2013. The Project is located in an established gold and coal mining region in close proximity to road, power and water & sanitation infrastructure and, which is well served with other necessary services.

The Project is comprised of the following:

- Existing vertical shaft infrastructure that will be rehabilitated and extended to access the substantial high grade Mineral Resource and Reserve;

- Construction of a metallurgical processing plant that will treat all underground ore and produce gold doré bars for refining into 99.99% purity bullion at the Rand Refinery Limited;

- Establishment and construction of the associated infrastructure required to support operations and enable disposal of waste materials in accordance with internationally accepted standards;

- At full production, the Project is estimated to produce an average of 309,000 ounces per annum at a recovered grade of 6.75 g/t with Cash Costs of US$486/oz; and

- In its year of peak production, the Project is estimated to produce approximately 338,000 ounces of gold at a recovered grade of 7.41 g/t with cash costs of US$402/oz.

The project will involve the following activities to develop and bring the underground mine into production:

- Re-establishment of the existing surface area and provision of required infrastructure and services including electrical power, water and water disposal;

- Dewatering and re-commissioning of the existing main shaft and re-commissioning of the ventilation shaft;

- Deepening of the existing main and ventilation shafts to their final depths; and

- Development of the Kimberley Reef and the generation of ore reserves.

On 17 June 2015, TGS entered into a Water Disposal Agreement with EGM relating to the disposal of excess mine water into EGM's Leeuwpan evaporation facility. This Water Disposal Agreement eliminates the need for a more capital intensive and higher operating cost water disposal solution.

During the period under review, TGS commenced investigations into an alternative Tailings Storage Facility ("**TSF**") because of changes in the human settlement patterns in close proximity to TGS's planned TSF and, the resultant socio-economic and environmental impact thereon. On 30 November 2017, TGS entered into an agreement with Evander Gold Mines (Pty) Limited ("**EGM**") through which TGS will be able to deposit tailings from the Evander Project onto EGM's new Elikhulu TSF which is a new facility for EGM's tailings retreatment project. TGS paid a deposit of ZAR10.0m to EGM and will pay further considerations as follows:

- ZAR40m upon the later of the coming into effect of the Design and Build agreement and the securing of completion financing for the Evander Project; and

- ZAR60m upon completion of cold commissioning of the processing plant and tailings pipelines.

The agreement with EGM provides TGS with an improved solution to tailings disposal for the following reasons:

- TGS will not build a TSF and will therefore no longer be required to submit the application for the construction of a TSF. EGM's TSF is already approved. This significantly simplifies the amendment of the Environmental Impact Assessment ("**EIA**") for the Mining Right;

- The pipeline servitudes for the agreement with EGM will run along the same route as those for the Water Disposal Agreement with EGM and the environmental permitting to include the TSF pipeline will therefore be much simpler; and

- The agreement with EGM brings economies of scale to TGS's tailings disposal since EGM's TSF is much larger and therefore has lower capital and operating unit costs. The resultant capital cost for TGS reduces from ZAR210m to ZAR125m (including the cost of the tailings pipelines), a saving of ZAR85m and the operating cost will reduce from approximately ZAR3.48/t to ZAR1.91/t of tailings placed.

TGS had entered into Option Agreements with the holders of surface and mineral rights whereby TGS secured the right to acquire such surface and mineral rights for the purpose of establishing a TSF site. On 31 March 2017, TGS exercised the option to acquire 100% of the shares in Holfontein Investments (Pty) Limited ("**HIL**"), the holder of the Mining Right for coal in the area of TGS's proposed TSF site and the completion of the transfer of the shares in HIL to TGS took place on 20 June 2017. On 5 June 2017, TGS also exercised its option to acquire the respective surface rights for the proposed TSF area from Orambamba 48 (Pty) Limited. However, as a result of the changes in the human settlement patterns which are in close proximity to the proposed TSF site and within the surface right area, TGS has terminated the agreement to acquire the surface rights. The bank guarantee of ZAR19.6m provided by TGS to the vendor of the surface rights has also been recovered.

