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PRESS RELEASE
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MARCH QUARTER REPORT

Toronto, Canada: April 30, 2014

For a full explanation of Financial, Operating, Exploration and Development results please see the Interim Condensed Consolidated Financial Statements as at and for the period ended March 31, 2014 and the associated Management's Discussion & Analysis at www.terangagold.com.

- First quarter operating results put Company on track to meet its full year guidance of 220,000 to 240,000 gold ounces[1] at total cash costs of $650 to $700 per ounce[2] and all-in sustaining costs of $800 to $875 per ounce[2].
- Gold production for the three months ended March 31, 2014 totaled 52,090 ounces of gold.
- Total cash costs were $696 per ounce sold[2] and all-in sustaining costs were $813 per ounce sold[2], for the three months ended March 31, 2014.
- Consolidated profit attributable to shareholders of $4.0 million ($0.01 per share) in first quarter.
- During the first quarter, the Company acquired the balance of the neighboring property – Oromin Joint Venture Group (OJVG) that it did not already own by way of $135 million stream transaction with Franco-Nevada to complete the acquisition and to retire $30 million of $60 million bank debt facility.
- Development of the Masato deposit, the first of the OJVG deposits to be mined, has already begun and is ahead of schedule. These ounces will contribute to a stronger second half of 2014 as per the mine plan.
- Subsequent to the quarter end, the Company announced an agreement with a syndicate of underwriters to purchase 36,000,000 common shares, on a bought deal basis, at a price of C$0.83 per share for gross proceeds of approximately C$30.0 million.
- Cash balance at March 31, 2014 was $28.7 million, including restricted cash. With the expected net proceeds from the bought deal, on a pro forma basis, the Company's cash balance at March 31, 2014 would be approximately $54 million.

"The operations are running very well and we see tremendous opportunity to increase reserves on the combined 246km^2 mine licenses, as well as, make significant gold discoveries on our 70km of strike on this emerging gold belt. We expect to have a decade of steady production and strong free cash flows that we can build on. The recently announced financing strengthens our balance sheet and allows us to plan and execute on our growth initiatives irrespective of short term volatility in the gold price", said Richard Young, President and CEO.

[1] This production guidance is based on existing proven and probable reserves only from both the Sabodala mining license and OJVG mining license as disclosed in the Company's Management's Discussion and Analysis for the year ended December 31, 2013. 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 "JORC Code"). This production guidance also assumes an amendment to OJVG mining license to reflect processing of OJVG ore through the Sabodala mill.
[2] Total cash costs per ounce and all-in sustaining costs per ounce are non-IFRS financial measures and do not have a standard meaning under IFRS. Please refer to the non-IFRS measures at the end of this report.

OPERATIONAL HIGHLIGHTS (details on page 6)

- First quarter operating results put Company on track to meet its full year guidance of 220,000 to 240,000 gold ounces at total cash costs of $650 to $700 per ounce and all-in sustaining costs of $800 to $875 per ounce
- Gold production for the three months ended March 31, 2014 was 52,090 ounces of gold, 24 percent lower than the same prior year period. Lower production was due to lower processed grades, partly offset by higher mill throughput.
- Total cash costs for the three months ended March 31, 2014 were $696 per ounce, compared to $535 per ounce in the same prior year period. The increase in total cash costs was mainly due to a decrease in the grade processed during the quarter compared to the prior year period as well as lower capitalized deferred stripping.
- All-in sustaining costs for the quarter ended March 31, 2014 were $813 per ounce, 9 percent lower than the same prior year period. Lower all-in sustaining costs were mainly due to lower sustaining and development capital expenditures, a reduction in reserve development expenditures in 2014 and lower capitalized deferred stripping.
- Total tonnes mined for the three months ended March 31, 2014 were 11 percent lower compared to the same prior year period. Total tonnes mined are expected to decline further in the second half of the year in line with the Company's plan to minimize material movement in the current gold price environment with a focus on maximizing free cash flows in 2014.
- During the quarter, mining activities were mainly focused on the middle benches of phase 3 of the Sabodala pit, while in the prior year period, mining primarily took place in a high grade ore zone on lower benches of phase 2.
- Total mining costs were 4 percent lower than the same prior year period due to decreased material movement. Unit mining costs for the three months ended March 31, 2014 were 8 percent higher than the same prior year period mainly due to fewer tonnes mined.
- Ore tonnes milled for the quarter ended March 31, 2014 were 28 percent higher than the same prior year period due to improvements made during the first and second quarters of 2013 to reduce the frequency and duration of unplanned downtime and an increase in throughput in the crushing circuit to match mill capacity.
- Processed grade for the quarter ended March 31, 2014 was 39 percent lower than the same prior year period. Mill feed during the first quarter of 2014 was sourced from ore from phase 3 of the Sabodala pit at grades closer to reserve grade. In the prior year period, mill feed was sourced from a high grade zone on the lower benches of phase 2 of the Sabodala pit.
- Total processing costs for the quarter ended March 31, 2014 were 4 percent higher than the same prior year period, mainly due to higher throughput. Unit processing costs for the quarter ended March 31, 2014 were 19 percent lower than the prior year period, due to higher tonnes milled.

