

All-time High Production and Record Low Unit Costs for 2016

Banfora Feasibility Study on Track for Mid-Year

TORONTO, ONTARIO--(Marketwired - Jan 29, 2017) -

(All amounts are in U.S. dollars unless otherwise stated)

[Teranga Gold Corp.](#) ("Teranga" or the "Company") (TSX:TGZ) (ASX:TGZ) is pleased to report its fourth quarter and year-end 2016 operating results for Australian Securities Exchange ("ASX") purposes.

"We achieved record-breaking operational performance in 2016 and are entering 2017 with a strong balance sheet and a focused plan to deliver on our vision of becoming a diversified mid-tier West African gold producer," stated Richard Young, President and Chief Executive Officer of Teranga. "In just one year, we have reduced the operating risk at Sabodala, multiplied our prospects for growth and increased our optionality with the acquisitions of Gryphon Minerals and a large prospective land package in Côte d'Ivoire. In 2017, our focus will be on proving the value of these new assets and fast tracking the completion of a feasibility study required to develop the Banfora gold project."

Added Mr. Young, "I am proud to say that all of this was accomplished while extending our long running health and safety record, which has now topped three years without a lost-time incident, and while earning international recognition of our corporate social responsibility program."

2016 Highlights

- Achieved record high production of 216,735 gold ounces, surpassing guidance of 200,000-215,000 gold ounces
- Achieved cost guidance as unit mining and processing costs hit record low
- Total cash costs⁽¹⁾ are expected to be within the mid-point of our 2016 guidance range of \$600-\$650 per ounce
- All-in sustaining costs⁽¹⁾ are expected to be within the mid-point of our 2016 guidance range of \$900-\$975 per ounce
- Strengthened the Company's balance sheet with a cash position at year end of \$95.2 million, compared to \$44.4 million as at December 31, 2015
- Completed the Gryphon Minerals acquisition and commenced the Banfora gold project feasibility study
- Completed the Sabodala mill optimization - under budget and ahead of schedule
- Advanced our exploration programs in Senegal, Burkina Faso and Côte d'Ivoire
- Extended industry-leading health and safety record to more than 3 years without a lost time injury
- Received awards for our corporate social responsibility program from the United Nations Global Compact Network Canada and from the Prospectors & Developers Association of Canada

2017 Outlook

- The Company's outlook for 2017 is as follows:
 - Production: 205,000 to 225,000 gold ounces⁽²⁾
 - All-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs): \$900 to \$975 per ounce⁽¹⁾. All-in sustaining costs (including non-cash inventory movements and amortized advanced royalty costs): \$1,000 to \$1,075 per ounce⁽¹⁾.
 - See page 5 for a complete summary of operating and financial guidance

REVIEW OF OPERATING RESULTS

Operating Results ²	Three months ended December 31,			Twelve months ended December 31,		
	2016	2015	Change	2016	2015	Change

Ore mined	('000t)	533	1,859	(71	%)	2,132	7,748	(72	%)
Waste mined - operating	('000t)	7,506	4,612	63	%	27,186	18,382	48	%
Waste mined - capitalized	('000t)	1,689	726	133	%	6,326	5,501	15	%
Total mined	('000t)	9,728	7,197	35	%	35,644	31,631	13	%
Grade mined	(g/t)	2.89	1.37	111	%	2.66	1.22	119	%
Ounces mined	(oz)	49,483	82,057	(40	%)	182,394	303,023	(40	%)
Strip ratio	waste/ore	17.25	2.9	501	%	15.7	3.1	410	%
Ore milled	('000t)	1,034	919	13	%	4,025	3,421	18	%
Head grade	(g/t)	1.45	1.86	(22	%)	1.81	1.79	1	%
Recovery rate	%	91.5	93.4	(2	%)	92.6	92.3	0	%
Gold produced ¹	(oz)	43,987	51,292	(14	%)	216,735	182,282	19	%
Gold sold	(oz)	46,523	52,939	(12	%)	217,652	193,218	13	%
Average realized price	\$/oz	1,197	1,099	9	%	1,234	1,161	6	%
Mining	(\$/t mined)	2.38	2.83	(16	%)	2.33	2.42	(4	%)
Mining long haul	(\$/t hauled)	2.78	5.33	(48	%)	3.41	5.35	(36	%)
Milling	(\$/t milled)	10.55	13.27	(20	%)	10.70	14.01	(24	%)
G&A	(\$/t milled)	4.61	4.99	(8	%)	4.46	4.82	(7	%)

Notes to Table Above

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

² All financials are unaudited.

Three months ended December 31, 2016					Twelve months ended December 31, 2016		
	Gora	Golouma	Kerekounda	Masato	Gora	Golouma	Kerekounda
Ore mined	('000t) 171	258	104	455	747	826	104
Waste mined - operating	('000t) 3,576	3,283	647	166	14,000	12,373	647
Waste mined - capitalized	('000t) 1,689	-	-	-	6,326	-	-
Total mined	('000t) 5,436	3,541	751	621	21,073	13,199	751
Grade mined	(g/t) 3.15	3.15	1.80	1.16	2.83	3.44	1.80
Ounces mined	(oz) 17,301	26,160	6,022	16,969	67,948	91,455	6,022

