KEY POINTS

- **Record production and cash costs for 2012**
- **Fourth quarter 2012 production totalled 71,804 ounces of gold, a Company record, and a 96 percent increase over the same quarter in 2011**
- **Fourth quarter 2012 total cash costs of $623 per ounce were 23 percent lower than the same quarter in 2011**
- **Gold production for 2012 was up 63 percent totalling 214,310 ounces at total cash costs per ounce sold of $627, down 20 percent year over year - production and cash costs were in line with guidance for the year**
- **Production for 2013 is expected in the range of 190,000 to 210,000 ounces of gold at total cash costs of between $650 and $700 per ounce[1]**
- **As at January 29, 2013 the balance of forward sales contracts outstanding totalled 38,105 ounces, a reduction of 136,395 ounces from December 31, 2011**
- **The Company's cash balance at December 31, 2012 increased to $45.0 million, including $5.3 million in bullion receivables**
- **Gora technical study confirms reserves of 285,000 ounces to be mined over 4 years at total cash costs of $675 to $700 per ounce**
- **Measured and Indicated resources increased 34 percent to 2.9 million ounces, while gold reserves decreased marginally to 1.6 million ounces**

OPERATIONAL OVERVIEW

Sabodala Gold Operation

(All amounts are in US$ unless otherwise stated)

- Gold production for the three months ended December 31, 2012 was 71,804 ounces, 96 percent higher than the same prior year period due to the processing of higher grade ore combined with higher mill throughput as a result of the completion of the mill expansion.
- Gold production for the year was within guidance, of 210,000 – 225,000 ounces, at 214,310 ounces, 63 percent higher than the twelve months ended December 31, 2011 due to higher grade ore processed.
- Gold sold for the three months ended December 31, 2012 totalled 71,604 ounces compared to 34,665 ounces sold in the same prior year period, an increase of 107 percent. Ounces sold during the fourth quarter of 2012 were in line with production for the period. At December 31, 2012, gold in circuit and gold bullion inventory amounted to 13,221 ounces.
- Total cash costs for the three months ended December 31, 2012 were $623 per ounce sold compared to $809 per ounce in the same prior year period, a reduction of 23 percent. The decrease in total cash costs per ounce was mainly due to higher gold ounces sold, partially offset by higher mining and processing costs.
- Total cash costs for 2012 were within guidance, of $600 - $650 per ounce, at $627 per ounce sold compared to $782 per ounce for the twelve months ended December 31, 2011, a reduction of 20 percent. The decrease in cash costs was mainly due to higher ounces produced.
- Total tonnes mined for the three months ended December 31, 2012 were 13 percent higher compared to the same prior year period due to increased fleet capacity and improved productivity in the mining operation. Drilling and loading availabilities in 2012 benefited from the addition of three new blast hole drill rigs, four new haul trucks, and the implementation of better maintenance practices, resulting in improved loading and hauling efficiencies from improved availability of the mobile equipment fleet.
- Ore tonnes mined were lower than plan but at better grades resulting in similar ounces mined compared to plan. In calculating 2011 year end reserves, Management lowered the capping level on high grade intersections, which resulted in an underestimation of grade in this high grade area of the ore body. In addition, better dilution control in the pit led to better grades mined than plan.
- Ore tonnes milled for the three months ended December 31, 2012 were 20 percent higher than the same prior year period mainly due to an increase in mill capacity as a result of the completion of the mill expansion. Mill throughput for the fourth quarter was lower than plan due to the ramp up and optimization of the new crushing circuit which was part of the mill expansion, as well as higher than expected wear rates in transfer chutes and feeders in the crushing circuit. The majority of these issues were rectified during a comprehensive planned shutdown in January 2013.
- During the fourth quarter 2012, the average realized gold price was $1,296 per ounce with 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. During the same prior year period, the average realized gold price was $1,482 per ounce with 7,385 ounces delivered into gold hedge contracts at $846 per ounce and 27,280 ounces sold into the spot market at an average spot price of $1,654 per ounce.
- The gold forward sales contracts declined during the fourth quarter 2012 to 59,789 ounces at December 31, 2012. Forward sales contracts have declined by an

[1] This production target is based on existing proven and probable reserves only.

additional 21,684 ounces to 38,105 ounces at January 29, 2013 and are scheduled to be fully extinguished by August 2013. In total, forward sales contracts outstanding have declined by 136,395 ounces since December 31, 2011.

- Gold production for 2013 is expected to total between 190,000 to 210,000 ounces.[2] See “2013 Guidance” table included in this Report.
- Total mine site cash production costs for 2013 are expected to rise by between $30 and $35 million compared to 2012 due to an increase in mining (up 24 percent) and processing (up 37 percent) rates. However, reported total cash costs for 2013 are expected to rise marginally to between $650 and $700 per ounce due to the adoption of a new accounting standard for deferred stripping (IFRIC 20) that results in approximately $75 to $100 per ounce being capitalized to deferred stripping net of inventory movement costs.[3]
- During the fourth quarter 2012, the Company purchased additional mining equipment to increase the mining rate in the Sabodala pit in the amount of $13.4 million, of which approximately $6 million was spent in 2012. The equipment is intended to be financed by a new equipment lease facility with Macquarie Bank Limited (“Macquarie”) which is expected to be finalized in the first quarter of 2013. The new facility is expected to provide $50 million of equipment financing and will be used to refinance the existing Société Générale lease facility.
- In addition, the Company continues to review the merits of various debt facilities to provide additional flexibility to execute its growth strategy. Such incurrence of debt may be in the form of one or more borrowings of bank or other similar loans. There can, however, be no assurance that the Company will find the terms on such debt reasonable and therefore may not put a new facility in place.

CORPORATE

Teranga Gold Corporation (“Teranga or the Company”) 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.

Finance

At December 31, 2012:

- Cash and cash equivalents - $39.7 million
- Trade Receivables (bullion) - $5.3 million
- Project Finance Facility (balance outstanding) - $60.0 million
- Mining Fleet Lease Facility (balance outstanding) - $10.5 million
- Hedge Facility = as of January 29, 2013 - 38,105 oz remain to be delivered at an average price of $791/oz (59,789 oz at December 31, 2012)

Production Statistics

		Dec-12 Quarter	Sep-12 Quarter	Jun-12 Quarter	Mar-12 Quarter	Dec-11 Quarter
Ore mined	(‘000t)	2,038	655	2,105	1,117	1,715
Waste mined	(‘000t)	5,274	6,242	5,130	6,316	4,736
Total mined	(‘000t)	7,312	6,897	7,235	7,433	6,451
Grade mined	(g/t)	2.04	1.92	2.25	1.38	1.50
Ounces mined	(oz)	133,549	40,516	152,603	49,517	82,710
Strip ratio	waste/ore	2.6	9.5	2.4	5.7	2.8
Ore processed	(‘000t)	725	650	491	573	604
Head grade	(g/t)	3.40	3.11	3.22	2.52	2.10
Gold recovery	(%)	90.7	84.6	89.6	90.0	89.8
Gold produced(1)	(oz)	71,804	55,107	45,495	41,904	36,695
Gold sold	(oz)	71,604	62,439	38,503	35,268	34,665
Average price received	$/oz	1,296	1,290	1,608	1,712	1,482
Total cash costs per ounce sold (including royalties) (2)	$/oz	623	594	645	673	809

Notes:
(1) Gold produced includes change in gold in circuit inventory plus gold recovered during the period.
(2) Total cash costs per ounce sold for 2011 were restated to comply with the Company’s new accounting policy for measuring and recording ore stockpile costs, as well as reporting total cash costs after inventory movement, in line with the Company’s accounting policies and industry standards.

[2] This production target is based on existing proven and probable reserves only.
[3] Total cash costs per ounce is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. Total cash costs per ounce includes royalties paid to the local government and reflects inventory movements, in line with the Company’s accounting policies and industry standards.

EXPLORATION AND RESERVE UPDATE

Technical Services

A technical services team has been established at the corporate office in Toronto to focus on optimizing strategic growth initiatives and to provide technical support to our operations.

Technical support for the growth initiatives includes resource modelling for existing mine licence (ML) prospects including the Sabodala pit, strategic optimization of the regional land package, engineering support for potential project development, evaluating merger and acquisition (M&A) targets and corporate reporting for resources and reserves.

Technical support for our existing operations includes engineering and geology for the development of the Gora project, continual improvement initiatives at our operations and technical support for site specific projects.

Gora Development

At the Gora deposit, a combination of receipt of final assays, re-modelling and application of geo-statistics resulted in an increase in the Measured and Indicated Resource to 374,000 ounces of gold at 5.0 gpt. Technical and environmental work continued during 2012 and has progressed to initiate the permitting process in the first quarter of 2013.

The Gora site is planned to be operated as a satellite to the Sabodala mine with 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.