FINANCIAL HIGHLIGHTS (details on page 6)

- Gold revenue for the three months ended March 31, 2014 was $69.8 million compared to $113.8 million in the same prior year period. The decrease in gold revenue compared to the prior year quarter was due to lower production and lower spot gold prices during the first quarter of 2014.
- Consolidated profit attributable to shareholders for the three months ended March 31, 2014 was $4.0 million ($0.01 per share) compared to $45.0 million in the same prior year period. The decrease in profit and earnings per share over the prior year quarter were primarily due to lower gross profit from lower revenues in the current year quarter.
- Operating cash flow for the quarter ended March 31, 2014 provided cash of $14.3 million compared to $23.6 million cash provided in the prior year. The decrease in operating cash flow compared to the prior year quarter was due to lower gross profit from lower revenues and acquisition related expenses, partly offset by an increase in net working capital inflows during the first quarter of 2014. During the current year quarter, payments of $7.3 million were made for expenses related to the acquisition of Oromin and the Oromin Joint Venture Group ("OJVG").
- Capital expenditures for the three months ended March 31, 2014 were $2.7 million compared to $22.2 million in the same prior year quarter. The decrease in capital expenditures over the prior year quarter was mainly due to lower sustaining and development expenditures, lower deferred stripping charges and lower capitalized reserve development expenditures in the first quarter of 2014.
- During the first quarter of 2014, 53,767 ounces were sold at an average gold price of $1,293 per ounce. During the first quarter of 2013, 69,667 ounces were sold at an average price of $1,090 per ounce, including 45,289 ounces being delivered into gold hedge contracts at an average price of $806 per ounce.
- The Company's cash balance at March 31, 2014 was $28.7 million, including restricted cash. Cash and cash equivalents were lower compared to both the prior year quarter and the most recently completed year ended December 31, 2013, due to one-time payments related to the acquisition of the OJVG, including $7.3 million for transaction, legal

and office closure costs and $7.5 million to acquire Badr Investment Ltd.'s ("Badr") share of the OJVG, and higher debt repayments made during the first quarter 2014.

- Subsequent to the quarter end, on April 10, 2014, the Company announced that it had entered into an agreement with a syndicate of underwriters to purchase 36,000,000 common shares, on a bought deal basis, at a price of C$0.83 per share for gross proceeds of approximately C$30.0 million. Net proceeds are expected to be approximately C$28.0 million after consideration of underwriter fees and expenses totaling approximately C$2.0 million. On a pro-forma basis, the Company's cash balance at March 31, 2014 would be approximately $54.2 million.
- The agreement is scheduled to close on or about May 1, 2014. This financing strengthens our balance sheet and allows us to plan and execute on our growth initiatives highlighted in our "Strategy" section, notwithstanding near term gold price volatility.

