TERANGA GOLD CORPORATION

January 29, 2017

Teranga Gold Fourth Quarter 2016 Exploration Update

EXPLORATION HIGHLIGHTS

SENEGAL

Sabodala Mine License

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: Goumbati West Diamond Drill Holes

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *
MDD16-0164	809759	1450131	105/-50	52.0 - 53.0	1m@1.52g/t
MDD16-0165	809810	1450405	105/-50	6.0 - 8.0	2m@1.04g/t
			105/-50	13.0 - 16.0	3m@1.47g/t
			105/-50	31.0 - 39.0	8m@1.29g/t incl. 2m@2.62g/t
			105/-50	44.0 - 45.0	1m@5.34g/t
MDD16-0167	809763	1450379	104/-50	46.0 - 52.0	6m@1.22g/t incl. 1m@3.37g/t
MDD16-0168	809879	1450552	105/-50	15.0 - 17.0	2m@1.55g/t
MDD16-0169	809951	1450741	104/-50	7.0 - 9.0	2m@1.23g/t
			104/-50	23.0 - 25.0	2m@1.24g/t
MDD16-0171	810229	1450957	103/51	9.0 - 14.0	5m@13.47g/t incl. 2m@29.55g/t
			103/51	89.0 - 91.0	2m@1.24g/t
MDD16-0172	810177	1451137	101/-50	37.0 - 38.0	1m@2.03g/t
MDD16-0173	810190	1450968	104/-50	35.0 - 40.0	5m@1.7g/t incl. 1m@3.55g/t
MDD16-0175	810178	1451175	103/-50	13.0 - 14.0	1m@2.25g/t
			103/-50	87.0 - 93.0	6m@1.01g/t incl. 2m@1.46g/t
MDD16-0176	809770	1450413	102/-51	54.0 - 56.0	2m@2.48g/t
MDD16-0177	809859	1450513	103/-50	72.0 - 73.0	1m@1.61g/t

