

SABODALA GOLD OPERATION

KEY HIGHLIGHTS

- ▶ Gold production for 2013 totalled 207,204 ounces, the higher end of our guidance of 190,000 to 210,000 ounces
- ▶ Total cash costs¹ for 2013 were \$641 per ounce, better than our guidance of \$650 to \$700 per ounce and all-in sustaining costs were \$1,033 per ounce, at the lower end of our guidance of \$1,000 to \$1,100 per ounce
- ▶ Fourth quarter 2013 gold production and sales were 52,368 ounces and 46,561 ounces, respectively
- ▶ Fourth quarter 2013 total cash costs were \$711 per ounce sold while all-in sustaining costs were \$850 per ounce sold
- ▶ Cash and bullion receivable increased to \$42.3 million
- ▶ Completes acquisition of remainder of interest in neighbouring property - Oromin Joint Venture Group Ltd. (OJVG) - by way of stream transaction with Franco-Nevada to fund the completion of the acquisition and the retiring of \$30 million of \$60 million bank debt facility
- ▶ Gold production for 2014 is expected in the range of 220,000 to 240,000 ounces² at total cash costs of \$650 to \$700 per ounce and all-in sustaining costs of \$800 to \$875 per ounce
- ▶ Proven and Probable open pit Reserves on a combined basis with OJVG increased by 120 percent to 2.8 million ounces, Measured and Indicated Resources increased by 123 percent to 6.2 million ounces, and Inferred Resources increased by 42 percent to 2.6 million ounces³

OPERATIONAL OVERVIEW

Sabodala Gold Operation

(All amounts are in US\$ unless otherwise stated)

- Gold production for the three months ended December 31, 2013 was on plan at 52,368 ounces of gold and 27 percent lower than the same prior year period. Lower production was due to lower processed grades, partly offset by higher mill throughput.
- Gold production for the year was at the higher end of guidance of 190,000 – 210,000 ounces, at 207,204 ounces, 3 percent lower than the same prior year period, mainly due to lower processed grades, partly offset by higher mill throughput.
- During the three months ended December 31, 2013, 46,561 ounces were sold at an average realized gold price of \$1,249 per ounce. During the same prior year period, 71,604 ounces were sold at an average realized gold price of \$1,296 per ounce including 33,606 ounces delivered into gold hedge contracts at an average price of \$833 per ounce and 37,998 ounces sold at an average spot price of \$1,705 per ounce.
- Total cash costs for the three months ended December 31, 2013 totalled \$711 per ounce sold, 34 percent higher than the same prior year period. Higher total cash costs per ounce were due to an increase in material mined and milled during the quarter compared to the year earlier period. Total cash costs have been adjusted for the adoption of IFRIC 20 for capitalization of a portion of production phase stripping costs.
- Total cash costs for the year were below guidance of \$650 - \$700 per ounce, at \$641 per ounce, compared to \$556 per ounce in the same prior year period. The increase in total cash costs was mainly due to an increase in material processed and higher royalty costs in 2013 compared to 2012.
- All-in sustaining costs for the three months ended December 31, 2013 were \$850 per ounce sold compared to \$1,004 per ounce sold in the same prior year period. The decrease compared to the prior year was primarily due to lower capital expenditures and administration expenses in the current year period, partly offset by higher total cash costs.
- All-in sustaining costs for 2013 were at the low end of guidance, of \$1,000 - \$1,100 per ounce, at \$1,033 per ounce, 14 percent lower than the same prior year period. Lower all-in sustaining costs were mainly due to lower capital expenditures, as result of the completion of the mill expansion in 2012, and a reduction in reserve development expenditures in 2013, partly offset by higher total cash costs and capitalized deferred stripping.
- Total tonnes mined for the three months ended December 31, 2013 were 24 percent higher compared to the same prior year period. The increase in total tonnes mined was mainly due to improved haul truck productivities as a result of shorter ore and waste haul distances. During the quarter, mining activities were focused on the upper benches of phase 3 of the Sabodala pit, while in the same prior year period mining took place in a high grade ore zone on lower benches of phase 2.

¹ Total cash costs per ounce and all-in sustaining costs per ounce of gold sold are non-IFRS measures which do not have standard meanings under IFRS. Please refer to Non-IFRS Performance Measures at the end of this Report.

² This production guidance is based on existing proven and probable reserves only from both the Sabodala mining licence and OJVG mining license as disclosed in Table 2 on page 6 of this Report. 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.

³ See table 1 and 2 on page 6 of this Report for detailed breakdown of this resource and reserve estimates.

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- Unit mining costs for the fourth quarter of 2013 were \$2.65 per tonne, a decrease of 15 percent compared to the same prior year period. The lower unit costs were primarily due to shorter ore and waste haul distances as noted above, partially offset by higher maintenance costs.
- Ore tonnes milled for the three months ended December 31, 2013 were 19 percent higher than the same prior year period due to improvements made to reduce the frequency and duration of unplanned downtime and an increase in throughput in the crushing circuit to match mill capacity. These improvements were primarily accomplished during two planned major shutdowns in January and May with a third taking place in October. As a result of the work completed, mill throughput achieved annualized design capacity of 3.5 million tonnes of primarily hard ore in the second half of 2013.
- Processed grade for the three months ended December 31, 2013 was 38 percent lower than the same prior year period, as planned. Mill feed during the fourth quarter 2013 was sourced from phase 3 of the Sabodala pit at grades closer to reserve grade. While in the year earlier period, mill feed was sourced from a high grade zone on the lower benches of phase 2 of the Sabodala pit.
- Unit processing costs for the three month period ended December 31, 2013 were 10 percent lower than the same prior year period at \$17.96 per tonne, mainly due to an increase in throughput.

PRODUCTION STATISTICS

		Dec-13	Sep-13	Jun-13	Mar-13	Dec-12
		Quarter	Quarter	Quarter	Quarter	Quarter
Ore mined	('000t)	1,993	537	698	1,312	2,038
Waste mined - operating	('000t)	6,655	3,321	2,683	2,513	4,362
Waste mined - capitalized	('000t)	420	4,853	4,770	5,023	912
Total mined	('000t)	9,068	8,711	8,151	8,848	7,312
Grade Mined	(g/t)	1.61	1.08	1.59	1.87	2.04
Ounces Mined	(oz)	103,340	18,721	35,728	78,929	133,549
Strip ratio	waste/ore	3.6	15.2	10.7	5.7	2.6
Ore processed	('000t)	860	887	709	696	725
Head grade	(g/t)	2.11	1.41	2.36	3.31	3.40
Gold recovery	(%)	90%	92%	92%	92%	91%
Gold produced ¹	(oz)	52,368	36,874	49,661	68,301	71,804
Gold sold	(oz)	46,561	37,665	54,513	69,667	71,604
Average price received	\$/oz	1,249	1,339	1,379	1,090	1,296
Total cash costs per ounce sold ^{2,3,4} (including Royalties)	\$/oz	711	748	642	535	532
All-in sustaining costs per ounce sold ^{2,4} (including Royalties)	\$/oz	850	1,289	1,185	898	1,004
Mining	(\$/t mined)	2.65	2.48	2.64	2.61	3.11
Milling	(\$/t milled)	17.96	17.56	23.77	22.47	19.88
G&A	(\$/t milled)	4.84	4.60	6.25	6.17	6.35

¹ Gold produced includes 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.

³ Total cash costs per ounce sold for 2012 were restated to comply with the Company's adoption of IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine, in line with the Company's accounting policies and industry standards.

⁴ All-in sustaining costs per ounce sold include total cash costs per ounce, 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.