OUTLOOK 2014

- The Company continues to execute its 2014 plan designed to maximize free cash flow. Gold production for 2014 is expected to be between 220,000 to 240,000 ounces with total cash costs of $650 to $700 per ounce and all-in sustaining costs of $800 to $875 per ounce, all in line with guidance.
- Total exploration and evaluation expenditures for the Sabodala and OJVG mine licenses as well as the Regional Land Package was originally expected to total approximately $10 million, however, that amount may be increased marginally to expedite the conversion of resources to reserves on the mine licenses.
- Administrative and Corporate Social Responsibility expenses are expected to be $15 to $16 million, in line with guidance. These include corporate office costs, Dakar and regional office costs and corporate responsibility costs, but exclude corporate depreciation, transaction costs and other non-recurring costs.
- Sustaining capitalized expenditures, including sustaining mine site expenditures, project development expenditures, capitalized deferred stripping, reserve development expenditures and payments to the Government of Senegal were originally expected to be $28 to $33 million. The Company now expects to spend an additional $5 million on further growth opportunities (see Strategy section) including opportunities to expedite the conversion of resources to reserves on our mine licenses; opportunities to accelerate heap leach testing and related activities; and mill optimization opportunities to increase the milling rate. As a result, total capital expenditures are now expected to be between $33 to $38 million in 2014.
- Total depreciation and amortization for the year is expected to be between $285 and $315 per ounce sold, comprised of $125 to $140 per ounce sold related to depreciation on Sabodala plant, equipment and mine development assets, $40 to $45 per ounce sold related to assets acquired with the OJVG and $120 to $130 per ounce sold for depreciation of deferred stripping assets. At the end of 2014, the balance of the deferred stripping asset is expected to be approximately $32 million, which will be amortized over phase 4 of the Sabodala pit.

STRATEGY

Strategy for 2014 and Beyond

- During the first quarter 2014, the Company filed a National Instrument – Standards of Disclosures for Mineral Projects ("NI 43-101") technical report which include an integrated life of mine ("LOM") plan for the combined operations of Sabodala and the OJVG. The integrated LOM has been designed to maximize free cash flow in the current gold price environment. The sequence of the pits can be optimized, as well as the sequencing of phases within the pits, based not only on grade, but also on strip ratio, ore hardness, and the capital required to maximize free cash flows in different gold price environments. As a result, the integrated LOM annual production profile represents an optimized cash flow for 2014 and a balance of gold production and cash flow generated in the subsequent five years. There are opportunities to increase gold production in years 2015-2018 based on current reserves. With expectations for additional reserves, including infill drilling of the high grade zone at Masato, further mine plan optimization work is required. As a result, the integrated LOM production schedule represents a "base case" scenario with flexibility to improve gold production and/or cash flows in subsequent years.
- With the OJVG acquisition now complete the Company has outlined its short, medium and long-term objectives.

In the short-term (2014-2015):

i. Integrate OJVG and Sabodala operations;
ii. Increase free cash flow through higher production and lower material movement, in part to retire the balance of the debt facility outstanding; and
iii. Increase reserves through the conversion of Measured, Indicated and Inferred Resources.

In the medium-term (2014-2016):

i. Evaluate the heap leach processing option (permit and build if the returns meet Teranga's hurdle rate);
ii. Continue to look for ways to improve mill throughput; and
iii. Optimize mine planning and grade.

In the long-term (2015 onward):

i. Remain disciplined about investments in exploration with a commitment to a modest, multi-year exploration program; and

ii. Look to make exploration discoveries on the regional exploration land package by continuing to systematically work through the many targets and prospects.

- The Company expects to create value for shareholders by maximizing free cash flows in the short-term by integrating the OJVG allowing for annual production of approximately 250,000 ounces at lower quartile all-in sustaining costs of about $900 per ounce and a high conversion of EBITDA into free cash flow.
- In the longer term, the Company expects to create shareholder value by leveraging the existing processing infrastructure, while adding profitable reserves and potentially expanding its processing capacity. All capital projects will be evaluated based on a disciplined capital allocation strategy based on robust hurdle rates and quick payback periods. The Company is focused on only gold and only in Senegal.

FRANCO-NEVADA GOLD STREAM

- On January 15, 2014, the Company completed a gold stream transaction with Franco-Nevada Corporation ("Franco-Nevada"). The Company is required to deliver 22,500 ounces annually over the first six years followed by 6 percent of production from the Company's existing properties, including those of the OJVG, thereafter, in exchange for a deposit of $135.0 million. Franco-Nevada's purchase price per ounce is set at 20 percent of the prevailing spot price of gold.
- The deposit of $135.0 million has been treated as deferred revenue within the statement of financial position.
- During the three months ended March 31, 2014, the Company delivered 5,625 ounces of gold to Franco-Nevada. The Company recorded revenue of $7.3 million, consisting of $1.5 million received in cash proceeds and $5.8 million recorded as a reduction of deferred revenue.