Three months ended December 31, 2015				Twelve months ended December 31, 2015		
	Masato	Gora		Masato	Sabodala	Gora
Ore mined	('000t) 1,632	227		6,981	473	294
Waste mined - operating	('000t) 1,292	3,320		13,130	504	4,748
Waste mined - capitalized	('000t) -	726		4,038	24	1,439
Total mined	('000t) 2,924	4,273		24,149	1,001	6,481
Grade mined	(g/t) 1.17	2.80		1.14	1.83	2.42
Ounces mined	(oz) 61,655	20,401		252,587	27,622	22,814

OPERATIONAL OVERVIEW

Sabodala Gold Operations

Fourth Quarter 2016

- Gold production for the fourth quarter was on plan at 43,987 ounces, a decrease of 14 percent versus the prior year period. The lower fourth quarter production was in line with the full year mine plan.
- Total cash costs⁽¹⁾ during the quarter are expected to be approximately \$700 per ounce, slightly higher compared to the prior year period, as a result of processing lower grade material.
- All-in sustaining costs per ounce⁽¹⁾ for the fourth quarter are expected to be approximately \$1,050, slightly higher than the prior year period due to an increase in total cash costs⁽¹⁾ and lower production.

Mining

- Mining activities in the fourth quarter were focused on Gora Phases 2 and 3, Golouma South, as well as the early stages of mining operations at Kerekounda. Total tonnes mined were 35 percent higher than the prior year period, as the 2016 mine plan called for an increase in material movement.

- Ore tonnes mined in the fourth quarter were 71 percent lower than the prior year period, while the average grade mined increased by 111 percent compared to the prior year period. In 2016, overall mining shifted to higher grade, higher strip ratio deposits from lower grade, lower strip ratio deposits in the prior year.
- At both Golouma South and Kerekounda, ore tonnes, grade and ounces mined continue to reconcile above the respective reserve models. At Gora, ore grades are reconciling to the reserve model in benches below historical artisanal workings.
- As planned, the Company amassed a high grade ore stockpile to help smooth out quarterly production fluctuations and act as a buffer in the event of lower than planned grades or throughput.

Processing

- Ore tonnes milled for the fourth quarter increased by 13 percent, representing a record for the Company as throughput rates increased following the commissioning of a second crushing circuit. In the prior year period, material handling issues affected throughput rates during the rainy season early in the quarter.
- Head grade for the fourth quarter was 22 percent lower than the prior year period. Mill feed for the quarter was primarily sourced from lower grade stockpiles and supplemented with high grade feed from Golouma South, Gora and Kerekounda. In the prior year period, mill feed was from high grade ore sourced mainly from Masato and Gora.

Costs - Site Operations

- Total mining costs for the fourth quarter were \$23.1 million, 13 percent higher than the prior year period primarily due to a 35 percent increase in material movement. On a unit cost basis, mining costs for the three months were 16 percent lower than the prior year period mainly due to higher mined volumes, lower fuel costs and the positive contribution from an ongoing company-wide business performance improvement initiative. Total long-haul costs for the fourth quarter were \$1.1 million, \$0.4 million higher than the prior year period mainly due to an increase in ore tonnes hauled from satellite deposits.
- Total processing costs for the fourth quarter decreased to \$10.9 million, 11 percent lower than the prior year period due to lower fuel prices despite a 13 percent increase in throughput. Accordingly, unit processing costs for the fourth quarter were 20 percent lower than the prior year period.
- Total mine site general and administrative costs for the fourth quarter totaled \$4.8 million, 4 percent higher than the prior year period mainly due to higher labour and non-refundable value-added tax ("VAT") costs. On a unit basis, general and administrative costs decreased by 8 percent over the prior year period due to higher tonnes milled.

Full Year 2016

- Gold production in 2016 was a record 216,735 ounces, exceeding the higher end of the Company's full year production guidance. Production increased by 19 percent versus the prior year period. Prior year production was lower than planned due to material handling issues during the third quarter and the impact of artisanal miners in the fourth quarter at Gora.
- For 2016, total cash costs⁽¹⁾ are expected to be within the mid-point of the Company's guidance range of \$600 to \$650 per ounce, slightly lower than the prior year, due to higher production, which was partially offset by a marginal increase in gross mine site costs from mining more material.
- All-in sustaining costs per ounce⁽¹⁾ in 2016 are expected to be within the mid-point of the Company's guidance range of \$900 to \$975 per ounce, slightly lower than the prior year mainly due to lower total cash costs per ounce⁽¹⁾.

Mining

- Total tonnes mined for the full year were 13 percent higher than the prior year due to an increase in the utilization of the mobile equipment fleet in keeping with the 2016 mine plan. Mining activities for 2016 were mainly focused on the lower benches of the Masato deposit, which were completed during the first quarter and the Gora and Golouma South deposits, which have been active throughout the year. Mining activities commenced at Kerekounda in December. In the prior year period, mining was focused on the upper benches of Masato, completion of phase 3 of the Sabodala pit and commencement of operations at Gora during the third quarter of 2015.
- Ore tonnes mined for 2016 were 72 percent lower than the prior year, while ore grades mined were 119 percent higher, as mining was shifted to higher grade deposits at Gora, Golouma South and Kerekounda.

Processing

- Ore tonnes milled for the full year were 18 percent higher than the prior year. Mill throughput for 2016 represents the highest in Company history. The higher throughput rates reflect the benefits of the mill optimization project, which included installation of the second crusher, which was commissioned a quarter ahead of schedule and 12 percent lower than budget.
- In 2016, head grades were similar to the prior year. High grade material mined in 2016 was supplemented with material from the lower grade stockpiles built up over the past several years.

Costs - site operations

- Total mining costs for the full year were \$83.2 million, 9 percent higher than the prior year mainly due to a 13 percent increase in material movement partially offset by lower fuel prices. On a unit basis, mining costs for 2016 were 4 percent lower than the prior year mainly due to higher material movement. Total long-haul costs for the full year were \$4.0 million, \$3.2 million higher than the prior year period, mainly due to 1.2 million ore tonnes hauled in the current year from satellite deposits.
- Total processing costs for 2016 were \$43.1 million, 10 percent lower than the prior year, despite an 18 percent increase in mill throughput, due in large part to lower fuel prices. As a result, unit processing costs decreased by 24 percent compared to the prior year.
- Total mine site general and administrative costs for 2016 were \$18.0 million, 9 percent higher than the prior year mainly due to increased labour and non-refundable VAT costs. On a unit basis, mine site general and administrative costs decreased by 7 percent over the prior year mainly due to an increase in tonnes milled.

2017 Guidance

The following table outlines the Company's estimated 2017 summary production and cost guidance:

		Year 2017 Guidance
Operating Results		
Ore mined	('000t)	2,000
Waste mined	('000t)	34,500
Total mined	('000t)	36,500
Grade mined	(g/t)	2.75
Strip ratio	waste/ore	13.0
Ore milled	('000t)	3,700
Head grade	(g/t)	1.80
Recovery rate	%	90.0
Gold produced ²	(oz)	200,000
All-in sustaining costs ³	\$/oz sold	900
Cash / (non-cash) inventory movements and amortized advanced royalty costs ³	\$/oz sold	Not applicable
All-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) ³	\$/oz sold	Not applicable
Mining	(\$/t mined)	2.20
Mining long haul	(\$/t hauled)	4.00
Milling	(\$/t milled)	11.0
General and Administration	(\$/t milled)	4.25
Mine Production Costs	\$ millions	145
Corporate Administration Expense ⁴	\$ millions	8.0
Regional Administration Costs ⁴	\$ millions	2.0
Community Social Responsibility Expense ⁴	\$ millions	3.0
Exploration & Evaluation (Expensed) ⁶	\$ millions	5.0
Sustaining Capital Expenditures		
Mine site sustaining	\$ millions	8.0
Capitalized reserve development	\$ millions	7.0
Site development costs	\$ millions	17.0
Total Sustaining Capital Expenditures ⁵	\$ millions	32.0

Growth Capital Expenditures (Banfora) ⁶

Feasibility study	\$ millions	Not
Capitalized reserve development	\$ millions	Not
Construction readiness	\$ millions	Not
Total Growth Capital Expenditures	\$ millions	Not

Notes to Guidance Table Above:

¹ All financials are unaudited.

² 22,500 ounces of gold production are to be sold to [Franco-Nevada Corp.](#) at 20% of the spot gold price.

³ All-in sustaining costs per ounce is a non-IFRS financial measure and does not have a standard meaning under IFRS. All-in sustaining costs per ounce sold include total cash costs per ounce, administration expenses, share based compensation and sustaining capital expenditures as defined by the World Gold Council. All-in sustaining costs include non-cash amortization of advanced royalties and inventory movements. For 2016, all-in sustaining costs per ounce is forecasted to be within the mid-point of the 2016 guidance range of \$900 - \$975 per ounce. The Company is providing 2016 guidance for cash / (non-cash) inventory movements and amortized royalty costs - forecasted to be ~\$40 per ounce, and all-in sustaining costs per ounce (excluding cash / (non-cash) inventory movements and amortized royalty costs - forecasted to be less than \$975 per ounce.

⁴ During the first quarter 2016, the Company began to present CSR Expense and Regional Administration Costs separately from Corporate Administration Expense. The Company's 2016 guidance was updated accordingly.

⁵ Excludes capitalized deferred stripping costs, included in mine production costs.

⁶ 2016 guidance for exploration and evaluation and growth capital expenditures exclude \$2 million in exploration costs and \$2 million in growth capital expenditures, both related to Gryphon, announced in our third quarter 2016 news release.

This forecast financial information is based on the following material assumptions for 2017: gold price: \$1,200 per ounce; light fuel oil price \$0.81/L; heavy fuel oil price \$0.46/L; Euro:USD exchange rate of 1:10.1

Other important assumptions: any political events are not expected to impact operations, including movement of people, supplies and gold shipments; grades and recoveries will remain consistent with the life-of-mine plan to achieve the forecast gold production; and no unplanned delays in or interruption of scheduled production.

The Company's mine plans are designed to maximize sustainable free cash flows⁽³⁾ over the mine life. Mining activities in 2017 will continue to focus on the higher grade and higher strip ratio deposits. Mining activities are expected to focus on Gora and completion of the Golouma South deposit by the end of the third quarter. Production at Kerekounda commenced in December 2016 and is expected to continue throughout 2017. The Golouma West deposit is expected to commence development and then proceed to production during the first quarter 2017 for the duration of the year. Total tonnes mined are expected to increase from 35.6 million tonnes mined in 2016 to between 37.0 and 39.5 million tonnes in 2017. A higher mining rate together with a greater availability of shovels is planned for 2017 as compared to 2016. Ore tonnes and grade mined are expected to be similar to 2016.

Mill throughput is expected to increase with the benefit of a full year of mill optimization to between 4.0 and 4.3 million tonnes compared to 4.0 million tonnes in 2016. Mill grades are expected to be similar to 2016 at between 1.7 and 1.9 grams per tonne.

The Company expects to produce between 205,000 and 225,000 ounces of gold in 2017. The quarterly profile is expected to be reasonably consistent through the year. The Company has built up a high-grade stockpile to offset lower than planned grades or throughput during the year. The wider guidance range reflects the potential impact that lower shovel availabilities could have on production. Shovel availability in 2016 was the lowest on record for the Company.

Total production costs at Sabodala are expected in the range of \$155 to \$165 million in 2017, which exceeds the prior year due to expectations for increased material mined and processed and higher fuel and reagent costs.

Overall, our 2017 guidance is in line with the updated National Instrument 43-101 ("NI 43-101") technical report dated March 2016 for Sabodala (the "Technical Report") with the exception of marginally higher costs reflecting higher fuel prices as compared to the Technical Report and the impact of non-refundable taxes which were not included in the Technical Report.

Administrative costs are expected to increase by up to \$2.0 million to a range of \$10.0 to \$11.0 million reflecting the Company's expansion beyond Senegal to Burkina Faso and Côte d'Ivoire. In addition, regional office costs, including the Dakar and Ouagadougou offices, and the addition of Gryphon Minerals' office in Perth, Australia, which is expected to be retained to accommodate activities related to the potential development of the Banfora gold project, are expected to total approximately \$3.0 million.

Corporate social responsibility costs are expected to rise by up to \$0.4 million to between \$3.5 and \$4.0 million reflecting the additional activities and commitments in Burkina Faso related to the Banfora gold project.

Sustaining capital expenditures in 2017 for the Sabodala mine are expected to decrease to between \$15.0 and \$21.0 million, excluding deferred stripping, due to the completion of the mill optimization project in 2016. This amount is marginally higher than the Technical Report amount for 2017, as a decision to bring forward drill rig replacements has been made due to the higher operating costs of the existing fleet incurred in 2016, combined with reserve development costs which were not included in the Technical Report. New project development costs for the Banfora gold project pre-investment decision are expected to total

\$11.0 to \$17.0 million. Banfora capital costs include the completion of the feasibility study, camp upgrades, certain site costs to prepare for construction and the cost to maintain the camp.

All-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) is expected to be \$900 to \$975 per ounce⁽¹⁾. All-in sustaining costs (including non-cash inventory movements and amortized advanced royalty costs) is expected to be \$1,000 to \$1,075 per ounce⁽¹⁾. In 2017, the majority of mill feed is expected to be from low-grade stockpiles resulting in the non-cash amortization of historic mining costs, increasing total cash costs⁽¹⁾ and all-in sustaining costs per ounce⁽¹⁾.

CORPORATE OVERVIEW

On November 21, 2016, the Company completed an equity offering (the "Offering") of 34,655,000 common shares, at a price of C\$1.05 per share for gross proceeds of approximately C\$36.4 million. Concurrent with the closing of the Offering, the Company completed a non-brokered private placement with Tablo Corporation (the "Private Placement"), a company controlled by David Mimran, of 29,500,000 common shares at a price of C\$1.05 per share for gross proceeds of approximately C\$31.0 million. Net proceeds of the Offering and the Private Placement were C\$64.9 million, or \$48.4 million after deduction of underwriter fees and expenses totaling approximately \$1.8 million. The net proceeds are being used for construction readiness activities at the Banfora gold project, funding of exploration activities associated with the Banfora, Golden Hill, and Gourma gold projects in Burkina Faso and for general corporate purposes.

Teranga's primary source of liquidity comes from the Company's cash balance of \$95.2 million (unaudited) as at December 31, 2016, which includes the funds received from the Offering and the Private Placement. During the fourth quarter of 2016, the Company paid \$17.2 million in royalty payments to the Government of Senegal to settle the remaining 2015 royalties owed and royalties owed related to the first three quarters of 2016. An additional \$1.6 million of royalty payments was settled through an offset of VAT receivables owing from the Government of Senegal. The Company has now moved to payment of government royalties one quarter in arrears. Additional sources of liquidity for the Company in 2017 are expected to come from Sabodala cash flows, \$15 million in undrawn funds from an existing \$30 million revolving credit facility and \$10.3 million (unaudited) of VAT receivables as at December 31, 2016.

BUSINESS AND PROJECT DEVELOPMENT

BURKINA FASO

Banfora Gold Project Update

Preparation of the feasibility study has progressed during the fourth quarter with a focus towards the delivery of a resource and reserve estimate, revised plant design, construction execution plan and updated capital and operating costs. The new study is expected to leverage Teranga's extensive operational and construction experience in West Africa to optimize the study along with independent technical consultants. Expectation for completion is by mid-year 2017 at which point a construction decision will be made. An infill exploration program for the Stinger deposit began in the fourth quarter and, together with a number of additional prospective areas on the Banfora property, is expected to continue to be explored in 2017. In parallel, the strategic review and execution plan for the relocation action plan and livelihood restoration plan has begun.

SENEGAL

Mill Optimization

Commissioning of the additional crusher and screening station was completed in third quarter 2016 allowing for steady state crush feed to the SAG mill throughout the fourth quarter. Sustained throughput rates on a daily basis were achieved in excess of 520-580 tonnes per hour with a fresh/oxide blend throughout fourth quarter, achieving the desired outcome of a 15 percent improvement to the original throughput capability of the plant.

With the major capital project now complete, further optimization has shifted focus to improving the grind size throughput rate and gold recovery relationship as the varying ore blends are processed. Specific projects to assist with this include optimal power application to the ball mill motors, a revised gearbox design (installed in fourth quarter), improvements in reliability and throughput rate of the recycle (pebble) crusher and general semi autogenous ball-mill-crushing operating and data analytic improvements.

EXPLORATION OVERVIEW

SENEGAL EXPLORATION HIGHLIGHTS

On the Sabodala mine lease, drilling evaluation of the Goumbati West deposit continues to yield encouraging gold results over what is now a confirmed strike length of approximately 1.5 kilometres which warrants additional work. In addition, the Niakafiri drilling program to upgrade resource classifications and confirm model interpretations commenced on the Dinkokono-Niakafiri Main and Niakafiri Southeast deposits.

Within the regional permits, additional core drilling provided encouraging results at the Doughnut Jam prospect and the Marougou Main deposit which warrant additional work. On the Sounkounkou KB prospect, trenching across geochemical soil anomalies identified two broad mineralized zones with potential for additional exploration.

Sabodala Mine Lease Reserve Development

Goumbati West Deposit

Positive results were received from the Goumbati West deposit fourth quarter 2016 core-drilling program which warrant additional work. The deposit comprises, a NNE trending gold in quartz vein system comprised of several Zones (A, B, C and D) located approximately 10 kilometres from the Sabodala Plant. Drilling evaluation remains at an early stage and continues to target shallow, near-surface oxide mineralization along strike and to depths where mineralization is transitioning into fresher material.

The Goumbati West quartz vein system displays very good hole-to-hole and section-to-section continuity and remains open to further expansion along trend both north and south as well as to depth. With recent drilling success of Zone D representing a 520-metre strike length along trend to the north of Zones A and B, the Goumbati West quartz vein system comprises a minimum strike extent of approximately 1,500 metres. Fifty-nine drill holes totaling 5,600 metres were drilled during fourth quarter 2016, along the trend to the north (Zone D) testing both gold-in-soil geochemical anomalies and coincident trench results located between Goumbati West and the Kobokoto South prospect. Positive drilling results also continue to be received from the Goumbati West Zone C area, which covers an extensive gold-in-soil geochemical anomaly located immediately west of previously drill defined Goumbati West Zones A and B, suggesting a sub-parallel quartz vein system is present.

In the first half 2017, results from the fourth quarter 2016 program (Table 1), and ongoing drilling in first quarter 2017, will be used to upgrade the initial mineral resource estimate.

Table 1 - Highlight Results for Fourth Quarter 2016 - Goumbati West

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *	Remarks
MDD16-0167	809763	1450379	104/-50	46.0 - 52.0	6m @ 1.22 g/t	Incl. 1m @ 3.37 g/t
MDD16-0171	810229	1450957	103/51	9.0 - 14.0	5m @ 13.47 g/t	Incl. 2m @ 29.55 g/t
			103/51	89.0 - 91.0	2m @ 1.24 g/t	
MDD16-0173	810190	1450968	104/-50	35.0 - 40.0	5m @ 1.7 g/t	Incl. 1m @ 3.55 g/t
MDD16-0178	809839	1450560	106/-50	21.0 - 24.0	3m @ 2.15 g/t	
			106/-50	61.0 - 63.0	2m @ 1.14 g/t	
MDD16-0182	810229	1451000	107/-48	10.0 - 17.0	7m @ 3.55 g/t	Incl. 3m @ 7.39 g/t
MDD16-0184	810173	1451102	106/-50	10.0 - 14.0	4m @ 3.14 g/t	Incl. 1m @ 10.50 g/t
			106/-50	95.0 - 96.0	1m @ 1.23 g/t	
MDD16-0207	809812	1450451	104/-50	16.0 - 27.0	11m @ 1.41 g/t	Incl. 1m @ 4.52 g/t
			104/-50	33.0 - 34.0	1m @ 3.68 g/t	
			104/-50	41.0 - 42.0	1m @ 1.12 g/t	
			104/-50	58.0 - 60.0	2m @ 1.9 g/t	

* All samples are based on one metre composite length. Intervals calculated using a 0.4 g/t Au cut-off and 2 m maximum internal dilution. A complete listing of the fourth quarter 2016 results can be found on the Company's website.

Niakafiri Deposit

A two-phase drilling program commenced at the Niakafiri deposit in fourth quarter 2016. Phase 1 involved drilling the eastern side of the deposit. Phase 2 drilling of primarily the western side of the deposit is expected within the first half of 2017. Community resettlement negotiations will take place alongside the drill program. The objective of the drill program is to upgrade the resource classifications, test mineralization extents and confirm model interpretations. The Niakafiri deposit area is located 3 kilometres to the southeast of the Sabodala Plant.

Other Mine Lease Prospects

Elsewhere on Sabodala's mine lease, in addition to ongoing first quarter 2017 drilling at the Niakafiri and Goumbati West

deposits, drilling programs are planned to follow-up on successful initial drilling at Maleko, test for along-trend gold mineralization at the Niakafiri South extension target and evaluate positive trenching results at the Torosita Prospect.

Senegal Regional Exploration

Several regional exploration targets continued to return favourable trenching and drilling results, as described below.

Marougou Main Deposit

The Marougou Main deposit is located approximately 10 kilometres east of the Gora open pit, which is located approximately 25 kilometres north of the Sabodala Plant. The NNE trending Marougou Main deposit is comprised of a series of shallow to moderately dipping, sub-parallel gold mineralized horizons within a sequence of steeply dipping, alternating fine and coarse bedded sediments for which an initial resource estimate has been calculated. A limited resource expansion drilling program commenced at Marougou Main during fourth quarter 2016, focusing primarily on defining strike extension correlation and depth continuity of the sub-parallel gold horizons. Initial results from the eleven hole, 650 metre drill program have been encouraging (Table 2). The remaining assay results are expected in first quarter 2017, which may warrant further follow up trenching and drilling programs.

Table 2 - Results for Fourth Quarter 2016 - Marougou Main

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *	Remarks
RDD16-0031	845767	1468650	124 / -54	30.0 - 37.0	7m @ 1.7 5g/t	Inc. 2m @ 4.75 g/t
RDD16-0032	845706	1468543	121 / -55	33.0 - 39.0	6m @ 1.29 g/t	Inc. 1m @ 3.45 g/t
			121 / -55	42.0 - 44.0	2m @ 1.11 g/t	
RDD16-0033	845685	1468507	120 / -55		Results Pending	
RDD16-0034	845788	1468687	121 / -56	31.0 - 40.0	9m @ 1.64 g/t	Incl. 5m @ 2.70 g/t

* All samples are based on one metre composite length. Intervals calculated using a 0.4 g/t Au cut-off and 2 m maximum internal dilution. A complete listing of the fourth quarter 2016 results can be found on the Company's website.

Other Regional Prospects

On the Sounkounkou Permit systematic exploration of the various targets and prospects throughout the Doughnut area continue to provide considerable encouragement, all of which are expected to lead to follow-up trenching and drilling campaigns on a number of fronts in the first half 2017. At the Jam prospect, the initial six holes have yielded encouraging results and trenching programs on the Honey prospect continue to outline extensions to several broad zones of gold mineralization, requiring additional follow-up work. More recent exploration trenching conducted over geochemical gold-in-soil anomalies at the KB prospect have identified two broad mineralized zones with potential warranting follow up evaluation in first quarter 2017.

Elsewhere, Marougou Main is proximal to several other prospects, Tourokhoto, Marougou North, Marougou South and Dembala Hill, where trenching and drilling exploration programs are planned for the first half of 2017.

A more detailed geologic summary of the fourth quarter 2016 exploration results is available on the Company's website at www.terangagold.com under "Exploration".

BURKINA FASO EXPLORATION HIGHLIGHTS

Banfora Mine License

As a part of the resource/reserve definition program, drilling began at the Stinger deposit in November 2016 following completion of similar drill efforts at Samavogo, Fourkoura and Nogbele deposits in the third quarter of 2016. In total, fourteen holes comprising 1,800 metres were completed prior to program end in mid-December 2016. The Stinger deposit drill program is expected to recommence early in the first quarter of 2017.

In addition, follow-up drilling, based on positive third quarter 2016 drilling results from both the Samavogo deposit and the Tahiti Zone at the Nogbele deposit, is planned for first quarter 2017.

Banfora Regional

An auger drilling program began at both the Kafina West and the Ouahiri prospects in November 2016. These two prospects are rated high priority based on the Company's current understanding of the numerous prospects throughout the Banfora regional

ground. Prior to close of drilling in mid-December 2016 a total of 251 holes comprising 1,270 metres of auger drilling were completed at Kafina West, and 65 holes totalling 430 metres were finished at Ouahiri. The Ouahiri program is expected to re-commence in first quarter 2017.

In addition, both core and reverse circulation drilling are expected to commence during first quarter 2017 at a number of Regional prospects including Kafina West, Ouahiri, Hillside, Muddhi and, Petite Colline. Auger drilling is expected to also continue on various prospect areas as an early-stage screening tool.

Golden Hill

A short field exploration campaign began at Golden Hill in November 2016 and concluded in mid-December 2016. The purpose of this program was to rotary air blast ("RAB") drill two prospects, Nahiri and Pourey-Peksou, and to commence geologic and detailed structural mapping at the Ma and Ma Breccia prospects in preparation for drilling evaluations to begin early in 2017. In total, 99 RAB holes were completed consisting of 1,320 metres of drilling at both Pourey-Peksou and Nahiri. The results of the mapping program identified favourable structural trends hosting gold mineralization and will be utilized in designing the upcoming drilling program at Ma and Ma West scheduled to begin in late January 2017.

Field activities in 2017 are expected to be directed at many of the high priority prospects throughout Golden Hill including Ma, Ma Breccia, Ma East, Nahiri, Pourey-Peksou, Zones A-B-C, Jackhammer Hill and Didro. Field activities are expected to include detailed soil sampling, detailed geologic and structural mapping, induced polarization geophysics, auger drilling, RAB drilling, reverse circulation drilling and diamond core drilling.

CÔTE D'IVOIRE EXPLORATION HIGHLIGHTS

Teranga holds, by way of joint venture, five greenfield exploration tenements totalling nearly (1,838 km²) in Côte d'Ivoire. As a follow-up to initial field investigations, including stream sediment and orientation soil sampling, a high precision bulk leach extractable gold ("BLEG") drainage survey is planned across much of the current land package at an average density of one sample per 5 km². The detailed BLEG surveys, scheduled for the first half 2017, is expected to include acquisition of remote sensing data and undertaking reconnaissance scale geological mapping ahead of drawing up other work plans based off the drainage sampling results.