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OUTLOOK 2014

The following table outlines Teranga's estimated 2014 summary production and cost guidance:

		Year ended December 31	
		2013 Actuals	2014 Guidance Range
Operating Results			
Ore mined	('000t)	4,540	5,300 - 6,000
Waste mined - operating	('000t)	15,172	18,200 - 19,000
Waste mined - capitalized	('000t)	15,066	500 - 1,000
Total mined	('000t)	34,778	24,000 - 26,000
Grade mined	(g/t)	1.62	1.60 - 1.70
Strip ratio	w aste/ore	6.7	3.25 - 3.50
Ore milled	('000t)	3,152	3,400 - 3,600
Head grade	(g/t)	2.24	2.20 - 2.40
Recovery rate	%	91.4	90.0 - 91.0
Gold produced ¹	(oz)	207,204	220,000 - 240,000
Total cash cost (incl. royalties) ^{2,3,4}	\$/oz sold	641	650 - 700
All-in sustaining costs ^{2,4}	\$/oz sold	1,033	800 - 875
Mining	(\$/t mined)	2.59	2.75 - 2.95
Milling	(\$/t milled)	20.15	18.00 - 19.00
G&A	(\$/t milled)	5.38	4.75 - 5.25
Gold sold to Franco-Nevada ¹	(oz)	-	22,500
Exploration and evaluation expense (Regional Land Package)	(\$ millions)	5.4	4.0 - 6.0
Administration expenses and Social community costs	(\$ millions)	13.6	15.0 - 16.0
Mine production costs	(\$ millions)	170.8	155.0 - 165.0
Capital expenditures	(\$ millions)		
Mine site sustaining		9.9	7.0 - 8.0
Capitalized reserve development (Mine License)		3.5	4.0 - 6.0
Project development costs			
Government w aiver payments		3.5	12.0 - 14.0
Development		0.5	3.0 - 5.0
Mobile equipment and other		8.3	-
Total project development costs		12.4	15.0 - 19.0
Capitalized deferred stripping ³		43.3	2.0 - 3.0
Total capital expenditures		69.1	28.0 - 33.0

¹22,500 ounces of production are to be sold to Franco Nevada at 20% of the spot gold price.

²Total 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.

³Total cash costs per ounce sold for 2012 were restated to comply with the Company's adoption of IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine, in line with the Company's accounting policies and industry standards.

⁴All-in sustaining costs per ounce sold include total cash costs per ounce, 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.

Key assumptions: Gold spot price/ounce - US\$1,250, Light fuel oil - US\$1.15/litre, Heavy fuel oil - US\$0.98/litre, US/Euro exchange rate - \$1.325

The Company's 2014 operating budget has been designed to maximize free cash flow. Mining activity in 2014 is expected to focus on completing phase 3 of the Sabodala pit, as phase 4 of the Sabodala mine plan has been deferred to minimize material moved. Mining equipment freed up from the deferral of Sabodala phase 4 is anticipated to be used to begin mining activities at the Masato deposit in the fourth quarter of the year.

The higher processing rate in 2014 is a result of improvements made in the first half of 2013 to the crushing circuit and in line with throughput rates in the second half of 2013.

Total cash costs per ounce for 2014 are expected to be similar to 2013 while all-in sustaining costs per ounce are expected to be lower than 2013, mainly due to lower capital expenditures.

Exploration and evaluation expense in 2014 is expected to total approximately \$5 million. The exploration program in 2014 will focus on the conversion of resources to reserves and extensions of existing deposits along strike on the two mine licenses, as well as, the continuation of a systematic regional exploration program designed to identify satellite and standalone deposits.

Administrative and Corporate Social Responsibility expenses are expected to total \$15 - \$16 million, similar to 2013. Lower

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administrative costs at the corporate office are expected to be offset by higher social commitments related to the acquisition of the OJVG and additional staffing in the Dakar office. The 2014 plan has been designed to provide the necessary support for operations and development and includes corporate office costs, Dakar office costs and corporate responsibility costs, but excludes corporate depreciation, transaction costs and other non-recurring costs.

Capitalized expenditures, including sustaining mine site expenditures, project development expenditures capitalized deferred stripping, reserve development expenditures and payments to the Government of Senegal are expected to total \$28 - \$33 million.

FINANCE

At December 31, 2013:

Cash and cash equivalents - \$42.3 million (including \$20.0 million in restricted cash and \$7.3 million in bullion receivables)

Project finance facility (balance outstanding) - \$60.0 million (reduced to \$30.0 million as at the date of this report)

Mining fleet lease facility (balance outstanding) - \$17.0 million

The stream transaction with Franco-Nevada to fund the acquisition of Bendon's stake in the OJVG and retire half of the project finance facility was completed on January 15, 2014. As a result, \$30 million of the project finance facility was retired. The balance of \$30 million is scheduled to be retired by the end of 2014. In addition, the restricted cash balance decreased to \$15 million.

STRATEGY AND MINE PLAN

ACQUISITION OF THE OROMIN JOINT VENTURE GROUP ("OJVG")

On October 4, 2013, the Company completed the acquisition of all of the issued and outstanding common shares of Oromin Explorations Ltd. ("Oromin") that it did not already own (Oromin being one of the three joint venture partners holding 43.5% of the OJVG).

In total, the Company issued 71,183,091 Teranga shares to acquire all of the Oromin shares for net consideration of \$37.8 million, including the fair value of Oromin stock options replaced by 7,911,600 Teranga stock options. As a result, Teranga's total number of issued and outstanding shares increased to 316,801,091.

On January 15, 2014, the Company completed the transaction announced on December 12, 2013 to acquire the balance of the OJVG that it did not already own. The Company acquired Bendon's 43.5% participating stake in the OJVG for \$105.0 million financed through a stream transaction with Franco-Nevada. The stream agreement requires Teranga to deliver 22,500 ounces annually over the first six years followed by 6% of production thereafter. Franco-Nevada's purchase price per ounce is set at 20% of the spot price of gold.

The Company also acquired Badr's 13% carried interest for \$7.5 million and further contingent consideration based on higher realized gold prices and increases to OJVG reserves through 2020.

The acquisition of Bendon and Badr's interests in the OJVG increases Teranga's ownership to 100% and consolidates the Sabodala region, increasing the size of Teranga's interests in mine license from 33km² to 241km² and more than doubling the Company's reserve base after taking into account the 1.45 million of probable open pit reserves of the OJVG identified in its NI 43-101 Technical Report.⁴

Acquisition related costs of approximately \$11.0 million have been paid during the year ended December 31, 2013.

OROMIN TECHNICAL INTEGRATION

The acquisition of Oromin in August 2013 provided access to the OJVG technical data. Since then, management has been evaluating and integrating the geological and technical databases to develop updated resources and reserves to establish a combined life of mine (LOM) plan that will be supported by a NI 43-101 compliant technical report, targeted for March 2014.

The ongoing technical work for the OJVG integrated mine plan has included:

- A comprehensive review of the Golouma, Masato and Kerekounda ore bodies including re-logging and re-assay of key drill intercepts, QA/QC checks and detailed interpretation to update these resource models;
- Economic Lerchs-Grossman (LG) pit optimization and detailed pit designs to reflect the current gold price;
- Preliminary Life of Mine (LOM) mine planning schedules for optimized cash flow analysis, detailed dilution analysis, pit designs, mine operating and capital estimates;
- An updated tailings deposition and water balance model;
- Ongoing analysis of the metallurgical test results for ore characterization studies of select areas within the Masato and Golouma ore bodies to increase understanding from Feasibility Study level and optimize feed and gold recovery to the Sabodala mill; and
- Environmental and social impact reviews for a reduced footprint using the Sabodala operations.

In addition to development of an integrated LOM, the OJVG technical team was engaged with the Teranga technical teams both at site in Senegal and the corporate offices.

⁴ See the OJVG Golouma Gold Project – Updated Feasibility Report, January 31, 2013, available at www.sedar.com.

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MINE LICENSE (ML) RESERVE DEVELOPMENT

There were no drill programs conducted on the Sabodala ML during the fourth quarter. The drill program at Sabodala was completed in the first quarter of 2013. The 2014 drill program will be integrated into the combined Sabodala/OJVG reserve delineation program.

GORA DEVELOPMENT

Gora, hosting 0.29 million ounces of proven and probable reserves (see Table 2) at 4.74g/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 Sabodala feed as required.

A technical report and an environmental and social impact assessment (ESIA) have been provided to the Senegalese government, and the permit approval process is ongoing.

Management expects the permit process to be completed in 2014 and construction to be initiated in 2015 based on the new integrated mine plan with the OJVG.

