

Teranga Gold: ASX Second Quarter Report for the Three Months Ended June 30, 2013

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TORONTO, ONTARIO--(Marketwired - Jul 29, 2013) - [Teranga Gold Corp.](#) (TSX:TGZ) (ASX:TGZ)

KEY SECOND QUARTER HIGHLIGHTS

- **The Company remains on track to meet full year production guidance of 190,000 to 210,000 ounces¹ at total cash costs of \$650 to \$700 per ounce and all-in sustaining costs of \$1,000 to \$1,100 per ounce²**
- **Gold production increased by 9% to 49,661 ounces of gold**
- **Gold sales increased 42% to 54,513 ounces of gold**
- **All-in sustaining costs decreased 5% to \$1,063 per ounce**
- **Total cash costs were \$642 per ounce sold**
- **100% hedge free and selling all gold production at spot gold prices**
- **Cash and bullion receivable balance of \$53.5 million**
- **Definitive global agreement with the Republic of Senegal finalized and signed**
- **Oromin board signed support agreement for sale to the Company**
- **Finalized amendment to existing \$60 million loan facility to extend repayment terms by one year**

¹ This production target is based on existing proven and probable reserves only.

² Total cash costs per ounce and all-in sustaining costs per ounce are non-IFRS measures which do not have standard meanings under IFRS.

OPERATIONAL OVERVIEW

Sabodala Gold Operation

(All amounts are in US\$ unless otherwise stated)

- Gold production for the three months ended June 30, 2013 increased 9 percent to 49,661 ounces of gold compared to the same prior year period due to higher mill throughput as a result of the completion of the mill expansion, partially offset by processing lower grade ore.
- During the second quarter of 2013, 54,513 ounces were sold at an average gold price of \$1,379 per ounce compared to 38,503 ounces sold at an average price of \$1,608 per ounce in the same prior year period. Ounces sold during second quarter 2013 were higher than production for the period due to a drawdown of gold in circuit inventory.
- Total cash costs for the three months ended June 30, 2013 increased 8 percent to \$642 per ounce sold compared to the same prior year period. The increase over the prior year was mainly due to an increase in gross production costs partially offset by higher capitalization of production phase stripping costs. Total cash costs have been adjusted for the adoption of IFRIC 20 for capitalization of a portion of production phase stripping costs.
- Teranga has adopted the World Gold Council's (WGC) measure for reporting "all-in sustaining costs" as announced by the WGC on June 27, 2013. All-in sustaining costs for the three months ended June 30, 2013 were \$1,063 per ounce sold compared to \$1,121 per ounce sold in the prior year period. The decrease compared to prior year is primarily due to lower capitalized reserve development costs, partially offset by higher mine site operating and capital expenditures.

- Total tonnes mined for the three months ended June 30, 2013 were 13 percent higher compared to the same prior year period as mining activities were focused on phase 3 of the pit which required shorter haul distances to the mill. Improved blasting fragmentation also contributed to the increase in total tonnes mined during the quarter. Ore tonnes mined for the three months ended June 30, 2013 were 67 percent lower compared to the same prior year period and grades mined were 29 percent lower. This resulted in a decrease in ounces mined for the three months ended June 30, 2013 of 77 percent as mining activities during the quarter focused on waste stripping for phase 3 of the mine plan. Conversely, mining during the second quarter of 2012 took place in lower benches of phase 2 and included a substantial amount of ore. In the current gold price environment, the Company continues to focus on optimizing waste stripping to match ore delivery to the mill.
- Ore tonnes milled for the three months ended June 30, 2013 were 44 percent higher than the same prior year period due to an increase in mill capacity as a result of the completion of the mill expansion in the second quarter of 2012.
- Significant work was conducted on the processing plant during the first half of 2013 with the objective of reducing the frequency and duration of unplanned downtime and to increase throughput in the crushing circuit to match mill capacity. As a result of the work completed, mill throughput from mid-June through July achieved annualized design capacity of 3.5 million tonnes of primarily hard ore.
- Unit processing costs for the three month period ended June 30, 2013 were 4 percent higher than the same prior year period mainly due to higher power costs, higher maintenance costs associated with the planned May shutdown to improve crusher operating time, and an increase in consumables required for the processing of a lower ratio of soft to hard ore blend.
- As of April 15, 2013, the Company was 100 percent hedge free after having bought back the remaining 14,500 ounces of "out of the money" gold forward sales contracts. As a result, the Company is selling all production at spot gold prices rather than at the much lower hedge price.
- Subsequent to quarter end on July 18, 2013, the Company announced that it amended its existing \$60 million loan facility agreement with Macquarie. The amended agreement extends the final repayment date of its existing loan facility agreement by one year to June 30, 2015. The Company will be required to maintain a restricted cash balance of up to \$20 million and \$40 million of the loan facility will be repaid in five equal quarterly instalments beginning on June 30, 2014. The final \$20 million will be repaid with the final instalment on June 30, 2015.