ACQUISITION OF THE OJVG

- During the third and fourth quarters of 2013, the Company issued 71,183,091 Teranga shares to acquire all of the Oromin shares (Oromin being one of the three joint venture partners holding 43.5 percent of the OJVG) for total consideration of $37.8 million.
- On January 15, 2014, the Company acquired the balance of the OJVG that it did not already own from Bendon International Ltd. ("Bendon") and Badr.
- The Company acquired Bendon's 43.5 percent participating interest in the OJVG for cash consideration of $105.0 million. Badr's 13 percent carried interest in the OJVG was acquired for cash consideration of $7.5 million and further contingent consideration based on higher realized gold prices and increases to OJVG reserves through 2020. The acquisitions of Bendon's and Badr's interest in the OJVG were funded by the gold stream agreement with Franco-Nevada and from the Company's existing cash balance, respectively.
- The acquisition of Bendon's and Badr's interests in the OJVG increased the Company's ownership to 100 percent and consolidated the Sabodala region, increasing the size of the Company's interests in mine license from 33km^2 to 246km^2, more than doubling the Company's reserve base and is anticipated to provide the Company with the flexibility to integrate the OJVG satellite deposits into its existing operations. The contribution of 100 percent of the OJVG has been reflected into Teranga's results from January 15, 2014.
- Acquisition related costs of approximately $1.2 million have been expensed during the first quarter of 2014 and are presented within "Other expenses" in the consolidated statements of comprehensive income.

GORA DEVELOPMENT

- The Gora deposit which hosts 0.29 million ounces of proven and probable reserves at 4.74 g/t is planned to be operated as a satellite to the Sabodala mine requiring limited local infrastructure and development. Ore will be hauled to the Sabodala processing plant by a dedicated fleet of trucks and processed on a priority basis, displacing lower grade feed as required.
- A technical report and an environmental and social impact assessment ("ESIA") was provided to the Senegalese government with a subsequent public consultation. A revised ESIA addressing items revealed in the public consultation was submitted on April 1, 2014.
- Management expects the permit process to be completed in 2014 and construction to be initiated based on the new integrated LOM plan with the OJVG. Initial engineering and site surveys are planned for mid-year to allow for initiation of the access road construction in late 2014.

SABODALA MINE LICENSE (ML) RESERVE DEVELOPMENT

- The Sabodala Mine License covers 33km^2 and, in addition to the mine related infrastructure, contains the Sabodala, Masato, Niakafiri, Niakafiri West, Soukhoto and Dinkokhono deposits.

Niakafiri

- Additional surface mapping was carried out at Niakafiri in conjunction with the re-logging of several diamond drill holes which was incorporated into the geological model for the Niakafiri deposit in 2013. Further exploration work, including additional drilling is targeted in the current year. Discussions with Sabodala village regarding drilling remain ongoing.
- In addition to potential reserves addition in hard ore using conventional CIL economics, exploring for potential softer ore conducive to heap leach is also being targeted, with emphasis on the mineralized

trend to the north and south of the current reserves at Niakafiri.

OJVG MINE LICENSE

- The OJVG mine license covers 213km^2. As we have integrated the OJVG geological database into a combined LOM plan, a number of areas have been revealed as potential sources for reserves addition within the mining lease. These targets have been selected based on potential for discovery and inclusion into open pit reserves.

Masato

- Development of the Masato deposit has begun and is ahead of schedule. Access road construction, waste dump preparation, initial infrastructure and bench development are expected to be completed during the second quarter before rainy season, with mining planned for the fourth quarter of this year in line with Company guidance for the year. In addition, geology programs including infill drilling of the high grade zones, condemnation drilling for waste dump areas and a gridded pattern drill program have either been initiated or are planned to start during the second quarter.
- Drilling is planned during the second and third quarters for the Masato orebody for potential conversion of inferred resources and to infill drill the high grade "cores" so that the structural continuity can be better understood. Additionally, a 2km soil geochemical anomaly along an extending trend to the north east of the current reserves will be tested to determine potential for additional resources.

Golouma

- Infill drilling is planned for potential conversion of inferred resources and evaluating the mineralization potential of structural features along strike to the existing reserves.

Kerekounda

- Both reverse circulation ("RC") and diamond drill ("DD") drilling is planned to determine the extent of mineralization further along strike of the existing reserves.

Niakafiri SE and Maki Medina

- Both RC and DD drilling is planned for potential conversion of inferred resources, geotechnical holes for pit wall determination and exploratory holes to the north toward the Niakafiri deposit to evaluate extension along strike. Pending results of the heap leach test work, additional drilling to determine near surface oxide resources may also be evaluated.