The entering into of the agreement with EGM for tailings disposal also means that TGS is able to dispose of its interest in HIL and a process is being initiated to sell the company, whose sole asset is the Mining Right for coal. It is expected that the sale of the asset will take 6-9 months to conclude.

The full EIA for the project is being amended to reflect the positive changes regarding tailings disposal and an application to the Department of Mineral Resources ("**DMR**") will lead to subsequent amendment of the Mining Works Program and Environmental Authorization that form part of the Evander Project Mining Right held by TGS.

Expenditure on the Evander Project for the year ended 31 March 2018 was as follows:

	ZAR million
Consultants & Service providers	4.63
Staffing	7.47
Business Development	10.0
Overheads	1.81
Total	23.91

The Jeanette Project

The Jeanette Project is located close to the town of Allanridge within the southwest margin of the Witwatersrand Basin, northeast of Welkom, in the Free State Province of South Africa. Taung Gold Free State (Pty) Limited ("**TGFS**"), a wholly-owned subsidiary of Taung Gold (Pty) Limited is the holder of the Mining Right over the Jeanette Project.

During 2014, TGFS submitted a Section 102 application to consolidate various prospecting rights into a single prospecting right using the Jeanette Prospecting Right as the basis for such consolidation. As the holder of the Prospecting Rights that make up the Jeanette Project, TGFS had an exclusive right to apply for the Mining Right over the Jeanette project area. On 19 June 2015 TGFS applied for a mining right over the consolidated area. As part of the application for a Mining Right, a Mining Work Program ("**MWP**"), Social and Labour Plan ("**SLP**") and an EIA together with an Environmental Management Program ("**EMP**") were submitted for approval. The EA for the Jeanette Project was approved on 20 December 2016 and the Ministerial consent for the Mining Right was granted on 25 June 2017. The Mining Right for the Jeanette Project was registered in the name of TGFS on 6 December 2017.

Subsequent to the end of the period under review, on 28 April 2018, the Company entered into a Service Contract with MCCI to carry out a Feasibility Study for the Jeanette Project. The study will be carried out in accordance with the "Principles for the Formulation of feasibility Report for Projects in the Non-ferrous Metals Industry (October 2001) and the specific conditions for the Jeanette Project. The specific conditions include, amongst others, the mandatory standards and specifications as required under prevailing South African legislation and accepted industry practice. It is reasonably expected that the study will be completed by December 2018 and that the results thereof will be announced during early 2019.

The application for an Integrated Water Use License ("**WUL**") for the Jeanette Project will only be submitted on completion of the Feasibility Study for the Project.

Jeanette Project Description

The PFS for the Jeanette Project targeted a Measured and Indicated Resource of 13.1 million tons of Basal Reef at an average gold grade of 22.41 g/t (measure over a reef channel width of 38cm), containing 9.4 million ounces of gold. On 23 May 2016, the Company declared a maiden Mineral Reserve (Probable Reserve) at its Jeanette Project of 7.12 million ounces of gold, from 19.21 million tons of ore at an average head grade of 11.52 g/t. The modifying factors used to determine the Probable Reserve were based on mining methods that have been designed to eliminate the technical risks associated with the Khaki Shale proximally above the Basal Reef and which have been designed and reviewed by independent industry experts to a PFS level. The drilling and three-dimensional seismic reflection survey work carried out during 2011 and 2012 resulted in a revised geological model for the Basal Reef and, in particular, revealed that the target area is shallower dipping and therefore amenable to mechanized mining methods. The application of mechanized mining methods in the mine design and scheduling has therefore resulted in significant reductions in the various dilution factors, when compared to traditional non-mechanized mining methods and, this is reflected in the Probable Reserve grade. These mining methods will be subject to additional and more detailed design at the BFS level of project study.

