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 2023

ANNUAL 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 2023, together with the comparative figures for the year ended 31 March 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2023

	Notes	**2023** ***HK$'000***	2022 *HK$'000*
Other income	4	**2,087**	1,045
Other gains and losses, net	4	**(17,951)**	(1,067)
Administrative and operating expenses		**(28,038)**	(34,866)
Finance costs		**(1,317)**	(1,431)
Impairment loss on other receivable		**(8,364)**	(21,636)
Reversal of impairment loss on mining assets	8	**–**	125,148
Share of results of associates		**779**	(12)
(Loss)/profit before taxation		**(52,804)**	67,181
Income tax expense	5	**–**	–
(Loss)/profit for the year	6	**(52,804)**	67,181
Other comprehensive (expense)/income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(564,021)**	64,655
Total comprehensive (expense)/income for the year		**(616,825)**	131,836

* *For identification purpose only*

	Notes	**2023**	2022
		HK$'000	*HK$'000*
(Loss)/profit for the year attributable to:			
– Owners of the Company		**(45,985)**	45,147
– Non-controlling interests		**(6,819)**	22,034
		(52,804)	67,181
Total comprehensive (expense)/income attributable to:			
– Owners of the Company		**(491,377)**	96,009
– Non-controlling interests		**(125,448)**	35,827
		(616,825)	131,836
(Loss)/earnings per share	7		
– Basic and diluted (loss)/earnings per share *(HK cents)*		**(0.25)**	0.25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Non-current assets			
Property, plant and equipment		**1,789**	2,341
Mining assets	8	**2,652,928**	3,205,370
Right-of-use assets		**291**	1,457
Interests in associates		**1,269**	490
Financial assets at fair value through profit or loss		**26,727**	52,536
Rental deposit		**–**	425
Pledged bank deposits		**635**	764
		2,683,639	3,263,383
Current assets			
Other receivables, prepayment and deposits		**5,344**	14,171
Bank balances and cash		**136,708**	163,168
		142,052	177,339
Current liabilities			
Lease liabilities		**282**	1,189
Other payables and accruals		**8,043**	6,652
		8,325	7,841
Net current assets		**133,727**	169,498
Total assets less current liabilities		**2,817,366**	3,432,881
Non-current liabilities			
Lease liabilities		**–**	282
Provision for rehabilitation costs		**13,146**	11,554
		13,146	11,836
Net assets		**2,804,220**	3,421,045

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Capital and reserves			
Share capital	9	**181,515**	181,515
Reserves		**2,067,005**	2,558,382
Equity attributable to owners of the Company		**2,248,520**	2,739,897
Non-controlling interests		**555,700**	681,148
Total equity		**2,804,220**	3,421,045

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. GENERAL INFORMATION

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 Victoria Place, 5th Floor, 31 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 minerals and exploration, development and mining of gold and associated minerals. The Company and its subsidiaries are collectively referred to as the Group.

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

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current period

The Group had applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

New and amendments to HKFRSs in issue but not yet effective

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures	Amendments to the Classification and Measurement of Financial Instruments[4]
HKFRS 18	Presentation and Disclosure in Financial Statements[5]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.
4 Effective for annual periods beginning on or after 1 January 2026.
5 Effective for annual periods beginning on or after 1 January 2027.
6 Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 Financial instruments and HKFRS 7 Financial instruments: disclosures "Amendments to the classification and measurement of financial instruments"

The amendments include requirements on:

- classification of financial assets with environmental, social or governance (ESG) targets and similar features;

- settlement of financial liabilities through electronic payment systems; and

- disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The directors of the Company will assess the impact on the application of the amendments. Based on preliminary review of the Group's financial instruments, the application of the amendments is not expected to have impact on the financial position or performance of the Group but may affect the disclosures in the consolidated financial statements.

HKFRS 18 Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 and aims to improve the transparency and comparability of information about an entity's financial performance. The main changes comprise a more structured income statement, an enhanced disclosure requirements on management-defined performance measures ("**MPMs**") and enhanced requirements on aggregation and disaggregation of information.

The directors of the Company will assess the impact on the application of HKFRS 18. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 18 on the presentation of the Group's performance in the consolidated statement of profit or loss and other comprehensive income until the Group performs a detailed review.

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 Republic of South Africa ("**South Africa**"); and

(b) trading of minerals.

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

Segment revenue and results

The following is an analysis of the Group's revenue and results of the Group's operating and reportable segments.

For the year ended 31 March 2023

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
REVENUE			
External sales	–	–	–
Segment loss	**(31,836)**	–	**(31,836)**
Unallocated other income			**1,244**
Unallocated corporate expenses			**(14,589)**
Finance costs – interest on lease liabilities			**(38)**
Impairment loss on other receivables			**(8,364)**
Share of results of associates			**779**
Loss before taxation			**(52,804)**

For the year ended 31 March 2022

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
REVENUE			
External sales	–	–	–
Segment profit	102,864	–	102,864
Unallocated other income			1,020
Unallocated corporate expenses			(14,992)
Finance costs – interest on lease liabilities			(63)
Impairment loss on other receivables			(21,636)
Share of results of associates			(12)
Profit before taxation			67,181

The accounting policies of the operating and reportable segment are the same as the Group's accounting policies. Segment (loss)/profit during the years ended 31 March 2023 and 2022 represents (loss)/profit from the segment without allocation of certain other income, central administrative expenses, interest on lease liabilities, impairment loss on other receivables and share of results of associates. This is the measure reported to the CODM for the purposes of resources 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 2023

	Gold exploration and development in South Africa ***HK$'000***	**Trading of minerals** ***HK$'000***	**Total** ***HK$'000***
ASSETS			
Segment assets	**2,686,238**	**–**	**2,686,238**
Property, plant and equipment			**308**
Right-of-use assets			**291**
Interests in associates			**1,269**
Other receivables, prepayment and deposits			**1,807**
Bank balances and cash			**135,778**
Consolidated assets			**2,825,691**
LIABILITIES			
Segment liabilities	**15,777**	**–**	**15,777**
Other payables and accruals			**5,412**
Lease liabilities			**282**
Consolidated liabilities			**21,471**

At 31 March 2022

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
ASSETS			
Segment assets	3,265,434	–	3,265,434
Property, plant and equipment			561
Right-of-use assets			1,457
Interests in associates			490
Other receivables, prepayment and deposits			10,152
Bank balances and cash			162,628
Consolidated assets			3,440,722
LIABILITIES			
Segment liabilities	14,485	–	14,485
Other payables and accruals			3,721
Lease liabilities			1,471
Consolidated liabilities			19,677

For the purpose of monitoring segment performance of and allocating resources for the segment:

- all assets are allocated to operating and reportable segment, other than certain property, plant and equipment, right-of-use assets, interests in associates, certain other receivables, prepayment and deposits and certain bank balances and cash.

- all liabilities are allocated to operating and reportable segment other than certain other payables and accruals and lease liabilities.

4. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2023 ***HK$'000***	2022 *HK$'000*
Other income		
Rental income	**167**	110
Interest income on bank deposits	**1,808**	730
Interest income on rental deposit	**14**	14
Others	**98**	191
	2,087	1,045
Other gains and losses, net		
Foreign exchange (loss)/gain, net	**(503)**	2,215
Fair value loss on financial assets at fair value through profit or loss	**(17,448)**	(3,282)
	(17,951)	(1,067)

5. INCOME TAX EXPENSE

Hong Kong Profits Tax for both years was calculated at 16.5% on the estimated assessable profits of the subsidiaries incorporated and operating in Hong Kong for the year. No provision for Hong Kong Profits Tax was made as these subsidiaries had no assessable profits for both years.

Under South African tax laws, the corporate tax for both years was calculated at 28% on the estimated assessable profits of the subsidiaries incorporated and operating in South Africa for the year. No provision for South African profits tax was made as these subsidiaries had no assessable profits for both years.

6. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging/(crediting):

	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration		
– Auditor of the Company	**1,850**	1,000
– Other auditor	**1,635**	711
	3,485	1,711
Depreciation of property, plant and equipment	**294**	364
Depreciation of right-of-use assets	**1,166**	1,210
Change in provision for rehabilitation costs (included in administrative and operating expenses)	**2,101**	1,711
Impairment loss on other receivables	**8,364**	21,636
Staff costs (including directors' emoluments)		
– Salaries and other benefits *(Note)*	**13,515**	14,093
– Contributions to retirement benefits scheme	**155**	144
	13,670	14,237
Less: Amount capitalised in mining assets	**(4,374)**	(4,701)
	9,296	9,536

Note: During the year ended 31 March 2023, the Group received Covid-19 related government grants of HK$240,000 (2022: Nil) which has been offset against staff costs.

7. (LOSS)/EARNINGS PER SHARE

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

	2023	2022
	HK$'000	*HK$'000*
(Loss)/profit attributable to owners of the Company		
(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	**(45,985)**	45,147

	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted (loss)/earnings per share	**18,035,062**	18,035,062

The weighted average number of ordinary shares for the purpose of calculating basis and diluted (loss)/earnings per share for the years ended 31 March 2023 and 2022 has been adjusted for the number of ordinary shares held by the Company during the reporting period.

For the years ended 31 March 2023 and 2022, diluted (loss)/earnings per share equals basic (loss)/earnings per share as there were no outstanding potential ordinary shares.

8. MINING ASSETS

	HK$'000
Mining assets	
At 1 April 2021	3,022,642
Reversal of impairment loss	125,148
Additions	7,793
Change in provision for rehabilitation costs	(318)
Exchange realignment	50,105
At 31 March 2022	3,205,370
Additions	7,304
Change in provision for rehabilitation costs	385
Exchange realignment	(560,131)
At 31 March 2023	2,652,928

9. SHARE CAPITAL

	Number of shares	**Share capital** *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	30,000,000,000	300,000
Issue and fully paid:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	18,151,471,981	181,515

All shares ranked *pari passu* in all respects with other shares in issue.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2023

Reference is made to the announcement of the Company dated 21 July 2023 in relation to the unaudited annual results of the Company for the year ended 31 March 2023 (the "**2023 Unaudited Annual Results Announcement**"). Since the financial information contained in the 2023 Unaudited Annual Results Announcement was not audited by the Group's auditor as at the date of its publication and subsequent adjustments have been made to such information upon completion of the auditing process, shareholders and potential investors of the Company are advised to pay attention to the following differences between the financial information of the audited annual results of the Group for the year ended 31 March 2023 disclosed in this announcement and that disclosed in the 2023 Unaudited Annual Results Announcement. Set out below are details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules:

Items for the year ended 31 March 2023/as at 31 March 2023	**Disclosure in this audited annual results announcement**	**Disclosure in the 2023 Unaudited Annual Results Announcement**	**Difference**	
	HK$'000	*HK$'000*	*HK$'000*	*Notes*
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Other gains and losses, net	(17,951)	(502)	(17,449)	1
Administrative and operating expenses	(28,038)	(24,122)	(3,916)	2
Share of results of associates	779	(12)	791	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Non-current assets				
Mining assets	2,652,928	2,655,385	(2,457)	2
Interests in associates	1,269	478	791	3
Financial assets at fair value through profit or loss	26,727	43,406	(16,679)	1
Current liabilities				
Other payables and accruals	8,043	6,520	1,523	4
Capital and reserves				
Reserves	2,067,005	2,084,274	(17,269)	5
Non-controlling interests	555,700	558,235	(2,535)	6

Notes:

1. The difference was due to fair value loss on financial assets at fair value through profit or loss of approximately ZAR37.7 million. The amount of HK$17.4 million was recognized in the profit or loss at the average exchange rate of HK$1:ZAR0.4630. The change in amount of HK$16.7 million in these assets recognised on the consolidated statement of financial position is also due to the fair value loss recognised at closing exchange rate of HK$1:ZAR0.4426.

   The financial assets at fair value through profit or loss included two loans to shareholders of which the repayment depended on the cashflow projection of the Company's mining assets. The fair value was assessed by a discounted cash flow model. With the updated cash flow projection of the mining assets by Minxcon, which was not available at the time of the issuance of unaudited result, a fair value loss of approximately ZAR37.7 million was recognized in the audited results.

2. The increase of HK$3,916,000 in administrative and operating expenses included an exchange adjustment of approximately HK$2,457,000; and provision of audit fee of the auditor of approximately HK$1,459,000.

3. The difference was due to late adjustment in interests in associates for an amount of approximately HK$791,000.

4. The difference mainly included the provision of additional audit fee of HK$1,459,000 and other professional expenses in relation to the audit of 2023 financial statements.

5. The difference in reserves was mainly a result of the fair value loss of financial assets at fair value through profit or loss in note 1 above.

6. The difference in non-controlling interest was mainly due to the non-controlling interest's share of the fair value loss from financial assets at fair value through profit or loss recognised for the South Africa subsidiaries.

Save as disclosed in this announcement and the corresponding adjustments related to the above material differences, there is no material change in other information contained in the 2023 Unaudited Annual Results Announcement.

The audited consolidated financial statements of the Group for the year ended 31 March 2023 have been reviewed by the Audit Committee of the Company and were approved by the Board on 20 September 2024.

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 South Africa.

During the financial year ended 31 March 2023, the Group recorded a basic loss attributable to owners of the Company of approximately HK$45,985,000 or basic loss of HK0.25 cents per share, compared with a basic profit attributable to owners of the Company for the year ended 31 March 2022 of approximately HK$45,147,000 or basic earnings of HK0.25 cents per share.

DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2023 (2022: Nil).

BUSINESS REVIEW

For the year ended 31 March 2023, the Group had no turnover (2022: Nil). The Group recorded a net loss attributable to equity holders of approximately HK$45,985,000 compared with a net profit attributable to equity holders of approximately HK$45,147,000 for the previous financial year. The other comprehensive expense of approximately HK$564,021,000 (2022 income: HK$64,655,000) mainly arose from the exchange difference on the translation of South African operations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2023, the Group had no outstanding bank borrowings (2022: Nil) and no banking facilities (2022: Nil). The Group's gearing ratio as at 31 March 2023 was zero (2022: zero), calculated based on the Group's total zero borrowings (2022: zero) over the Group's total assets of approximately HK$2,825,691,000 (2022: HK$3,440,722,000).

As at 31 March 2023, the balance of cash and cash equivalents of the Group was approximately HK$136,708,000 (2022: HK$163,168,000) and was mainly denominated in HK$, US$ and South African Rand ("**ZAR**"). 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 2023, the Group operated mainly in South Africa, and the majority of the Group's transactions and balances were denominated in HK$, US$, Renminbi and ZAR. However, as the directors consider that the present 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 foreign currency exposure should this be deemed prudent.

REVIEW OF BUSINESS OPERATIONS

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

- A multi-disciplinary workshop chaired by the Group's mining consultants to formulate proposals that could further enhance the Jeanette Project economics and optimize the Jeanette Project plan, including by reducing capital requirements, peak funding and the lead-time to production through the use of vertical access and possible synergies with neighbouring infrastructure. The external workshop was followed by a number of internal workshops, which further developed the range of options to achieve the above objectives;

- Advancing the Engineering, Procurement and Construction Contract ("**EPC Contract**") with Metallurgical Corporation of China Ltd ("**MCC**") for the Jeanette Project;

- Implementing activities under the second Social & Labour Plan for the Jeanette Project in the communities surrounding the Jeanette Project to alleviate poverty in the area;

- Engaging with the regulatory authority to extend the date for commencement of construction of the Jeanette Project; and

- Identification of near-term gold producing assets for potential acquisition.

As at 31 March 2023, the Company had not conducted any mining or production activities.

The Jeanette Project

The Jeanette Project is located in the northern region of the Free State goldfield close to the towns of Allanridge, Kutlwanong and Nyakallong, within the southwest limb of the Witwatersrand Basin in the Free State Province of South Africa. Taung Gold Free State (Pty) Limited ("**TGFS**"), a wholly-owned subsidiary of TGL, is the registered holder of the mining right over the Jeanette Project. The Mining Right No. 33/2017 for the Jeanette Project was registered in the name of TGFS on 6 December 2017.

The Company previously entered into a Service Contract with MCCI International Incorporation Limited ("**MCCI**"), a subsidiary of MCC, whereby the Company appointed MCCI to carry out the Feasibility Study ("**FS**") for the Jeanette Project, which was duly completed with an effective date of 23 July 2019.

The Company and MCCI agreed during the early stages of the FS that the Jeanette Project should be executed in a phased approach as follows:

Phase 1

a. Completing and commissioning the existing No. 1 Shaft and No. 2B shaft infrastructure and establishing a connection holing between the two shafts to access the northern portion of the orebody;

b. Establishing ore reserve development in the northern portion of the orebody and building up the production profile to a rate of 30,833 tons milled per month at a head grade of 11.92g/t; and

c. Establishing the surface infrastructure for a stand-alone mining and a modular processing operation at a rate of approximately 370,000 tons milled per annum.

Phase 2

a. Sinking and developing two new shafts to access the southern portion of the orebody;

b. Establishing ore reserve development in the southern portion of the orebody and building up the production profile to a rate of 69,167 tons milled per month at a head grade of 11.06g/t; and

c. Increasing the capacity of the processing plant and associated infrastructure to 830,000 tons per annum.

This phased approach has the following advantages over the approach followed initially in the pre-feasibility study ("**PFS**"):

- A significantly lower Initial Construction Capital Cost Estimate of US$523.5 million (in 2019 terms) compared to US$723.8 million (2017 terms) in the PFS, as a result of a more optimal use of the existing shaft infrastructure and the sinking of two new shafts being postponed to Phase 2; and

- A much shorter lead-time to first gold production of 3.6 years, as a result of being able to access the ore reserve much faster than anticipated in the PFS (4.5 years).

Subsequently in October 2023, the Company engaged Minxcon (Pty) Ltd ("**Minxcon**"), one of the most reputable mining service provider in South Africa, to update the mining approach and plan, and the cost data for the Jeanette Project. Highlights of the updated data are as follows:

Gold Recovered over Life of Project	6.4 Moz
Initial Construction Capital Cost Estimate	US$771 million
Total Capital Cost over Life of Project	US$1,252 million
Life of Mine	22 years
Cash Operating Costs	US$521/oz
All in Sustaining Costs ("**AISC**")	US$568/oz
All in Costs ("**AIC**")	US$714/oz

Note: Financial calculation using long-term gold price of US$1,900/oz and/or an exchange rate of US$1.00 = ZAR18.80.

Expenditure on the Jeanette Project for the year ended 31 March 2023 was as follows:

	ZAR million
Consultants and service providers	2.12
Staffing	6.75
Overheads	0.95
Total	9.82

The Evander Project

The Evander Project is located in the Evander Goldfield on the northeastern limb of the Witwatersrand Basin and is close to the town of Secunda in the Mpumalanga Province of South Africa. Taung Gold Secunda (Pty) Limited ("**TGS**"), a wholly-owned subsidiary of TGL, is the registered holder of the mining right in terms of the Mineral and Petroleum Resources Development Act ("**MPRDA**") of the Evander Project. The Mining Right No. 107/2010 was registered in the name of TGS in November 2013 and permits the mining of gold and associated minerals in the Six Shaft and Twistdraai area.

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 6.80g/t.

On 12 September 2016, the Company announced the Bankable Feasibility Study ("**BFS**") for the Evander Project.

