



TAUNG GOLD

# Unlocking value through innovation

12 & 13 April 2012

Neil Herrick  
Chief Executive Officer

Precious Metals Summit  
Geneva, Switzerland

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## Investment case

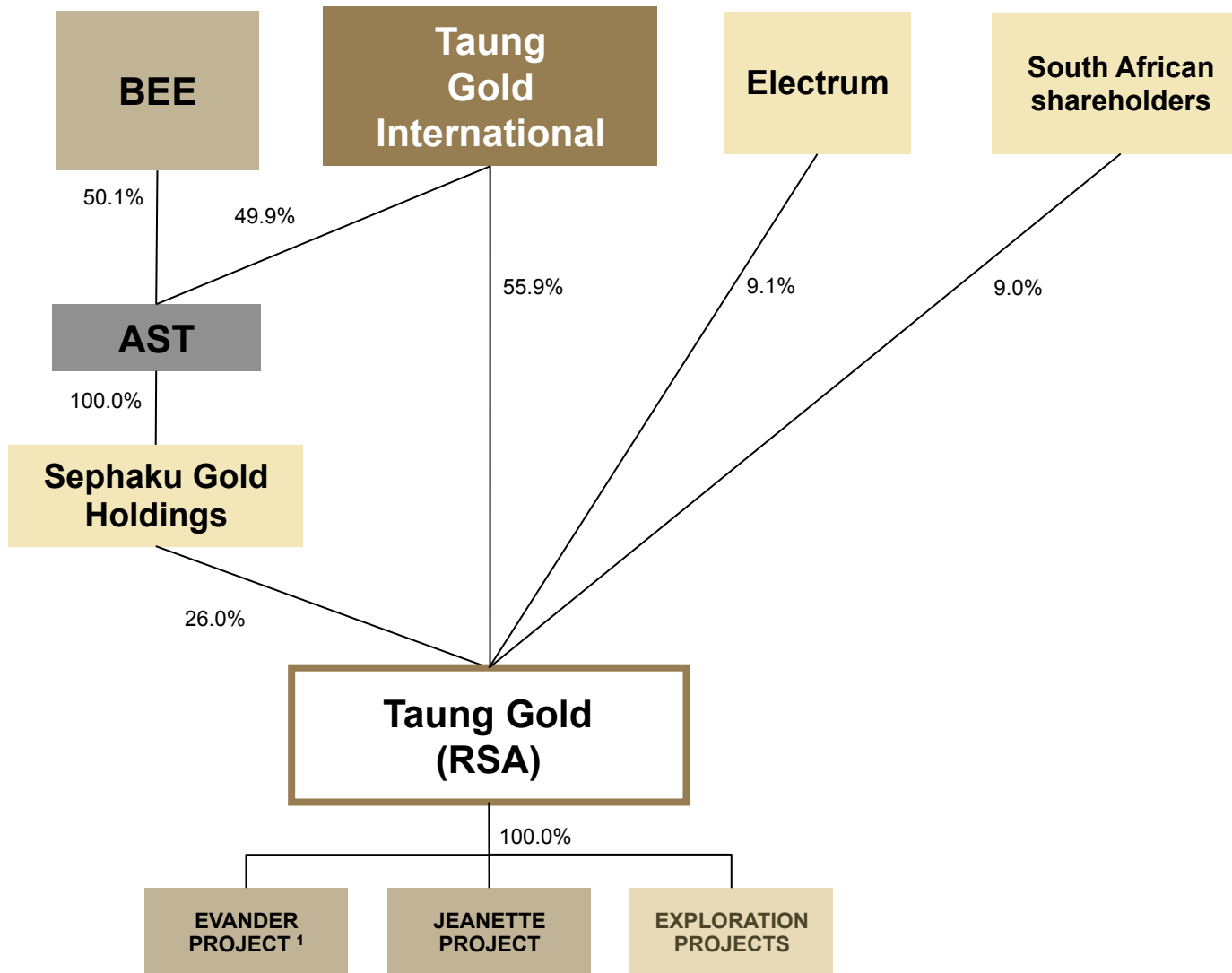
- Innovative approach at flagship assets with clear development timetables
  - Evander 6 Shaft/Twistdraai
  - Jeanette
- Resource increased by 5.1Moz to 28.2Moz with:
  - competitive grades; and
  - relatively shallow
- Upside potential in exploration and ‘blue sky’ prospects
- Experienced board and management team
- Funded through to 2014, US\$51.0m cash, no debt
- Excellent gold market fundamentals
  - buoyant now and into the longer term
- South Africa an increasingly favourable investment destination



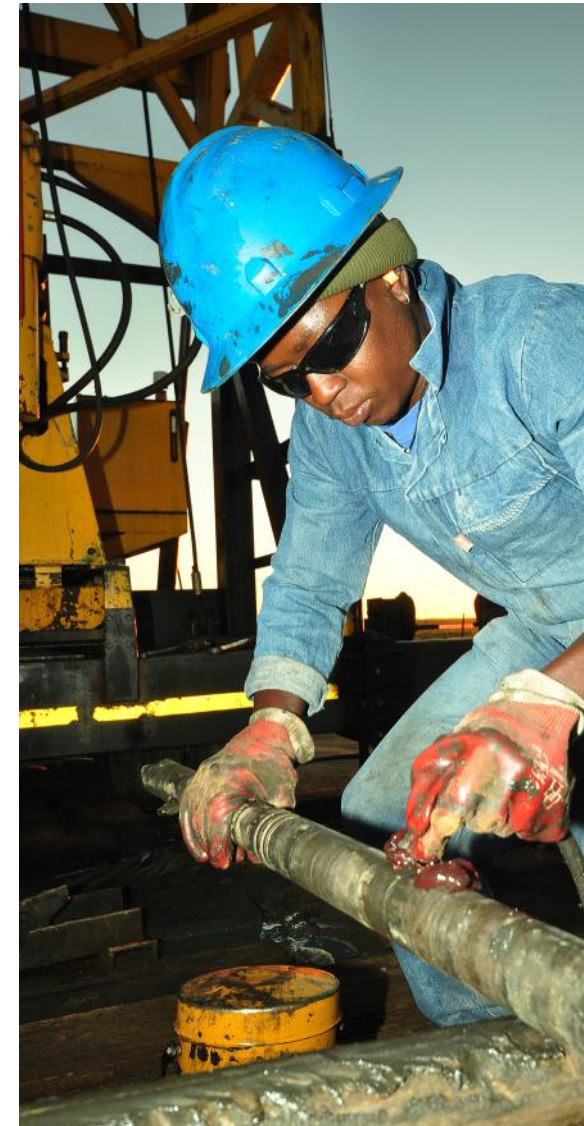
## Projects and prospects: snapshot

- Evander 6 Shaft/Twistdraai – new high-grade South African gold mine
  - regulatory approvals imminent
  - Phase 1 bankable feasibility work well advanced
  - 24 months to first gold production from project commencement
    - fast-track programme to dewater and re-establish infrastructure
    - modular ramp-up to full production during Phase 2
- Jeanette
  - mining right application due early 2013
  - 3D seismic survey and drilling continue to increase confidence
  - opportunity for higher grade ore recovery through mechanisation
- Greenfields exploration
  - existing projects reviewed
    - disposal of low priority projects
    - focus on value generation at core exploration sites
  - exciting new “blue sky” permits granted for potential Wits Basin extensions

# Corporate structure



<sup>1</sup> Subject to S11 Ministerial Consent  
Shareholding % based on Issued Shares