On 9 March 2017, the Company announced an update on positive PFS results for the Jeanette Project and the highlights from these results are as follow:

Jeanette Project PFS Highlights

Gold Recovered over Life of Project	7.243Moz
Initial Construction Capital Cost Estimate	US$759.0m
Peak Funding	US$723.8m
Total Capital Cost over Life of Project	US$1,090.4m
Capital Efficiency	US$3,312/oz
After-tax NPV at 5% Discount rate	US$1,550.5m
After-Tax IRR	20.3%
Life of Mine	24 years
Payback	6.9 years
Cash Operating Costs	US$343/oz
Profit Margin	57.97%
All in Sustaining Costs	US$392/oz
All in Costs	US$542/oz

Notes:

1. Financials calculated using a gold price of $1,290/oz and an exchange rate of US$1.00 = ZAR14.00.

2. Capital Efficiency is calculated as total capital cost divided by average annual gold production over the production life of mine.

3. Payback calculated from date of first production.

Minxcon Projects (Proprietary) Limited ("**Minxcon**"), an independent South African-based consultancy, was the lead independent consultant for the PFS. All estimates in this announcement have been extracted from the PFS Report which has an effective date of 29 February 2016. The engineering, design, scheduling and capital and operating cost estimating work for the Project was carried out in South Africa by various independent professional consultants under the leadership of Minxcon. TGL has also completed an internal review of the Project.

Jeanette Project Summary

The Jeanette Project is located close to the town of Welkom, 270km south-west of Johannesburg, in the Free State Province of South Africa. The Project was acquired from ARMGold/Harmony Freegold Joint Venture Company (Pty) Limited, in December 2009. The Prospecting Right over the project area was registered in the name of TGFS in the Mineral and Petroleum Titles Registration Office in November 2013. The Project is located in an established gold producing region in close proximity to road, power and water & sanitation infrastructure and, which is well served with other necessary services. The Project is comprised of the following:

- Existing vertical shaft infrastructure that will be rehabilitated and extended to access the Mineral Resource and Reserve;

- Construction of a metallurgical processing plant that will treat all underground ore and produce gold doré bars for refining into 99.99% purity bullion at the Rand Refinery Limited;

- Establishment and construction of the associated infrastructure required to support operations and enable disposal of waste materials in accordance with internationally accepted standards; and

- At full production, the Project is estimated to produce an average of 418,000 ounces per annum at a recovered grade of 11.24 g/t with cash costs of US$325/oz.

In its year of peak production, the Project is estimated to produce approximately 448,000 ounces of gold at a recovered grade of 11.07 g/t with cash costs of US$343/oz.

Studies on the nature of the Basal Reef and the proximity of the overlying Khaki Shale show that a relatively high level of mechanized mining can be implemented; the level of mechanization being determined by the Basal Reef and Khaki Shale characteristics in different areas of the resource. Detailed studies have been conducted as a part of the PFS to properly assess geotechnical and other mining related aspects of such mechanization and the study will propose various extraction options, from which the most suitable approach will be selected to proceed to BFS level. The mechanization approach opens up the opportunity to mine the Basal Reef with significantly less waste dilution than would typically be associated with conventional mining methods and this has a significant positive impact in terms of increased head grade, reduced ore handling and hoisting requirements and, lower metallurgical processing costs.

Expenditure on the Jeanette Project for the year ended 31 March 2018 was as follows:

	ZAR million
Consultants & Service Providers	2.14
Staffing	2.45
Overheads	0.93
Total	5.52

Minex and the Indonesian Assets (the "Minex Project")

As disclosed in the Company's interim report for the six months ended 30 September 2017, following the Board's decision to downsize its Indonesia mining operations, the licence in the name of PTB TPR was relinquished and a termination letter to this effect was issued by the Governor of Sulawesi Utara on 2 October 2017. Further, on 6 June 2018, as disclosed in an announcement on 19 June 2018, the Company was informed that two termination letters in respect of the cancellation of the licences held in the name of PT BBP and PT KEP issued by the Governor of Sulawesi Utara were received. Following the two letters, all the Company's mining licenses in Indonesia have been cancelled and subsequently, the carrying value of the Minex Project as at 31 March 2018 of approximately HK$215,881,000 is written-off in the consolidated financial statements of the Company for the year ended 31 March 2018.

FUTURE PLANS FOR THE EVANDER PROJECT, THE JEANETTE PROJECT AND THE MINEX PROJECT

The Evander Project

As previously reported, the Company entered into a framework agreement with MCC International Incorporation Limited ("**MCCI**"), a subsidiary of MCC, on 23 October 2014 with the objective of entering into an engineering, procurement and construction contract for the Project.