Mining by open pit methods will produce approximately 500,000 tonnes of ore per year for four years, averaging a feed grade of 4.22 gpt gold, containing 285,000 ounces of gold.[4] Metallurgical testing has revealed that Gora ore has similar properties to the Sabodala ore body and therefore blending will not impact overall gold recovery.

A series of environmental and pre-development technical studies as well as local consultation have been undertaken to support the development proposal.

The project capital cost is estimated to be $48 million. The primary cost is the purchase of the mobile equipment fleet, which will be utilized as part of Teranga's long term mine plan upon completion of Gora. Additional costs include installation of the required infrastructure and project execution costs.

Total cash costs for Gora are estimated to average $675 to $700 per ounce sold on a life-of-mine basis. The Project economics based on the proposed operating scenario and a discount rate of 5 percent return an after tax net present value (NPV 5 percent) of $105 million and an internal rate return (IRR) of 69 percent.[5]

Mine License (ML) Exploration

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

Total reserves as of December 31, 2012 on the ML were 33.13 million tonnes at 1.22 gpt totalling 1.30 million ounces, a decrease of 235,000 ounces or 15 percent. Since the updated reserves reflect drill assay results through August 2012, all drill results after August 20, 2012 will be included in an updated reserve in 2013.

As at August 20, 2012, Measured and Indicated Resources at Sabodala increased by approximately 0.7 million ounces to 2.1 million ounces, a 43 percent increase over Measured and Indicated Resources as at December 31, 2011, net of production.

Drilling in 2012 successfully extended the Masato mineralized limits to the south and down dip onto Teranga's ML defining approximately 700,000 ounces Inferred Resource.

The overall objective of the ML exploration program is to extend the life of mine, at a production rate of approximately 200,000 ounces per year at grades between 1.5 and 2.5 gpt, to the year 2020 to 2025, which would result in a 10 to 15 year mine life since the IPO in 2010.[6] While we had targeted to reach this reserve level by mid-2013, based on our exploration results in 2012 and the plan to drill more of our high potential areas on the ML in 2013, it will likely require at least another year to extend the mine life to at least 2020 and beyond at current production rates.

Sabodala – Main Flat Extension (MFE) / Lower Flat Zone (LFZ)

[4] This production target is based on existing proven and probable reserves only.

[5] Gold price assumed is $1500 per ounce

[6] This exploration target is not a Mineral Resource. The potential quality and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

The Sabodala Pit optimization work completed in the first quarter of 2012, based on the high grade drill results from the fourth quarter of 2011, defined a projected pit shell that included the LFZ at depth. More than 75,000 metres of drilling was completed at Sabodala in 2012 to define this section of the ore body.

Drilling targeted the MFE immediately adjacent to the current ultimate pit, as well as the LFZ located below and to the north of the MFE, confirming the continuation of these zones. The targeted zones are positioned between 250 metres and 450 metres below the surface. The MFE and LFZ remain open down plunge and to the northwest.

The MFE down dip to the SW and SE of the existing open pit operations at Sabodala was also successfully drilled in 2012. These targets range from 60 metres to 250 metres below the surface and are open down dip.

Conversion of a large portion of these resources to reserves will likely require higher gold prices as the orientation of both the MFE and LFZ appear to be more steeply dipping than originally anticipated, negatively affecting the economics of an enlarged pit shell.

Drilling is currently underway from within the pit to test the MFE as it dips to the north and in more shallow areas along the perimeter to the west and east of the current pit. If the mineralization in the extended areas of the known MFE is not sufficient to support the economics of a larger pit, a separate underground analysis will be undertaken in 2013 on the LFZ where a majority of the increase in Measured and Indicated Resources were defined in the September 1, 2012 update.

Waste dump condemnation drilling to the SE of the Sabodala open pit encountered a zone of mineralization within the general trend of the NW Shear projected to the SE near to the base of Sambaya Hill. Drilling late in the year targeted this area and results are pending.

The 2013 drill program for Sabodala is expected to be completed in the first quarter of 2013. At that time Management will assess the economics of both a larger open pit as well as evaluate an underground development option in the LFZ.

Niakafiri

Expectations are to increase reserves and resources in 2013 at Niakafiri. A drill program is planned at the Niakafiri deposit immediately below the current open pit reserve to further delineate mineralization at depth, where the deposit remains open at 200 metres. In addition, drilling will target the area immediately to the north where the remainder of the resource has been defined, and pending positive results, potentially expand the Niakafiri reserves estimate to include this area. Drilling is planned to begin in the second quarter 2013 pending community discussions.

Niakafiri West and Soukhoto

Gold mineralization at Soukhoto and Niakafiri West is hosted in multiple shallow dipping zones with more steeply dipping high-grade zones located in crossing structures. The Soukhoto and Niakafiri West targets are positioned from 30 metres to 200 metres below surface. Niakafiri West remains open to depth.

Masato

The Masato deposit outcrops on the neighbouring Oromin Joint Venture Group (“OJVG”) property to the east of the ML approximately 2 km from the Sabodala mill. The OJVG has defined an open pit mineable reserve at Masato. The deposit has a strike length of over 2 km. Gold is hosted in a shear zone that strikes north and sits immediately east of the Teranga/OJVG property boundary in the main deposit area.

Dinkokhono

The Dinkokhono deposit is part of the Niakafiri Shear system located about 1 km north of the Niakafiri deposit. Some of the mineralization defined by earlier drilling is included in the Inferred Resource reported from Niakafiri. Drilling in 2012 was intended to infill previous drilling and test for crossing structures, however, this was deferred to 2013.

Mamasato

Drilling in 2012 established the continuation of the Mamasato deposit located directly across the boundary on the OJVG property onto the Sabodala ML. Gold mineralization is contained in veins with variable strike orientations. Additional drilling is planned to delineate this potential resource in 2013.

In total, we drilled 104,400 metres at a cost of $26 million on the ML in 2012. The original ML budget was $20 million for 2012 but was expanded during the year to follow up on positive drill results at Sabodala.

Regional Exploration

We continue to methodically explore our large Regional Land Package (RLP) and are in the process of systematically building a pipeline of prospects. Unlike other West African nations, Senegal is a relative newcomer to gold mining and exploration and we look forward to discovering world-class deposits and establishing Senegal as a regional mining leader.

We currently have 10 exploration permits encompassing approximately 1,200 km^2 of land surrounding the Sabodala ML (33 km^2 exploitation permit). Over the past 24 months, with the initiation of a regional exploration program on this significant land package, a tremendous amount of exploration data has been systematically collected and interpreted to prudently implement follow-up programs. Targets are therefore in various stages of advancement and are then prioritized for follow-up work and drilling. Early geophysical and geochemical analysis of these areas has led to the demarcation of at least 40 anomalies, targets and prospects and we expect that several of these areas will ultimately be developed into mineable deposits. Through 2012 we were able to identify some key targets that though early stage, display significant potential. However, due to the sheer size of the land position, the process of advancing an anomaly through to a deposit takes time as it is imperative that work is done systematically.

During 2012 we completed 62,500 metres of RAB drilling, 42,300 metres of RC and 2,400 metres of diamond drilling on 25 of our anomalies and targets, at a cost of $19.1 million. Highlights from the 2012 drilling program are:

- The discovery of a new prospect at Tourokhoto-Marougou with a minimum strike length of 1,200 metres.
- Identification of significant mineralization from RAB drilling at Saiensoutou extending for at least 1,400 metres in strike length.

A 4,500 metre program of infill RC drilling commenced at Marougou in the fourth quarter of which 2,900 metres were completed at the end of the year. The program was designed to infill drill on 200 metres spaced lines to establish the continuity of the mineralization discovered earlier in the year. The remainder of the program will be completed in the first quarter of 2013.

On the non-drilling front significant developments on key targets include:

- Receipt of assays for detailed termite mound sampling over the Soreto and Diabougou prospects. This work highlighted that the artisanal mine workings in the area which extend for over one kilometre in strike length are part of a 4 km long gold anomaly coincident with a NE trending shear system.
- Receipt of multi-element geochemistry for detailed termite mound sampling over the Nienyenko prospect. This work highlighted an extensive alteration-related multi-element footprint centred on the known gold anomalies and mineralization previously identified in trenches, thus significantly enlarging the potential size of the prospect.
- First pass data collection was completed at Garaboureya, consisting of termite mound geochemistry, mapping, rock chip sampling and acquisition of high-resolution aeromagnetics. This data resulted in the delineation of a significant gold anomaly coincident with a permissive structural setting. Interpretation work is continuing to define the drilling testing program on this target for 2013.

The program for 2013 has been budgeted and will focus on fast-tracking work on our current priority targets at Nienyenko, Soreto, Diabougou, Tourokhoto-Marougou and Saiensoutou. Other targets will be followed up as work progresses on the RLP. A minimum budget of $20 million is allocated for the combined exploration programs on the RLP and ML. Additional funding is available and will be allocated on a priority basis for prospects with clear potential for reserves definition.

RESERVES AND RESOURCES

The proven and probable mineral reserves for the Sabodala and Niakafiri deposits were based on the Measured and Indicated resources that fall within the designed pits. The bases for the reserves are consistent with the Canadian Securities Administrators National Instrument 43-101 ("NI 43-101") report. The design for the open pit limits, related phasing and long term planning for the Sabodala open pit were updated from assay and drilling results as at August 20, 2012. Updated resource block models were completed for Sabodala and Gora deposits.

The updated Sabodala pit design is larger than the 2011 design. The new design uses similar geotechnical parameters as in past designs and uses a slightly higher gold price for the Lerchs-Grossman (LG) pit optimization routine to reflect the three year trailing average gold price. Mining phases were designed similarly to the previous designs, where the mine sequencing is based on accessing the high grade MFE through successive phases to balance waste stripping and optimize cash flow.

The updated Gora pit design and reserve estimate was based on the LG pit optimizer and geotechnical pit wall assumptions similar to the Sabodala pit, however, a higher cut-off was used to reflect the ore haul to Sabodala. Dilution and ore recovery estimates were based on an estimated minimum mine width of 4 metres with separability optimised for 5 metre benches in ore and 10 metres benches in waste.

The Niakafiri pit design remains unchanged from 2011.

The total proven and probable mineral reserves at December 31, 2012 are set forth in Table 2 below.

Table 1: Resources Estimate

	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	28.06	1.24	1.12	31.47	0.96	0.97	59.53	1.09	2.09
Sutuba				0.50	1.27	0.02	0.50	1.27	0.02
Niakafiri	0.30	1.74	0.02	10.50	1.10	0.37	10.70	1.12	0.39
Gora	0.49	5.27	0.08	1.84	4.93	0.29	2.32	5.00	0.37
Total	**28.85**	**1.32**	**1.22**	**44.31**	**1.16**	**1.65**	**73.05**	**1.22**	**2.87**

Area	Inferred		
	Tonnes (Mt)	Grade g/t	Au Moz
Sabodala	12.36	0.87	0.35
Niakafiri	7.20	0.88	0.21
Niakafiri West	7.10	0.82	0.19
Soukhoto	0.60	1.32	0.02
Gora	0.21	3.38	0.02
Diadiako	2.90	1.27	0.12
Majiva	2.60	0.64	0.05
Masato	19.18	1.15	0.71
Total	**52.15**	**1.00**	**1.67**

Table 2: Reserves Estimate

Deposit	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	6.55	1.5	0.315	11.07	1.24	0.443	17.62	1.34	0.758
Sutuba				0.37	1.40	0.017	0.37	1.40	0.017
Niakafiri	0.23	1.69	0.013	7.58	1.12	0.274	7.81	1.14	0.287
Gora	0.57	4.07	0.074	1.53	4.27	0.21	2.1	4.22	0.284
Stockpiles	7.32	1.02	0.24				7.32	1.02	0.24
Total	**14.67**	**1.36**	**0.642**	**20.56**	**1.43**	**0.944**	**35.23**	**1.40**	**1.586**

Notes:

1) *CIM definitions were used for Mineral Reserves.*
2) *Mineral Reserve cut off grades for Niakafiri are 0.35 g/t Au for oxide and 0.50 g/t Au for fresh.*
3) *Mineral Reserve cut off grade for Sabodala, Sutuba and Gora is 0.50 g/t Au.*
4) *Gold price of USD 1,500 per ounce used.*
5) *Proven include stockpiles which total 7.32 Mt at 1.02 g/t Au for 0.24 Mozs.*
6) *Sum of individual amounts may not equal the total due to rounding.*

Julia Martin, P.Eng., MAusIMM (CP), with AMC Mining Consultants (Canada) Ltd., who is independent of Teranga, is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Martin has reviewed and accepts responsibility for the reserve estimate disclosed above. Ms Martin has consented to the inclusion of this information in the form and context in which it appears in this Quarterly Report.

The technical information contained in this Quarterly Report relating to the mineral resources is based on information compiled by Ms. Patti Nakai-Lajoie, who is a member of the Association of Professional Geoscientists of Ontario. She is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has consented to the inclusion of this information in the form and context in which it appears in this Quarterly Report. Ms.Nakai-Lajoie is a full-time employee of Teranga and not considered to be independent of Teranga.

