
Teranga Enters into Joint Venture on Afema Land Package in Côte d'Ivoire

*1,400 km² land package includes historical gold resource
on gold belts hosting world-class discoveries*

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

Toronto, Ontario – December 13, 2017 – Teranga Gold Corporation ("Teranga" or the "Company") (TSX: TGZ) has entered into a memorandum of understanding with Sodim Limited ("Sodim"), a private investment company, to establish a joint venture for the exploration and development of the Afema land package in Côte d'Ivoire (the "Afema JV").

The Afema JV land package is located in southeast Côte d'Ivoire and covers more than 1,400 km², consisting of the Afema mining license ("Afema ML") and three exploration permits – Ayame, Mafere and Aboisso (collectively, the "Afema Permits"). The Afema ML has a historical near-surface oxide and sulphide resource within an area hosting several gold mineralized structures on extensions from prolific Ghanaian gold belts.

Under the terms of the memorandum of understanding, Teranga can earn a 70% interest in the Afema JV through the completion of a three-year \$11 million exploration and community relations work program on the Afema ML and Afema Permits and the delivery of a positive feasibility study pursuant to the Afema JV. Teranga will sole fund and manage the exploration programs and feasibility studies under the Afema JV. Upon Teranga's delivery of a positive feasibility study, Sodim can elect to maintain its 30% participating interest or convert its holdings to a 3% net smelter royalty. Sodim will receive \$2.5 million upon signing of the memorandum of understanding, with progressive payments of up to \$7.5 million with the delivery of a positive feasibility study.

Teranga's first priority will be to conduct a detailed review and update of the previous drill results and technical studies for the Afema ML project completed by Taurus Gold Limited (BVI) ("TGL"), the previous owner of the Afema land package, in order to deliver an optimized project that maximizes the value of the Afema ML. In parallel, a comprehensive exploration program will begin on the prospective Afema Permits.

"Teranga won the joint venture rights to this highly sought-after land package following a competitive auction process," said Richard Young, President and Chief Executive Officer. "The addition of the Afema JV assets to our growth pipeline is an important step towards delivering organically on our vision of becoming a multi-asset, mid-tier West African gold producer. We are excited to partner with Sodim to advance this highly prospective land package."

Afema ML Historical Resource Estimate

A number of economic and technical studies have been prepared on the Afema project prior to Teranga's entry into the Afema JV with Sodim. The most recent study, which included a mineral resource estimate for the Afema ML, was issued by RockRidge Consulting Services Geologists for and on behalf of TGL and is dated as of June 27, 2016 (the "June 2016 Historical Estimate"). The June 2016 Historical Estimate includes an Indicated oxide resource estimate of 110Koz (comprised of 2.7Mt at an average grade of 1.26 g/t Au) and Inferred oxide resources of 122Koz (comprised of 3.0Mt at an average grade of 1.26 g/t Au). In addition, it includes an Indicated transitional resource estimate of 59Koz (comprised of 1.3Mt at an average grade of 1.39 g/t Au) and an Inferred transitional resource of 28Koz (comprised of 0.8Mt at an average grade of 1.11 g/t Au). Finally, the June 2016 Historical Estimate provides a sulphide resource estimate as follows: 865Koz Indicated ounces (comprised of 17.3Mt at an average grade of 1.55 g/t Au) and 806Koz Inferred ounces (comprised of 17.8Mt at an average grade of 1.40 g/t Au). This historical estimate is reported as using a cut-off grade of 0.5 g/t Au.

RockRidge further states that it reviewed the geological and grade continuity to supplement the review of data quality in order to confirm the CIM mineral resource classification categories used. As well, the June 2016 Historical Estimate states the following with respect to the basis of the mineral resource estimate:

- mineralized volumes were received for oxide, transitional and sulphide modelled volumes;
- gold grades were determined using Ordinary Kriging and Inverse distance squared interpolation (depending on data density) into a 3-Dimensional block model constrained by mineralization wireframes;
- the block models comprised sub-celled block dimensions of 5m x 5m x 1m and 5m x 5m x 2m (depending on data sampling interval);
- mineralized wireframes were truncated to the topographic surface reflecting the mining that had previously occurred on the property;
- gold values were investigated for outlier values and put through two statistical capping/cutting routines;
- Datamine Studio 3 was the modelling package; and
- relationship between geology and preliminary mining and economic factors was taken into account at all times.

Teranga considers the June 2016 Historical Estimate to be a "historical estimate" as defined under NI 43-101 and relevant as the most recent resource estimate on the Afema project. Further drilling, resource modelling and updates to key economic assumptions would be required to upgrade or verify these historical estimates as current mineral resources and accordingly they should be relied upon only as a historical resource estimate. A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and Teranga is not treating the historical estimate as current mineral resources or mineral reserves.

Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Teranga's future growth opportunities, results of operations, performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and other opportunities. Wherever possible, words such as "plans", "expects", "does not expect", "scheduled", "trends", "indications", "potential", "estimates", "predicts", "anticipate" "to establish" or "does not anticipate", "believe", "intend", "ability to" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, have been used to identify such forward looking information. Specific forward-looking statements in this presentation include the establishment of a joint venture agreement with SODIM, anticipated work programs for the Afema properties, the potential future advancement of the Afema properties, and the future earn-in rights of Teranga into the Afema JV. Although the forward-looking information contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Teranga cannot be certain that actual results will be consistent with such forward-looking information. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the ability to obtain any requisite Ivory Coast governmental

approvals, the accuracy and reliability of historical economic and technical studies on the Afema ML, gold price, exchange rates, fuel and energy costs, future economic conditions, and other courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga, as well as other risks and uncertainties which are more fully described in Teranga's Annual Information Form dated March 30, 2017, and in other filings of Teranga with securities and regulatory authorities which are available at www.sedar.com. Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this document should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities. All references to Teranga include its subsidiaries unless the context requires otherwise.

About Teranga

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of more than 5,000 km² of land located on prospective gold belts. Since its initial public offering in 2010, Teranga has produced more than 1.2 million ounces of gold from its operations in Senegal, which as of June 30, 2017 had a reserve base of 2.7 million ounces of gold. Focused on diversification and growth, the Company is advancing its Banfora development project and conducting extensive exploration programs in three countries: Burkina Faso, Senegal and Côte d'Ivoire. Teranga has a strong balance sheet and the financial flexibility to grow its business.

Steadfast in its commitment to set the benchmark for responsible mining, Teranga operates in accordance with the highest international standards and aims to act as a catalyst for sustainable economic, environmental, and community development as it strives to create value for all of its stakeholders. Teranga is a member of the United Nations Global Compact and a leading member of the multi-stakeholder group responsible for the submission of the first Senegalese Extractive Industries Transparency Initiative revenue report. The Company's responsibility report is available at www.terangagold.com/responsibilityreport and is prepared in accordance with its commitments under the United Nations Global Compact and in alignment with the Global Reporting Initiative guidelines.

Contact Information

Richard Young
President & CEO

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

Trish Moran
Head of Investor Relations

T: +1 416-564-4290 | E: tmoran@terangagold.com