Subsequently in October 2023, the Company engaged Minxcon to update the cost data for the Evander Project. Highlights of the updated data are as follows:

Gold Recovered over Life of Project	4.1 Moz
Initial Construction Capital Cost Estimate	US$875 million
Total Capital Cost over Life of Project	US$1,126 million
Life of Mine	20 years
Cash Operating Costs	US$704/oz
AISC	US$754/oz
AIC	US$991/oz

Note: Financial calculation using long-term gold price of US$1,900/oz and/or an exchange rate of US$1.00 = ZAR18.80.

Expenditure on the Evander Project for the year ended 31 March 2023 was as follows:

	ZAR million
Consultants and service providers	0.05
Staffing	2.71
Overheads	1.46
Total	4.22

The Pakistan Project

Reko Garok Gold Minerals (Private) Limited (“The Pakistani Target Company”)

On 25 June 2021, Bright Quality Management Limited as purchaser (the “**Purchaser**”, a wholly-owned subsidiary of the Company) entered into a termination agreement with the seller and the guarantor to terminate the proposed acquisition of the entire issued share capital of the BVI Target Company which holds indirectly 21% of the issued share capital of the Pakistani Target Company owning an exploration license for copper, gold and associated minerals in Balochistan, Pakistan (the “**Termination**”). Following the Termination, HK$30,000,000 of the deposit has been refunded to the Group, while the seller and the guarantor undertook to refund the remaining HK$30,000,000 of the deposit (the “**Remaining Deposit**”) on or before 31 December 2021.

On 27 June 2022, the Purchaser entered into an addendum with the seller and the guarantor to extend the repayment date for the refund of the Remaining Deposit on or before 31 December 2022. Details about the Termination are set out in the Company’s announcements on 25 June 2021 and 27 June 2022 respectively.

As at 31 March 2022, the directors of the Company considered that there was an increase in credit risk due to the financial creditworthiness and position of the seller. Accordingly, impairment loss of HK$21,636,000 was recognised during the year ended 31 March 2022. As at 31 March 2023, the outstanding amount was not settled according to extended repayment date of 31 December 2022. The directors of the Company concluded that this balance was defaulted as there was no realistic prospect of recovery. Accordingly, additional impairment loss of HK$8,364,000 was recognised during the year ended 31 March 2023.

FUTURE PLANS FOR THE JEANETTE PROJECT AND THE EVANDER PROJECT

The Jeanette Project

The Group entered into the EPC contract with MCC on 30 December 2019 for the project execution and construction phase of the Jeanette Project. 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 or which MCC undertook to provide the necessary resources to make mine development possible. Aspects covered by the EPC contract included works relating to final engineering design, procurement, manufacturing and construction of the mine and infrastructure.

In addition, MCC undertook to assist the Company in securing equity and debt financing for the EPC contract for the Jeanette Project at the TGFS level from independent third parties, including but not limited to strategic investors in the mining sector and Chinese banks.

Following the full easing of PRC travel restrictions in light of the COVID-19 pandemic, the Company's management has immediately discussed the arrangement on potential fund raising, resumption of the Basic Design of the EPC contract with MCC, and also resumed in-person visits to MCC in April 2023 and the project site in South Africa in September 2023.

The Evander Project

Contract for the Construction of the Evander Project

In 2019, the Company and MCCI decided to await the FS results of the Jeanette Project before committing further time and resources to the contract for the Evander Project. On 30 August 2019, the FS results of the Jeanette Project were released. Given the Jeanette Project requires lower capital cost and shorter lead-time to production, the Company decided to focus on advancing the EPC Contract for the Jeanette Project first.

The estimated time frame for the remaining work for the Evander contract will be 12–18 months from the date of a decision to continue. The Company will keep shareholders informed of any material development in this regard in due course.

The EIA/EMP Amendment Process

The full Environmental Impact Assessment ("**EIA**") for the Evander Project requires amendment to reflect the positive changes regarding tailings disposal and an application to the Department of Mineral Resources and Energy in South Africa 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 Company already has an Environmental Authorisation for the dewatering and construction phase of the Evander Project. In addition, the Water Use Licence ("**WUL**") for abstraction, transport and disposal of excess mine water during the dewatering and construction phase has also been issued.