REGIONAL EXPLORATION

Since the acquisition of Oromin, the exploration team has spent the majority of its time working on the detailed due diligence review and remodeling of the Golouma and Masato deposits on the OJVG property⁵, this has continued through the fourth quarter. In addition, the team along with the OJVG technical team have conducted detailed reviews to evaluate potential for increasing the other OJVG resources. The conclusions have been integrated into the scope for the 2014 exploration program.

On the regional land package which is 1,055km², the exploration team focused on site mapping, trenching, interpretation and site investigation for several high potential targets for follow up drill programs in 2014. These targets have been included as part of the scope for the 2014 exploration program.

RESERVES AND RESOURCES

Mineral Resources at December 31, 2013 are presented in Table 1 below. Total open pit proven and probable mineral reserves at December 31, 2013 are set forth in Table 2 below. The reported Mineral Resources are inclusive of the Mineral Reserves.

The proven and probable mineral reserves were based on the Measured and Indicated resources that fall within the designed open pits. The basis for the resources and reserves is consistent with the Canadian Securities Administrators NI 43-101 regulations. The design for the open pit limits, related phasing and long term planning for the Sabodala open pit was carried out to maximize the economics under current market

conditions by removing high cost (high strip) gold ounces in the Sabodala pit.

The Sabodala pit design is consistent with the reserves reported for the third quarter 2013 results which are based on a \$1,000 pit shell for Phase 4. For all reserves reported, the cut off grades were established using an estimated gold price of \$1,250 per ounce. Mining phases in the Sabodala pit have been determined similarly to the previous designs, where the mine sequencing is based on accessing the high grade Main Flat Extension (MFE) through successive phases to balance waste stripping and optimize cash flows.

Dilution and ore recovery estimates for the Sabodala reserves were based on a comparison of the resource model with actual production performance over a 24 month span using a 5 metre minimum mining width and 10 metre bench height.

The Niakafiri pit design remains unchanged from December 2012. The Gora pit design has been adjusted to reflect an LG pit shell at \$1,200 per ounce and an updated dilution analysis.

The Masato, Golouma and Kerekounda pit designs have been based on a \$1,250 per ounce pit shell. Geotechnical studies conducted previously by the OJVG were reviewed by independent consultants and were determined to be acceptable. Detailed dilution analyses were conducted on each of these deposits, ore cut-off grades were established using an estimated gold price of \$1,250 per ounce.

As a result of the work we have conducted, overall reported open pit reserves for the OJVG deposits have increased by about 90,000 ounces as compared to the last technical report issued by the OJVG in January 2013. An increase in open pit reserves was identified at the Golouma's and Kerekounda deposits, which was partially offset by a decrease at Masato. Analyses of high grade zones within the Masato ore body continue to be evaluated. Due to the manner of the interpretation of structural controls defining these high grade zones, management has determined that further work and possible infill drilling is necessary to accurately define these trends within the mineralised envelopes. For purposes of this updated reserve estimate, the Company has applied a conservative interpretation method resulting in approximately 300,000 ounces of high grade mineralization being excluded from Masato reserves.

Management expects its LOM Plan detailing annual production rates and operating and capital costs to be released with the Company's year end results in February and remains on track to file a NI 43-101 technical report in March 2014.

⁵ The OJVG interest in the Golouma mining license is held through its 90% equity ownership in Societe des Mines de Golouma S.A. (SOMIGOL), the holder of the Golouma license.

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Table 1 Mineral Resources Summary as at December 31, 2013

	Measured			Indicated			Measured and Indicated		
	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)
Sabodala	24.28	1.32	1.03	22.95	1.29	0.95	47.23	1.31	1.98
Gora	0.49	5.27	0.08	1.84	4.93	0.29	2.32	5.00	0.37
Niakafiri	0.30	1.74	0.02	10.50	1.10	0.37	10.70	1.12	0.39
ML Other									
Subtotal ML	25.07	1.40	1.13	35.29	1.42	1.61	60.25	1.42	2.74
Masato				43.93	1.11	1.57	43.93	1.11	1.57
Golouma				12.04	2.69	1.04	12.04	2.69	1.04
Kerekounda				2.20	3.77	0.27	2.20	3.77	0.27
Somigol Other				18.72	0.93	0.56	18.72	0.93	0.56
Subtotal Somigol	0.00	0.00	0.00	76.89	1.39	3.44	76.89	1.39	3.44
Total	25.07	0.00	1.13	112.18	1.40	5.05	137.14	1.40	6.18

Inferred Resources

Area	Tonnes (Mt)	Au g/t	Au Moz
Sabodala	17.88	0.94	0.54
Gora	0.21	3.38	0.02
Niakafiri	7.20	0.88	0.21
ML Other	13.20	0.91	0.38
Subtotal ML	38.49	0.93	1.15
Masato	25.59	1.13	0.93
Golouma	2.46	2.01	0.16
Kerekounda	0.34	4.21	0.05
Somigol Other	12.87	0.84	0.35
Subtotal Somigol	41.26	1.12	1.48
Total	79.75	1.03	2.64

Notes for Resources Estimate:

- CIM definitions were followed for Mineral Resources.
- Mineral Resources for Sabodala include Sutuba.
- Mineral Resource cut-off grades for Sabodala, Masato, Golouma, Kerekounda and Somigol Other are 0.2 g/t Au for oxide and 0.35 g/t Au for fresh.
- Mineral Resource cut-off grades for Niakafiri are 0.3 g/t Au for oxide and 0.5 g/t Au for fresh.
- Mineral Resource cut-off grade for Gora is 0.5 g/t Au for oxide and fresh.
- Mineral Resource cut-off grade for Niakafiri West and Soukphoto is 0.3 g/t Au for oxide and fresh.
- Mineral Resource cut-off grade for Diadiako and Majiva is 0.2 g/t Au for oxide and fresh.
- Measured Resources include stockpiles which total 8.60 Mt at 0.86 g/t Au for 0.24 Mozs.
- High grade assays were capped at grades ranging from 10 g/t to 30 g/t Au at Sabodala, 20 g/t to 70 g/t Au at Gora, from 2 g/t to 30 g/t Au at Masato, from 5 g/t to 70 g/t for Golouma, from 11 g/t to 50 g/t at Kerekounda, and from 0.8 g/t to 110 g/t at Somigol Other.
- The figures above are "Total" Mineral Resources and include Mineral Reserves.
- Sum of individual amounts may not equal due to rounding.

Table 2 Mineral Reserves Summary as at December 31, 2013

	Proven			Probable			Proven and Probable		
	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)
Sabodala	3.45	1.64	0.18	5.53	1.58	0.28	8.98	1.60	0.46
Gora	0.50	4.58	0.07	1.39	4.80	0.21	1.89	4.74	0.29
Niakafiri	0.23	1.69	0.01	7.58	1.12	0.27	7.81	1.14	0.29
Stockpiles	8.60	0.86	0.24				8.60	0.86	0.24
Subtotal ML	12.78	1.23	0.51	14.50	1.65	0.77	27.28	1.45	1.27
Masato				25.24	1.21	0.98	25.24	1.21	0.98
Golouma				6.47	2.24	0.46	6.47	2.24	0.46
Kerekounda				0.88	3.26	0.09	0.88	3.26	0.09
Subtotal Somigol	0.00	0.00	0.00	32.59	1.47	1.54	32.59	1.47	1.54
Total	12.78	1.23	0.51	47.09	1.52	2.31	59.87	1.46	2.81

Notes for Reserves Estimate:

- CIM definitions were followed for Mineral Reserves.
- Mineral Reserve cut off grades for Sabodala are 0.40 g/t Au for oxide and 0.5 g/t Au for fresh based on a \$1,250/oz gold price and metallurgical recoveries between 90% and 93%.
- Mineral Reserve cut off grades for Niakafiri are 0.35 g/t Au for oxide and 0.5 g/t Au for fresh based on a \$1,350/oz gold price and metallurgical recoveries between 90% and 92%.
- Mineral Reserve cut off grade for Gora is 0.76 g/t Au for oxide and fresh based on \$1,200/oz gold price and metallurgical recovery of 95%.
- Mineral Reserve cut off grade for Masato, Golouma, Kerekounda are 0.4 g/t Au for oxide and 0.5 g/t for fresh based on \$1,250/oz gold price and metallurgical between 90% and 93%.
- Sum of individual amounts may not equal due to rounding.
- The Niakafiri deposit is adjacent to the Sabodala village and relocation of at least some portion of the village will be required which will necessitate a negotiated resettlement program with the affected community members.
- The Gora deposit is intended to be merged into the Sabodala mining license which the State of Senegal has agreed to in principal subject to completion and receipt of an approved environmental and social impact assessment which is ongoing.
- The SOMIGOL deposits lie adjacent to the Sabodala mining license and it is intended that these licenses be merged which the State of Senegal has agreed to in principal under the terms of its previously announced global investment agreement in May of 2013. Any additional specific permits are anticipated to be minor given both licenses are already fully approved including environmental and social impact assessments.
- There are no other known political, legal or environmental risks that could materially affect the potential development of the identified mineral resources or mineral reserves other than as already set out in the Company's Annual Information Form dated March 28, 2013 – see RISK FACTORS beginning on page 62.