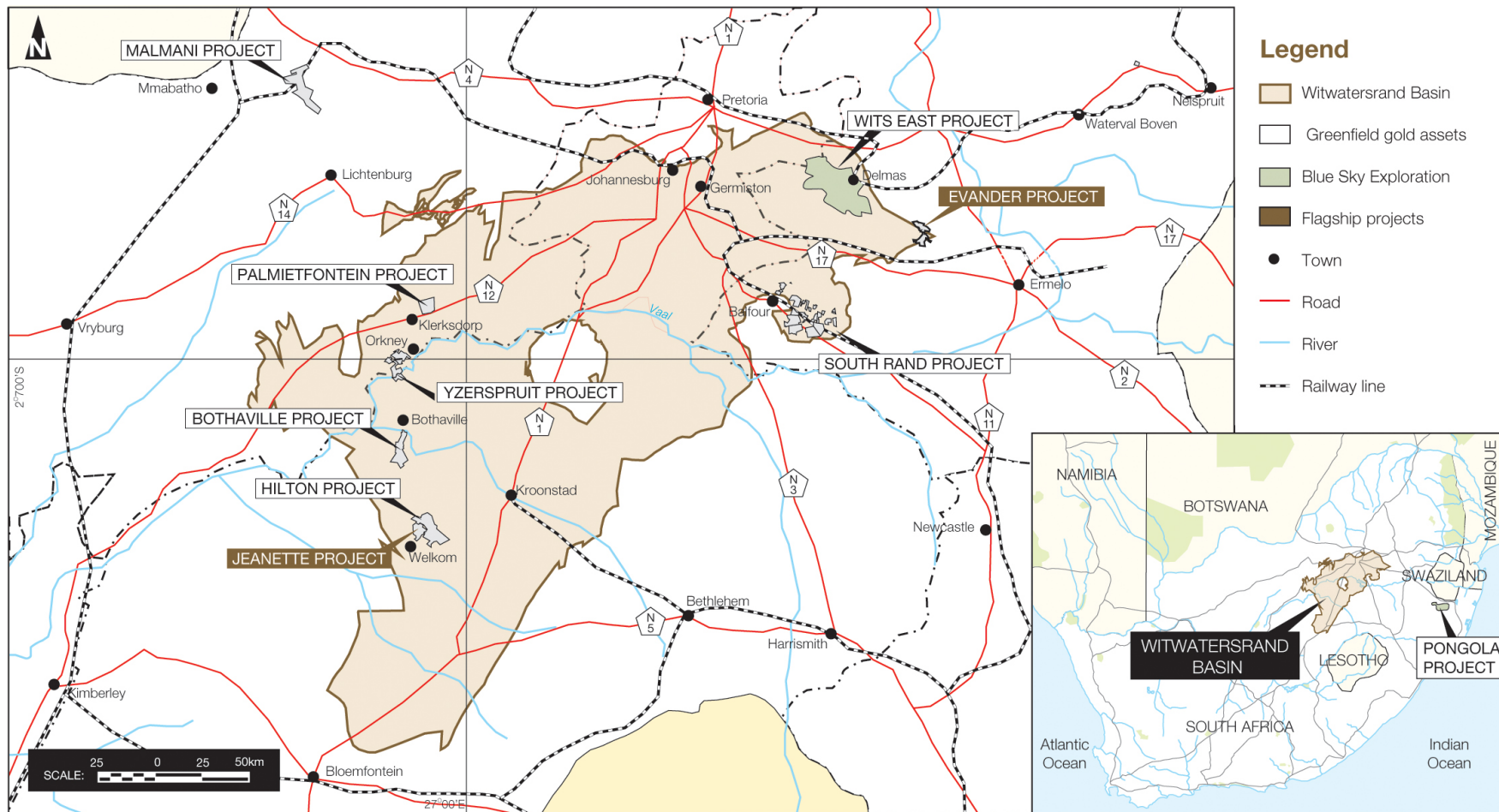


# Board of Directors

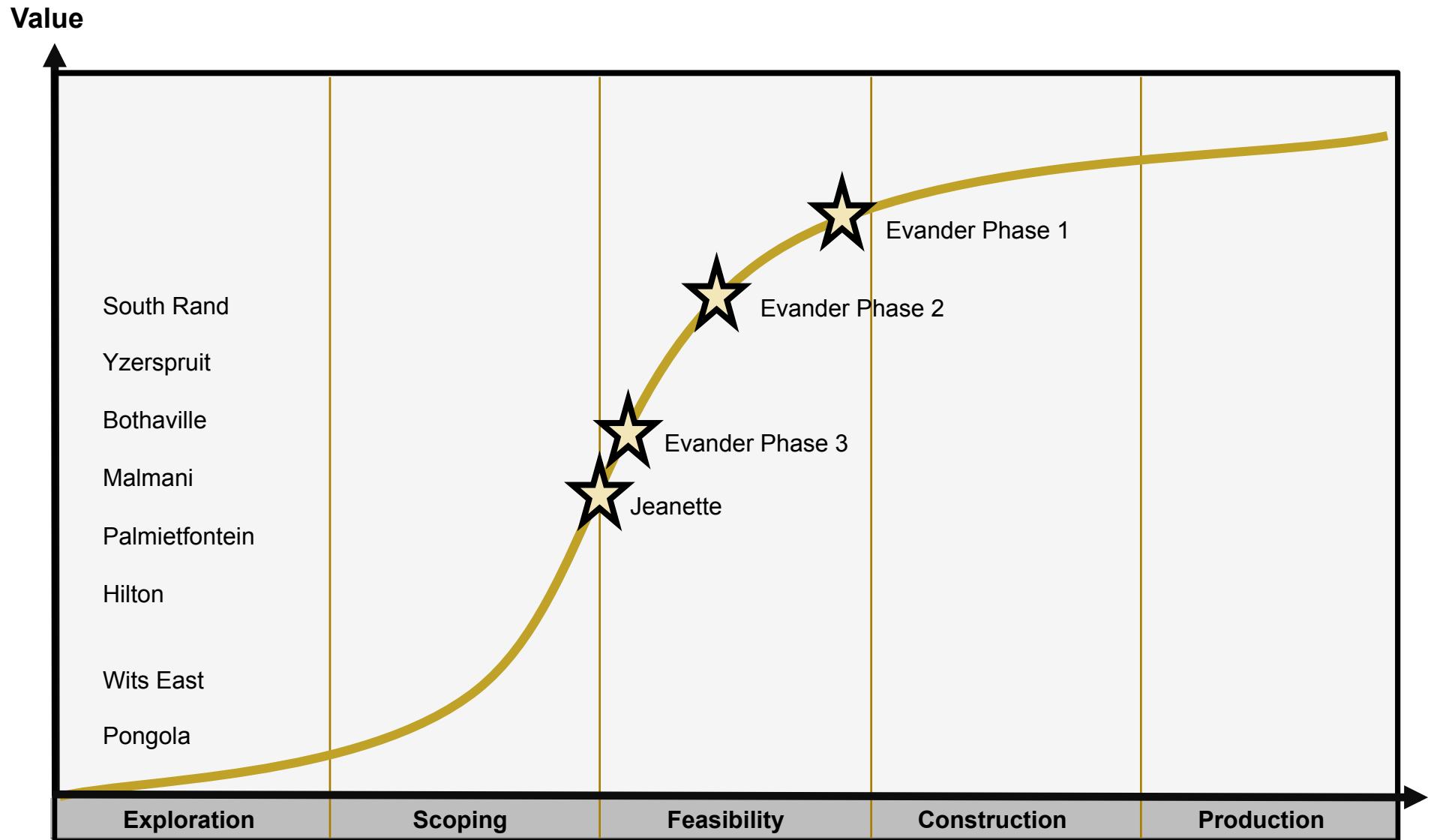


<b>Dr Lelau Mohuba</b> , Chairman of the Board; Founder and CEO of Sephaku Holdings; MBChB
<b>Neil Herrick</b> , Chief Executive Officer; 25 years of industry experience, 20 years in gold mining; BEng Hons (Mining Eng), Pr Eng
<b>Steven Steyn</b> , Chief Financial Officer; 21 years of financial management experience; BCompt Hons, CA
<b>Rudolph de Bruin</b> , Visionary and founder of Taung Gold, Platmin & Sephaku Holdings; BCom, LLB
<b>Igor Levental</b> , President of Electrum Group, director of Novagold and Gabriel Resources; BSc (Chemical Eng), MBA
<b>Dr Dawid Strydom</b> , 12 years research experience, 13 years with Anglo American, 9 years with Platmin & Sephaku; PhD (Geology)
<b>Marcel DeGuire</b> , CEO of Electrum USA, 22 years with Newmont Corporation; MSc (Metallurgical Eng)
<b>Derek Kyle</b> , Independent minerals advisor with more than 50 years of industry experience; MSc (Geology)
<b>Neil Crafford-Lazarus</b> , CFO of Sephaku Holdings, 21 years of experience in mining finance; BCompt Hons, CA

# Project locations: in established gold mining areas



# The value curve: fast-track to production





# Resource update: one of the world's largest endowments

Compliant resource	Jeanette Basal Reef	Jeanette A Reef	Total Jeanette	Evander No 6 Shaft	Evander Twistdraai	Total Evander <sup>1</sup>	Total Taung
Measured (oz)	–	–	–	48 000	–	48 000	48 000
Grade (g/t)	–	–	–	10.6	–	–	–
Indicated (oz)	8 149 000	–	8 149 000	3 401 000	1 183 000	4 584 000	12 733 000
Grade (g/t)	9.6	–	–	9.8	8.1	–	–
Inferred (oz)	5 439 000	6 637 000	12 076 000	468 000	2 963 000	3 431 000	15 507 000
Grade (g/t)	9.6	5.0	–	6.7	7.8	–	–
<b>Total resources (oz)</b>	<b>13 588 000</b>	<b>6 637 000</b>	<b>20 225 000</b>	<b>3 917 000</b>	<b>4 146 000</b>	<b>8 063 000</b>	<b>28 288 000</b>

<sup>1</sup> Subject to S11 Ministerial Consent

# Project summary: scoping study results

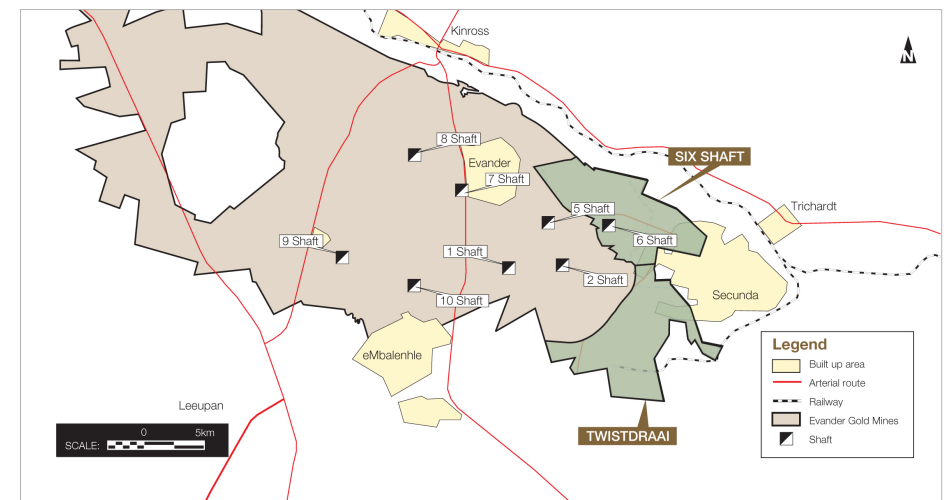
Key project indicators	Jeanette	Evander <sup>1</sup>
Total resource	20.2Moz	8.1Moz
Life of mine (LOM)	30 years	30 years
Capital cost to first production	US\$362m	US\$142m
Peak funding	US\$603m	US\$315m
Average cash operating cost	US\$322/oz	US\$397/oz
Peak annual production	380 000oz	267 000oz

Gold price of US\$1 070/oz  
 ZAR8.00 / US\$1.00  
 ZAR275 000/kg  
<sup>1</sup> Subject to S11 Ministerial Consent

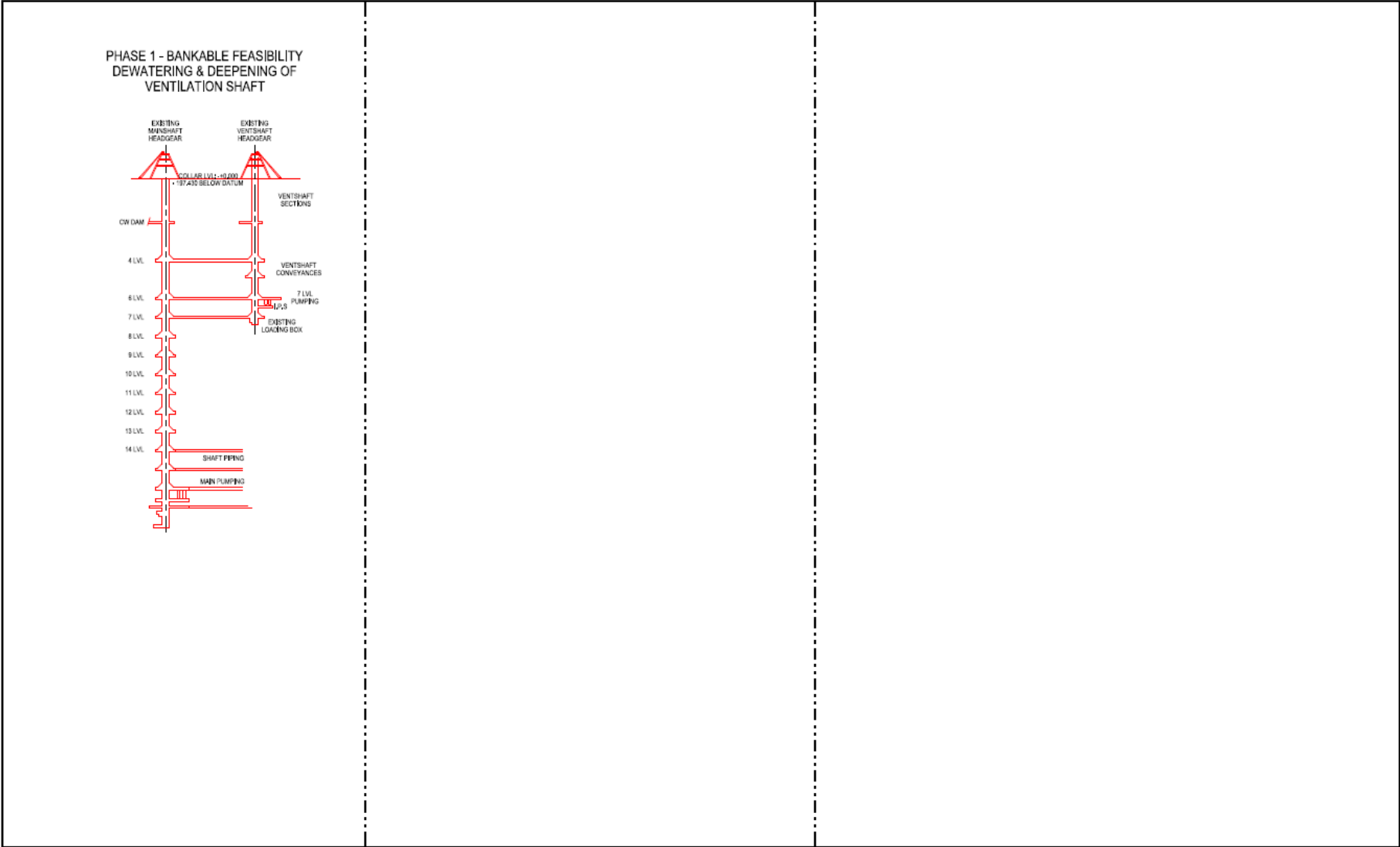


# Evander: low cash costs, robust economics

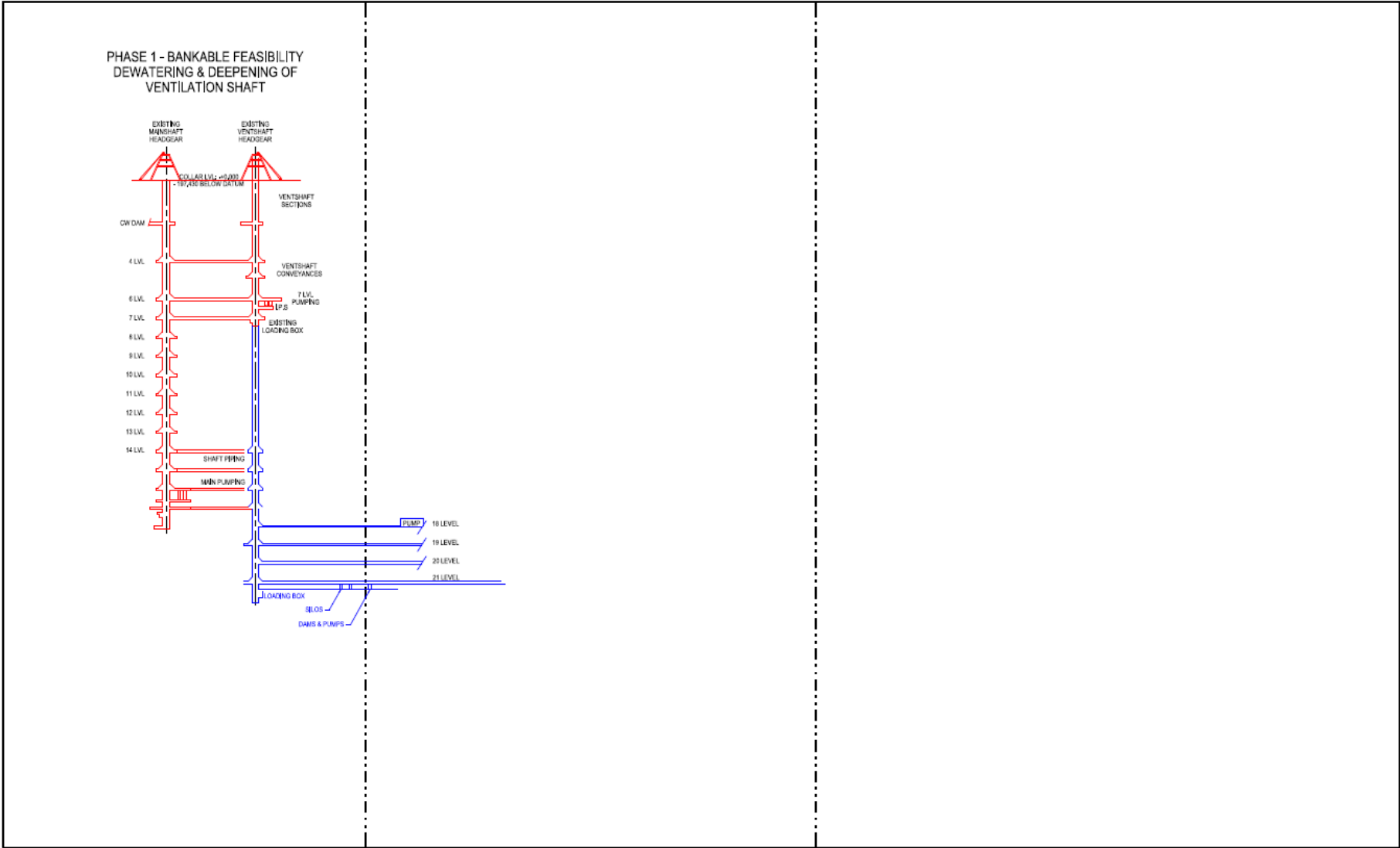
- **1998:** Gold Fields decommissioned No 6 Shaft
  - economic reasons
  - EGM sold to Harmony
- **2008:** JV with Harmony/EGM over No 6 Shaft/ Twistdraai
- **June 2010:** scoping study completed
  - attractive Kimberley Reef resource
  - significant gold production profile
  - competitive cash costs
- **September 2010:** Taung Gold agrees to acquire 100% of Evander project<sup>1</sup> for US\$33.8m
- **October 2011:** new order mining right transfer application submitted
  - ministerial consent imminent
- Existing shaft infrastructure impacts positively on capital profile and production lead time
- Three-phase approach for optimal capital profile:
  1. re-commission main shaft, surface and construct modular processing plant
  2. develop, commission sub-shaft area
  3. develop, commission Twistdraai



