TERANGA GOLD CORPORATION

TECHNICAL REPORT ON
THE SABODALA PROJECT,
SÉNÉGAL, WEST AFRICA

NI 43-101 Report

Qualified Persons:
Stephen Ling, P.Eng.
Patti Nakai-Lajoie, P.Geo.
Peter Mann, M.Sc., FAusImm
Kathleen A. Altman, Ph.D., P.E.
Jeff Sepp, P.Eng.

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**Lead Author**
Stephen Ling  
Patti Nakai-Lajoie  
Peter L. Mann  
Kathleen Ann Altman  
Jeff Sepp  
(Signed)

**Peer Reviewer**
Deborah A. McCombe  
(Signed)

**Project Manager Approval**
David Ross  
(Signed)

**Project Director Approval**
Deborah A. McCombe  
(Signed)

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1 SUMMARY

EXECUTIVE SUMMARY

Roscoe Postle Associates Inc. (RPA) was retained by Teranga Gold Corporation (Teranga) to co-author a Technical Report on the Sabodala Gold Project (the Project), located in Senegal, West Africa. The purpose of this report is to support the disclosure of the mid-year 2017 Mineral Resources and Mineral Reserves at the Project. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

The Project includes the Sabodala Mining Concession, which consists of the operating Sabodala mine and mill, the adjacent Golouma Project, and the Gora Project, and a group of nearby exploration prospects at different stages of advancement.

Teranga is a Canadian-based gold company created to acquire the Sabodala gold mine and a large regional exploration land package, located in Senegal. Teranga completed the acquisition of certain gold assets from Mineral Deposits Limited (MDL) by way of a demerger in November 2010. MDL executed a mining agreement with the Government of Senegal on March 23, 2005, and by way of a subsequent Supplementary Deed dated January 22, 2007, was granted a ten year (renewable) mining concession. In January 2014, Teranga completed the acquisition of the Oromin Joint Venture Group Ltd. (OJVG), which held a 90% interest in SOMIGOL, a Senegalese company formed to operate the Golouma Project. On April 7, 2015, an updated Sabodala mining agreement (the “Sabodala Mining Convention”) was executed to reflect the incorporation of prior amendments and agreements with the Government of Senegal as well as a larger mining concession area, which now also includes the Golouma and Gora projects.

Currently, Teranga’s interests in Senegal are represented by two Senegalese subsidiaries, namely:

- Sabodala Gold Operations SA (SGO), 90% owned. SGO is the operator of the Sabodala Mining Concession.
- Sabodala Mining Company (SMC), 100% owned. SMC is the exploration company exploring the Regional Exploration Package, which is comprised of exploration permits, the majority of which are within 50 km of the Sabodala processing plant.
The Senegalese Government has a 10% free carried interest in SGO.

The Sabodala Mineral Resources estimated as of June 30, 2017, are summarized in Table 1-1.

**TABLE 1-1 OPEN PIT AND UNDERGROUND MINERAL RESOURCES**
**SUMMARY AS AT JUNE 30, 2017**
Teranga Gold Corporation – Sabodala Project

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<th>Contained Metal (000 oz Au)</th>
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</thead>
<tbody>
<tr>
<td>Measured - Open Pit</td>
<td>21,174</td>
<td>1.15</td>
<td>783</td>
</tr>
<tr>
<td>Measured - Underground</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Measured</strong></td>
<td><strong>21,174</strong></td>
<td><strong>1.15</strong></td>
<td><strong>783</strong></td>
</tr>
<tr>
<td>Indicated - Open Pit</td>
<td>59,091</td>
<td>1.52</td>
<td>2,882</td>
</tr>
<tr>
<td>Indicated - Underground</td>
<td>6,354</td>
<td>3.78</td>
<td>773</td>
</tr>
<tr>
<td><strong>Total Indicated</strong></td>
<td><strong>65,444</strong></td>
<td><strong>1.74</strong></td>
<td><strong>3,655</strong></td>
</tr>
<tr>
<td><strong>Total Measured + Indicated</strong></td>
<td><strong>86,618</strong></td>
<td><strong>1.59</strong></td>
<td><strong>4,438</strong></td>
</tr>
<tr>
<td>Inferred - Open Pit</td>
<td>11,933</td>
<td>1.13</td>
<td>434</td>
</tr>
<tr>
<td>Inferred - Underground</td>
<td>5,315</td>
<td>3.34</td>
<td>570</td>
</tr>
<tr>
<td><strong>Total Inferred</strong></td>
<td><strong>17,247</strong></td>
<td><strong>1.81</strong></td>
<td><strong>1,004</strong></td>
</tr>
</tbody>
</table>

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Open pit oxide Mineral Resources are estimated at a cut-off grade of 0.35 g/t Au, except for Gora and Marougou at 0.48 g/t Au.
3. Open pit transition and fresh rock Mineral Resources are estimated at a cut-off grade of 0.40 g/t Au, except for Gora and Marougou at 0.55 g/t Au.
4. Underground Mineral Resources are estimated at a cut-off grade of 2.00 g/t Au.
5. Measured Resources at Sabodala include stockpiles which total 7.2 Mt at 0.75 g/t Au for 174,000 oz.
6. Measured Resources at Masato include stockpiles which total 4.2 Mt at 0.68 g/t Au for 92,000 oz.
7. Measured Resources at Gora include stockpiles which total 0.4 Mt at 1.28 g/t Au for 15,000 oz.
8. Measured Resources at Golouma include stockpiles which total 0.04 Mt at 1.38 g/t Au for 2,000 oz.
9. Measured Resources at Kerekounda include stockpiles which total 0.03 Mt at 3.30 g/t Au for 3,000 oz.
10. High grade assays were capped at grades ranging from 1.5 g/t Au to 110 g/t Au.
12. Open pit shells were used to constrain open pit resources.
13. Mineral Resources are estimated using a gold price of $1,450 per ounce.
14. Sum of individual amounts may not equal due to rounding.

Teranga is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues that would materially affect the Mineral Resource estimates.
TABLE 1-2  SUMMARY OF MINERAL RESERVE ESTIMATE AS AT JUNE 30, 2017
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnage (Mt)</th>
<th>Grade (g/t Au)</th>
<th>Contained Metal (Moz Au)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Open Pit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proven</td>
<td>6.65</td>
<td>1.39</td>
<td>0.30</td>
</tr>
<tr>
<td>Probable</td>
<td>41.02</td>
<td>1.35</td>
<td>1.78</td>
</tr>
<tr>
<td><strong>Total Open Pit</strong></td>
<td>47.66</td>
<td>1.35</td>
<td>2.07</td>
</tr>
<tr>
<td><strong>Underground</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proven</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Probable</td>
<td>2.15</td>
<td>5.01</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Total Underground</strong></td>
<td>2.15</td>
<td>5.01</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Stockpiles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proven</td>
<td>11.80</td>
<td>0.75</td>
<td>0.28</td>
</tr>
<tr>
<td><strong>Total Mineral Reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proven</td>
<td>18.45</td>
<td>0.98</td>
<td>0.58</td>
</tr>
<tr>
<td>Probable</td>
<td>43.17</td>
<td>1.53</td>
<td>2.12</td>
</tr>
<tr>
<td><strong>Proven + Probable</strong></td>
<td><strong>61.62</strong></td>
<td><strong>1.37</strong></td>
<td><strong>2.70</strong></td>
</tr>
</tbody>
</table>

Notes:
1. CIM definitions were followed for Mineral Reserves.
2. Mineral Reserve cut-off grades range from 0.38 g/t to 0.57 g/t Au for oxide and 0.44 g/t to 0.63 g/t Au for fresh rock based on a $1,200/oz gold price.
3. Underground Mineral Reserve cut-off grades range from 2.3 g/t to 2.6 g/t Au based on a $1,200/oz gold price.
5. Proven Mineral Reserves are based on Measured Mineral Resources only.
6. Probable Mineral Reserves are based on Indicated Mineral Resources only.
7. Sum of individual amounts may not equal due to rounding.
8. The Niakafiri East and West 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.

Teranga and RPA are not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

CONCLUSIONS
Teranga and RPA offer the following conclusions.
EXPLORATION

• In addition to the current operation, there is a good geological database from the maturing exploration work on the Sabodala Mining Concession as well as potential for additional deposits on the regional exploration permits.

• The level of exploration in the area, as proposed, will require a continuation of the rigorous focus in order to maintain quality in all the work being carried out.

• The geological work to date including data collection is of good quality and suitable for the estimation of Mineral Resources.

• There is a succession of targets/deposits in the "pipeline" and it will be important to continue to rank and upgrade these. There is significant potential to increase the Mineral Resources with the current exploration program.

MINERAL RESOURCES

• The Measured and Indicated Mineral Resources as of June 30, 2017 are estimated to be 86.6 million tonnes (Mt) grading 1.59 g/t Au for 4.4 million ounces (Moz) of gold. This estimate includes both the open pit and underground Mineral Resources for the Sabodala Mining Concession. In addition, a total of 17.2 Mt of Inferred Resources are estimated at a grade of 1.81 g/t Au for 1.0 Moz of gold.

MINERAL RESERVES

• The Proven and Probable Mineral Reserves as of June 30, 2017 are 61.6 Mt grading 1.37 g/t Au for 2.70 Moz of gold.

MINING AND LIFE OF MINE PLAN

• The Sabodala, Masato, Gora, Golouma, Kerekounda, Goumbati West/Kobokoto, Maki Medina, and Niakafiri deposits, combined with the stockpiled material, have the capacity to produce sufficient ore on an ongoing basis for the current mill capacity.

• The current major mining equipment appears to have the capacity to maintain levels of availability, utilization, and productivity that support the total mine capacity used to model the life of mine (LOM) schedule.

• The underground study indicates that positive economic results can be obtained.

• The cut-off grades applied to the eight deposits are supported by current operating practice and are considered an appropriate basis for definition of Mineral Reserves.

• There have been seven full years of mining operations at Sabodala and the operation has reached its short term targets. It can be anticipated that operational processes will continue to improve as the operation matures and that these will have a positive impact on costs and equipment efficiency.

• Mining operations in the Sabodala pit have shown that the rock mass is relatively dry with some exceptions. The groundwater is related to several structural conduits. It has been observed that the pit makes approximately 6,000 m³ of water per month,
which is approximately equivalent to one day's pumping with one pump. There are sufficient measures in the mine to control the water and keep it out of the pit.

- The mine mobile fleet is maturing, an asset management strategy for optimal timing of replacement capital in the LOM schedule needs to be evaluated.

**METALLURGY**
- The Sabodala, Masato, Gora, Golouma, Kerekounda, and Niakafiri ores are medium to hard but are relatively simple metallurgically allowing 90%, or greater, recovery to be readily obtained. Test work has indicated that potential exists for treating low grade oxide ores by heap leaching, although fine crushing and agglomeration is required.

**ENVIRONMENTAL CONSIDERATIONS**
- The Sabodala village must be moved prior to mining at Niakafiri deposits. As village relocation has been undertaken previously for the TSF2 permit, Teranga believes that it has a very clear path to do so again for Niakafiri and the process has been initiated.

**RECOMMENDATIONS**
Teranga and RPA offer the following recommendations.

**EXPLORATION**
- Exploration should continue on the Regional Exploration Package and Sabodala Mining Concession. Discovery of additional resources will provide the opportunity to extend the life of operations, and higher grades will provide flexibility in operating should the price of gold fall or costs increase.

**GEOTECHNICAL CONSIDERATIONS**
- A geotechnical program should be undertaken to determine specific characteristics for the pit slopes of the Niakafiri, Maki Medina, and Goumbati West/Kobokoto open pit.

**UNDERGROUND STUDIES**
- Resource definition diamond drilling should be completed to upgrade Inferred material into the Indicated category.
- Contractor and equipment prices should be obtained to improve confidence in the costs prior to mining.
- Longhole mining of the Golouma West deposits should be investigated to reduce operating costs. With minor changes to the designs, longhole mining may be feasible in these deposits.
METALLURGY

- Analysis of the production data should be continued in order to maintain accurate correlations for estimating future gold extraction.

SATELLITE PIT DEVELOPMENT

- Continued evaluation of drill core and empirical data for the pit walls for the upcoming pits in the LOM plan (e.g., Niakafiri).

ECONOMIC ANALYSIS

This section is not required as Teranga is a producing issuer, and the property is currently in production and there is no material expansion of current production.

TECHNICAL SUMMARY

PROPERTY DESCRIPTION AND LOCATION

The Sabodala Project is located in southeast Senegal approximately 650 km east-southeast of the capital city of Dakar and 96 km north of the town of Kedougou.

The Project comprises the Sabodala Mining Concession and the Regional Exploration Package.

The Sabodala Mining Concession includes the operating Sabodala mine and processing plant and the adjacent Golouma Project (a total area of 245.6 km²), and the non-contiguous Gora Project (a total area of 45.6 km²).

The Regional Exploration Permits (RLP) refer to a collection of exploration permits that surround or are otherwise within close proximity to the Sabodala Mining Licence. At the commencement of 2016, the RLP was comprised of eight separate permits grouped into the following four different project areas which cover a total surface area of 967 km²: Near Mine Project, which contains the three permits of Bransan, Bransan South and Sabodala West; Faleme, which contains the two permits of Heremakono and Sounkounkou; Dembala, which contains the two permits of Dembala Berola and Sainsoutou; and Massakounda, which contains only one permit of the same name. Of the eight exploration permits that comprised Teranga’s RLP, five are or were held solely by SMC, a wholly owned indirect subsidiary of
Teranga, and three are held by joint venture partners, with SMC holding a majority interest in each permit.

During 2016, four of the eight exploration permits expired, three are set to expire during 2017, with the remaining permit expiring in 2019. Working with the Senegalese Ministry of Mines, Teranga filed applications in the fall of 2016 for reissuance of new exploration permits that would comprise approximately 2/3 of the 967 km² RLP pursuant to the terms of Senegal’s new and current 2016 Mining Code. With the recent issuance of the regulations for the current Senegalese Mining Code, Teranga anticipates receipt of these new exploration permits in due course.

HISTORY

The Sabodala deposit was discovered in 1961 following a soil sampling program by BRGM. Between 1961 and 1998, a number of companies owned and carried out exploration and drilling on the property, including BRGM, Soviet-Senegal Joint Venture (JV), Société Minière de Sabodala-Paget Mining Ltd. JV, and Eeximcor-Afrique SA. Despite progressively encouraging results, the Project did not progress to production due to the gold price and other factors. The only operation at the site was by Eeximcor-Afrique SA, which mined and stockpiled 80,000 t of which 38,000 t at a grade of 4.4 g/t Au were processed, producing approximately 4,400 oz of gold.

MDL was invited to tender for the exploration and exploitation of the Sabodala deposit and lodged a full compliant bid for the Sabodala Gold Project on June 7, 2004, and was advised by the Senegalese Government of its selection on October 25, 2004. The bid was a joint venture between SMC (70%) and private Senegalese interests (30%). Exploration drilling began in June 2005. The company subsequently exercised its option to acquire the remaining 30% minority interest for a mixture of cash and shares.

On May 2, 2007, MDL received Mining Concession status for Sabodala by decree of the President of Senegal and continued exploration. The Sabodala open pit commenced production in March 2009 and has since been in operation. On November 23, 2010, Teranga completed the indirect acquisition of the Sabodala gold mine and a regional exploration package by way of a restructuring and demerger from MDL (the Demerger).
On April 7, 2015, the Sabodala Mining Agreement was amended and restated to reflect the incorporation of a larger mining concession area. This included the adjacent Golouma Project (the former SOMIGOL Mining Concession) and the Gora Project.

GEOLGY AND MINERALIZATION
The Sabodala Project is 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. The inlier is divided into the volcanic-dominated Mako Supergroup to the west, and the sediment-dominated Diale-Dalema Supergroup to the east. The Sabodala, Masato, and Gora deposits and western portions of the Faleme and Near Mine projects are hosted in the Mako belt volcanics. The Mako and Diale-Dalema supracrustal sequences are intruded by a series of variably deformed granitoid intrusions that range in age from 2,160 Ma to 2,000 Ma. Felsic and intermediate composition dykes are often spatially associated with shear zones hosting gold mineralization, and locally are host to significant gold mineralization themselves.

A north-northeast lithologic fabric is probably associated with major crustal shear zones. These include a north-northeast trending shear zone which lies east of the Sabodala property area. High strain zones and possible second and third order shear zones to the Main Transcurrent Shear Zone may control the localization of gold mineralization.

Lateritic weathering combined with duricrust formation is still active in the region. Oxidation depth in the region is highly variable, but is generally several tens of metres.

At Sabodala, mafic volcanic rocks are mainly present with a large granitic intrusion occupying the northwestern portions of the property. Lithologies generally trend north-northeast to northeast with steep dips, although local variations are apparent.

Principal structures on the Sabodala property form a steeply west-northwest dipping, north-northeast trending shear zone network which has previously been referred to as the “Sabodala Shear Zone”. This includes the Niakafiri and Masato shear zones, which are high strain zones developed in altered ultramafic units. There are also shear zones that are linked to them by north to northwest trending splays. These include the “Ayoub’s Thrust”, which is focused along the ultramafic sill that lies on the west side (hanging wall) of the Sabodala deposit.
The gold deposits show many characteristics consistent with their classification as orogenic (mesothermal) gold deposits. Mineralization mainly occurs as mineralized shear zones and associated surrounding sets of quartz breccia veins in mafic volcanic and carbonate altered ultramafic and mafic units.

EXPLORATION STATUS
Teranga has adopted a three-phase exploration approach for the Sabodala Project. Phase 1 includes target generation and consists of airborne geophysics, surface geochemistry, geological mapping, and rotary air blast (RAB) drilling and trenching. This work has been completed and Teranga’s future exploration programs will be primarily focused on Phase 2 and Phase 3.

Phase 2 and Phase 3 have the objective of increasing Mineral Resources and Mineral Reserves within the Project. Phase 2, prioritizing and ranking, includes identifying targets and ordering them depending on their potential of hosting economic mineralization and Phase 3, target testing, includes trenching and reverse circulation (RC) and diamond drilling (DDH) within the areas of significant mineralization.

From January 2016 to June 2017, exploration activity within the Sabodala Mining Concession was mainly drill based. Soil sampling, rock chip sampling, and bulk leach extractable gold (BLEG) sampling continued as well as trenching and geological mapping as follow-up to the geochemical anomalies identified by the sampling program.

Similar exploration activities were carried out on the RLP.

Teranga completed 683 DDH, RC, and RAB holes for a total of 50,155 m on the Sabodala Mining Concession and 186 DDH and RC holes for a total of 9,032 m on the RLP.

On the Sabodala Mining Concession, drilling during this period focused on the Niakafiri deposits: Niakafiri East (consisting of Niakafiri Main, Dinkokono, and Niakafiri Southeast) and Niakafiri West (consisting of Niakafiri West and Niakafiri Southwest) deposits; and the Goumbati West deposit. Step-out and infill DDH drilling was undertaken to further delineate and confirm resources, as well as attain better structural information for each deposit.
Additional diamond drilling was conducted at Golouma North to enable initial resource estimation and Maleko to test mineralization extents at this previously undrilled prospect.

On the RLP, drilling focused on the Marougou deposit.

**MINERAL RESOURCES**

Mineral Resources were estimated for the Sabodala Mining Concession and the Bransan Permit and are summarized in Table 1-1. Mineral Resources are reported inclusive of Mineral Reserves. The effective date of the estimate is June 30, 2017.

