

Teranga Gold Corporation Confirms Completion of Canadian Offerings

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TORONTO, ONTARIO -- ([Marketwire](#) - Dec. 7, 2010) - [Teranga Gold Corporation](#) ("Teranga") is pleased to confirm that the previously announced initial public offerings in Canada and Australia have now been completed. In Canada, after the partial exercise of the over-allotment option, a total of 36,617,900 common shares ("Common Shares") of Teranga were sold at a price of CDN\$3.00 per Common Share, for gross proceeds in Canada of CDN\$109,853,700. In Australia, 9,000,000 Common Shares were sold at a price of A\$2.97 per Common Share, for gross proceeds in Australia of A\$26,730,000 (approximately CDN\$26,566,947). The total gross proceeds of the Canadian and Australian offerings was approximately CDN\$136,420,647. A further 182,000 Common Shares may be acquired by the underwriters in Canada at the Canadian offering price of CDN\$3.00 per Common Share, for a period of 30 days from the closing of the Canadian offering pursuant to the unexercised portion of the previously granted over-allotment option.

The Common Shares commence trading today on the Toronto Stock Exchange under the symbol "TGZ" and the CHESS Depository Interests of Teranga are expected to commence trading on the Australian Securities Exchange under the symbol "TGZ" on or about December 10, 2010, subject to the satisfaction of certain listing conditions. In connection with the recently completed demerger transaction, and the Canadian and Australian offerings, Teranga now has issued and outstanding 245,618,000 Common Shares, as at the date hereof.

"What excites me most about this Company is the significant exploration potential from our large land position located within trucking distance of our operating mill. Seldom do you get the opportunity to be part of a Company with such a considerable land position in an emerging world class gold district. We believe that the prospects for delivering additional and high grade ore feed to our operating mill are excellent, and with the expanded mill we believe that we will have the capacity to readily grow reserves and production," said Alan R. Hill, Chairman and Chief Executive Officer.

Mill Expansion Underway

The Sabodala gold mine is the first large-scale gold mine to come into operation in Senegal. It currently has mineral reserves of 1.46 million ounces of gold and measured and indicated resources of 2.25 million ounces of gold(1). Construction and development of the Sabodala mine and plant occurred throughout 2008, with the first gold pour in March 2009. A mill expansion is underway to increase plant capacity from 2 million tonnes per annum to approximately 4 million tonnes per annum, which is expected to be completed by the end of December 2011. Once expanded, the mine is expected to produce approximately 200,000 ounces of gold per annum up from the expected 130,000 ounces in fiscal 2011.

(1) For details please see the Technical Report dated October 7, 2010 on the Company's website www.terangagold.com and on SEDAR at www.sedar.com.

Exploration Potential

Senegal passed a new Mining Code in late 2003. Since that time it has become clear that with the discoveries already made in such a short time – over 10 million ounces of gold resources – the West African Birimian geological belt in Senegal is developing into a world class gold district for which Teranga holds one of the largest land positions on the belt.

The Company's extensive land package consists of a mine concession and seven exploration permits comprising 1,488 km². Teranga expects to spend approximately US\$3.5M over the next three years to increase its joint venture position on three of its exploration concessions to 80 percent after Axmin Inc. gave notice to dilute its interest. To date, exploration activities have been focused on geological mapping, interpretation and geochemical sampling to identify drill targets. An approximately US\$19 million exploration

program, consisting of 12 diamond ("DD"), reverse circulation ("RC") and RAB drill rigs is currently expected to be completed by the end of September 2011. The program plans for 108,000 meters of DD and RC and 130,000 meters of RAB drilling. This represents the first phase of a currently planned multiyear exploration program to test the approximate 100 geochemical anomalies contained in 39 drill target areas identified to date.

Growth

Management believes that it will be able to readily convert any new discoveries into reserves, production, earnings and cash flow because the necessary infrastructure is already in place. Management believes that only minimum capital will be required for mobile equipment and development of roads to its centrally located mill as all of the Company's exploration holdings are within trucking distance to its mill, which is being expanded in 2011 to double its capacity.

"The proceeds raised from the IPO recapitalizes the Company and puts us in a very strong financial position to execute on our business plan to grow reserves, production, earnings and cash flow through the mill expansion and the aggressive exploration program," said Richard Young, President and Chief Financial Officer.

Experienced Team

The senior corporate, exploration and operating team have explored, discovered, built and operated gold mines in Africa, as well as North and South America and Australia for several large mining companies. Together this team brings the necessary experience, values and ethics to successfully achieve its goal: to create value for all its stakeholders through responsible mining.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Teranga Gold Corporation Profile

Teranga Gold Corporation is a Toronto-based gold company which was created to acquire the Sabodala gold mine and a large regional exploration land package, located in Senegal, West Africa from [Mineral Deposits Limited](#). Management believes that the mine operation, together with the Company's prospective 1,488 km² land package, provides the basis for growth in reserves, production, earnings and cash flow as new discoveries are made and processed through the Company's existing mill. One of the Company's key strengths is its corporate and operating team, which has extensive experience exploring, developing and operating gold mines in Africa.

Teranga means hospitality and friendliness in Wolof, the main local language of Senegal. The Company wanted a name that would reflect its actions.

Forward Looking Statements

Certain information contained in this release, including any information on Teranga's plans or future financial or operating performance and other statements that express Teranga's management expectations or estimates of future performance, constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that, while considered reasonable by management of Teranga at the time, are subject to significant business, economic and competitive uncertainties. Teranga cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Teranga to be materially different from Teranga's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga. Nothing in this release should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities or any other securities.

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