REGIONAL EXPLORATION

- The Company currently has 9 exploration permits encompassing approximately 1,055km^2 of land surrounding the Sabodala and OJVG mine licenses (246km^2 exploitation permits). Over the past 3 years, with the initiation of a regional exploration program on this significant land package, a tremendous amount of exploration data has been collected and systematically 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 despite being 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.
- The exploration team uses a disciplined screening process to optimize the potential for success in exploring the myriad of high potential anomalies located within the regional land package.
- The KC prospect underwent 3,500 metres of trenching across a mineralized structural trend approximately 1,800 metres along strike of intense quartz veining and brecciated felsic intrusives. Assay and mapping results are currently being evaluated and if warranted, follow up drilling will commence in the second quarter.
- The Ninienko and Soreto/Diabougou prospects all demonstrate significant surface mineralization, geochemical and geophysical markers within consistent geological zones for gold mineralization providing potential for significant discoveries. These prospects along with other smaller potentially satellite deposits are planned to undergo various stages of trenching, RC and DD programs in the second quarter.
- Additionally, the Garaboureya prospect shows promise through high soil geochemical anomalies and mineralization in outcropping rock, this is planned to be evaluated later in the year.

Review of First Quarter Financial Results

(US$000's, except where indicated)	Three months ended March 31	
Financial Data	2014	2013
Revenue[1]	69,802	113,815
Profit attributable to shareholders of Teranga	3,957	44,983
Per share	0.01	0.18
Operating cash flow	14,303	23,640
Capital expenditures	2,710	22,176
Free cash flow [2]	11,593	1,464
Cash and cash equivalents (including bullion receivables and restricted cash)	28,706	57,459
Net debt[3]	7,188	33,594
Total assets	717,469	579,170
Total non-current financial liabilities	131,905	81,399

Note: Results include the consolidation of 100% of the OJVG's operating results, cash flows and net assets from January 15, 2014.

[1] In Q1 2013, includes the impact of 45,289 ounces delivered into gold hedge contacts at an average price of $806 per ounce.

[2] Free cash flow is defined as operating cash flow less capital expenditures.

[3] Net debt is defined as total borrowings and financial derivative liabilities less cash and cash equivalents, bullion receivables and restricted cash.

Review of First Quarter Operating Results

		Three months ended March 31	
Operating Results		2014	2013
Ore mined	('000t)	1,262	1,312
Waste mined - operating	('000t)	6,151	2,513
Waste mined - capitalized	('000t)	497	5,023
Total mined	('000t)	7,910	8,848
Grade mined	(g/t)	1.61	1.87
Ounces mined	(oz)	65,452	78,929
Strip ratio	waste/ore	5.3	5.7
Ore milled	('000t)	893	696
Head grade	(g/t)	2.01	3.31
Recovery rate	%	90.1	92.1
Gold produced[1]	(oz)	52,090	68,301
Gold sold	(oz)	53,767	69,667
Average realized price	$/oz	1,293	1,090
Total cash cost (incl. royalties)[2]	$/oz sold	696	535
All-in sustaining costs[2]	$/oz sold	813	898
Mining	($/t mined)	2.81	2.61
Milling	($/t milled)	18.20	22.47
G&A	($/t milled)	4.85	6.17

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

[2] Total cash costs per ounce and all-in sustaining costs per ounce are non-IFRS financial measures and do not have a standard meaning under IFRS. Please refer to Non-IFRS Performance Measures at the end of this report.

Review of First Quarter Cost of Sales

(US$000's)	Three months ended March 31	
Cost of Sales	2014	2013
Mine production costs - gross	43,069	43,031
Capitalized deferred stripping	(1,418)	(14,691)
	41,651	28,340
Depreciation and amortization - deferred stripping assets	7,432	2,187
Depreciation and amortization - property, plant & equipment and mine development expenditures	10,778	18,132
Royalties	3,481	5,610
Rehabilitation	-	1
Inventory movements - cash	(7,479)	3,337
Inventory movements - non-cash	(578)	(1,636)
	(8,057)	1,701
Total cost of sales	**55,285**	**55,971**