NON-IFRS Financial Performance Measures

The Company has included non-IFRS measures in this Report: "total cash cost per ounce of gold sold" and "all-in sustaining costs per ounce". 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

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in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Teranga reports total cash costs on a sales basis. Total cash costs per gold ounce 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. Production costs are exclusive of depreciation and depletion. Other companies may calculate this measure differently.

All in sustaining costs per ounce sold include total cash costs per ounce, 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. Other companies may calculate this measure differently.

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 Report relating to mineral resource estimates 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 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.

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 2012 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 2012 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.

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.

SUMMARY OF RESOURCE ESTIMATE AND REPORTING CRITERIA

This ASX announcement has been prepared in compliance with the JORC Code 2012 Edition and the ASX Listing Rules. The Company has included in Appendix 1, the Table 1 Checklist of Assessment and Reporting Criteria for the Sabodala and Golouma Projects as prescribed by the JORC Code 2012 Edition and the ASX Listing Rules.

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The following is a summary of the pertinent information used in the mineral resource estimate with full details provided in the Table 1 included as Appendix 1.

Geology and Geological Interpretation

The resources are located in the 2,213 Ma to 2,198 Ma age Kedougou-Kenieba Inlier, which lies within the Paleoproterozoic age Birimian Terrane of the West African Craton in Senegal. Mafic volcanic rocks are mainly present with a large granitic intrusion occupying the north-western portions of the Sabodala property. Lithologies generally trend north-northeast to northeast with steep dips, although local variations are apparent which may be locally important trap sites for mineralization. Principal structures form a steeply west-northwest dipping, north-northeast trending shear zone network.

The gold deposits show many characteristics consistent with their classification as orogenic (mesothermal) gold deposits. Several styles of mineralization are seen and are described as:

- A network of extension vein arrays, breccia mineralization, and a network of controlling shallow to moderate dipping shear veins which are developed adjacent to a northeast trending shear zone.
- Gold mineralization within shear zones in carbonate altered ultramafic and mafic units which are associated with networks of quartz shear veins, slip surfaces, and extension veins.
- Mineralization in northwest or northeast-trending, generally steeply-dipping, banded quartz veins which occur in areas of elevated strain and hosting mineralized shear zones.
- Quartz vein arrays developed in competent units within the sedimentary sequence of the Diale-Dalema sequence, particularly sandstone horizons and in small intrusions.

Drilling and Sampling Techniques

Rotary Air Blast (RAB), Reverse Circulatory (RC) and diamond drilling (DD) was conducted. Closely spaced RAB holes were initially drilled to delineate surface targets for follow up with RC and diamond drilling. Diamond drill holes were drilled using standard HQ or NQ sized rods. RC drilling was conducted either to pre-collar deeper diamond tailed drill holes or as individual stand alone holes.

Diamond core and RC chip samples were sampled on nominal 1 m intervals. There has not been a significant issue with core recovery in both oxide and fresh rock. Diamond drill core was defined, then cut in half with a diamond saw along the core length. All core and RC chips are photographed.

SGO drill hole logs were recorded manually on logging forms, entered into Excel spreadsheets then uploaded into MS Access databases. Assay data was received from the laboratories in csv format and merged into the master databases, with access restricted to a few personnel responsible for database management.

Classification criteria

The mineral resource estimate has been classified and is reported as Indicated and Inferred based on guidelines specified in the 2012 JORC code.

Sample analysis method

From 2005 to 2008, all SGO samples were analyzed at the SGS laboratory in Kayes, Mali for gold by fire assay with an atomic absorption finish using 50 gram samples. From 2009, all Mine Lease samples were analyzed at the SGS laboratory located on the Mine Lease property using an aqua regia digestion followed by AAS. Samples returning results higher than 0.2 g/t Au were sent for fire assay analysis at the SGS laboratory in Kayes, Mali.

All OJVG samples were assayed at the TSL laboratory in Saskatoon, Saskatchewan, Canada for gold by fire assay with an atomic absorption finish. Assay results that exceeded a specified limit were re-analyzed using fire assay with a gravimetric finish.

Blind Quality Assurance/Quality Control programs consisted of inserting blanks, duplicates and certified reference materials (CRM) into the sample stream at a rate of one for every 20 samples. All SGO samples returned results within acceptable limits. SRK concluded that the OJVG QA/QC program was acceptable for use in resource estimates.

Cut-off grades

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The global Mineral Resource gold cut-off grades for Sabodala, Masato, Golouma and Kerekounda are 0.35 g/t Au for fresh rock, and 0.2 g/t Au for oxide. The cut-off grades for Niakafiri are 0.5 g/t Au for fresh rock and 0.3 g/t Au for oxide; the cut-off grades for Gora are 0.5 g/t Au for fresh and 0.5 g/t Au for oxide.

Mining and metallurgical methods and parameters

Sabodala has been in operation since 2008 utilizing conventional truck and shovel open pit mining. The mining operation is effective at selectively separating ore from waste using a minimum mining width of 5m for selectivity and at present in the Sabodala pit, uses 10m benches. To increase waste to ore selectivity for the Masato, Golouma, Kerekounda and Niakifiri deposits, a 5m bench is proposed in the ore zones, with 10m benches in the waste. For the Gora reserves, a 10m bench in waste with 2.5m benches in the ore zones is proposed, using an excavator to separate the hanging wall waste. Detailed dilution analysis was performed to determine the diluted ore grade.

The Niakifiri mine will require the relocation of at least some portion of the Sabodala village prior to mining.

The Gora deposit is planned to be mined as a satellite pit with ore fed to the Sabodala mill, a distance of approximately 26km. An ESIA has been submitted for the Gora project and the approval process is currently ongoing. The OJVG reserves (Masato, Golouma and Kerekounda) have been permitted and are part of an existing mine licence.

The Sabodala mill comprises facilities for crushing, grinding, CIL cyanidation and tailings disposal. Gold recovery facilities include acid washing, carbon stripping and electro winning, followed by bullion smelting and carbon regeneration. Gold recovery is reconciled to blast hole sampling and stockpile survey on a monthly basis. Review of the metallurgical tests completed for the OJVG Feasibility Study ore have demonstrated similar characteristics as the ore currently being process in Sabodala. The gold recovery curve is based on historical performance at the Sabodala mill and ranges from approximately 89%-92%.

A tailings deposition plan using current operating parameters has determined that there will be sufficient space within the existing Sabodala licenced footprint.