The technical information contained in this Quarterly Report relating to the regional exploration is based on information compiled by Mr. Martin Pawlitschek, who is a member of the Australian Institute of Geoscientist. He is qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a "qualified person" as defined in NI 43-101. Mr. Pawlitschek has consented to the inclusion of this information in the form and context in which it appears in this Quarterly Report. Mr. Pawlitschek is a full-time employee of Teranga and not considered to be independent of Teranga.

[1] This production target is based on existing proven and probable reserves only.

2013 GUIDANCE

		Year ending December 31,			
		2012 Actuals	2013 Guidance Range		
Operating results					
Ore mined	('000t)	5,915	4,000	-	4,500
Waste mined	('000t)	22,962	31,000	-	32,000
Total mined	('000t)	28,877	35,000	-	36,500
Grade mined	(g/t)	1.98	1.40	-	1.60
Strip ratio	waste/ore	3.9	7.00	-	7.75
Ore milled	('000t)	2,439	3,300	-	3,400
Head grade	(g/t)	3.08	2.00	-	2.15
Recovery rate	%	88.7	89.0	-	91.0
Gold produced	(oz)	214,310	190,000	-	210,000
Gold sold	(oz)	207,814	190,000	-	210,000
Total cash cost (incl. royalties)(1)(2)	$/oz sold	627	650	-	700
Mining (cost/t mined)		2.71	2.50	-	2.70
Milling (cost/t milled)		20.39	19.00	-	20.00
G&A (cost/t milled)		6.16	5.00	-	6.00
Capital Expenditures					
Mine site	$ millions		20.00	-	25.00
Capitalized reserve development	$ millions		5.00	-	10.00
Gora development costs	$ millions		45.00	-	50.00
Mobile equipment	$ millions		30.00	-	35.00
Site development	$ millions		15.00	-	20.00
Capitalized deferred stripping(2)	$ millions		35.00	-	40.00
Exploration (expensed)	$ millions		10.00	-	15.00
Administration expense	$ millions		15.00	-	20.00
Hedge deliveries	(oz)		59,789		

Note (1) Total cash cost per ounce is a non-IFRS financial measure with no standard meaning under IFRS

Note (2) For 2013, reflects impact of new IFRS standard for deferred stripping

CORPORATE DIRECTORY

Directors

Alan Hill, Executive Chairman
Richard Young, President and CEO
Christopher Lattanzi, Non-Executive Director
Oliver Lennox-King, 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
Macoumba Diop, General Manager and Government Relations Manager, SGO

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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

Issued shares	245,618,000
Stock options	17,139,167

Stock Options – Exercise Profile

Exercise Price (C$)	Options
$3.00	17,139,167

ABOUT TERANGA

Teranga Gold Corporation 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 was created to acquire the Sabodala gold mine and a large regional exploration land package, located in Senegal, West Africa, within the West African Birimian geological belt. Management believes the mine operation, together with the Company's prospective 1,200 km^2 land package, provides the basis for growth in reserves, production, earnings and cash flow as new discoveries are made and processed through the Company's existing mill. The Company is focused on growth - growth in reserves, growth in production - while building a strong balance sheet to facilitate its actions.

Forward Looking Statements

This report 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 all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. Teranga cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, the expected use of proceeds of the offering and the expected closing date of the offering. The risks and uncertainties that may affect forward-looking statements include, among others: economic market conditions; and other risks detailed from time to time in Teranga's filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and, except as required by law, 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.

Competent Persons Statement

Julia Martin, P.Eng., MAusIMM (CP), with AMC Mining Consultants (Canada) Ltd., who is independent of Teranga, is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Martin has reviewed and accepts responsibility for the reserve estimate disclosed above. Ms Martin has consented to the inclusion of this information in the form and context in which it appears in this Quarterly Report.

The technical information contained in this Quarterly Report relating to the mineral resources is based on information compiled by Ms. Patti Nakai-Lajoie, who is a member of the Association of Professional Geoscientists of Ontario. She is a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has consented to the inclusion of this information in the form and context in which it appears in this Quarterly Report. Ms.Nakai-Lajoie is a full-time employee of Teranga and not considered to be independent of Teranga.

The technical information contained in this Quarterly Report relating to the regional exploration is based on information compiled by Mr. Martin Pawlitschek, who is a member of the Australian Institute of Geoscientist. He is qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and is a "qualified person" as defined in NI 43-101. Mr. Pawlitschek has consented to the inclusion of this information in the form and context in which it appears in this Quarterly Report. Mr. Pawlitschek is a full-time employee of Teranga and not considered to be independent of Teranga.

For further information please contact:

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