

Record Second Quarter Production Underlies Solid Financial Results for Teranga Gold

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Sabodala mine performance, Banfora feasibility announcement and Golden Hill drill results build foundation for multi-asset, West African gold producer

TORONTO, July 28, 2017- [Teranga Gold Corp.](#) ("Teranga" or the "Company") (TSX:TGZ) (ASX:TGZ) is pleased to report its financial and operating results for the second quarter ended June 30, 2017.

"Solid second quarter progress in operations, new project development and exploration support our goal of becoming the next multi-asset, mid-tier gold company in West Africa," said Richard Young, President and Chief Executive Officer.

"At the outset of the year, we outlined a list of important milestones for the Company and we are now checking off the boxes," Mr. Young added. "We increased reserves at Sabodala, our flagship operation, to 2.7 million ounces, considerably improving our five-year production and cash flow profile. We also reported significant exploration success at Golden Hill, where we made two new gold discoveries and announced encouraging drill results from two new prospects. Our next major milestone is the release of the Banfora feasibility study results, which, as previously announced, is expected in August."

Teranga continues to invest strategically in its growth. The Company recently announced it was deploying an additional \$10 million towards construction readiness at Banfora, and that it will increase its reserve development and exploration budget by \$5 million to \$20 million in 2017 to further test promising prospects at Sabodala and Golden Hill and to fast track infill drilling at Banfora.

"The second quarter was operationally strong with record second quarter production, putting us in good position to achieve our 2017 annual production outlook of between 205,000 and 225,000 ounces of gold and guidance for all-in sustaining costs, excluding non-cash inventory movements and amortized advanced royalty costs, of \$900 to \$975 per ounce⁽¹⁾," stated Paul Chawrun, Chief Operating Officer. "Beyond solid operating performance at Sabodala, we are nearing completion of the Banfora feasibility study and a construction decision. A new Banfora mine in Burkina Faso is expected to increase company-wide production by more than 50 percent upon completion."

Financial Highlights

(Three months ended June 30, 2017 vs three months ended June 30, 2016)

- Net income attributable to shareholders increased to \$9.6 million, or \$0.09 per share.
- EBITDA⁽¹⁾ of \$23.8 million decreased due to an increase in non-cash charges.
- Cash flow from operations (before working capital adjustments) similar to prior year at \$22.2 million.
- Strong balance sheet maintained with cash and cash equivalents of \$80.3 million.

Operating Highlights

- Record second quarter gold production of 57,557 ounces, bringing half-year total to 114,460 ounces.
- Per ounce metrics, including cost of sales, total cash costs⁽¹⁾ and all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs)⁽¹⁾ are within 2017 guidance ranges.
- Reconciling well to reserves.

Organic Growth Highlights

- Increased Sabodala gold reserves by more than 400,000 ounces to a total of 2.7 million ounces. Sabodala now expected to produce a minimum of 200,000 ounces annually at least through 2022⁽²⁾.

- Banfora project feasibility results expected to be released in August 2017. Based on work to date, an additional \$10 million has been committed towards construction readiness.
- In April, two new gold discoveries were reported at Golden Hill in Burkina Faso. Ma and Nahiri Prospects display good grades, widths, continuity and strike length, with mineralized zones from surface. In July, the Company reported positive Phase 2 drilling for both Ma and Nahiri as well as favourable initial drilling results at the Peksou and Jackhammer Hill prospects.

Financial & Operating Summary Highlights

| | | Three months ended June 30, 2017 | Three months ended June 30, 2016 |
|---|------------------|----------------------------------|----------------------------------|
| Financial Data | | 2017 | 2016 |
| Revenue | (\$000's) | 72,040 | 71,000 |
| Cost of sales | (\$000's) | (54,281) | (54,281) |
| Profit attributable to shareholders of Teranga | (\$000's) | 9,640 | 6,000 |
| Per share ¹ | (\$) | 0.09 | 0.09 |
| EBITDA ² | (\$000's) | 23,827 | 23,827 |
| Operating cash flow excluding changes in non-cash working capital other than inventories | (\$000's) | 22,191 | 22,191 |
| Operating cash flow | (\$000's) | 7,434 | 7,434 |
| Sustaining capital expenditures (before deferred stripping) | (\$000's) | 9,611 | 9,611 |
| Capitalized deferred stripping - sustaining | (\$000's) | 4,704 | 4,704 |
| Growth capital expenditures | (\$000's) | 6,932 | 6,932 |
| Operating Data | | 2017 | 2016 |
| Gold Produced | (oz) | 57,557 | 57,557 |
| Gold Sold | (oz) | 57,167 | 57,167 |
| Average realized gold price ² | (\$ per oz) | 1,260 | 1,260 |
| Cost of sales per ounce | (\$ per oz sold) | 950 | 950 |
| Total cash costs ² | (\$ per oz sold) | 710 | 710 |
| All-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) ² | (\$ per oz sold) | 933 | 933 |
| Footnotes to Table Above | | | |

¹ On May 8, 2017 the Company completed a five-for-one consolidation of the common shares of the Company.

² This is a non-IFRS financial measure and does not have a standard meaning under IFRS. Please see the Non-IFRS Financial Measures section of the Company's Management's Discussion & Analysis for the three and six months ended June 30, 2017 available on the Company's website at www.terangagold.com.

Consolidated Financial Statements

A copy of Teranga's interim condensed consolidated financial statements and management's discussion & analysis for the three and six months ended June 30, 2017 are available on the Company's website at www.terangagold.com, SEDAR at www.sedar.com/terangagold, and the Australian Securities Exchange at www.asx.com.au.

Q2 2017 Conference Call & Webcast

Teranga will host a conference call/audio webcast today at 8:30 a.m. ET, during which management will review the quarter's highlights. Those wishing to listen can access the live conference call and webcast as follows:

Date & Time: Friday, July 28, 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 on Teranga's website at www.terangagold.com or directly by clicking here: www.terangagold.com/q22017
- Replay:** The conference call replay will be available for two weeks after the call by dialing (416) 621-4642 or toll-free at (800) 585-8367 and entering the conference ID 43759388.
- Note:** The slide presentation will be available for download at www.terangagold.com for simultaneous viewing during the call.

Endnotes

(1) Total cash costs per ounce, earnings before interest, taxes, depreciation and amortization ("EBITDA"), and average realized gold price are non-IFRS financial measures and do not have standard meanings under IFRS. All-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) per ounce is a non-IFRS financial measure. The comparable IFRS measure is cost of sales per ounce, which for 2017, is expected in the range of \$950 - \$1,025 per ounce. Please see the Non-IFRS Performance Measures section in Management's Discussion & Analysis for the three and six months ended June 30, 2017 available on the Company's website at www.terangagold.com.

(2) This production target is based on proven and probable reserves only from the Sabodala project as at June 30, 2017 as disclosed on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com. The estimated ore reserves underpinning this production target have been prepared by a competent person or persons (see Competent Persons Statements in the Company's Management's Discussion & Analysis for the three and six months ended June 30, 2017 available on the Company's website at www.terangagold.com).

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 "potential", "belief", "believe", "expects", "estimates", "plans", "anticipated", "ability", "intended to", "expected to", "objective to", and similar expressions or statements that certain actions, events or results "should", or "will" 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, the ability to resettle the community within anticipated timeline, 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 Annual Information Form dated March 29, 2017, 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.

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, which as of June 30, 2017 had a reserve base of 2.7 million ounces of gold. Focused on diversification and growth, the Company is advancing its Banfora development project and conducting extensive exploration programs in three countries: Burkina Faso, Senegal and Côte d'Ivoire. Teranga has a strong balance sheet and the financial flexibility 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 responsibility report, is available at www.terangagold.com/responsibilityreport and is prepared in accordance with its commitments under the United Nations Global Compact and in alignment with the Global Reporting Initiative guidelines.

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

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