In 2016, the Company announced the results of the BFS for the Evander Project and thereafter discussions with MCCI turned to contractual arrangements for the construction phase. The Company and MCCI agreed that the contractual arrangements for the construction phase would be based on one of the standard forms of contract as published by the International Federation of Consulting Engineers ("**FIDIC**"). It was subsequently agreed that the form of contract would be primarily based on the FIDIC Yellow Book and the parties then agreed to develop the necessary Employer Requirements Document which details the Scope of Work, Work Breakdown Structure and the various Work Packages. Importantly, this document also details the roles and responsibilities of each of the Employer (the Company) and the Contractor (MCCI) and forms the basis for the contractual arrangements. The Company and MCCI are now discussing the commercial arrangements for the contract and it is anticipated that these discussions will reach a conclusion in the next few months. Upon finalization of a commercial offer from MCCI, a binding terms sheet will be executed and discussions will commence with respect to the equity and debt financing for the Evander Project.

The full EIA for the project is being amended to reflect the positive changes regarding tailings disposal and an application to the Department of Mineral Resources ("**DMR**") will lead to subsequent amendment of the Mining Works Program and Environmental Authorization that form part of the Evander Project Mining Right held by TGS. The application for the Integrated Water Use License ("**IWUL**") will be submitted to also reflect the changes with respect to the tailings disposal strategy.

An EIA for the dewatering phase of the project has been approved and an application for a WUL for the dewatering phase of the project was submitted to the relevant authority on 19 September 2016 and approval was received on 11 October 2017.

The Jeanette Project

The Mining Right for the Jeanette Project was registered in the name of TGFS on 6 December 2017.

Subsequent to the end of the period under review, on 28 April 2018, the Company entered into a Service Contract with MCCI to carry out a Feasibility Study for the Jeanette Project. The study will be carried out in accordance with the "Principles for the Formulation of feasibility Report for Projects in the Non-ferrous Metals Industry (October 2001) and the specific conditions for the Jeanette Project. The specific conditions include, amongst others, the mandatory standards and specifications as required under prevailing South African legislation and accepted industry practice. It is reasonably expected that the study will be completed by December 2018 and that the results thereof will be announced during early 2019. Thereafter, it is intended that the Company and MCCI will negotiate with potential equity investors and Chinese banks to arrange equity and debt financing for the project.

An application for a water use license ("**WUL**") for the Jeanette Project will only be prepared for submission upon completion of the BFS.

The Company is considering the way forward with regards to the construction phase of the Evander Project and continues to review its financial position given the uncertainty and volatility in global financial markets. However, gold continues to present safe haven characteristics and the prevailing global economic and socio-political circumstances appear to bode well for continued longer term improvement in the price of gold.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance. Throughout the year ended 31 March 2018, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 March 2018.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "**Written Guidelines**") for securities transactions by the relevant employees, including the Directors, who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Written Guidelines by the relevant employees was noted by the Company.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions as set out in the Code of the Listing Rules. The audit committee comprises three independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group, and to review the Company's annual and interim reports.

The audit committee has reviewed the annual results of the Group for the year ended 31 March 2018.

OTHER BOARD COMMITTEES

Besides the Audit Committee, the Board has also established Remuneration Committee, Nomination Committee and Technical, Safety & Environment Committee as at 31 March 2018. Each Committee has its defined scope of duties and written terms of reference.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of shares or other listed securities of the Company or by any of its subsidiaries during the year.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk under "Latest Listed Companies Information" and on the website of the Company at www.taunggold.com under "Investors & media". The annual report of the Company containing all the information required by the Listing Rules will be published on the relevant websites in due course.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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

Hong Kong, 28 June 2018

As at the date of this announcement, the Board comprises eight Directors. The Executive Directors are Mr. Li Hok Yin, Mr. Christiaan Rudolph de Wet de Bruin, Ms. Cheung Pak Sum and Mr. Phen Chun Shing Vincent. The Independent Non-executive Directors are Mr. Chong Man Hung Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang.