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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)

**FURTHER DELAY IN DESPATCH OF CIRCULAR –
VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE
ENGINEERING PROCUREMENT AND CONSTRUCTION CONTRACT
FOR JEANETTE GOLD PROJECT (PHASE 1)**

Reference is made to (i) the announcement and supplementary announcement of Taung Gold International Limited (the “**Company**”) dated 30 December 2019 and 20 May 2020, respectively, in relation to, *inter alia*, the EPC Contract and the additional information in relation to the transactions contemplated under the EPC Contract (the “**Announcements**”); and (ii) the announcements of the Company dated 30 April 2021, 23 December 2021 and 22 December 2022 (the “**Third Delay Announcement**”) respectively, in relation to the delay in despatch of the Circular (the “**Delay Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Delay Announcements.

As set out in the Third Delay Announcement, the Circular containing, amongst other things, information required under the Listing Rules regarding the EPC Contract, the First Supplementary Agreement and the Lump Sum Offer Supplementary Agreement, and the notice of the SGM, was expected to be despatched to Shareholders on or before 31 December 2023.

As set out in the EPC Contract and the Lump Sum Offer Supplementary Agreement, in order to ascertain the amount of the Lump Sum Offer, the Group and MCC previously agreed to commence with the Basic Design for the Project. The Company has been continuously liaising with MCC regarding the commencement of the Basic Design. Following the full easing of PRC travel restrictions since January 2023, the Company’s management has immediately discussed the arrangement on potential fund raising, resumption of Basic Design of the EPC Contract with MCC and also resumed in-person visits to MCC and the Project site in South Africa. The negotiations with potential financiers have also been re-commenced with a view to securing financing and finalizing funding plans upon, or as close as possible after, completion of the Basic Design.

FUTURE PLANS

The purpose of the EPC contract is to facilitate the commencement of the development of the Jeanette mine. EPC contracts are project finance documents that establish a contractual framework between owner and contractor in terms of which design and construction risk is transferred to the contractor. It therefore regulates the basis on which MCC will be required to provide the necessary resources to make mine development possible. In addition to the technical and human resources aspects, the Company and MCC will work together to source financing for the construction and commissioning of the Project. The Company and MCC have been negotiating the scope of the Basic Design, which is expected to take 9 to 12 months. The negotiations with potential financiers will also be re-commenced with a view to securing financing and finalizing funding plans upon, or as close as possible after, completion of the Basic Design. The entire process of Basic Design and the arrangement of financing should reasonably be completed within approximately 12 to 18 months.

According to the current EPC contract, the construction and development of Phase 1 of the Jeanette mine should last approximately four years.

As additional time is required for the Basic Design and to (i) prepare for the finalization of the Lump Sum Offer, potential financing arrangements, entering into the Lump Sum Offer Supplementary Agreement, which is expected to take place by December 2024; and (ii) to finalize the content of the Circular, the despatch of the Circular and the notice of the SGM will be postponed to on or before 31 December 2024.

By Order of the Board
Taung Gold International Limited
Cheung Pak Sum
Chairman

Hong Kong, 29 December 2023

As at the date of this announcement, the executive directors of the Company are Ms. Cheung Pak Sum (Chairman) 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 purposes only*