

Teranga Gold Looks Ahead to Growth Opportunities in 2017 Following Strong Performance in 2016

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

Toronto, Ontario: February 23, 2017 - Teranga Gold Corporation ("Teranga" or the "Company") (TSX:TGZ) (ASX:TGZ) is pleased to report its financial results for the fourth quarter and full year ended December 31, 2016.

"In addition to exceeding our full year production and cost guidance, we undertook strategic actions in 2016 which have opened up significant growth opportunities for us," stated Richard Young, President and Chief Executive Officer. "For shareholders, Teranga offers meaningful upside potential, backstopped by a robust production profile, a strong balance sheet, and a supportive cornerstone investor. These are exciting times."

2017 CATALYSTS

- **Banfora gold project:** Following completion of a NI 43-101 technical report targeted in mid-2017, the Company's board of directors will assess project economics in advance of a potential construction decision in the second half of 2017.
- **Continued strong operational performance at Sabodala:** The Company's outlook for 2017 production of between 205,000 and 225,000 ounces of gold and all-in sustaining cash costs per ounce⁽¹⁾ of \$900-\$975, is enhanced by a de-risked profile following the completion of a mill optimization, the implementation of new grade control procedures and the build-up of high-grade inventory.
- **Multi-jurisdictional exploration programs:** With \$12-\$15 million earmarked for exploration, Teranga is focused on increasing its reserve and resource base and increasing the likelihood of an exploration discovery in three major gold regions: Burkina Faso, Côte d'Ivoire and Senegal.

2016 FINANCIAL & OPERATING HIGHLIGHTS

Financial Data		Three months ended December 31,			Twelve months ended December 31,		
		2016	2015	Change	2016	2015	Change
Revenue	(\$000's)	55,774	58,235	(4%)	268,850	224,620	20%
Cost of sales	(\$000's)	(43,022)	(49,266)	(13%)	(181,528)	(174,884)	4%
Profit/(loss) attributable to shareholders of Teranga	(\$000's)	(1,286)	(71,824)	(98%)	23,109	(50,543)	N/A
Per share	(\$)	(0.00)	(0.19)	(99%)	0.06	(0.14)	N/A
EBITDA ⁽²⁾	(\$000's)	17,553	16,071	9%	99,173	83,470	19%
Operating cash flow	(\$000's)	(13,627)	9,755	N/A	44,729	30,434	47%
Sustaining capital expenditures (before deferred stripping)	(\$000's)	7,531	9,592	(21%)	33,012	33,135	0%
Capitalized deferred stripping - sustaining	(\$000's)	4,822	2,715	78%	18,491	14,547	27%
Growth capital expenditures	(\$000's)	1,641	-	N/A	1,641	-	N/A
Operating Data		Three months ended December 31,			Twelve months ended December 31,		
		2016	2015	Change	2016	2015	Change
Gold Produced	(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 gold price ⁽²⁾	(\$ per oz)	1,197	1,099	9%	1,234	1,161	6%
Cost of sales per ounce	(\$ per oz sold)	925	931	(1%)	834	905	(8%)
Total cash costs ⁽²⁾	(\$ per oz sold)	704	672	5%	622	643	(3%)
All-in sustaining costs ⁽²⁾	(\$ per oz sold)	1,049	973	8%	929	967	(4%)

2016: THE YEAR IN REVIEW

Financial Highlights

- Net income attributable to shareholders for the year increased to \$23.1 million or \$0.06 per share
- EBITDA⁽²⁾ improved to \$99.2 million
- Strengthened the Company's balance sheet by more than doubling its cash position to \$95.2 million

Operating Highlights

- Achieved record production of 216,735 gold ounces surpassing guidance
- Met or beat 2016 unit cost guidance as unit mining and processing costs hit record lows
- Cost of sales per ounce improved to \$834 per ounce
- Total cash costs⁽²⁾ and all-in sustaining costs⁽²⁾ per ounce declined, falling within the lower half of the Company's full year guidance ranges
- Extended industry-leading health and safety record to more than 3 years without a lost time injury
- Earned global recognition for our corporate social responsibility program from the United Nations Global Compact Network Canada and from the Prospectors & Developers Association of Canada

Growth Highlights

- Improved optionality and opportunity for growth with the acquisitions of Gryphon Minerals and the Côte d'Ivoire land package
- Completed the Sabodala mill optimization under budget and ahead of schedule
- Advanced exploration programs underway in Senegal, Burkina Faso and Côte d'Ivoire

CONSOLIDATED FINANCIAL STATEMENTS

A copy of Teranga's consolidated financial statements and management's discussion & analysis for the year ended December 31, 2016 are available on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com/terangagold.

ENDNOTES

- (1) All-in sustaining cash costs per ounce refers to all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) per ounce, which 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 year ended December 31, 2016 available on the Company's website at www.terangagold.com.
- (2) Total cash costs per ounce, all-in sustaining costs per ounce, all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs), 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. Please see the Non-IFRS Performance Measures section in Management's Discussion & Analysis for the year ended December 31, 2016 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 "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.

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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