APPENDIX 1

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Chip sampling from shallow trenches, soil sampling and rotary air blast ("RAB") programs were conducted in regional reconnaissance programs to target areas of potential mineralization. Follow-up drilling consisted of both diamond and reverse circulation ("RC") drilling. Drill core was sawn in half over defined sampling intervals, then one half sampled and assayed for gold. Oriented core markings were used as guides for sawing. RC chips were riffled and split following standard operating procedures. Occasionally quarter core and duplicate chip samples were submitted for check assays. Initially all core and RC chips were sampled along the entire hole to determine the nature of mineralization and relationship to logged lithology, alteration and structure. Based on the detailed sampling results, mineralization zones were defined with additional drilling and sampling, specifically across the mineralization and along the mineralized shoulders on either side. SGO samples were initially analyzed at the SGS laboratory located on the Mine Lease property. Samples returning results higher than 0.2 g/t Au were sent for additional fire assay analysis at the SGS laboratory located

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Criteria	JORC Code explanation	Commentary
		in Kayes, Mali. OJVG samples were initially analyzed by fire assay with an atomic absorption finish. Assay results that exceeded a specified limit were re-assayed using fire assay with a gravimetric finish.
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • RAB, RC and diamond drilling programs were conducted. Closely spaced RAB holes were initially drilled to delineate surface targets for follow up with RC and diamond drilling. Diamond drill holes were drilled using standard HQ or NQ sized rods. RC drilling was conducted either to pre-collar deeper diamond tailed drill holes or as individual stand alone holes.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Diamond core recoveries were measured and recorded for each sample. Core was sampled on nominal 1 m intervals. RC chip samples were collected on 1 m intervals. SGO chip recoveries were based on qualitative visual estimates (poor, medium or good). OJVG collected and weighed the total chip samples. Chip sample recoveries were not calculated but estimated based on the weight of the total samples. • RC drill contractors have been requested to allow for sufficient air and appropriate technique to ensure dry samples are delivered >95% of the time. In instances where water ingress is unavoidable, damp or wet samples are dried prior to being split. There has not been a significant issue with core recovery in both oxide and fresh rock. • A relationship does not appear to exist between sample recovery and grade as there is no significant loss of material.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Core samples were geologically and geotechnically logged following established standard operating procedures and includes sufficient and appropriate detail to support Mineral Resource estimation, mining and metallurgical studies. RC chip samples were geologically logged following established standard operating procedures and considered to be appropriate for use in Mineral Resource estimation. • Logging is qualitative in nature. All core was photographed. As of 2008, all OJVG RC chips were photographed. • All diamond drill core has been geologically and geotechnically logged. All RC chips have been geologically logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	<ul style="list-style-type: none"> • Drill core sampling intervals were defined then cut in half with a diamond saw along the core length. Half core was sampled over approximate one meter lengths or based on lithology intervals. • RC cuttings were sampled on one meter intervals for each meter drilled. The one meter interval cuttings were passed through a three-tier, one-eighth riffle splitter resulting in an approximately 2.0 kg to 2.5 kg subsample. • Sample preparation was carried out at the

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>SGS laboratory located on the Mine Lease property and at the TSL laboratory located on the OJVG property. Mine Lease core and RC samples were dried and crushed to minus 2 mm, then split using a Jones riffle splitter to 200 grams. The 200 gram sample was pulverized with a ring and puck pulverizer to 85% minus 75 µm (200 mesh). OJVG core and RC samples were dried and crushed using a primary jaw crusher to a minimum of 70% passing through a minus 10 (2.0 mm) screen. The 250 gram sample split was transported to the TSL laboratory in Saskatoon, Saskatchewan, Canada where samples were pulverized to 95% passing a minus 150 mesh (106 µm) screen.</p> <ul style="list-style-type: none"> Core was sawn in half along the core axis for nominal 1 meter sample intervals, with one half of the core sent for assay. One duplicate pulp sample was inserted into the sample stream for a minimum of every 20 samples. In addition, re-assays of the remaining pulp or reject samples were conducted as required for confirmation of the original assay results. SGO Standard operating procedures were established for sampling RC chips. Field duplicate samples were inserted into the sample stream at a ratio of 1 to 20 samples. Based on the characteristics of gold mineralization in these deposits and results from the QA/QC program and sample duplicates, the nominal 1 meter sample interval is determined to be appropriate.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> From 2005 to 2008, all SGO samples were analyzed at the SGS laboratory in Kayes, Mali for gold by fire assay with an atomic absorption finish using 50 gram samples. From 2009, all Mine Lease samples were analyzed at the SGS laboratory located on the Mine Lease property using an aqua regia digestion followed by AAS. Samples returning results higher than 0.2 g/t Au were sent for fire assay analysis at the SGS laboratory in Kayes, Mali. All OJVG samples were assayed at the TSL laboratory in Saskatoon, Saskatchewan, Canada for gold by fire assay with an atomic absorption finish. Assay results that exceeded a specified limit were reanalyzed using fire assay with a gravimetric finish. Blind Quality Assurance/Quality Control programs consisted of inserting blanks, duplicates and certified reference materials (CRM) into the sample stream at a rate of one for every 20 samples. All SGO samples returned results within acceptable limits. SRK concluded that the OJVG QA/QC program was acceptable for use in resource estimates.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Data verification was conducted over various time periods by independent consultants: SWRPA (2007), AMC (2010 and 2012), Lions Gate Consulting (2008 and 2009), and SRK (2009, 2010 and 2011). In addition, internal in-house data validation was conducted by

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Criteria	JORC Code explanation	Commentary
		<p>company personnel.</p> <ul style="list-style-type: none"> From October to November 2013, Teranga conducted an independent check on the OJVG data for Masato, Golouma and Kerekounda. Drill hole collar locations, downhole surveys, logging reports and assay certificates were checked on a random 5% of data. No significant discrepancies were identified. Drill core from holes on five cross sections through Masato were relogged. Additional quarter core samples were taken and sent for check assays. Results have not yet been returned. Twinned holes were not drilled. No adjustments were made to assay data returned from the laboratory.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drill hole collars on the SGO Mine Lease and Gora were surveyed using either a Total Station or Differential GPS, both of which are capable of providing three-dimensional collar coordinates to sub-meter accuracy. OJVG drill hole collars were surveyed with a Total Station theodolite, Leica, Wild Heebrugg TC 1000 EDM. All deposits were surveyed in WGS84 UTM Zone 28 North coordinates. All SGO Mine Lease data was converted into local grid coordinates for use in resource estimation. Surveyed collars located on the Mine Lease property, were tied into established control points. Additional validation surveys were conducted on a random selection of collars, with no significant discrepancies identified. The quality and adequacy of topographic control was considered to be reasonable for use in resource estimation.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drilling is nominally on a 40 m by 40 m spacing, with closer spaced in-fill holes at approximately 20 m by 20 m. Geological interpretation based on the drill spacing has identified continuity of geology and grade and is determined to be sufficient for estimating Mineral Resources and Mineral Reserves. Experimental variograms generated for mineralized zones with sufficient data, have confirmed the grade continuity ranges based on the drill hole spacing. RC chips and diamond drill core were sampled on nominal 1 meter intervals down the hole, and assayed. Sample compositing was not applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Drill hole azimuths and dips have been oriented perpendicular to the interpreted mineralized zones in order to intersect the true widths of the zones as closely as possible. Occasionally, drilling was planned at oblique angles when the mineralization trends were not yet well defined or if the optimal collar location was not accessible. Generally, the majority of drilling is oriented such that the sampling of mineralization is unbiased. The small percentage of holes oriented

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Criteria	JORC Code explanation	Commentary
		oblique to the mineralization are located in areas with sufficient drill density oriented perpendicular to mineralization, and will not introduce a significant sampling bias.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> SGO employees accompanied the core and chip samples from the drill rigs to the logging facility located on the Mine Lease property and to the SGS laboratory, also located on the Mine Lease property. Standard operating procedures for sample security were not established for the transportation of pulp samples from the Mine Lease property to the SGS laboratory in Kayes, Mali where check fire assays were conducted on previously assayed pulp samples. In March 2008, OJVG introduced the use of a chain-of-custody form, documenting all handlers of the sample shipments at each stage during transit from the exploration site to the TSL laboratory in Saskatchewan, Canada. Tamper-proof security tags were used to secure rice sacks containing samples, to detect any unsolicited opening of sacks. No sample tampering was identified.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Independent reviewers SWRPA (2007) and AMC (2010 and 2012) completed extensive reviews of data collected from 2005 to 2011 on the Sabodala, Niakafiri and Gora deposits as part of their verification of data, and referenced in Section 12 (Data Verification) in the "Technical Report for Sabodala Gold Project, Republic of Senegal, West Africa, Prepared for Teranga Gold Corporation" dated October 10, 2013. No significant discrepancies were identified. AMC reviewed geological knowledge and practices on the SGO Mine Lease property, the on-site laboratory facility, sample analysis, security, and QA/QC procedures. Standard industry practices were followed for drilling and QA/QC with no significant discrepancies identified. Periodic reviews of the OJVG QA/QC program were undertaken in 2008 and 2009 by Lions Gate Consulting. Commentary and recommendations were provided to ensure optimum best practices. SRK reviewed the OJVG QA/QC data in 2009, 2010 and 2011 and concluded that the QA/QC program is acceptable for the resource estimates conducted. SRK reviewed the sample preparation, analysis and security practices and determined that the procedures followed generally meet or exceed industry standards. Details are documented in Section 10 (Sample Preparation, Analyses, and Security) and Section 12 (Data Verification) in the "OJVG Golouma Gold Project Updated Feasibility Study Technical Report, Senegal, prepared for the Oromin Joint Venture Group" dated March 15, 2013.