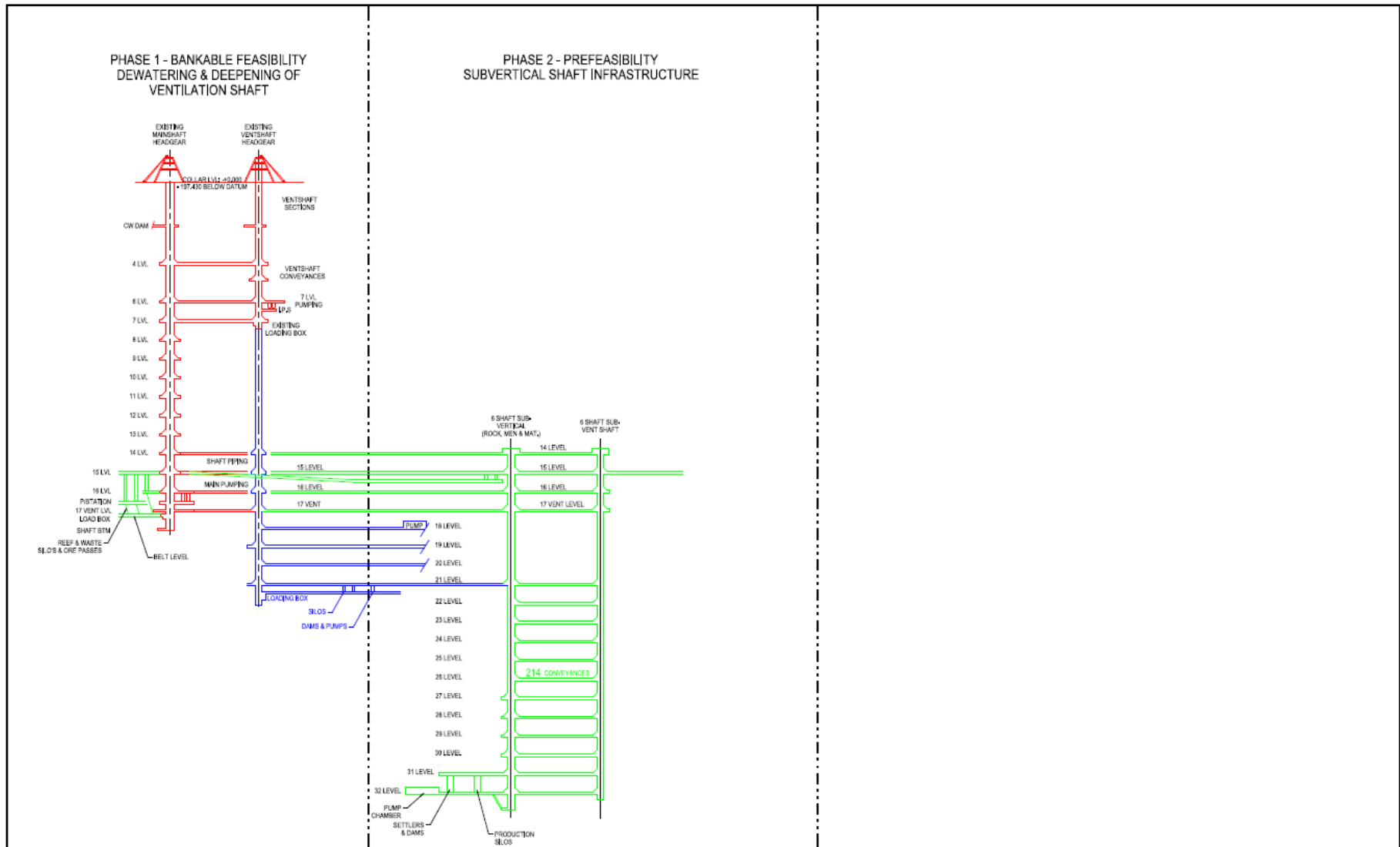
# Evander: existing infrastructure



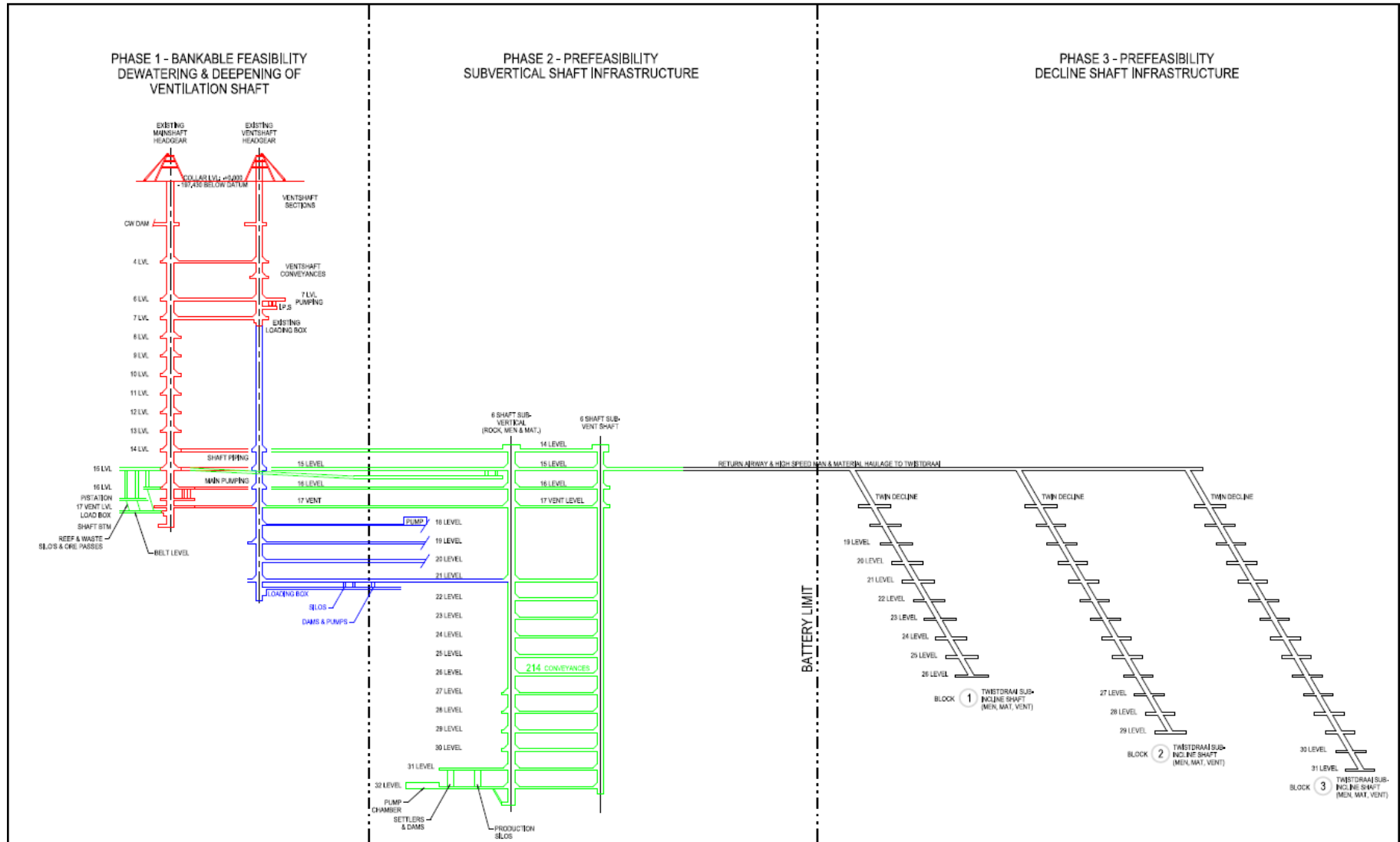
# Evander: Phase 1



# Evander: Phase 2



# Evander: Phase 3



## Evander: fast-track to production

- Phase 1
  - BFS due April 2012
    - 24 months to first production
  - innovative dewatering solution, concurrent with surface rehabilitation
  - Eskom preparing quote for power supply
    - project is part of Eskom planning
  - shallow Kimberley Reef resources already developed
  - modular metallurgical plant to suit phased project approach
  - cumulative production rate
    - Phase 1: 30ktpm; Phase 2: 105ktpm; Phase 3: 105ktpm (replacement)
- Phase 2
  - PFS due April 2012; BFS due end-September 2012
- Phase 3
  - PFS due end-June 2012; BFS due end-March 2013

Key project indicators	
Capital cost to 1 <sup>st</sup> production	US\$142m
Peak annual production	267 000oz
Average recovered grade	6.55g/t
Average cash cost	US\$397/oz
LOM	30 years

Gold price: US\$1 070/oz  
Exchange rate: ZAR8.00 / US\$1.00



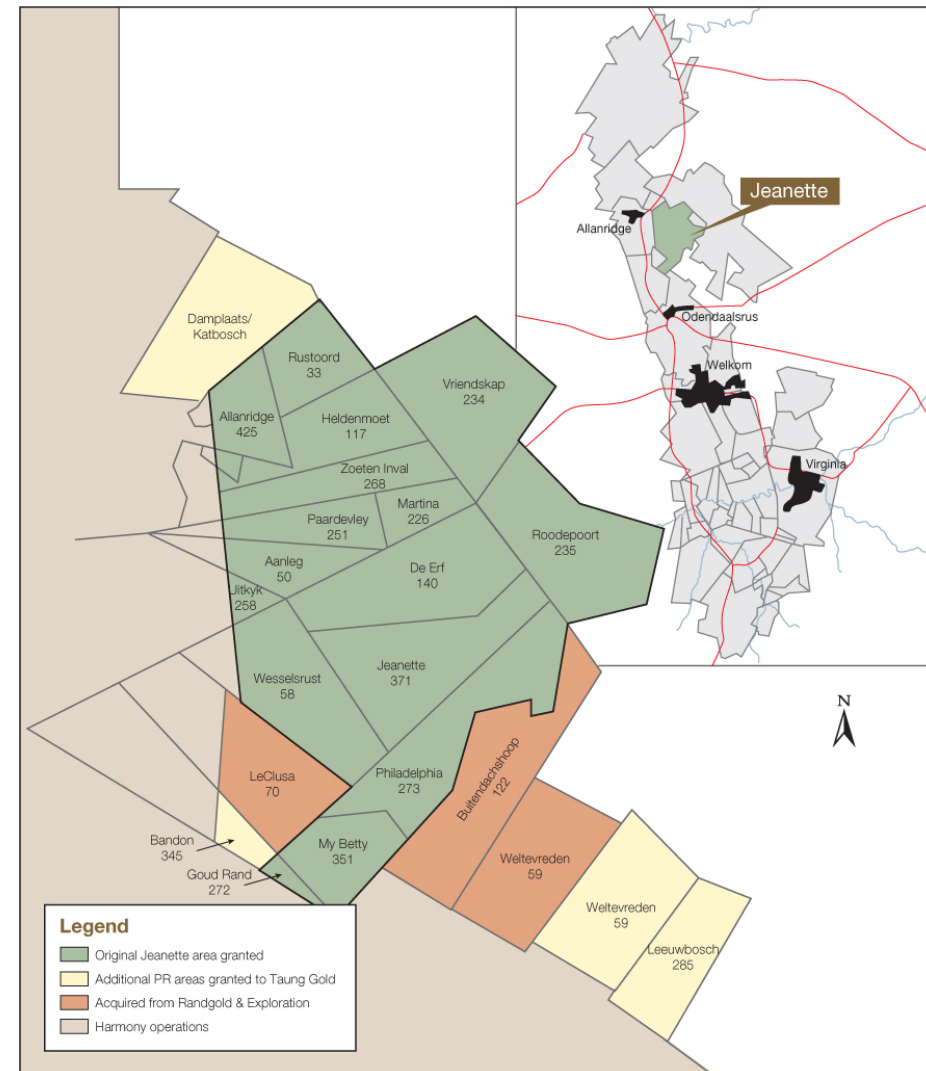


# Evander Project timeline

	2012				2013				2014				2015				Est cost US\$	Est cost ZAR
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Phase 1: Bank feasibility study	■																2.37	19.00
Phase 2: Pre-feasibility study	■																0.75	6.00
Phase 2: Bank feasibility study	■	■	■														0.69	5.50
Phase 3: Pre-feasibility study	■	■	■														2.69	21.50
Phase 3: Bank feasibility study			■	■	■												3.50	28.00
Exploration programme	■	■															6.19	49.50
Project construction phase						■	■	■	■	■							124.80	998.50
Ore production ramp-up											■	■	■	■	■	■	893.31	7 146.50
<b>TOTAL</b>																	<b>1 034.30</b>	<b>8 274.50</b>

# Jeanette: substantial high-grade resource

- **1955:** project suspended by Anglo American in favour of higher-grade Free State projects
- **2001:** Harmony took control through FreeGold acquisition
- **2008:** new order prospecting right acquired from Harmony
- **June 2010:** Minxcon scoping study
  - large, attractive Basal Reef resource
  - significant gold production profile
  - competitive cash costs
- **August 2011:** upgrade drilling programme for inferred resource completed; evaluation in progress
- **September 2011:** 3D seismic survey data acquisition completed
- **November 2011:** additional 5.07Moz resource classification completed for:
  - areas acquired from Randgold & Exploration
  - new Taung Gold prospecting rights

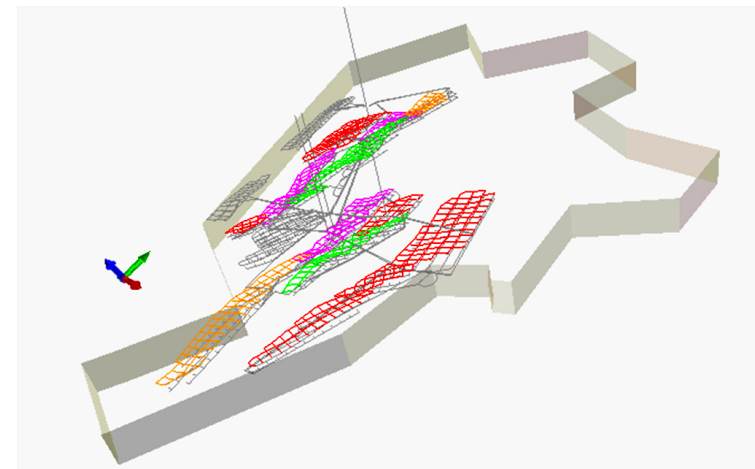


# Jeanette: low cash costs, robust economics

- Pre-feasibility study
  - existing shaft infrastructure has positive impact on capital profile, lead time
    - existing ventilation shaft to be refurbished
    - new vertical shaft to be sunk
    - dedicated processing plant to be built
  - preliminary 3D seismic survey interpretation completed
  - final 3D seismic survey interpretation to be completed by end-May 2012
  - resource update to be completed by end-May 2012
  - mining method selection to be finalised by end-May 2012
  - PFS to be completed by December 2012
- Bankable feasibility study
  - BFS to be completed by December 2013