PRODUCTION STATISTICS

| | | Jun-13 | Mar-13 | Dec-12 | Sep-12 | Jun-12 |
|--|-----------|---------|---------|---------|---------|---------|
| | | Quarter | Quarter | Quarter | Quarter | Quarter |
| Ore mined | ('000t) | 698 | 1,312 | 2,038 | 655 | 2,105 |
| Waste mined | ('000t) | 7,453 | 7,536 | 5,274 | 6,242 | 5,130 |
| Total mined | ('000t) | 8,151 | 8,848 | 7,312 | 6,897 | 7,235 |
| Grade Mined | (g/t) | 1.59 | 1.87 | 2.04 | 1.92 | 2.25 |
| Ounces Mined | (oz) | 35,728 | 78,929 | 133,549 | 40,516 | 152,603 |
| Strip ratio | waste/ore | 10.7 | 5.7 | 2.6 | 9.5 | 2.4 |
| Ore processed | ('000t) | 709 | 696 | 725 | 650 | 491 |
| Head grade | (g/t) | 2.36 | 3.31 | 3.40 | 3.11 | 3.22 |
| Gold recovery | (%) | 92 % | 92 % | 91 % | 85 % | 90 % |
| Gold produced ¹ | (oz) | 49,661 | 68,301 | 71,804 | 55,107 | 45,495 |
| Gold sold | (oz) | 54,513 | 69,667 | 71,604 | 62,439 | 38,503 |
| Average price received | \$/oz | 1,379 | 1,090 | 1,296 | 1,290 | 1,608 |
| Total cash costs per ounce sold ² (including Royalties) | \$/oz | 642 | 535 | 532 | 509 | 592 |
| All-in sustaining costs per ounce sold ³ (including Royalties) | \$/oz | 1,063 | 850 | 866 | 934 | 1,121 |

¹ Gold produced includes change in gold in circuit inventory plus gold recovered during the period.

² Total cash costs per ounce sold for 2012 were restated to comply with the Company's adoption of IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine, in line with the Company's accounting policies and industry standards.

³ All-in sustaining costs per ounce sold include total cash costs per ounce, administration expenses (excluding Corporate depreciation expense and social community costs not related to current operations), capitalized deferred stripping, capitalized reserve development and mine site sustaining capital expenditures.

OUTLOOK 2013

Gold production for 2013 is expected to be at the higher end of the original guidance range of 190,000 to 210,000 ounces, while total cash costs are expected to be at the lower end of our \$650 to \$700 per ounce guidance. All-in sustaining costs (as defined by the WGC) are expected to be in the range of \$1,000 to \$1,100 per ounce. Gold sales are expected to exceed production for the year as gold in circuit inventory is reduced. Efforts to increase availability, operating time and throughput at the crushing circuit are expected to result in higher tonnes milled in the second half of the year. As per the mine plan, gold production in the third quarter is expected to be lower than the first and second quarters as mining activity is focused on waste stripping of the higher benches in phase 3 of the Sabodala pit. Access to lower benches of phase 3 is expected to result in higher grade ore mined and milled during fourth quarter 2013.