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *
MDD16-0178	809839	1450560	106/-50	21.0 - 24.0	3m@2.15g/t incl. 1m@4.33g/t
			106/-50	61.0 - 63.0	2m@1.14g/t
MDD16-0179	809724	1450391	104/-50	19.0 - 21.0	2m@1.03g/t
			104/-50	145.0 - 146.0	1m@1.26g/t
MDD16-0181	809911	1450751	105/-50	25.0 - 26.0	1m@1.38g/t
			105/-50	34.0 - 35.0	1m@11.3g/t
MDD16-0182	810229	1451000	107/-48	10.0 - 17.0	7m@3.55g/t incl. 3m@7.39g/t
MDD16-0184	810173	1451102	106/-50	10.0 - 14.0	4m@3.14g/t incl. 1m@10.50g/t
			106/-50	95.0 - 96.0	1m@1.23g/t
MDD16-0185	810190	1451009	106/-51	38.0 - 42.0	4m@1.28g/t incl. 1m@2.03g/t
MDD16-0186	810145	1451185	104/-50	78.0 - 79.0	1m@3.51g/t
			104/-50	140.0 - 142.0	2m@1.33g/t
MDD16-0187	810197	1451211	105/-50	96.0 - 104.0	8m@1.11g/t incl. 2m@2.51g/t
MDD16-0189	810209	1451250	106/-50	20.0 - 21.0	1m@1.73g/t
			106/-50	94.0 - 106.0	12m@1.13g/t incl. 3m@2.46g/t
MDD16-0191	810189	1451293	102/-50	13.0 - 14.0	1m@15.5g/t
			102/-50	95.0 - 96.0	1m@17.6g/t
			102/-50	122.0 - 126.0	4m@1.39g/t incl. 1m@3.52g/t
			102/-50	132.0 - 134.0	2m@1.46g/t
MDD16-0193	810199	1451331	102/-51	15.0 - 16.0	1m@1.08g/t
			102/-51	111.0 - 114.0	3m@1.11g/t incl. 1m@1.90g/t
			102/-51	157.0 - 164.0	7m@1.04g/t incl. 4m@1.53g/t
MDD16-0195	809732	1450430	107/-50	28.0 - 29.0	1m@1.45g/t
MDD16-0202	809762	1450296	102/-50	5.0 - 6.0	1m@4.51g/t
MDD16-0203	809929	1450579	106/-50	12.0 - 13.0	1m@1.41g/t
			106/-50	50.0 - 54.0	4m@1.5g/t incl. 1m@4.93g/t
MDD16-0206	809862	1450636	104/-50	28.0 - 35.0	7m@1.19g/t incl. 1m@2.53g/t
			104/-50	44.0 - 45.0	1m@1.22g/t
			104/-50	91.0 - 92.0	1m@1.87g/t
MDD16-0207	809812	1450451	104/-50	16.0 - 27.0	11m@1.41g/t incl. 1m@4.52g/t
			104/-50	33.0 - 34.0	1m@3.68g/t
			104/-50	41.0 - 42.0	1m@1.12g/t
			104/-50	58.0 - 60.0	2m@1.9g/t
MDD16-0208	809948	1450655	106/-50	3.0 - 4.0	1m@1.81g/t
MDD16-0209	809800	1450569	103/-51	105.0 - 109.0	4m@1.18g/t incl. 1m@3.12g/t
MDD16-0210	810238	1451039	109/-50	6.0 - 8.0	2m@1.56g/t
MDD16-0214	809772	1450334	104/-50	20.0 - 21.0	1m@1.38g/t
			104/-50	47.0 - 48.0	1m@1.46g/t
			104/-50	87.0 - 88.0	1m@1.3g/t
			104/-50	92.0 - 94.0	2m@1.13g/t
			104/-50	121.0 - 122.0	1m@24.3g/t
MRD16-0001	810076	1450870	106/-50	91.0 - 92.0	1m@1.8g/t

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *
MRD16-0002	810077	1450874	105/-51	89.0 - 91.0	2m@1.24g/t
MRD16-0005	810038	1450760	101/-52	99.0 - 101.0	2m@1.32g/t
* Intervals calculated using a 0.4 g/t Au cut-off and 2 m maximum internal dilution.					

Regional Land Package

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: Marougou Main Diamond Drill Holes

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *
RDD16-0031	845767	1468650	124 / -54	30.0 - 37.0	7m@1.75g/t incl. 2m@4.75g/t
RDD16-0032	845706	1468543	121 / -55	33.0 - 39.0	6m@1.29 g/t incl. 1m@3.45g/t
			121 / -55	42.0 - 44.0	2m@1.11g/t
RDD16-0034	845788	1468687	121 / -56	31.0 - 40.0	9m@1.64g/t incl. 5m@2.70g/t
* Intervals calculated using a 0.4 g/t Au cut-off and 2 m maximum internal dilution.					

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 (Table 3). 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.

Table 3: Doughnut Jam Prospect Diamond Drill Holes

Hole ID	UTM28N East	UTM28N North	Azi/Dip	Interval (m)	Intercept Values (g/t Au) *
RDD16-0025	838546	1474241	45/-50	29.0 - 32.0	3m@2.41g/t incl. 1m@5.90g/t
RDD16-0028	838460	1474327	45 / -50	0.0 - 9.0	9m@1.55g/t incl. 1m@7.04g/t
RDD16-0030	838574	1474213	52/-49	16.0 - 18.0	2m@1.03g/t
* Intervals calculated using a 0.4 g/t Au cut-off and 2 m maximum internal dilution.					

Competent Persons Statements

Teranga's exploration programs are being managed by Peter Mann, FAusIMM. Mr. Mann is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 43-101. Mr. Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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. Mann is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. The technical information contained in this news 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 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 has consented to the inclusion in this news release 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 (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.