Quarterly Operating and Financial Results

(US$000's, except where indicated)	2014	2013				2012		
	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Revenue	69,802	58,302	50,564	75,246	113,815	122,970	105,014	62,010
Average realized gold price ($/oz)	1,293	1,249	1,339	1,379	1,090	1,296	1,290	1,608
Cost of sales	55,285	50,527	37,371	52,636	55,971	57,250	45,814	31,057
Net earnings (loss)	3,957	(4,220)	(442)	7,196	44,983	54,228	26,033	14,413
Net earnings (loss) per share ($)	0.01	(0.01)	(0.00)	0.03	0.18	0.22	0.11	0.06
Operating cash flow	14,303	13,137	16,692	20,838	23,640	59,670	13,976	(4,590)
Ore mined (‘000t)	1,262	1,993	537	698	1,312	2,038	655	2,105
Waste mined - operating (‘000t)	6,151	6,655	3,321	2,683	2,513	4,362	1,786	2,199
Waste mined - capitalized (‘000t)	497	420	4,853	4,770	5,023	912	4,456	2,930
Total mined (‘000t)	7,910	9,068	8,711	8,151	8,848	7,312	6,897	7,235
Grade Mined (g/t)	1.61	1.61	1.08	1.59	1.87	2.04	1.92	2.25
Ounces Mined (oz)	65,452	103,340	18,721	35,728	78,929	133,549	40,516	152,603
Strip ratio (waste/ore)	5.3	3.6	15.2	10.7	5.7	2.6	9.5	2.4
Ore processed (‘000t)	893	860	887	709	696	725	650	491
Head grade (g/t)	2.01	2.11	1.41	2.36	3.31	3.40	3.11	3.22
Gold recovery (%)	90.1	89.7	91.6	92.3	92.1	90.7	84.6	89.6
Gold produced[1] (oz)	52,090	52,368	36,874	49,661	68,301	71,804	55,107	45,495
Gold sold (oz)	53,767	46,561	37,665	54,513	69,667	71,604	62,439	38,503
Total cash costs per ounce sold[2] (including Royalties)	696	711	748	642	535	532	509	592
All-in sustaining costs per ounce sold[2] (including Royalties)	813	850	1,289	1,185	898	1,004	1,025	1,410
Mining ($/t mined)	2.8	2.6	2.5	2.6	2.6	3.1	2.7	2.5
Milling ($/t mined)	18.2	18.0	17.6	23.8	22.5	19.9	21.9	22.9
G&A ($/t mined)	4.8	4.8	4.6	6.3	6.2	6.4	5.7	6.9

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

[2] Total cash costs per ounce and all-in sustaining costs per ounce are non-IFRS financial measures and do not have a standard meaning under IFRS. Please refer to Non-IFRS Performance Measures at the end of this report.

Non-IFRS Financial Measures

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Refer to the Company's Management's Discussion and Analysis for further details.

(US$000's, except where indicated)	Three months ended March 31	
Cash costs per ounce sold	2014	2013
Gold produced[1]	52,090	68,301
Gold sold	53,767	69,667
Cash costs per ounce sold		
Cost of sales	55,285	55,971
Less: depreciation and amortization	(18,210)	(20,319)
Less: realized oil hedge gain	-	(487)
Add: non-cash inventory movement	578	1,636
Less: other adjustments	(251)	490
Total cash costs	**37,402**	**37,291**
Total cash costs per ounce sold	**696**	**535**
All-in sustaining costs		
Total cash costs	37,402	37,291
Administration expenses[2]	3,613	3,123
Capitalized deferred stripping	1,418	14,691
Capitalized reserve development	121	2,328
Mine site capital	1,170	5,156
All-in sustaining costs	**43,724**	**62,590**
All-in sustaining costs per ounce sold	**813**	**898**
All-in costs		
All-in sustaining costs	43,724	62,590
Social community costs not related to current operations	409	339
Exploration and evaluation expenditures	1,144	2,027
All-in costs	**45,277**	**64,957**
All-in costs per ounce sold	**842**	**932**
Depreciation and amortization	18,210	20,319
Non - cash inventory movement	(578)	(1,636)
Total depreciation and amortization	**17,632**	**18,683**
Total depreciation and amortization per ounce sold	**328**	**268**

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

[2] Administration expenses include share based compensation and exclude Corporate depreciation expense and social community costs not related to current operations.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME / LOSS

(Unaudited and in US$000's except per share amounts)

