

**TERANGA GOLD CORPORATION
CORPORATE GOVERNANCE GUIDELINES**

1. Introduction

The Board of Directors (the “**Board**”) of Teranga Gold Corporation (“**Teranga**”) is committed to adhering to the highest possible standards in its corporate governance practices. Among other important considerations, Teranga recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and the need to foster and promote diversity among Board members that reflect the diversity of Teranga’s stakeholders, including its customers and employees. The Board is committed to continued growth and development with respect to diversity among its board members and senior management.

The Board has approved the following corporate governance guidelines which, together with the Board Mandate, the position descriptions for the Chairman of the Board and for the Chief Executive Officer, and the charters of the committees of the Board, provide the general framework for the governance of Teranga. The Board believes that these guidelines will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

2. Board Responsibilities

(1) Board Mandate

The Board has responsibility for the stewardship of Teranga and has adopted a formal written mandate setting out the Board's stewardship responsibilities, including:

- adopting a strategic planning process;
- understanding and monitoring the political, cultural, legal and business environments in which Teranga operates;
- risk identification and ensuring that procedures are in place for the management of those risks;
- review and approve annual operating plans and budgets;
- corporate social responsibility, ethics and integrity;
- succession planning, including the appointment, training and supervision of management;
- delegations and general approval guidelines for management;
- monitoring financial reporting and management;
- monitoring internal control and management information systems;
- corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and

- adopting key corporate policies designed to ensure that Teranga, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity.

The Corporate Governance and Nominating Committee (the “**Committee**”) will annually review and assess the adequacy of this Board Mandate and recommend any proposed changes to the Board for consideration.

(2) Corporate Governance

The Board has delegated responsibility to the Committee for developing Teranga’s approach to corporate governance, including recommending modifications to these Corporate Governance Guidelines for consideration by the Board.

3. Board Organization & Membership

(1) Director Selection Criteria

The Committee is required under its charter to annually review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination to the Board. In addition, the Board is committed to ensuring that its members are reflective of diverse professional experience, skills, knowledge and other attributes that are essential to its successful operation and the achievement of Teranga’s current and future plans and objectives. The objective of this review will be to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the overall stewardship of Teranga. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and be committed to representing the long-term interests of the shareholders. They must also have a genuine interest in Teranga, the ability to be objective at all times about what is in the best interests of Teranga, have independent opinions on all issues and be both willing and able to state them in a constructive manner and be able to devote sufficient time to discharge their duties and responsibilities effectively.

(2) Board Diversity and Renewal

The Committee is mandated to identify qualified candidates for nomination as directors and to make recommendations to the Board. When identifying candidates to nominate for election to the Board, the primary objectives of the Committee are to ensure consideration of individuals who are highly qualified, based on their talents, experience, functional expertise and personal skills, character and qualities, having regard to Teranga’s current and future plans and objectives, as well as anticipated regulatory and market developments. In furtherance of Teranga’s commitment to diversity, the Committee will balance these objectives with the need to identify and promote individuals who are reflective of diversity for nomination for election to the Board. In particular, the Committee will consider the level of representation of women and other diverse candidates on the Board when making recommendations for nominees to the Board.

Teranga values the need to retain institutional knowledge and expertise while fostering objectivity, innovation and creativity through diversity and renewal, and will accordingly strive to reflect a proportional balance in its Board composition over time. This includes having a proportional balance of directors with varying tenures as a means to foster Board renewal and refresh. While Teranga has not adopted any specific targets with respect to the representation of women, this focus on board renewal includes increased representation of women at the Board and executive management level.

Teranga will continue to promote its objectives through the initiatives set in these guidelines and through the functions of the Committee, with a view to identifying and fostering the development of a suitable pool of candidates for nomination or appointment over time. Certain duties and responsibilities of the Committee, as set out in its mandate, are designed to assist with these goals and include; regular assessment and evaluation of Board performance; use of a director skills matrix to identify desirable skills and expertise along with potential areas for growth and improvement; appropriate depth and scope in the Board nominee

recruitment and identification processes to foster identification and progression of diverse candidates; and maintaining an evergreen list of potential candidates, to the extent feasible, that addresses the needs identified through such processes.

(3) Independence

The Board annually reviews and makes a determination on the independence of each director in light of all applicable securities laws and rules and stock exchange requirements, including section 1.4 of National Instrument 52-110 – Audit Committees. The determination of independence of the directors will be publicly disclosed in accordance with applicable securities laws. Teranga will maintain a Board with at least a majority of directors determined by the Board to be independent.

(4) Board Size

The Board has the ability to increase or decrease its size within the limits set out in Teranga's articles and by-laws. The Board will determine its size with regard to the best interests of Teranga. The Board believes that the size of the Board should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full Board attendance. The Board will review its size if a change is recommended by the Committee.

(5) Election by Shareholders

The members of the Board will be elected each year by the shareholders of Teranga at the annual general meeting of shareholders. The Board will propose individual nominees to the shareholders for election to the Board at each such meeting. Between annual meetings of shareholders, the Board may appoint directors to serve until the next such meeting in accordance with Teranga's articles and by-laws.

(6) Selection of Chairman of the Board

The Chairman of the Board will be appointed by the Board after considering the recommendation of the Committee. The Board has adopted and will annually review the position description for the Chairman of the Board.

(7) Lead Director

The independent directors will select an independent director to carry out the functions of a lead director. If Teranga has a non-executive Chairman of the Board, then the role of the lead director will be filled by the non-executive Chairman of the Board. The lead director or non-executive Chairman of the Board will Chair regular meetings of the independent directors and assume other responsibilities that the independent directors as a whole have designated.

The primary responsibilities of the lead director will be to seek to ensure that appropriate structures and procedures are in place so that the board of directors may function independently and to lead the process by which the independent directors seek to ensure that the board of directors represents and protects the interests of all shareholders. In addition, the lead independent director shall review, comment and be given the opportunity to set agendas for meetings of the Board (full board or independent directors only), oversee the information that is made available to directors by management and dealing with requests from or other issues that independent directors may have.

(8) Term Limits for Directors

The Board has determined that fixed term limits for directors should not be established. The Board is of the view that such a policy would have the effect of forcing directors off the Board who have developed, over a period of service, increased insight into Teranga and who, therefore, can be expected to provide an

increasing contribution to the Board. At the same time, the Board recognizes the value of some turnover in Board membership to provide fresh ideas and views, and the Committee is mandated to annually consider recommending changes to the composition of the Board.

(9) Onboarding

Upon election to the Board, all new directors shall be provided with a comprehensive orientation program aimed at familiarizing them with the Company's industry, strategic plans, significant risk management issues, and financial standing. The program may include presentations from senior management and visits to operational facilities. On the conclusion of the program, directors are expected to be able to make substantial contributions to the functioning and effectiveness of the Board.

(10) Continuing Education

Each director is expected to participate in continuing education throughout their tenure as a director. Senior management may provide educational programs for directors on relevant Company or industry matters during Board meetings. Additional educational programs may be necessary for committee members. Each director is expected to attend one continuing educational experience per year. With prior approval of the Chairman of the Corporate Governance and Nominating Committee, directors may attend independent continuing education programs to help them better discharge their duties. The Board will reimburse directors for reasonable expenses incurred in connection with attendance at such continuing education programs.

(11) Resignation or Refusal to Stand for Re-Election

Directors who intend to resign or not stand for re-election at the Company's annual shareholder meeting are required to notify the Board prior to such meeting.

(12) Frequency of Board Meetings

The Board will hold a minimum of four (4) meetings per year. The Chairman of the Board will notify directors of meetings dates as early as possible. Directors are expected to be on call to meet at short notices in the event of emergencies or special circumstances. It is expected that all directors will be prepared for, and will attend, all meetings.

(13) Change of Status/Occupation

Directors will report any changes in their primary occupation or business association to the Chairman of the Board and the Corporate Governance and Nominating Committee. Directors who are in a management role with the Company are expected to provide a letter of resignation when they no longer hold a management role with the Company.

4. Board Committees

(1) Board Committees

The Board has determined that there should be seven (7) standing Board committees: (i) Audit Committee; (ii) Corporate Governance and Nominating Committee; (iii) Compensation Committee; (iv) Finance Committee; (v) Technical, Safety & Environmental Committee; (vi) Corporate Social Responsibility Committee; and (vii) Risk Management Committee. The Board will change the Board committee structure and authorize and appoint other committees as it considers appropriate.

(2) Committee Charters and Responsibilities

The Board will approve a written charter for each committee setting forth the purpose, authority, duties and responsibilities of each committee.

The responsibilities of the Audit Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) financial reporting and disclosure requirements; (b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of Teranga; and (c) external and internal audit processes.

The responsibilities of the Corporate Governance and Nomination Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) developing corporate governance guidelines and principles for Teranga; (b) identifying individuals qualified to be nominated as members of the Board with particular attention to the level of representation of women and other diverse candidates on the Board; (c) the structure and composition of Board committees; and (d) evaluating the performance and effectiveness of the Board including recognizing the need for the considered and effective progression of, among other things, the relative increase of diversity on the Board over time, as well as the implementation of specific processes designed to foster the progression of diverse candidates to be considered for nomination or appointment to the Board.

The responsibilities of the Compensation Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) the establishment of key human resources and compensation policies, including all incentive and equity based compensation plans; (b) the performance evaluation of the Chief Executive Officer and the Chief Financial Officer, and determination of the compensation for the Chief Executive Officer, the Chief Financial Officer and other senior executives of Teranga; (c) succession planning, including the appointment, training and evaluation of senior management; and (d) compensation of directors.

The responsibilities of the Finance Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) Teranga's financial policies and strategies, including capital structure; (b) Teranga's financial risk management practices; and (c) proposed issues of securities and utilization of financial instruments.

The responsibilities of the Technical, Safety & Environmental Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) technical matters relating to exploration, development, permitting, construction and operation of Teranga's mining activities; (b) resources and reserves on Teranga's mineral resource properties; (c) material technical commercial arrangements regarding EPCM activities; (d) operating and production plans for proposed and existing operating mines; (e) due diligence in the development, implementation and monitoring of systems and programs for management, and compliance with applicable law related to health, safety, environment and social responsibility; (f) ensuring Teranga implements best-in-class property development and operating practices; (g) monitoring safety and environmental performance; and (h) monitoring compliance with applicable laws related to safety and environment.

The responsibilities of the Corporate Social Responsibility Committee will include assisting the Board in fulfilling its oversight responsibilities with respect to: (a) due diligence in the development, implementation and monitoring of systems and programs for management, and compliance with applicable law related to social responsibility; (b) monitoring corporate social responsibility performance; and (c) monitoring compliance with applicable laws related to social responsibility.

(3) Membership of Committees

The Board has determined that all committees will be comprised entirely of directors determined by the Board to be independent, except for the Finance Committee, the Technical, Safety & Environmental Committee and the Corporate Social Responsibility Committee, which will be comprised of a majority of independent directors. In addition, all members of the Audit Committee will be financially literate and if required by applicable laws, rules and regulations, at least one member will be a financial expert. Membership and independence of all committee members will be publicly disclosed.

After receipt of recommendations from the Committee, the Board will appoint the members of the committees annually, and as necessary to fill vacancies, and will appoint the chairman of each committee. Members of the committees will hold office at the pleasure of the Board.

(4) Oversight of Committee Functions

The purpose of Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for all matters assigned to a Board committee for its determination. Except as may be explicitly provided in the charter of a Board committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by a Board committee.

5. Board Meetings & Materials

(1) Meeting Agendas

The Chairman of the Board and the Chief Executive Officer, in consultation with the President and Committee chairmen, as appropriate, will establish the agenda for each Board meeting. Each director may suggest the inclusion of additional items on the agenda.

(2) Meeting Materials

Board and committee meeting materials will be provided to directors before each Board or committee meeting in sufficient time to ensure adequate opportunity exists for review. If certain material is sensitive or confidential in nature, then the material will be distributed at the Board or committee meeting.

(3) Participation of Management at Board Meetings

The Board believes there is value in having certain members of senior management attend each Board meeting to provide information and presentations regarding the business of Teranga to assist the directors in their deliberations. Attendance by senior management will be determined by the Chief Executive Officer with the concurrence of the Chairman of the Board. Members of management will be excluded from Board meetings during discussions of matters reserved for directors only.

(4) Meetings of Independent Directors

The independent directors of the Board will consider holding an in camera meeting in conjunction with every regular meeting of the Board.

6. Director Compensation

(1) Director Compensation

The Board has determined that the directors should be compensated in a form and amount that is appropriate and which is customary for comparative companies, having regard to such matters as time commitment, responsibility and trends in director compensation. The Compensation Committee is mandated to review the compensation of the directors on an annual basis. All compensation paid to directors will be publicly disclosed.

(2) Loans to Directors

Teranga will not make any loans to any of its directors.

7. Board's Relationship with Management

(1) Board Relationship with Management

The Board will support and encourage the members of management in the performance of their duties. Management will make appropriate use of the Board's skills before decisions are made on key issues. The Board has adopted and will annually review the position description for the Chief Executive Officer.

(2) Limits on Management Authority

The Board will approve annual business plans and budgets and will also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All transactions, arrangements and commitments outside approved budgets and defined limits will require approval by the Board.

(3) Evaluation of the Chief Executive Officer and Chief Financial Officer

The Compensation Committee will conduct separate annual reviews of the performance of the Chief Executive Officer and the Chief Financial Officer against the goals and objectives which have been established by the committee and will review, assess and recommend the compensation of the Chief Executive Officer and the Chief Financial Officer to the Board. The Chairman of the Board and the Chairman of the Compensation Committee will advise the Chief Executive Officer of the results of the assessment.

(4) Director Access to Management

All directors will have open access to Teranga's senior management for relevant information. All written communications from directors to members of management will be copied to the Chief Executive Officer or, in the case of accounting and financial matters, to the Chief Executive Officer and the Chief Financial Officer. Individual directors are encouraged to make themselves available for consultations with management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special skills, knowledge and experience.

8. Director Responsibilities & Performance

(1) Director Responsibilities

Directors are expected to use their skill and experience to provide oversight of the business and affairs of Teranga. Directors have a statutory duty to act honestly and in good faith with a view to the best interests of Teranga and to exercise the care, diligence and skill that a reasonably prudent person would in comparable circumstances.

(2) Attendance at Meetings

Directors are expected to attend all Board and committee meetings either in person or by conference call. A director will notify the Chairman of the Board or of a committee or the Corporate Secretary if the director will not be able to attend or participate in a meeting. Teranga will publicly disclose the Directors' attendance record on an annual basis.

(3) Board and Committee Meeting Materials

Directors are expected to review and be familiar with Board and committee meeting materials which have been provided in sufficient time for review prior to a meeting. Directors are to advise the Chairman of the Board or of a committee of matters which they believe should be added to a meeting agenda.

(4) Outside Advisors for Individual Directors

Any director who wishes to engage an independent advisor to assist on matters involving the discharge of his duties and responsibilities as a director at the expense of Teranga should review the request with, and obtain the authorization of, the Committee.

(5) Assessment of Board and Committee Performance

The Committee is mandated to undertake an annual assessment of the overall performance and effectiveness of the Board and each committee of the Board and report on such assessments to the Board. The purpose of the assessments is to ensure the continued effectiveness of the Board in discharging its duties and responsibilities and to contribute to a process of continuing improvement.