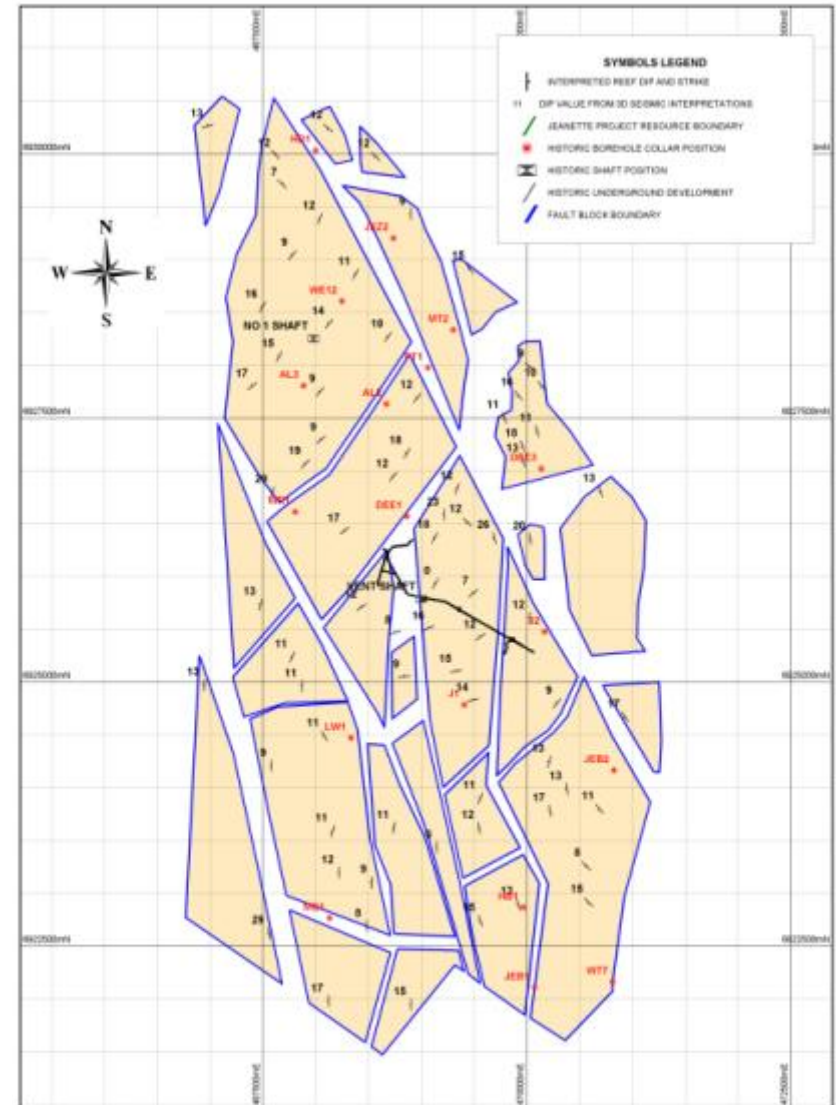
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LOM	30 years

Gold price: US\$1 070/oz  
Exchange rate: ZAR8.00 / US\$1.00



# Jeanette 3D seismic survey - increasing confidence

- Preliminary interpretation
  - new structural model clearly defined
  - dip of Basal Reef is shallower than previously anticipated
  - good correlation with existing development
    - accurate interpretation of major faults
    - interpreted Basal Reef blocks correlate very well with existing raises
    - bodes well for overall accuracy
  - presence of large blocks for design and scheduling in PFS
  - improved, more accurate design
  - more capital-efficient scheduling
- Next steps
  - final interpretation by Rock Deformation Research Ltd, Leeds University by May 2012
  - for use in PFS and BFS; completion in December 2013

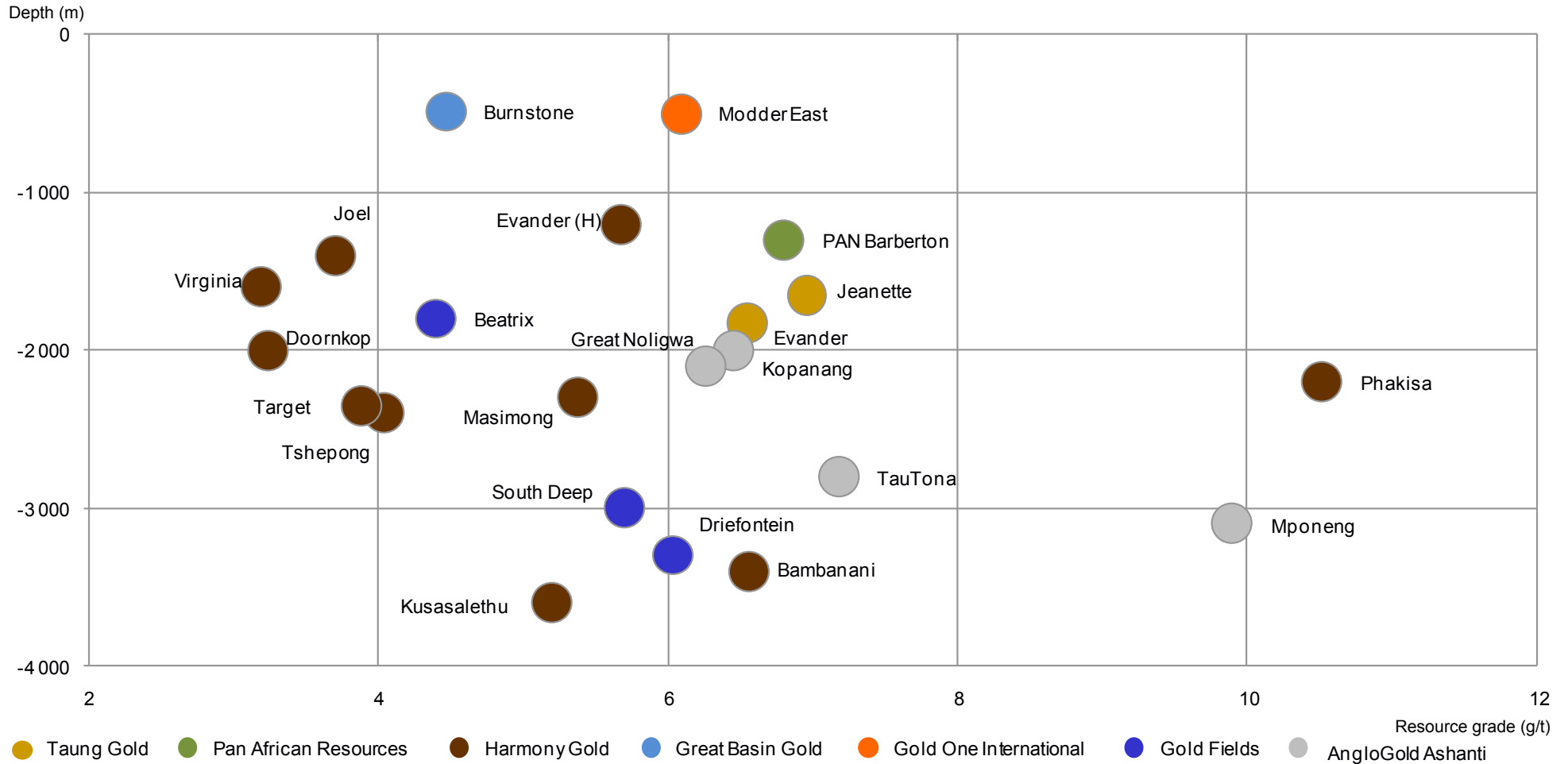


# Jeanette Project timeline

	2012		2013		2014		2015		2016		2017	2018	2019	Est cost US\$	Est cost ZAR
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2					
3D Seismic Interpretation	■	■												0.58	4.64
Pre-feasibility study		■	■											1.53	12.20
Bank feasibility study			■	■	■	■								6.96	55.70
Project construction phase					■	■	■	■	■	■	■	■	■	351.75	2 814.00
Production (ramp-up phase)										■	■	■	■	705.85	5 646.00
<b>TOTAL</b>														<b>1066.67</b>	<b>8532.54</b>