	Three months ended	March 31
	2014	**2013**
Revenue	69,802	113,815
Cost of sales	(55,285)	(55,971)
Gross profit	**14,517**	**57,844**
Exploration and evaluation expenditures	(1,144)	(2,027)
Administration expenses	(3,988)	(3,830)
Share based compensation	(311)	73
Finance costs	(2,116)	(2,696)
Gains on gold hedge contracts	-	2,193
Gains on oil hedge contracts	-	31
Net foreign exchange gains/(losses)	47	(61)
Loss on available for sale financial asset	-	(962)
Other expenses/(income)	(1,785)	9
	(9,297)	**(7,270)**
Profit before income tax	**5,220**	**50,574**
Income tax benefit	-	-
Net profit	**5,220**	**50,574**
Profit attributable to:		
Shareholders	3,957	44,983
Non-controlling interests	1,263	5,591
Profit for the year	**5,220**	**50,574**
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit/loss for the period		
Change in fair value of available for sale financial asset, net of tax		
Gains (losses), net of tax	10	(6,418)
Reclassification to income, net of tax	-	962
Other comprehensive income/(loss) for the year	**10**	**(5,456)**
Total comprehensive income for the year	**5,230**	**45,118**
Total comprehensive income attributable to:		
Shareholders	3,967	39,527
Non-controlling interests	1,263	5,591
Total comprehensive income for the year	**5,230**	**45,118**
Earnings per share from operations attributable to the shareholders of the Company during the year		
- basic earnings per share	0.01	0.18
- diluted earnings per share	0.01	0.18

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF FINANCIAL POSITION

(Unaudited and in US$000's)

	As at March 31, 2014	As at December 31, 2013
Current assets		
Cash and cash equivalents	13,706	14,961
Restricted cash	15,000	20,000
Trade and other receivables	1,412	7,999
Inventories	64,715	67,432
Other assets	5,933	5,756
Available for sale financial assets	14	6
Total current assets	**100,780**	**116,154**
Non-current assets		
Inventories	75,715	63,740
Equity investment	-	47,627
Property, plant and equipment	215,526	222,487
Mine development expenditures	273,372	173,444
Intangible assets	699	947
Goodwill	51,377	-
Total non-current assets	**616,689**	**508,245**
Total assets	**717,469**	**624,399**
Current liabilities		
Trade and other payables	54,318	56,891
Borrowings	35,019	70,423
Deferred Revenue	23,526	-
Provisions	2,249	1,751
Total current liabilities	**115,112**	**129,065**
Non-current liabilities		
Borrowings	875	3,946
Deferred Revenue	105,634	-
Provisions	14,424	14,336
Other non-current liabilities	10,972	10,959
Total non-current liabilities	**131,905**	**29,241**
Total liabilities	**247,017**	**158,306**
Equity		
Issued capital	342,457	342,470
Foreign currency translation reserve	(998)	(998)
Other components of equity	15,951	15,776
Investment revaluation reserve	10	-
Retained earnings	100,360	96,741
Equity attributable to shareholders	**457,780**	**453,989**
Non-controlling interests	12,672	12,104
Total equity	**470,452**	**466,093**
Total equity and liabilities	**717,469**	**624,399**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF CHANGES IN EQUITY

(Unaudited and in US$000's)

	Three months ended March 31	
	2014	**2013**
Issued capital		
Beginning of year	342,470	305,412
Less: Share issue costs	(13)	-
End of period	342,457	305,412
Foreign currency translation reserve		
Beginning of year	(998)	(998)
End of period	(998)	(998)
Other components of equity		
Beginning of year	15,776	16,358
Equity-settled share based compensation reserve	175	487
End of period	15,951	16,845
Investment revaluation reserve		
Beginning of year	-	5,456
Change in fair value of available for sale financial asset, net of tax	10	(5,456)
End of period	10	-
Retained earnings		
Beginning of year	96,741	49,225
Profit attributable to shareholders	3,957	44,983
Other	(338)	-
End of period	100,360	94,208
Non-controlling interest		
Beginning of year	12,104	11,857
Non-controlling interest - portion of profit for the period	1,263	5,591
Dividends accrued	(695)	-
End of period	12,672	17,448
Total shareholders' equity at March 31	**470,452**	**432,915**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF CASH FLOW

(Unaudited and in US$000's)