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Sabodala Mining Concession – with full exploitation rights - granted by Senegalese Presidential Decree on April 2, 2007 for an initial 10 year term. Extension, in advance, until April 2022 has been committed to the by the State of Senegal. Further details on the Sabodala Mining Concession have been provided by Teranga in prior disclosures. Sabodala Gold Operations SA, the holder of the Sabodala Mining Concession is 90% owned by Teranga Golouma Mining Concession – with full exploitation rights – granted by Senegalese Presidential Decree on January 26, 2010 for an initial 15 year term. SOMIGOL, the holder of the Golouma Mining Concession, is 90% owned by Teranga Both mining concessions are considered secure
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Prior to Teranga's acquisition of the Sabodala Gold mining operation in December 2010, exploration work on the Sabodala Mining Concession was conducted by Mineral Deposits Limited Prior to Teranga's acquisition of the Golouma gold mining operation, exploration work on the Golouma Mining Concession was conducted by the Oromin Joint Venture Group Ltd. Prior to majority acquisition of the Gora deposit exploration activities were conducted by Axmin Inc.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement.
Relationship between	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement.

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Criteria	JORC Code explanation	Commentary
<i>mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> No new exploration results are included in this Report
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> No new exploration results are included in this announcement.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> SGO drill hole logs were recorded manually on logging forms, entered into Excel spreadsheets then uploaded into MS Access databases. Assay data was received from the laboratories in csv format and merged into the master databases, with access restricted to a few personnel responsible for database management. Routine validation checks were run in MS Access as well as additional checking against original sources of data (hole collar surveys, downhole survey records, drill hole logs and assay certificates). Drill holes were visually validated using Maptek's Vulcan[®] software.
<i>Site visits</i>	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> The Competent Person has visited the site on a regular basis to review and evaluate the drilling programs; procedures for drilling, logging, sampling, Quality Assurance/Quality Control and database validation; and review the geological, mineralization and structural characteristics of each deposit.
<i>Geological interpretation</i>	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> Geological interpretation is based on surface mapping, with additional pit mapping at Sabodala, and surface holes drilled on a nominal 40 m by 40 m spacing. In addition, geophysical surveys and structural studies were used to interpret geological and structural trends. Locally, closer spaced drill holes confirm the geological interpretation and continuity of grade and geology in the mineralized zones. Gold mineralization is structurally controlled, with the location and

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Criteria	JORC Code explanation	Commentary
		<p>trend of the mineralized structures reasonably defined.</p> <ul style="list-style-type: none"> • Geology and grade continuity are affected by local variations in folding, faulting, thinning and widening of zones. • Wireframe models were generated around zones with similar geology, alteration and grade characteristics following interpreted geology and structural trends, and treated as hard boundaries for resource estimation.
Dimensions	<ul style="list-style-type: none"> • <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i> 	<ul style="list-style-type: none"> • The extents of the Mineral Resources vary and follow different structural and geological trends for each deposit. A detailed description for the revised Masato, Golouma and Kerekounda deposits will be documented in a revised technical report. Details on the other deposits are documented in Section 14 (Mineral Resource Estimates) in the "Technical Report for Sabodala Gold Project, Republic of Senegal, West Africa, Prepared for Teranga Gold Corporation" dated October 10, 2013 and Section 13 (Mineral Resource Estimates) in the "OJVG Golouma Gold Project Updated Feasibility Study Technical Report, Senegal, prepared for the Oromin Joint Venture Group" dated March 15, 2013.
Estimation and modelling techniques	<ul style="list-style-type: none"> • <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> • <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> • <i>The assumptions made regarding recovery of by-products.</i> • <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> • <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> • <i>Any assumptions behind modelling of selective mining units.</i> • <i>Any assumptions about correlation between variables.</i> • <i>Description of how the geological interpretation was used to control the resource estimates.</i> • <i>Discussion of basis for using or not using grade cutting or capping.</i> • <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	<ul style="list-style-type: none"> • The estimation methods used to update the revised block models were determined separately for each zone and generally determined by the number and spacing of composites in each zone as well as the zone extents. High grade gold assays were capped by zone prior to compositing. Block grades were interpolated using Inverse Distance Squared (ID²), Inverse Distance Cubed (ID³) or Ordinary Kriging (OK) in Maptek's Vulcan[®] software, version 8.1.4. A detailed description of the interpolation parameters used for the revised Masato, Golouma and Kerekounda deposits will be documented in a revised technical report, however, accepted industry standards were followed. Details on the other deposits are documented in Section 14 (Mineral Resource Estimates) in the "Technical Report for Sabodala Gold Project, Republic of Senegal, West Africa, Prepared for Teranga Gold Corporation" dated October 10, 2013 and Section 13 (Mineral Resource Estimates) in the "OJVG Golouma Gold Project Updated Feasibility Study Technical Report, Senegal, prepared for the Oromin Joint Venture Group" dated March 15, 2013. • The Masato, Golouma and Kerekounda Mineral Resources are updates of previous resource models. Check estimates were run using different interpolation methods. The Sabodala Mineral Resource block model was not updated but the reported Mineral Resources were revised, by removing Mineral Resources mined in 2013. The Niakafiri and Gora Mineral Resources were not revised. All other OJVG block models were not revised, but Mineral Resources were reported using

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		<p>updated gold cut-off grades.</p> <ul style="list-style-type: none"> No assumptions were made regarding recovery of by-products. Deleterious elements or other non-grade variables of economic significance were estimated. For Sabodala, Gora, Niakafiri, Masato, Golouma and Kerekounda, a parent block size of 5 m by 5 m by 5 m (x, y, z) was generated inside the mineralization wireframes with 1.25 m by 1.25 m by 1.25 m (x, y, z) sub-blocks generated at the wireframe boundaries. All other resource block models are percent models, with 5 m by 5 m by 5 m blocks. Block grades were estimated using 1 meter composites in holes with approximate 40 m by 40 m spacing, and 20 m by 20 m spacing locally. Grade interpolation searches followed the orientation of each mineralization zone. Multiple interpolation passes were run on each zone, with the minimum search radius of the 1st pass generally approximating the hole spacing in the plane (determined by strike and dip) of the wireframe. A parent block size of 5 m by 5 m by 5 m inside the mineralization wireframes was determined by the mining equipment used and size of the selective mining unit at the Sabodala open pit operation. No assumptions were made about the correlation between variables. Mineralization wireframes were treated as hard boundaries with block grades estimated inside each wireframe using only the samples located inside the same wireframe. Appropriate capping levels were applied to raw gold assays by zone, prior to compositing, and based on a combination of histograms, cumulative probability plots, decile analysis and cutting curves. Validation consisted of visual validation comparing assay and composite grades to block grade estimates, comparison of "well-informed" block grades with composites contained within the same blocks in each mineralized zone and comparison of average composite grades to block grades along different directions using swath plots.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> Tonnages were estimated on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> For reporting purposes, the Mineral Resource cut-off parameters were estimated by first determining the economic cut-off grades for the Mineral Reserves (See section 4). Since the Mineral Reserves cut-off grades were based on current operating costs and the current gold price of \$1250/oz, Mineral Resource cut-offs were lowered to determine a reasonable grade for economic extraction at a potentially higher gold price in the future. Nominally this is approximately \$1850/oz which is near the all-time high. The global Mineral Resource gold cut-off

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		grades for Sabodala, Masato, Golouma and Kerekounda are 0.35 g/t Au for fresh rock, and 0.2 g/t Au for oxide. The cut-off grades for Niakafiri are 0.5 g/t Au for fresh rock and 0.3 g/t Au for oxide; the cut-off grades for Gora are 0.5 g/t Au for fresh and 0.5 g/t Au for oxide. The cut-off grade for Niakafiri West and Soukhoto is 0.3 g/t Au for oxide and fresh rock. The cut-off grade for Diadiako and Majiva is 0.2 g/t Au for oxide and fresh rock. The cut-off grades used for the other OJVG deposits (listed in Section 13 (Mineral Resource Estimates) in the "OJVG Golouma Gold Project Updated Feasibility Study Technical Report, Senegal, prepared for the Oromin Joint Venture Group" dated March 15, 2013) are 0.2 g/t Au for oxide and 0.35 g/t Au for fresh rock.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> For near surface Mineral Resources, open pit mining methods using a minimum 4m mining width was assumed, and is consistent with the existing mining operation at the Sabodala Mine Some portions of the Mineral Resources below the open pit mineable shells were considered to be suitable for underground mining. The Post Pillar Cut and Fill mining method at a minimum width of approximately 2 m was assumed.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> Ongoing metallurgical analyses are conducted on the Sabodala deposit currently operating as an open pit mine. Additional detailed metallurgical test work has been conducted on the Gora, Masato and Golouma deposits, which contain Mineral Reserves. Metallurgical testing of the additional Mineral Resources is assumed to have similar leach amenability due to the mineralization similarities.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> The Sabodala and Niakafiri deposits are located on the SGO Mine Lease property. The Sabodala Mine currently operates as an open pit mine and is compliant with all environmental and social requirements as part of its operating licence. An ESIA has been conducted for the Gora deposit and is pending approval. An ESIA was submitted and approved for the OJVG deposits, and a Mine Lease has been granted.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> In-situ dry bulk density was determined from diamond drill core using the water displacement method. Poorly consolidated oxide samples and porous samples were coated with wax. Samples were approximately 10 cm long and correspond to most of the mineralized and unmineralized rock types in each deposit. OJVG samples were taken approximately every ten meters to include all rock and alteration types. Bulk density measurements were averaged by major rock type and by oxide and fresh rock for the Sabodala deposit. The average

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Criteria	JORC Code explanation	Commentary
		bulk densities for oxide and fresh rock were applied to the Niakafiri, Gora, Masato, Golouma and Kerekounda deposits. Bulk densities were interpolated for oxide and fresh rock for the other OJVG deposits due to the high local variability of densities.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> Mineral Resource classification follows Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") "Definition Standards for Mineral Resources and Mineral Reserves". Mineral Resource classification is based on sample spacing, confidence in geological and grade continuity. Based on the knowledge of the geology, mineralization and structure of the deposits, the Mineral Resource classification reflects the Competent Person's view of the deposits.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> Periodic internal in-house reviews, external 3rd party peer reviews on specific deposits by industry experts and technical due diligence audits for financing were conducted.
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The relative accuracy and confidence level in the Mineral Resource estimate is based on the application of appropriate and industry standard grade estimation methods specific to each deposit and mineralization zone. The Inverse Distance Squared ("ID²ⁿ"), Inverse Distance Cubed ("ID³ⁿ") and Ordinary Kriging ("OK") estimation methods have been applied. Additional validation of the grade estimation parameters and estimation methods is regularly conducted. Mineral Resource estimation follows The statement relates to global estimates by deposit. Details of the revised Mineral Resource estimates for the Masato, Golouma and Kerekounda deposits will be documented in a revised technical report, however, Mineral Resource estimates were generated following accepted industry standards. Details on the other deposits are documented in Section 14 (Mineral Resource Estimates) in the "Technical Report for Sabodala Gold Project, Republic of Senegal, West Africa, Prepared for Teranga Gold Corporation" dated October 10, 2013 and Section 13 (Mineral Resource Estimates) in the "OJVG Golouma Gold Project Updated Feasibility Study Technical Report, Senegal, prepared for the Oromin Joint Venture Group" dated March 15, 2013. Regular reconciliation of the Sabodala Mineral Resource estimate to the production grade control and mill feed is undertaken to determine relative accuracy and confidence of the estimate.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to	<ul style="list-style-type: none"> Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are 	<ul style="list-style-type: none"> Resources classified as Measured were used as the basis for Proven ore reserves, resources classified as Indicated were used

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Criteria	JORC Code explanation	Commentary
Ore Reserves	reported additional to, or inclusive of, the Ore Reserves.	as the basis for Probable ore reserves. <ul style="list-style-type: none"> The mineral resources are reported as inclusive to the ore reserves
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> Ms Martin visited the site in November 2011 and, in 2008 and 2009, was employed by SGO at the property as Chief Mine Engineer. Mr. Nakai-Lajoie visits the site regularly, and was last there in September 2013. Mr. Chawrun visits the site regularly, and was last there in September 2013.
Study status	<ul style="list-style-type: none"> The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered. 	<ul style="list-style-type: none"> The Sabodala and Niakifiri reserves are based on an ongoing operating mine and are located within an existing Mine License. The Gora reserves are based on FS level of study, with an ESIA pending The Masato, Golouma and Kerekounda reserves are based on FS level of study and are located within an existing mine license
Cut-off parameters	<ul style="list-style-type: none"> The basis of the cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The cut-off grades used in the Lerch Grossman algorithm to produce pit designs were 0.4 g/t for oxide ore and 0.5 g/t for fresh ore. These cutoffs were derived from actual and projected processing and refining economics based on a gold price of \$1250 per recovered ounce, less applicable royalty payments.
Mining factors or assumptions	<ul style="list-style-type: none"> The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. The infrastructure requirements of the selected mining methods. 	<ul style="list-style-type: none"> Lerch Grossman (Whittle) pitshell optimization was done based on current mining and processing costs for oxide and fresh material, an increase of \$0.02 per 10 meter increase in depth, as well as distance of each deposit from the Sabodala mill. A complete pit design was produced for each deposit based on current mining practice at Sabodala. Geotechnical parameters at Sabodala were provided by Xstract Mining Consultants. The Sabodala geotechnical model has also been used at Niakifiri. Geotechnical parameters for Gora have been provided by Mining One Pty Ltd. Geotechnical conditions for Golouma, Masato and Kerekounda were provided by SRK as part of the Oromin pre-feasibility study. Slope geometries, per pit design sector, were prescribed for each geotechnical domain based on restrictions highlighted through the above analyses. Bench heights range from 10m to 20m with face angles ranging from 60 to 75 degrees. Berm widths range from 8.5 to 10 meters. The dilution assumption at Sabodala and Niakifiri is consistent with actual operating dilution of approximately 10%. For Gora, Golouma, Kerekounda and Masato, dilution was modeled by AMC Consultants based on a 1m dilution skin and a 5m minimum mining width for selective mining. Recovery factor is based on operating actuals from Sabodala mill and are a function of mill feed grade. Recovery % = 86.74 + (1.55 x Head Grade) Minimum mining width used in pit designs was 30m

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Criteria	JORC Code explanation	Commentary
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> <i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i> 	<ul style="list-style-type: none"> Inferred resources were not considered in creating pit designs Metallurgical testing for the Sabodala project has spanned several years. Detailed metallurgical research was concentrated on the ore from the Sabodala deposit and formed the basis for the current plant design. Subsequent testing has been conducted on the Sabodala orebody as the deposit has continued to be mined at depth and the process plant continues to operate. Metallurgical testing for the Masato, Golouma and Kerekounda reserves are to feasibility study level and assume an identical recovery process as is in place at the Sabodala project. <p>The process plant and associated service facilities was designed to process run of mine ("ROM") ore delivered to the primary crusher, to produce doré bars and tailings. The process encompasses crushing and grinding of the ROM ore, carbon in leach (CIL) cyanidation and adsorption, carbon stripping, electro-winning and smelting to produce gold bars that are then shipped to a refinery for further processing. The CIL tailings will be thickened before placement in the tailings management facility (TMF) to conserve water.</p> <ul style="list-style-type: none"> Review of the metallurgical testwork to determine amenability to the Sabodala plant has been conducted by independent qualified persons.
<i>Environmental</i>	<ul style="list-style-type: none"> <i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i> 	<ul style="list-style-type: none"> An Environmental and Social Impact Statement (ESIS) for the Project was completed in July 2006 by Tropica Environmental Consultants ("Tropica"), and an Environmental and Social Management and Monitoring Plan (ESMMP) was developed by Earth Systems in September 2007. Environmental Compliance Certification was granted by the Ministère de l'Environnement et de la Protection de la Nature on 22 January 2008. Sabodala has been an established operation since 2008 and has operated above these standards during this time period. This has included approvals and ongoing testwork for rock waste dump and tailings storage. The wasterock for Gora deposit had extensive geochemical testwork and there has been minimal areas determined potentially acid generating. A waste dump placement schedule that blends the this wasterock with non-acid generating areas has been designed. Geochemical analysis has determined that a blended waste rock dump will not be acid generating. An ESIA has been filed and approval is pending. Geochemical analysis of the waste rock was conducted for the OJVG deposits as part of the feasibility study. It has been determined from this that the waste rock is non-acid

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Criteria	JORC Code explanation	Commentary
		<p>generating. An ESIA has been submitted and a mine license has been granted for placement of the wasterock.</p> <ul style="list-style-type: none"> A tailings deposition, construction and water balance plan has been developed using existing operating criteria for Sabodala tailings. No additional footprint will be required in addition the existing approvals.
Infrastructure	<ul style="list-style-type: none"> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed. 	<ul style="list-style-type: none"> The Sabodala project is an established operation with all infrastructure facilities required. The OJVG and Gora ore will be fed to the Sabodala mill, as a result minimal infrastructure will be required at the pit locations for ore extraction.
Costs	<ul style="list-style-type: none"> The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private. 	<ul style="list-style-type: none"> Project capital costs are based on benchmarks for actual construction costs with existing infrastructure (where required), vendor quotations for mine mobile equipment and current operating costs for mine development. Operating costs derived from the existing Sabodala operations are used. Metallurgical testing and plant operating data have not revealed the requirement allowances due to the existence of deleterious elements. The reserves were based on \$1250 gold price, close to current price as of Jan/14. Transportation, treatment and refining charges, royalties, etc. are based on existing contracts and government agreements.
Revenue factors	<ul style="list-style-type: none"> The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. he derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products. 	<ul style="list-style-type: none"> The revenue factor was derived based on a transport and refining cost of \$4.20 per ounce less a Silver revenue of \$1.88 per gold ounce based on historic production actuals. It is factored on a net smelter return of 99.92%. A 5% royalty rate as part of the Global Agreement with the Republic of Senegal applied to revenue from all deposits with an additional 1.5% added to the Gora deposit as royalty to the joint venture partner Axmin. A gold price of \$1250 was used for pit optimization based on current (Jan 1, 2014) market prices.
Market assessment	<ul style="list-style-type: none"> The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract. 	<ul style="list-style-type: none"> The principal commodity of SGO is gold. Gold is widely and freely traded on the international market, with known and instantly accessible pricing information.
Economic	<ul style="list-style-type: none"> The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs. 	<ul style="list-style-type: none"> The Sabodala project is a producing issuer. No material expansion of current annual production is required that has not been previously disclosed in a Technical Report.
Social	<ul style="list-style-type: none"> The status of agreements with key stakeholders and matters leading to social licence to operate. 	<ul style="list-style-type: none"> The Sabodala project is an operating mine and consults regularly and formally with all stakeholders. This includes (but is not limited to) nearby villages, local, regional and

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Criteria	JORC Code explanation	Commentary
		<p>national government agencies, representation from the local and regional population.</p> <ul style="list-style-type: none"> • Teranga Gold has a formal corporate social responsibility (CSR) team in place and provides annual documentation on the extent of these activities to the public through its website. • Parts of the Niakifiri reserves are located close to the village of Sabodala and will require re-settlement prior to mining. Negotiations and discussions for the re-settlement plan are ongoing.
Other	<ul style="list-style-type: none"> • <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> • <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i> 	<ul style="list-style-type: none"> • Sabodala, Masato, Goluma and Kerekounda reserves are located within an approved mine licence. • An ESIA for Gora has been submitted and is pending approval, government approval is expected within the timeframe required for development. • Niakifiri reserves require resettlement of the Niakifiri village.
Classification	<ul style="list-style-type: none"> • <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> • <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i> 	<ul style="list-style-type: none"> • Probable ore reserves are based on the CIM definition for indicated resources using geostatistical modeling techniques applicable to gold deposits. Proven ore reserves are based on the CIM definition for measured resources using geostatistical modeling techniques applicable to gold deposits, and second, stockpile inventory based on production drill assay data. • The resources appropriately reflect
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Ore Reserve estimates.</i> 	<ul style="list-style-type: none"> • Teranga regularly engages independent qualified persons to review various technical aspects within their areas of expertise. <ul style="list-style-type: none"> ○ Annual site visits and audits are conducted for the rock mass classification performance in the Sabodala pit. Additional review was conducted on the geotechnical analysis used for the OJVG feasibility study. ○ Metallurgical testing and ore characterization is conducted regularly with the operating plant. Detailed review of the metallurgical tests to determine the amenability of the OJVG ore was conducted. Follow up testing is being performed on select OJVG ore to determine blending opportunities. ○ Annual performance checks of the Sabodala tailings management facility are conducted by independent qualified persons. An updated deposition plan was

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Criteria	JORC Code explanation	Commentary
		<p>created based on current performance.</p> <ul style="list-style-type: none"> ○ Resources and reserves are peer reviewed by independents as part of an internal process prior to public release of resources and reserves. <ul style="list-style-type: none"> ● In addition, Teranga has had independent qualified persons reviewing the resources and reserves for the purposes of technical due diligence required for financing activities.
<p><i>Discussion of relative accuracy/confidence</i></p>	<ul style="list-style-type: none"> ● <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> ● <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> ● <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> ● <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> ● The relative accuracy and confidence level in the Mineral Reserves estimate is based on the application the industry standard Lerches-Grossman optimizer, using operating costs defined by the existing operation at Sabodala. ● The dilution and ore recovery estimates are based on a comprehensive sub-routine in DataMine software that evaluates the orebody geometry and applies the minimum mining width to the in-situ sub-blocked model on a bench by bench basis. ● The geotechnical parameters for the pitwall angles for Sabodala are based on a rock mass model derived from empirical data. ● The geotechnical parameters used for the OJVG pitwalls are based on detailed testing for the OJVG feasibility study. This has been reviewed by an independent consultant and has been deemed to be adequate. ● The metallurgical testing for the OJVG ore has been reviewed and appears consistent with similar characteristics as the Sabodala ore. ● Regular reconciliation of the Sabodala Mineral Resource model to the production grade control and mill feed is undertaken to determine relative accuracy and confidence of the estimate. ●

SABODALA GOLD OPERATION

CORPORATE DIRECTORY

Directors

Alan Hill, Executive 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

Senior Management

Alan Hill, Executive Chairman
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

Registered Office

121 King Street West, Suite 2600
 Toronto, Ontario, M5H 3T9, Canada
 T: +1 416-594-0000
 F: +1 416-594-0088
 E: investor@terangagold.com
 W: www.terangagold.com

Senegal Office

2K Plaza
 Suite B4, 1er Etage
 sis Route du Méridien Président
 Dakar Almadies
 T: +221 338 693 181
 F: +221 338 603 683

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 code: **TGZ**
 Australian Securities Exchange, ASX code: **TGZ**

Issued Capital

As of December 31, 2013

Issued shares	316,801,091
Stock options	23,737,850

Stock Options – Exercise Profile

Exercise Price (C\$)	Options
\$3.00	15,826,250
\$0.65 - \$1.30	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 2014 production of 220,000 to 240,000 ounces of gold at an estimated total cash cost of \$650 to \$700 and all-in sustaining costs of \$800 - \$875 per ounce of gold, 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 27, 2013, 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.

SABODALA GOLD OPERATION

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:

Kathy Sipos, Vice-President, Investor & Stakeholder Relations

T: +1 416-594-0000 | E: ksipos@terangagold.com