At one of the current tenements, Guitry, the initial stream sediment and orientation soil sampling results warranted a follow-up grid soil program. Results from the grid-sampling program have partially outlined a large gold-in-soil geochem anomaly. In first quarter 2017, the plan is to expand this grid coverage to include closer-spaced sample points and a hand-pitting program.

DISCLAIMER ON RESULTS CONTAINED IN THIS PRESS RELEASE

This press release contains certain financial information of the Company which has not been audited. All financial information presented in this press release reflects management's current assessment based upon information currently available to management. The reader is cautioned that audited financial results may differ from the information presented in this press release. The Company's audited consolidated financial statements as at and for the twelve months ended December 31, 2016 and 2015, and accompanying management's discussion and analysis are expected to be released on February 23, 2017.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has included non-IFRS measures in this Press Release, including "total cash cost per ounce of gold sold", "all-in sustaining costs per ounce of gold sold", all-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) per ounce of gold sold" and "free cash flow". The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

The Company reports total cash costs⁽¹⁾ on a sales basis. Total cash costs per gold ounce⁽¹⁾ include production costs such as mining, processing, refining and site administration, net of silver sales, divided by gold ounces sold to arrive at total cash costs per gold ounce sold⁽¹⁾. Production costs are exclusive of depreciation and depletion. Other companies may calculate this measure differently.

All-in sustaining costs per ounce sold⁽¹⁾ include total cash costs per ounce sold⁽¹⁾, 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 (including project development costs) as defined by the World Gold Council. All-in sustaining costs (excluding cash (non-cash) inventory movements and amortized advanced royalty costs) per ounce sold⁽¹⁾ removes inventory movements and amortization of advanced royalties per ounce sold from all-in

sustaining costs per ounce sold. Other companies may calculate these measures differently.

Free cash flow⁽³⁾ is net cash flow provided by operating activities less sustaining capital expenditures. The Company believes this to be a useful indicator of our ability generate cash for growth initiatives. Other companies may calculate this measure differently.

The Company's 2016 year-end financial statements and MD&A are expected to be issued on February 23, 2017, and will contain our final total cash costs per ounce, all-in sustaining costs per ounce, all-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) per ounce of gold, and free cash flow for the year, as well as a reconciliation of these figures to our financial statement measures.

Teranga has reviewed the observations on the continuous disclosure review of listed companies in the Ontario Securities Commission's Staff Notice 52-723, and will seek to apply the recommendations set out in such notice regarding the use of non-IFRS financial measures and the disclosure and prevalence of IFRS measures in the Company's continuous disclosure documents.

COMPETENT AND QUALIFIED PERSONS STATEMENT

The technical information contained in this press release relating to the open pit mineral reserve estimates for Sabodala, the stockpiles, Masato, Golouma and Kerekounda is based on, and fairly represents, information compiled by Mr. William Paul Chawrun, P. Eng who is a member of the Professional Engineers Ontario, which is currently included as a "Recognized Overseas Professional Organization" in a list promulgated by the ASX from time to time. Mr. Chawrun is a full time employee of Teranga and is not "independent" within the meaning of 43-101. However, he is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2012 Edition of the "Australasian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the "JORC Code"). Mr. Chawrun has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr. Chawrun has consented to the inclusion in this press release of the matters based on his compiled information in the form and context in which it appears in this press release.

The technical information contained in this press release relating to mineral resource estimates is based on, and fairly represents, information compiled by Ms. Patti Nakai-Lajoie. Ms. Nakai-Lajoie, P. Geo., is a Member of the Association of Professional Geoscientists of Ontario, which is currently included as a "Recognized Overseas Professional Organization" in a list promulgated by the ASX from time to time. Ms. Nakai-Lajoie is a full time employee of Teranga and is not "independent" within the meaning of NI 43-101. However, she is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the JORC Code. Ms. Nakai-Lajoie 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 JORC Code. Resources remain 2004 JORC Compliant and not updated to the JORC Code on the basis that information has not materially changed since it was last reported. Ms. Nakai-Lajoie has consented to the inclusion in this press release of the matters based on his compiled information in the form and context in which it appears in this press release.

The information in this ASX Release that relates to Mineral Reserve estimates has been extracted from the Technical Report dated March 22, 2016 ("Technical Report"). The information in this ASX Release that refers to Mineral Resource estimates is derived from the Company's Third Quarter Results press release dated October 28, 2016 ("Q3 Results"). The Technical Report and the Q3 Results are available to be viewed on the company website at: www.terangagold.com

Teranga's exploration programs are being managed by Peter Mann, M.Sc. Geology, Minerals Exploration who is a Professional Fellow Member of the Australasian Institute of Mining and Metallurgy (Reg. 990534). The technical information contained in this press release relating exploration results are based on, and fairly represents, information compiled by Mr. Mann. Mr. Mann has verified and approved the data disclosed in this release, including the sampling, analytical and test data underlying the information. The reverse circulation (RC) samples are prepared at site and assayed in the SGS laboratory located at the site. Analysis for diamond drilling is sent for fire assay analysis at ALS Johannesburg, South Africa. Mr. Mann is a full time employee of Teranga and is not "independent" within the meaning of NI 43-101. However, he is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the JORC Code. Mr. Mann 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 JORC Code. Mr. Mann has consented to the inclusion in this Report of the matters based on his compiled information in the form and context in which it appears herein.