	Three months ended March 31	
	2014	**2013**
Cash flows related to operating activities		
Profit for the year	5,220	50,574
Depreciation of property, plant and equipment	6,981	15,354
Depreciation of capitalized mine development costs	11,229	4,996
Inventory movements - non-cash	(578)	(1,636)
Amortization of intangibles	245	269
Amortization of deferred financing costs	743	350
Unw inding of discount on mine restoration and rehabilitation provision	(31)	24
Share based compensation	311	487
Deferred gold revenue recognized	(5,840)	-
Net change in gains on gold forw ard sales contracts	-	(39,839)
Net change in losses on oil contracts	-	456
Loss on available for sale financial asset	-	962
Loss on disposal of property, plant and equipment	-	99
Increase in inventories	(8,371)	279
Changes in w orking capital other than inventory	4,394	(8,735)
Net cash provided by operating activities	**14,303**	**23,640**
Cash flows related to investing activities		
Decrease in restricted cash	5,000	-
Acquisition of Oromin Joint Venture Group ("OJVG")	(112,500)	-
Expenditures for property, plant and equipment	(443)	(4,624)
Expenditures for mine development	(2,267)	(17,479)
Acquisition of intangibles	-	(73)
Proceeds on disposal of property, plant and equipment	-	35
Net cash used in investing activities	**(110,210)**	**(22,141)**
Cash flows related to financing activities		
Proceeds from Franco-Nevada gold stream	135,000	-
Repayment of borrow ings	(38,194)	-
Draw dow n from finance lease facility, net of financing costs paid	-	11,146
Financing costs paid	(1,000)	-
Interest paid on borrow ings	(1,156)	(1,670)
Net cash provided by financing activities	**94,650**	**9,476**
Effect of exchange rates on cash holdings in foreign currencies	2	319
Net increase in cash and cash equivalents	**(1,255)**	**11,294**
Cash and cash equivalents at the beginning of year	**14,961**	**39,722**
Cash and cash equivalents at the end of year	**13,706**	**51,016**

CORPORATE DIRECTORY

Directors
Alan Hill, 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
Jendayi Frazer, Non-Executive Director

Senior Management
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
Aziz Sy, Vice President, Development Senegal
Macoumba Diop, General Manager and Government Relations Manager, SGO

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Auditor
Ernst & Young LLP

Share Registries
Canada: Computershare Trust Company of Canada
T: +1 800 564 6253
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 April 29, 2014	
Issued shares	316,801,091
Stock options	23,088,961
Exercise Price (C$)	**Options**
$3.00	15,177,361
$1.09 - $2.17	7,911,600

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, future economic conditions and courses of action, the proposed plans with respect to mine plan and consolidation of the Sabodala Gold Project and OJVG Golouma Gold Project, mineral reserve and mineral resource estimates, anticipated life of mine operating and financial results, targeted date for a NI 43-101 compliant technical report, amendment to the OJVG mining license, the approval of the Gora ESIA and permitting and the completion of construction related thereto. Such 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. These assumptions include, among other things, the ability to obtain any requisite Senegalese governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, 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, 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 the Company’s Annual Information Form dated March 31, 2014, and in other company filings 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.

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COMPETENT PERSONS STATEMENT

The technical information contained in this document relating to the mineral reserve estimates for Sabodala, the stockpiles, Masato, Golouma and Kerekounda is based on 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 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". 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Chawrun 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 in this Report.

The technical information contained in this document relating to the mineral reserve estimates for Gora and Niakafiri is based on, and fairly represents, information and supporting documentation prepared by Julia Martin, P.Eng. who is a member of the Professional Engineers of Ontario and a Member of AusIMM (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 Report

The technical information contained in this Report relating to mineral resource estimates for Niakafiri, Gora, Niakafiri West, Soukhoto, and Diadiako is based on information compiled by Ms. Nakai-Lajoie. Ms. Patti 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 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 consented to the inclusion in this Report of the matters based on her compiled information in the form and context in which it appears in this Report.

The technical information contained in this Report relating to mineral resource estimates for Sabodala, Masato, Golouma, Kerekounda, and Somigol Other are based on information compiled by Ms. Nakai-Lajoie. Ms. Patti 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 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 2012 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 consented to the inclusion in this Report of the matters based on her compiled information in the form and context in which it appears in this Report.

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 (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). 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.

ABOUT TERANGA

Teranga 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's mission is to create value for all of its stakeholders through responsible mining. Its vision is to explore, discover and develop gold mines in West Africa, in accordance with the highest international standards, and to be a catalyst for sustainable economic, environmental and community development. All of its actions from exploration, through development, operations and closure will be based on the best available techniques.

For further information please contact:
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