# Favourable grade to depth ratio relative to SA peers

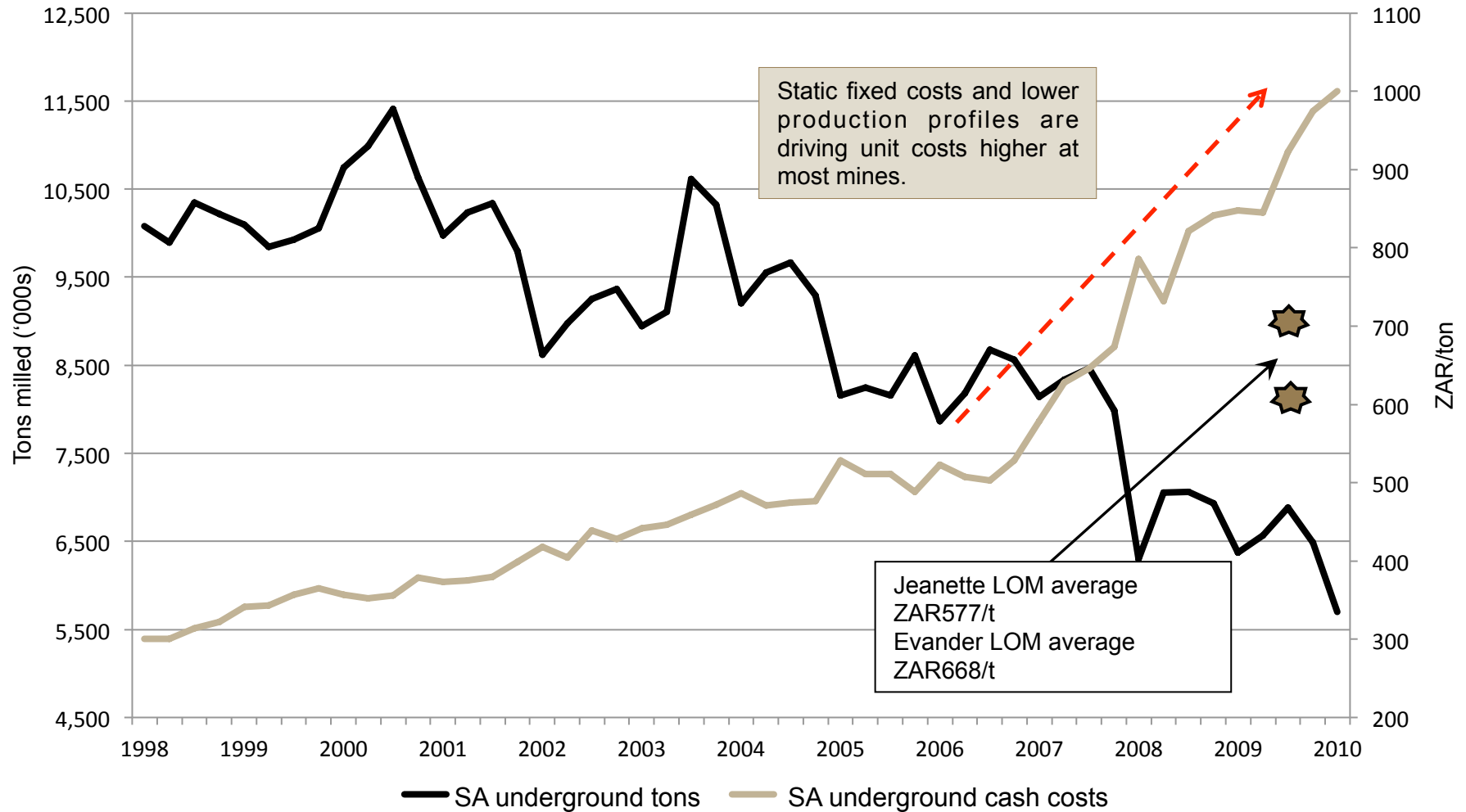
Evander and Jeanette stand out in terms of resource grade of gold relative to mine depth



Source: Company Filings

# Taung Gold has a competitive ZAR/ton cost position

SA underground tons milled and cash costs

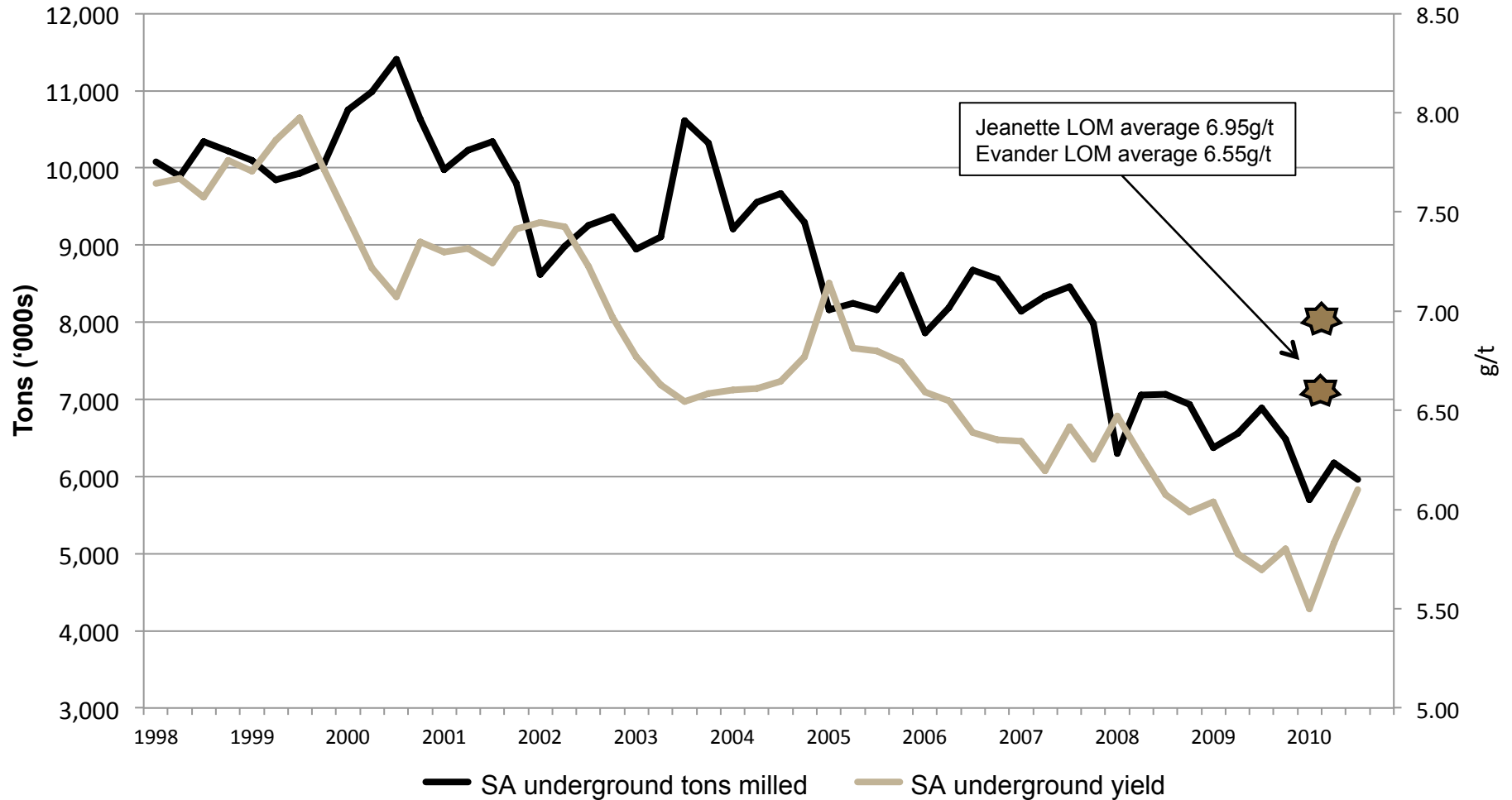


Source: RBCCM and published quarterly results from AngloGold Ashanti, Gold Fields and Harmony

**Taung's projects have infrastructure costs which are appropriately matched to production profiles.**

# Recovered grades well above SA average

SA quarterly underground yield and tons milled



Source: RBCCM, and published quarterly results from AngloGold Ashanti, Gold Fields and Harmony

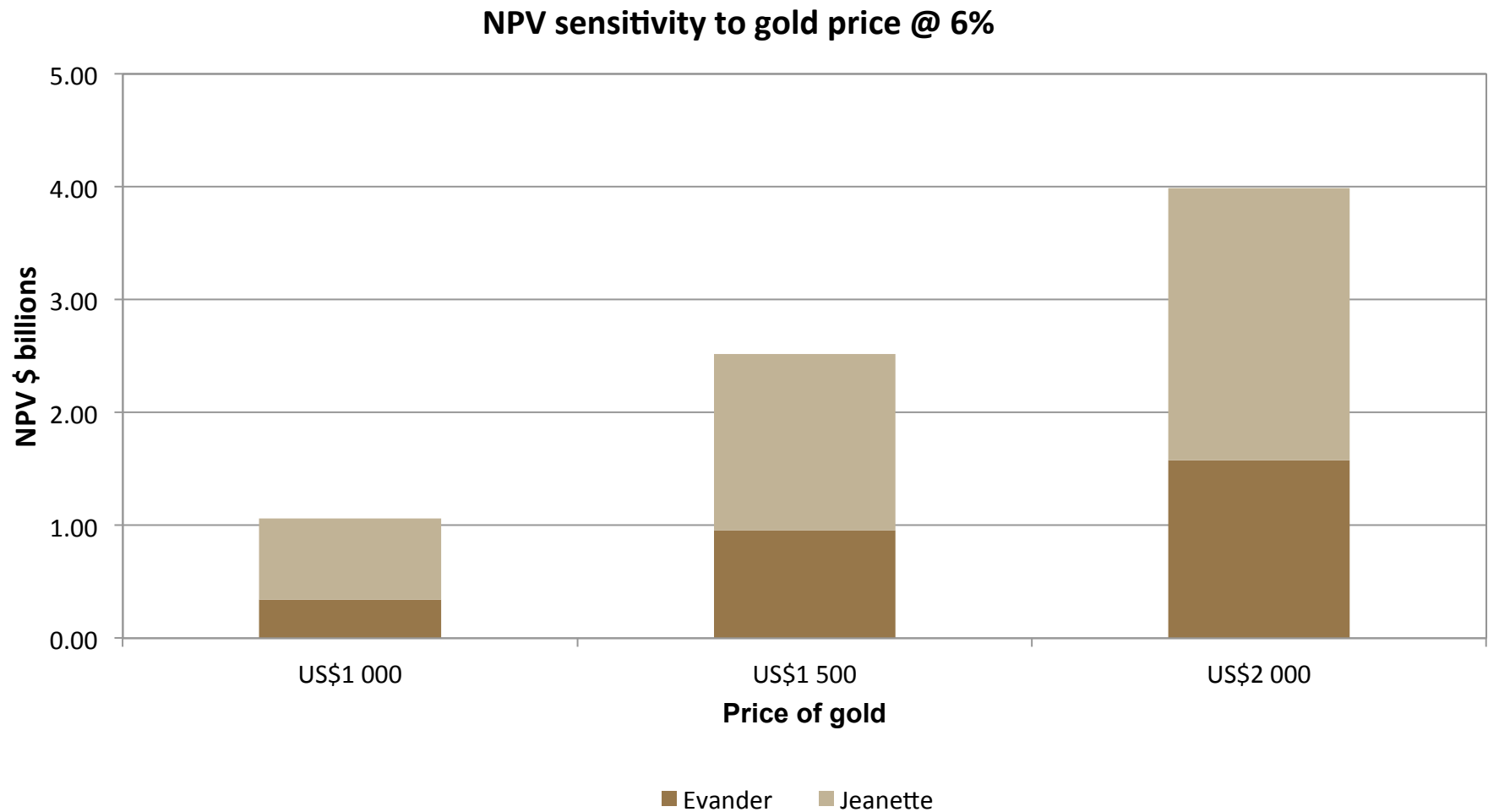


# Valuation favourable for new investors

Listed Company	Share Price (ZAR) <sup>1</sup>	No of Shares in Issue ('m)	Market Cap ('m)	Net Debt (Debt less Cash) (ZAR'm)	EV (ZAR'm)	Resources (Moz) <sup>2</sup>	EV per Resource oz (ZAR)	EV per Resource oz (US\$) <sup>3</sup>
Great Basin Gold (JSE/TSX/AMEX)	8.03	475.7	3 819.9	2 144 .8	5 964.7	22.7	262.76	32.85
Gold One (JSE/ASX)	4.36	1 415.3	6 170.7	(1 841.9)	4 328.8	21.7	199.48	24.94
Pan African (JSE/LSE)	1.93	1 444.0	2 786.9	(81.9)	2 705.0	5.7	474.56	59.32
							<b>ZAR</b>	<b>US\$</b>
Weighted Average EV per Resource oz <sup>4</sup>							259.45	32.43
Taung Resources (Moz)							28.2	28.2
<b>Indicative EV of Taung</b>							<b>7 316.5m</b>	<b>914.5m</b>
Net Cash							426.2m	53.3m
Non-resource Assets <sup>5</sup>							646.5m	80.8m
Exploration Assets							75.0m	9.4m
Commitments <sup>6</sup>							(105.0m)	(13.1m)
<b>Indicative equity value of Taung</b>							<b>8 359.2m</b>	<b>1 044.9m</b>
<b>Fully Diluted Indicative Value per Share of Taung (based on 268.5m shares)</b>							<b>31.13</b>	<b>3.89</b>

1. 30 day VWAP as at 31 December 2011 quoted on the JSE
2. Sourced from companies' annual reports and websites and includes measured, indicated and inferred resources
3. Converted from US\$ to ZAR at the spot rate of exchange on 31 December 2011 – ZAR8.00 / US\$1.00
4. Weighted on enterprise value
5. Warrants, Management Options and Vendor Financing of BEE
6. Evander acquisition balance payable to Harmony

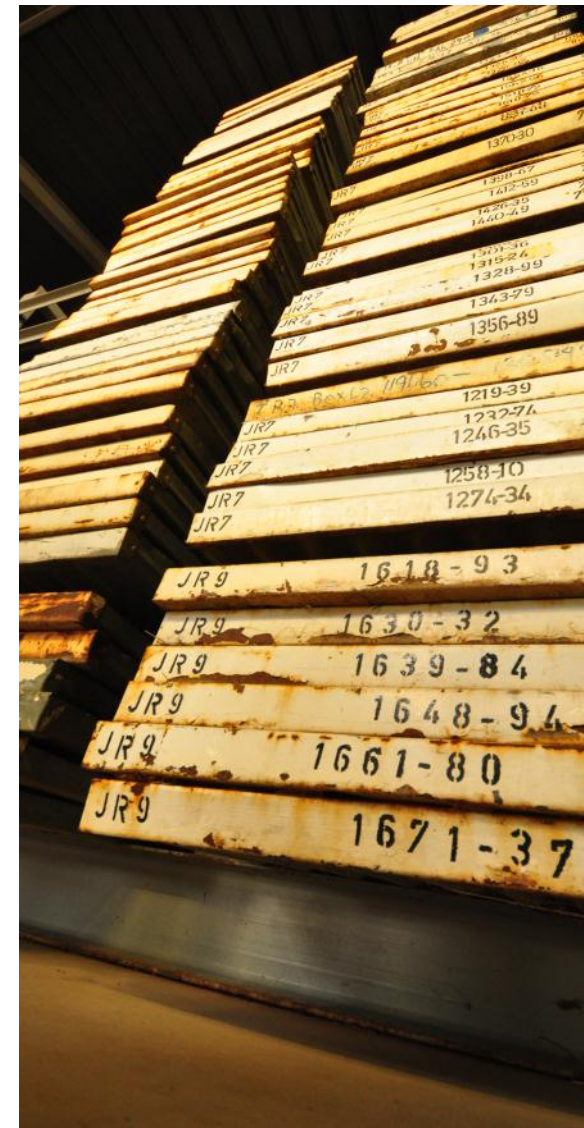
# Significant leverage to gold price



## Compelling investment

- Innovative approach at flagship assets with clear development timetables
- 28.2Moz resource with:
  - competitive grades; and
  - relatively shallow
- Upside potential in exploration and ‘blue sky’ prospects
- Experienced board and management team
- Strong, clean balance sheet and funded through to 2014
- Compliant with South African empowerment legislation
- Economic, geo-political environment positive for gold

**Taung Gold – well positioned to generate substantial shareholder value!**





TAUNG GOLD

# Unlocking value through innovation

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