The amendment of the EIA/Environmental Management Programme ("**EMP**") and final WUL for the Evander Project relates to the production phase which will start approximately 6 years after commencement and, as such, is not on the critical path for project construction.

The commencement of the environmental specialist studies will be postponed in light of the decision to put off further work on the Evander Project. The studies will be initiated once the Board confirms the timetable of the Evander Project.

Latest discussions with MCC

As at the date of this announcement, the Group had further discussions with MCC in relation to the development and financing arrangements of the Jeanette Project and the Evander Project. According to the latest discussion, MCC will refine the mining plan and financing arrangements for the Jeanette Project and the Evander Project based on the updated cost data prepared by Minxcon. In this regard, the Group and MCC will target to progress the mining projects following the estimated timetable below:

Jeanette Project

Stage	Description	Target timetable
Financing stage	Identifying, negotiating, and finalising financing arrangements with financiers	3rd quarter 2024 – 2nd quarter 2025
Construction stage	Construction of the mine and associated infrastructure	3rd quarter 2025 – by the end of 2027
Production stage	Mining operation, extraction, and processing of gold ore	2028–2049

As additional time is required for the Basic Design and finalization of the lump sum contract amount, the lump sum offer supplementary agreement (supplementing the EPC Contract with the finalised engineering design method, lump sum contract amount, etc.) is expected to be entered into by December of 2024. Upon finalization of the lump sum contract amount, the lump sum offer supplementary agreement, the EPC Contract will be subject to the approval of shareholders. Shareholders are referred to the announcements dated 20 May 2020, 30 April 2021, 23 December 2021, 22 December 2022 and 29 December 2023 respectively in this regard. The Company will keep shareholders informed of any material development in this regard in due course.

Evander Project

Stage	**Description**	**Target timetable**
Research stage	Research on mining plans including dewatering operation	3rd quarter 2025–4th quarter 2025
Financing stage	Identifying, negotiating, and finalising financing arrangements with financiers	2026
Construction stage	Construction of the mine and associated infrastructure and dewatering operation	2027–2032
Production stage	Mining operation, extraction, and processing of gold ore	2032–2049

CORPORATE GOVERNANCE CODE

The Group is committed to achieving high standards of corporate governance. Throughout the year ended 31 March 2023, the Company has complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 (which has been renumbered to Appendix C1 with effect from 31 December 2023) to the Listing Rules of the Stock Exchange.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 (which has been renumbered to Appendix C3 with effect from 31 December 2023) of the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company has made specific enquiries of all directors and all the directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 March 2023.

The Company has also established written guidelines 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 possess inside information of the Company.

No incident of non-compliance of the Written Guidelines by the relevant employees were 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 HKICPA and the CG 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 monitor 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 also reviewed and discussed with the management and auditors about the consolidated financial statements of the Group for the year ended 31 March 2023.

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 2023. Each Committee has its defined scope of duties and written terms of reference.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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.

CHANGE OF AUDITOR

On 16 July 2024, Crowe (HK) CPA Limited ("**Crowe**") has tendered its resignation as auditor of the Company (the "**Resignation**"). Crowe has confirmed in its resignation letter that there are no matters in relation to the Resignation that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company also confirmed that there are no other disagreements between the Company and Crowe and that there are no matters relating to the Resignation that need to be brought to the attention of the Shareholders.

On 22 July 2024, the Board resolved to appoint Baker Tilly Hong Kong Limited ("**Baker Tilly**") as the new auditor of the Company to fill the causal vacancy following the Resignation.

Further details regarding the Resignation are set out in the Company announcement dated 16 July 2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is available for viewing on the website of the Stock Exchange at www.hkexnews.hk under "Latest Listed Company 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 BAKER TILLY

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 2023 as set out in the preliminary announcement have been agreed by the Company's auditor, Baker Tilly, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an audit, review or 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 HKICPA and consequently no opinion or assurance conclusion has been expressed by Baker Tilly on the preliminary announcement.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 July 2023, and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 20 September 2024

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 of the Company are Mr. Chong Man Hung, Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang.