
**Teranga Gold Exceeds 2017 Production Guidance and Delivers Record Ounces;
Provides 2018 Production Guidance**

Higher production, grade and gold prices lead to strong cash position for investment in new mine and exploration opportunities

(All amounts in U.S. dollars unless otherwise indicated).

Toronto, Ontario – January 10, 2018 – Teranga Gold Corporation ("Teranga" or the "Company") (TSX: TGZ, OTCQX: TGPDF) is pleased to report record gold production of 233,267 ounces in 2017, exceeding the high end of its annual production guidance range of 205,000 to 225,000 ounces.

Due to higher production and gold prices, the Company ended the year with a strong cash position of approximately \$88 million, an increase of \$15 million from September 30, 2017.

The Company's strong financial position supports its ability to finance its next mine – Banfora, which has been renamed Wahgnion to reflect the wishes of the local community. Early works activities at Wahgnion are underway in the lead-up to closing a project debt facility and the commencement of mill construction both anticipated to occur in the second quarter of 2018.

"Our operational focus on generating free cash flow at Sabodala is paying off," said Richard Young, President and Chief Executive Officer. "With record mill throughput and positive reconciliation to ore reserve estimates, Sabodala achieved record gold production for the second consecutive year and exceeded 2017 production guidance. Our five-year profile for Sabodala estimates free cash flow of \$230 million between 2018 and 2022, including approximately \$90 million in free cash flow over the next two years⁽¹⁾⁽²⁾."

All 2017 numbers are preliminary and unaudited and subject to final adjustment.

2018 Production Outlook

The Company is forecasting gold production at Sabodala of between 210,000 and 225,000 ounces of gold in 2018⁽³⁾. This compares favourably to the 2018 production estimate of 213,000 ounces outlined in the 2017 Sabodala 43-101 technical report filed on August 30, 2017.

Added Mr. Young, "We are excited about 2018. Our expectations are for another year of strong production and cash flow at Sabodala as well as continued organic growth. Our top priority is to close the financing and proceed with construction of Wahgnion. In addition, we are aggressively advancing exploration programs at both Golden Hill in Burkina Faso and Afema in Côte d'Ivoire. With a long-life mine that provides solid annual gold production and free cash flow, a second mine in development and a pipeline of quality organic growth assets, we are well-positioned to deliver on our vision of becoming the next multi-asset mid-tier gold producer in West Africa."

2017 Fourth Quarter and Year-End Financial and Operational Results

Teranga expects to release its financial and operational results for the fourth quarter and year ended December 31, 2017 before markets open on Friday, February 23, 2018. Management will discuss the results during a conference call later that morning at 8:30 a.m. (ET). A webcast of the conference call will be available through Teranga's website – www.terangagold.com.

The conference call can be accessed by dialling (877) 291-4570 (North America toll-free) or (647) 788-4919 (international). A replay of the call will be accessible for one month following the call by dialling: (800) 585-8367 (North America toll-free) or (416) 621-4642 (international). The conference ID: 7089809#.

Endnotes

- (1) This is a non-IFRS financial measure and does not have a standard meaning under IFRS. Please see the Non-IFRS Performance Measures section in Management's Discussion & Analysis for the three and nine months ended September 30, 2017 available on the Company's website at www.terangagold.com.
- (2) The free cash flow estimates are based on the updated life of mine plan and reserve estimate for the Sabodala project as set out in the Technical Report of Teranga for the Sabodala Project, Senegal, West Africa dated August 30, 2017 (see in particular section 21 - Capital and Operating Costs).
- (3) This production guidance is based on existing proven and probable reserves only from the Sabodala mining license as disclosed in the NI 43-101 Technical Report on the Sabodala Project, Senegal as filed on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com.

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 forecasting gold production of between 210,000 and 225,000 ounces of gold in 2018. 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 closing and timing of financing, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and 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 Wahgnion Gold Project, with our recently released positive feasibility study, 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 execute on its growth strategy. The Company has nearly 4.0 million ounces of gold reserves from its combined Sabodala Gold operations and Wahgnion Gold Project.

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