In the first quarter of 2013, the Company reduced discretionary expenditures in a number of key areas including operations, exploration and administration, as well as sustaining and development capital and as such provided new guidance for the year for these items with the Company's first quarter results.

In total, between capitalized reserve development and regional exploration expenditures, the Company expects to spend approximately \$8 million in 2013, in line with revised guidance for the year.

Administrative expenditures, excluding depreciation, transaction and other non-recurring costs, are expected to be \$13 million as further cost reduction efforts are implemented in the second half of the year.

Capitalized expenditures, including sustaining mine site expenditures, project development expenditures and capitalized deferred stripping are expected to total \$65 million, in line with revised guidance for the year.

Ongoing technical work to support Sabodala operations includes optimization of the resource through modeling and grade control, evaluating geotechnical opportunities for waste reduction in the pitwall design and waste dump designs for improved mine operating costs.

FINANCE

At June 30, 2013:

Cash and cash equivalents - \$44.5 million

Trade receivables (bullion) - \$9.0 million

Project finance facility (balance outstanding) - \$60.0 million

Mining fleet lease facility (balance outstanding) - \$25.4 million

Hedge facility - as of April 15, 2013, the forward sales contracts were completely eliminated

RESERVES AND RESOURCES

Mineral Resources at March 31, 2013 are presented in Table 1 below. Total proven and probable mineral reserves at March 31, 2013 are set forth in Table 2 below. During the period, the Company increased reserves by approximately 160,000 ounces of higher grade material, increasing reserves by 4 percent.

The proven and probable mineral reserves for the Sabodala, Niakafiri and Gora deposits were based on the Measured and Indicated resources that fall within the designed pits. The basis for the resources and reserves are consistent with the Canadian Securities Administrators National Instrument 43-101 ("NI 43-101") report. The design for the open pit limits, related phasing and long term planning for the Sabodala open pit were updated from assay and drilling results received as at April 10, 2013. An updated resource block model was completed for the Sabodala deposit.

The updated Sabodala pit design uses similar geotechnical parameters as in past designs and uses a \$1,400 per ounce gold price for the Lerchs-Grossman (LG) pit optimization routine. Design optimization work is ongoing to reflect current market conditions. Mining phases are determined similarly to the previous designs, where the mine sequencing is based on accessing the high grade Main Flat Extension (MFE) through successive phases to balance waste stripping and optimize cash flow. The resources and reserves previously defined at Sutuba have been incorporated into the Sabodala deposit for this reserves estimate.

Dilution and ore recovery estimates for the Sabodala reserves were based on a comparison of the resource model with actual production performance over a 14 month span using a 5 metre mining width and 10 metre bench height.

The Niakafiri pit design remains unchanged from December, 2012. The Gora pit design remains unchanged from December, 2012.

Table 1: Resources Estimate

| | Measured | | | Indicated | | | Measured and Indicated | | |
|-----------|----------------|----------------|-------------|----------------|----------------|-------------|------------------------|----------------|-------------|
| | Tonnes (Mt) | Grade (g/t) | Au (Moz) | Tonnes (Mt) | Grade (g/t) | Au (Moz) | Tonnes (Mt) | Grade (g/t) | Au (Moz) |
| Sabodala | 24.75 | 1.38 | 1.10 | 25.35 | 1.32 | 1.08 | 50.10 | 1.35 | 2.18 |
| Niakafiri | 0.30 | 1.74 | 0.02 | 10.50 | 1.10 | 0.37 | 10.70 | 1.12 | 0.39 |
| Gora | 0.49 | 5.27 | 0.08 | 1.84 | 4.93 | 0.29 | 2.32 | 5.00 | 0.37 |
| Total | 25.54 | 1.46 | 1.20 | 37.69 | 1.44 | 1.74 | 63.23 | 1.45 | 2.94 |

| Area | Inferred | | |
|----------------|----------------|-------------|-------------|
| | Tonnes (Mt) | Au (g/t) | Au (Moz) |
| Sabodala | 18.11 | 0.95 | 0.55 |
| Niakafiri | 7.20 | 0.88 | 0.21 |
| Niakafiri West | 7.10 | 0.82 | 0.19 |
| Soukhoto | 0.60 | 1.32 | 0.02 |
| Gora | 0.21 | 3.38 | 0.02 |
| Diadiako | 2.90 | 1.27 | 0.12 |
| Majiva | 2.60 | 0.64 | 0.05 |
| Masato | 19.18 | 1.15 | 0.71 |
| Total | 57.90 | 1.00 | 1.87 |

Notes for Resources:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources for Sabodala include Sutuba.
3. Mineral Resource cut-off grades for Sabodala are 0.2 g/t Au for oxide and 0.35 g/t Au for fresh.
4. Mineral Resource cut-off grades for Niakafiri are 0.3 g/t Au for oxide and 0.5 g/t Au for fresh.
5. Mineral Resource cut-off grade for Gora is 0.5 g/t Au for oxide and fresh.
6. Mineral Resource cut-off grade for Niakafiri West and Soukhoto is 0.3 g/t Au for oxide and fresh.
7. Mineral Resource cut-off grade for Diadiako and Majiva is 0.2 g/t Au for oxide and fresh.
8. Mineral Resource cut-off grade for Masato is 0.35 g/t for fresh.
9. Measured Resources include stockpiles which total 7.91 Mt at 0.96 g/t Au for 0.24 Mozs.
10. High grade assays were capped at grades ranging from 10 g/t to 30 g/t Au at Sabodala, 20 g/t to 70 g/t Au at Gora, 10 g/t Au at Soukhoto and 20 g/t Au at Masato.
11. The figures above are "Total" Mineral Resources and include Mineral Reserves.
12. Sum of individual amounts may not equal due to rounding.

Table 2: Reserves Estimate

| Area | Proven | | | Probable | | | Proven and Probable | | |
|------------|----------------|----------------|-------------|----------------|----------------|-------------|---------------------|----------------|-------------|
| | Tonnes (Mt) | Grade (g/t) | Au (Moz) | Tonnes (Mt) | Grade (g/t) | Au (Moz) | Tonnes (Mt) | Grade (g/t) | Au (Moz) |
| Sabodala | 7.19 | 1.60 | 0.37 | 9.66 | 1.51 | 0.47 | 16.85 | 1.55 | 0.84 |
| Niakafiri | 0.23 | 1.69 | 0.01 | 7.58 | 1.12 | 0.27 | 7.81 | 1.14 | 0.29 |
| Gora | 0.57 | 4.07 | 0.07 | 1.53 | 4.27 | 0.21 | 2.10 | 4.22 | 0.28 |
| stockpiles | 7.91 | 0.96 | 0.24 | - | - | - | 7.91 | 0.96 | 0.24 |
| Total | 15.90 | 1.37 | 0.70 | 18.77 | 1.58 | 0.95 | 34.67 | 1.48 | 1.65 |

Notes for reserves table:

1. **CIM definitions were followed for Mineral Reserves.**
2. **Mineral Reserves for Sabodala include Sutuba.**
3. **Mineral Reserve cut off grades for Sabodala are 0.30 g/t Au for oxide and 0.5 g/t Au for fresh and assume \$1400/oz.**
4. **Mineral Reserve cut off grades for Niakafiri are 0.35 g/t Au for oxide and 0.5 g/t Au for fresh and assume \$1250/oz.**
5. **Mineral Reserve cut off grade for Gora is 0.5 g/t Au for oxide and fresh and assume \$1500/oz.**
6. **Proven Reserves include stockpiles which total 7.91 Mt at 0.96 g/t Au for 0.24 Moz.**
7. **Sum of individual amounts may not equal due to rounding.**
8. **Geotechnical studies are ongoing to further optimize the Sabodala pit design and provide the ability to make adjustments to reflect market conditions at a potentially lower gold price**

The technical information contained in this document relating to the mineral reserve estimates for Gora and Niakafiri as outlined in Table 2 "Reserves Estimate" as at 31 March 2013, is based on information compiled by Julia Martin, P.Eng., MAusIMM (CP). Ms. Martin is a full time employee with AMC Mining Consultants (Canada) Ltd., is independent of Teranga, is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Martin has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Martin is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Martin has reviewed and accepts responsibility for the Mineral Reserve estimates for Gora and Niakafiri disclosed in this document and has consented to the inclusion of the matters based on her information in the form and context in which it appears in this document.

The technical information contained in this document relating to the Mineral Resource estimate as presented in Table 1 "Resources Estimate" as at 31 March 2013 is based on information compiled by Patti Nakai-Lajoie, P. Geo., who is a Member of the Association of Professional Geoscientists of Ontario. Ms. Nakai-Lajoie is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 43-101. Ms. Nakai-Lajoie has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Nakai-Lajoie is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has reviewed and accepts responsibility for the Mineral Resource estimate disclosed in this document and has consented to the inclusion of the matters based on her information in the form and context in which it appears in this document.

The technical information contained in this document relating to the Mineral Reserve estimate for Sabodala as outlined in Table 2 "Reserves Estimate" as at 31 March 2013 is based on information compiled by Paul Chawrun, P. Eng., who is a member of the Professional Engineers of Ontario. Mr. Chawrun is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 43-101. Mr. Chawrun has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Chawrun is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Chawrun has reviewed and accepts responsibility for the Mineral Reserve estimate for Sabodala disclosed in this document and has consented to the inclusion of the matters based on his information in the form and context in which it appears in this document.

MINE LICENSE (ML) RESERVE DEVELOPMENT

The Sabodala Mine License covers 33km² and, in addition to the mine related infrastructure, contains the Sabodala, Masato, Niakafiri, Niakafiri West, Soukhoto and Dinkokhono deposits.

In the first half of 2013, the Company drilled 11,700 metres on the ML at a drilling cost of \$1.6 million, and total costs of \$2.8 million.

Sabodala

The drill program at Sabodala was completed in the first quarter of 2013, with results returned by mid-April 2013. Drilling targeted the MFE immediately adjacent to the current ultimate pit, as well as additional mineralization located below the MFE, to upgrade and increase mineral resources. Drilling successfully confirmed continuation of these zones, and updated resource and reserve models were generated.

Waste dump condemnation drilling to the southeast of the Sabodala pit was completed in the first quarter of 2013.

Niakafiri

The timing of a planned drill program at the Niakafiri deposit along strike is under review in light of both the decrease in gold prices and the potential acquisition of Oromin, which may lead to a re-evaluation of priorities.

Masato North

A preliminary drill program consisting of six holes was completed to test the northern extent of the Niakafiri Shear Zone, adjacent to the ML boundary. Narrow mineralized low grade zones were intersected, with future analysis planned.

REGIONAL EXPLORATION

The Company has been systematically building a pipeline of prospects on its regional land package (RLP). Unlike other West African nations, Senegal is a relative newcomer to gold mining and exploration and the Company believes that there is a strong possibility of discovering world-class deposits and establishing Senegal as a regional mining leader.

In the first half of 2013, the Company drilled 6,700 metres on the RLP at a drilling cost of \$0.6 million, and total costs of \$3.5 million, including retrenchment costs of closing two exploration camps and workforce reductions.

The Company currently has 10 exploration permits encompassing approximately 1,057km² of land surrounding the Sabodala ML (33km² exploitation permit). Over the past 30 months, with the initiation of a regional exploration program on this significant land package, a tremendous amount of exploration data has been systematically collected and interpreted to prudently implement follow-up programs. Targets are therefore in various stages of advancement and are then prioritized for follow-up work and drilling. Early geophysical and geochemical analysis of these areas has led to the demarcation of at least 50 anomalies, targets and prospects and the Company expects that several of these areas will ultimately be developed into mineable deposits. The Company has identified some key targets that, though early stage, display significant potential. However, due to the sheer size of the land position, the process of advancing an anomaly through to a mineable deposit takes time with a systematic approach to maximize potential for success.

Heremakono - Soreto

Encouraging drill results were received from an early stage diamond drilling program initiated on the Soreto prospect in the second quarter 2013. Drilling from 6 holes totalling approximately 800 metres confirms that the 4.5 kilometre long soil anomaly is associated with gold mineralization developed within a broad brecciated shear zone trending north-northeast coincident with the Sabodala Shear Corridor. Additional diamond drilling programs are being considered to test similar gold anomalies on the adjacent Soreto North and Diabougou Prospects which follow the same structural trend as the Soreto gold mineralization.

Heremakono - Nienyenko

Follow-up mapping and trenching across the Nienyenko prospect of an alteration-related multi-element footprint and gold soil anomaly confirms that gold mineralization is associated with flat lying quartz veins developed within brecciated granodiorite, granite and andesitic units. The gold mineralization has been traced in trenches excavated over a distance of 1,200 metres and coincides with a termite geochemical soil anomaly extending over a 2,500 metre strike length. The gold mineralization appears to be controlled by a regional scale north-northeast trending decollement and imbricate thrust system. Follow-up exploration work with trenching and eventual drilling is planned for future.

Garaboureyia

A limited first pass data collection was completed at Garaboureyia, consisting of termite mound geochemistry, mapping, rock chip sampling and acquisition of high-resolution aeromagnetics. This data resulted in the delineation of a significant gold anomaly coincident with a permissive structural setting. Interpretation work is continuing to define a potential program on this target for the future.

Beyond the current RLP, the Company is focused on acquiring additional exploration licenses in Senegal. The Company also expects to augment its internal growth by strategic acquisitions of companies or assets including operating assets that have growth potential or attractive exploration packages initially in Senegal but ultimately elsewhere in West Africa.

AGREEMENT WITH THE REPUBLIC OF SENEGAL

The Company signed a definitive global agreement ("Agreement") with the Republic of Senegal in late May 2013, which was the execution of the long-term comprehensive Agreement in Principle signed in April with the Republic of Senegal. The Agreement includes amendments to the Company's 90 percent held Sabodala Mining Convention, certain of its exploration permits, and also includes a financial settlement agreement that addresses most of the outstanding tax assessments (associated with the years 2007 through 2010) as well as future royalty and other payments to the Republic of Senegal as outlined previously. Collectively, the definitive documentation constitutes a global agreement that sets out a predictable and stable fiscal operating environment for the Company's future investment in exploration, acquisitions and development to increase reserves and production in Senegal.

The Republic of Senegal has agreed to support the Company in its plan for further development, notably:

- Setting a price and formula to allow for the acquisition of the Republic's additional participation option on deposits not on the Company's Mine License and to incorporate these into the Company's existing Mining Convention and fiscal regime;
- Supporting drilling of the Niakafiri deposit on the Mine License;
- Extending the term of our renewable Mine License by five years to 2022 and extending five key exploration licences by a further 18 months beyond current expiry periods;
- Working with the Company to ensure full access to exploration targets currently occupied by artisanal miners; and
- Resolving the Special Contribution Tax of 5% by increasing the royalty rate from 3 to 5%, and prepaying dividends, that are otherwise payable under our mining convention, based on expected performance over the period 2013 to 2015.

The Company has agreed to the following:

- To increase the royalty rate on sales from 3% to 5% effective January 1, 2013;
- During the second quarter of 2013, the Company made a payment of \$2.7 million related to accrued dividends to the Republic of Senegal in respect of its existing 10% minority interest. A payment of \$2.7 million will be required once drilling activities recommence at Niakafiri. The Company has also agreed to advance a further \$8.0 million of accrued dividends to be paid in 2014 and 2015, based on a gold price of \$1,600 per ounce.
- The Company is required to make a payment of approximately \$4.2 million related to the waiver of the right for the Republic of Senegal to acquire an additional interest in the Gora project. The payment is expected to be made upon receipt of all required approvals authorizing the processing of all ore through the Sabodala plant.
- The Company has agreed to establish a social development fund targeted at \$15.0 million, payable to the Republic of Senegal at the end of the mine life.

OFFER TO ACQUIRE OROMIN EXPLORATIONS

On June 19, 2013, the Company mailed a formal offer to acquire all of the issued and outstanding common shares of Oromin that it does not already own in exchange for approximately 69.1 million shares of the Company.

On July 22, 2013, the Company and Oromin announced that they had entered into a support agreement (the "Support Agreement") in respect of an amended offer (the "Varied Offer"). The Varied Offer reflects an increase in the exchange ratio to 0.60 (from 0.582) of a common share of Teranga for each Oromin share. The increase in the exchange ratio brings the net treasury shares to be issued by Teranga to approximately 71.2 million from approximately 69.1 million. The Varied Offer will expire at 9:00 p.m. (Toronto Time) on August 6, 2013.

In connection with the Support Agreement, all of the directors and officers of Oromin unanimously support the new offer and have entered into lock-up agreements with Teranga pursuant to which they have agreed to tender a total of 11,111,441 Oromin shares, representing approximately 8.1 percent of the outstanding Oromin shares, to the Varied Offer. [IAMGold Corp.](#) ("IAMGOLD") has also agreed to extend its previously executed lock-up agreement with Teranga and tender its 16,088,636 Oromin shares, representing approximately 11.7 percent of the outstanding Oromin shares, to the Varied Offer. Teranga owns 18,699,500 Oromin shares, representing approximately 13.6 percent of the outstanding Oromin shares. All together this represents 45,899,577 Oromin shares or approximately 33.4 percent of the outstanding Oromin shares.

In the Support Agreement, Oromin has agreed to support and assist Teranga in the defense of the current litigation commenced by Bendon International Limited ("Bendon") on June 13, 2013 against Oromin and Teranga. In respect of the Bendon litigation, Oromin is of the view, and concurs with Teranga's assessment, that the making of the offer to acquire Oromin, and the take-up of Oromin Shares tendered, is not prohibited or restricted by the terms of the Shareholders Agreement governing the Oromin Joint Venture Group ("OJVG") and neither Bendon nor Badr Investment & Finance Company ("Badr") have any right of first refusal, right of first offer or similar right on or in respect of, the transfer of Oromin's indirect interest in the OJVG or the OJVG Gold Project.

Oromin and Teranga both believe that the Bendon litigation is ill-conceived and will assertively defend it. In that regard, Teranga has served Bendon with a Notice of Motion and accompanying affidavit seeking to dismiss the Bendon litigation.

The Support Agreement contains customary deal protection provisions, including a commitment by Oromin not to solicit alternative transactions, a five business day right for Teranga to match any superior proposal received by Oromin, mutual break fees and expense reimbursement provisions that are payable in certain circumstances and other customary terms. Teranga has also agreed to remove as conditions to the Varied Offer the condition relating to the current Bendon litigation and the condition relating to a waiver of the right of Senegalese nationals to acquire, at fair market value, a 25 percent fully participatory equity position in Société des Mines de Golouma S.A (Somigol).

The Varied Offer will be subject to certain conditions, including the acceptance of the offer by Oromin shareholders owning not less than 66 2/3 percent of the outstanding Oromin shares and obtaining all required governmental, stock exchanges and regulatory approvals.

Teranga shareholder approval for the Teranga shares to be issued under the Varied Offer was obtained at the annual and special meeting of shareholders of Teranga that was held on July 18, 2013.

Next steps are anticipated to be:

- Complete the acquisition of Oromin
- Negotiate a toll milling agreement with the Joint Venture Partners (Bendon and Badr)
- Integrate and develop the OJVG deposits into Teranga's operations
- Obtain the waiver of the Republic of Senegal's 25 percent participatory option in Somigol
- Increase production and generate greater free cash flow

CORPORATE DIRECTORY

Directors

Alan Hill, Executive Chairman
 Richard Young, President and CEO
 Christopher Lattanzi, Non-Executive Director
 Edward Goldenberg, Non-Executive Director
 Alan Thomas, Non-Executive Director
 Frank Wheatley, Non-Executive Director

Senior Management

Alan Hill, Executive Chairman
 Richard Young, President and CEO
 Mark English, Vice President, Sabodala Operations
 Paul Chawrun, Vice President, Technical Services
 Navin Dyal, Vice President and CFO
 David Savarie, Vice President, General Counsel & Corporate Secretary
 Kathy Sipos, Vice President, Investor & Stakeholder Relations
 Macoumba Diop, General Manager and Government Relations Manager, SGO

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Share Registries

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 T: 1 300 850 505

Stock Exchange Listings

Toronto Stock Exchange, TSX code: TGZ
 Australian Securities Exchange, ASX code: TGZ

Issued Capital

| | |
|---------------|-------------|
| Issued shares | 245,618,000 |
| Stock options | 16,808,333 |

Stock Options - Exercise Profile

| Exercise Price (C\$) | Options |
|----------------------|------------|
| \$3.00 | 16,808,333 |

ABOUT TERANGA

[Teranga Gold Corp.](#) is a Canadian-based gold company listed on the Toronto Stock Exchange (TSX:TGZ) and Australian Securities Exchange (ASX:TGZ). Teranga is principally engaged in the production and sale of gold, as well as related activities such as exploration and mine development.

Teranga was created to acquire the Sabodala gold mine and a regional exploration land package, located in Senegal, West Africa, within the West African Birimian geological belt. Management believes the mine operation, together with the Company's prospective 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. The Company is focused on growth - growth in reserves, growth in production - while building a

strong balance sheet to facilitate its actions.

Forward Looking Statements

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teranga, or developments in Teranga's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, all disclosure regarding possible events, conditions or results of operations that are based on assumptions about future economic conditions and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. The risks and uncertainties that may affect forward-looking statements include, among others: 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, as well as other risks and uncertainties which are more fully described in the Company's Annual Information Form dated March 27, 2013, and in other company filings with securities and regulatory authorities which are available at www.sedar.com. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and, except as required by law, Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this news release should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities.

Competent Persons Statement

The technical information contained in this document relating to the mineral reserve estimates for Gora and Niakafiri as outlined in Table 2 "Reserves Estimate" as at 31 March 2013, is based on information compiled by Julia Martin, P.Eng., MAusIMM (CP). Ms. Martin is a full time employee with AMC Mining Consultants (Canada) Ltd., is independent of Teranga, is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Martin has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Martin is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Martin has reviewed and accepts responsibility for the Mineral Reserve estimates for Gora and Niakafiri disclosed in this document and has consented to the inclusion of the matters based on her information in the form and context in which it appears in this document.

The technical information contained in this document relating to the Mineral Resource estimate as presented in Table 1 "Resources Estimate" as at 31 March 2013 is based on information compiled by Patti Nakai-Lajoie, P. Geo., who is a Member of the Association of Professional Geoscientists of Ontario. Ms. Nakai-Lajoie is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 43-101. Ms. Nakai-Lajoie has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Nakai-Lajoie is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has reviewed and accepts responsibility for the Mineral Resource estimate disclosed in this document and has consented to the inclusion of the matters based on her information in the form and context in which it appears in this document.

The technical information contained in this document relating to the Mineral Reserve estimate for Sabodala as outlined in Table 2 "Reserves Estimate" as at 31 March 2013 is based on information compiled by Paul Chawrun, P. Eng., who is a member of the Professional Engineers of Ontario. Mr. Chawrun is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 43-101. Mr. Chawrun has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Chawrun is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure

for Mineral Projects. Mr. Chawrun has reviewed and accepts responsibility for the Mineral Reserve estimate for Sabodala disclosed in this document and has consented to the inclusion of the matters based on his information in the form and context in which it appears in this document.

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