Teranga's disclosure of mineral reserve and mineral resource information is governed by NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves (the "CIM Standards"), adopted by the Canadian Institute of Mining, Metallurgy, and Petroleum ("CIM") and its council, as may be amended from time to time by CIM. CIM definitions of the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", are substantially similar to the JORC Code corresponding definitions of the terms "ore reserve", "proved ore reserve", "probable ore reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101. There can be no assurance

that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves.

Teranga confirms that it is not aware of any new information or data that materially affects the information included in the Technical Report or Q3 Results, market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

CORPORATE DIRECTORY

Directors

Alan Hill	Chairman
Richard Young	President and CEO
William Biggar	Non-Executive Director
Jendayi Frazer	Non-Executive Director
Edward Goldenberg	Non-Executive Director
Christopher Lattanzi	Non-Executive Director
David Mimran	Non-Executive Director
Alan Thomas	Non-Executive Director
Frank Wheatley	Non-Executive Director

Senior Management

Richard Young	President and CEO
Paul Chawrun	Chief Operating Officer
Navin Dyal	Chief Financial Officer
David Savarie	General Counsel & Corporate Secretary
Sepanta Dorri	Vice President, Corporate and Stakeholder Development
David Mallo	Vice President, Exploration
Trish Moran	Head of Investor Relations

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Auditor

Ernst & Young LLP

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Australia: Computershare Investor Services Pty Ltd T: 1 300 850 505

Stock Exchange Listings

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

Issued Capital

As of December 31, 2016

Issued shares 536,713,916

Stock options 18,945,527

Stock Options - Exercise Profile

Exercise Price (C\$) Options

\$3.00	11,627,500
\$0.64	3,516,821
\$0.67	3,687,051
\$1.07	91,125
\$1.26	23,030

ENDNOTES

- (1) Total cash costs, all-in sustaining costs, and all-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) per ounce of gold sold are non-IFRS measures that do not have standard meanings under IFRS. Please refer to Non-IFRS Financial Performance Measures at the end of this press release.
- (2) This production guidance is based on existing proven and probable reserves only from the Sabodala mining license as disclosed on the Company's website at <http://www.terangagold.com/> and on SEDAR at <http://www.sedar.com/>. The estimated ore reserves underpinning this production guidance have been prepared by a competent person in accordance with the requirements of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "2012 JORC Code"). Please refer to the Competent Persons Statement on page 11-12 of this press release.
- (3) Free cash flow is a non-IFRS measure that does not have a standard meaning under IFRS. Please refer to Non-IFRS Financial Performance Measures at the end of this press release.

Forward Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Teranga's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Wherever possible, words such as "plans", "expects", "does not expect", "budget", "scheduled", "trends", "indications", "potential", "estimates", "predicts", "forecasts", "anticipate" or "does not anticipate", "believe", "intend", "ability to" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, have been used to identify such forward looking information. Forward-looking statements include, without limitation, all disclosure regarding possible events, conditions or results of operations, future economic conditions and anticipated courses of action. Although the forward-looking statements contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Teranga cannot be certain that actual results will be consistent with such forward looking statements. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, 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 Teranga's Amended and Restated Annual Information Form dated November 15, 2016, and in other filings of Teranga with securities and regulatory authorities which are available at www.sedar.com. 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 report should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities. All references to Teranga include its subsidiaries unless the context requires otherwise.

Conference Call & Webcast

Teranga will hold a conference call and webcast tomorrow morning at 8:30 a.m. ET to review and discuss the quarter's highlights. Those wishing to listen can access the live conference call and audio webcast as follows:

Date & Time: Monday, January 30, 2017 at 8:30 a.m. ET

Telephone: Toll-free (877) 291-4570

Local or International (647) 788-4919

Please allow 10 minutes to be connected to the conference call.

Webcast: The webcast can be accessed directly at www.gowebcasting.com/8288 and on Teranga's website at <http://www.terangagold.com/>.

Replay: The conference call replay will be available for two weeks after the call by dialing (416) 621-4642 or toll-free at (800) 5 and entering the conference ID 48950318.

Note: The slide presentation will be available for download at <http://www.terangagold.com/> for simultaneous viewing during

About Teranga

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of more than 5,000km² of land located on prospective gold belts.

Since its initial public offering in 2010, Teranga has produced more than 1.2 million ounces of gold from its operations in Senegal. Following its recent acquisition of Gryphon Minerals, the Company is fast-tracking the completion of a feasibility study for the Banfora Project. Concurrent with its production and development activities, exploration programs are underway to seek to increase the Company's reserve base through resource conversion and making major new discoveries. Teranga has a strong balance sheet and the financial flexibility to continue to grow its business.

Steadfast in its commitment to set the benchmark for responsible mining, Teranga operates in accordance with the highest international standards and aims to act as a catalyst for sustainable economic, environmental, and community development as it strives to create value for all of its stakeholders. Teranga is a member of the United Nations Global Compact and a leading member of the multi-stakeholder group responsible for the submission of the first Senegalese Extractive Industries Transparency Initiative revenue report. The Company's 2015 responsibility report, which is available at www.terangagold.com/2015responsibilityreport, is prepared in accordance with its commitments under the United Nations Global Compact and in alignment with the Global Reporting Initiative guidelines.

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