(6) Conflicts of Interest

Directors have a statutory responsibility to disclose all actual or potential conflicts of interest and generally to abstain from voting on matters in which the director has a conflict of interest. A director will recuse himself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest or which otherwise affects his personal, business or professional interests.

9. Shareholder engagement

(1) Engagement Policy

The Board values regular and constructive engagement with its shareholders and regularly communicates through the Teranga's website and other disclosures, including annually in the management proxy circular. Information regarding the Teranga's business operations, financial results and strategy is also provided by senior management periodically throughout the year at various conferences, webcasts and by news release.

Members of the Board may also meet with shareholders, shareholder organizations and governance groups. These discussions are intended for the Board to be able to listen to shareholders and engage in constructive dialogue, having regard to ensuring that discussions are limited to otherwise publicly available material information in accordance with Teranga's Corporate Disclosure Policy and general legal restrictions on selective disclosure of material information.

(2) Manner of Engagement

Key information relating to Teranga's governance and executive compensation practices, as well as information about individual directors, is provided annually through Teranga's management proxy circular. The Board encourages shareholder attendance and participation at the annual shareholder meeting as it provides a valuable opportunity to engage with Teranga with regard to corporate governance and other important matters. Board members and proposed nominees for the Board are encouraged to attend annual meetings absent a compelling reason. It is also Teranga's policy to have the Chair and Lead Director as well as chairs of each of the Board's key committees attend the annual meeting and be available to respond questions from shareholders as appropriate.

Outside of the annual meetings, shareholders may contact the Board by mail or email to the following address:

Corporate Secretary
77 King Street, TD North Tower
Suite 2110, PO Box 128
Toronto, ON M5K 1H1
corporatesecretary@terangagold.com

The Corporate Secretary has been designated by the Board as its agent to receive and review communications and meeting requests addressed to the Board. Once received, the Corporate Secretary shall determine whether the communication is appropriate for the Board or should be addressed by management or otherwise. Communications deemed to be appropriate for the Board will be distributed to the Board, Board or committee Chair or individual director, as appropriate, depending on the facts and circumstances outlined in the communication. The Board will endeavor to respond to all appropriate correspondence in a timely manner. Appropriate topics for engagement with the Board include board oversight of strategy, risk, corporate mission and goals and executive compensation, and communications relating to topics that are unrelated to the duties and responsibilities of the Board shall be excluded.

10. Corporate Policies

(1) Annual Review of Corporate Policies

The Committee is mandated to conduct an annual review of the following principal corporate policies and recommend updates or amendments for consideration by the Board:

- Board Mandate;
- Code of Business Conduct and Ethics;
- Corporate Disclosure Policy;
- Corporate Governance Guidelines;
- Board of Directors Diversity Policy;
- Foreign Corrupt Practices Policy;
- Insider Trading Policy;
- Majority Voting Policy; and
- Whistleblower Policy.

(2) Compliance with the Code of Business Conduct and Ethics

The Board expects all directors, officers and employees to act honestly and ethically at all times and to adhere to Teranga's Code of Business Conduct and Ethics. The Board will not permit any waiver of the Code of Business Conduct and Ethics for any director or executive officer. The Code of Business Conduct and Ethics will be publicly disclosed.

11. Disclosure

(1) Annual Governance Reporting

Teranga will publicly disclose, on an annual basis, its corporate governance practices in compliance with all relevant securities laws, rules and regulations and stock exchange rules and regulations.

(2) Access to Disclosure

Certain documents and information referred to in these Corporate Governance Guidelines may be accessed through Teranga's website: www.terangagold.com. As required by applicable law, certain information is included in Teranga's annual information form and management proxy circular and posted on SEDAR at www.sedar.com.

Dated: February 21, 2018

Approved by: Corporate Governance and Nominating Committee
Board of Directors