There have been no revisions to the resource models for Masato, Gora, Golouma, and Kerekounda, except for adjustments due to mining depletion, since the date of the previous technical report in 2016.

Mineral Resource block models for Niakafiri East, Niakafiri West, and Goumbati West – Kobokoto have been revised since the date of the previous technical report. Each block model is an amalgamation of two previous individual block models located adjacent to and along strike from each other, with continuity of mineralization delineated between both, based on new drilling between deposits. The updated Niakafiri East resource model is a consolidation and revision of the previous individual Dinkokono, Niakafiri Main, and Niakafiri Southeast resource models. The updated Niakafiri West resource model is a consolidation and revision of the previous Niakafiri West and Niakafiri Southwest resource models.

Golouma North and Marougou are new resource models that have been generated since the date of the previous technical report.

There have been no revisions to the Sabodala, Maki Medina, Diadiako, Kinemba, Koulouqwinde, Kourouloulou, Kouroundi, Koutouniokollo, Mamasato, Sekoto, and Soukhot block models since the date of the previous technical report.

For reporting of open pit Mineral Resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossmann algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the Canadian Institute of
Mining, Metallurgy and Petroleum’s (CIM) resource definition requirement of “reasonable prospects for eventual economic extraction” (CIM, 2014).

For reporting of underground Mineral Resources, only classified blocks greater than or equal to the underground cut-off grade outside of the open pit shells were reported. This is in compliance with CIM (2014) resource definition requirements. In addition, Deswik Stope Optimizer software was used to generate wireframe models to constrain blocks satisfying minimum size and continuity criteria, which were used for reporting Sabodala underground Mineral Resources.

MINERAL RESERVES
The Sabodala Gold Operation Mineral Reserve estimate is composed of open pit and underground deposits and are summarized in Table 1-2. The open pit deposits are Sabodala, Masato, Gora, Golouma South, Golouma West, Kerekounda, Niakafiri East, Niakafiri West, Maki Medina, Goumbati West, and Kobokoto. The underground deposits are Golouma South, Kerekounda, Golouma West 1, and Golouma West 2.

The Gora, Golouma South, Golouma West, and Kerekounda open pit deposits are currently being mined by conventional open pit methods. The location of the open pit deposits and the underground deposits is shown in Figure 15-1.

The Proven and Probable Mineral Reserves for the deposits are based on only that part of the Measured and Indicated Resources that falls within the designed final pit limits.

Mineral Reserve cut-off grades are based on current operating practice and 2017 costs projected to the LOM. The Mineral Reserves are based on a gold price of $1,200/oz.

MINING METHOD
The Sabodala open pit commenced production in March 2009 and has since been in operation. The Golouma South, Golouma West, Kerekounda, and Gora open pits are currently being mined. The selective mining practice and stockpiling strategy at the Sabodala mine since start-up has released ore at a faster rate than milling capacity. This has resulted in a large build-up of low grade stockpiled ore on the run of mine (ROM) pad, planned to be fed to the Sabodala processing plant at the end of mine life.
The open pit mining method utilized is conventional truck and shovel open pit mining. The mining operation is effective at selectively separating ore from waste, and in separating the four ore categories that are stockpiled if not immediately milled. These are, namely, high grade, medium grade, low grade, and marginal.

Underground mining will be by Cut and Fill (C&F) mining method. C&F mining is simple, repetitive, and highly flexible for deposits with uncertain continuity and regularity.

A stockpiling strategy is implemented as part of the goal to maximize the Project net present value (NPV). Lower grade material is stockpiled at the ROM stockpiles and higher grade ore material is prioritized for the mill feed. In the periods where ore material delivered from the pit is less than the processing rate, mill ore feed is supplemented by the ROM stockpiles.

The LOM is approximately 14 years, ending mid-year 2031. The average gold production for the first five years is 213,000 oz. The variable annual milling rate is the result of the mill feed material blend and mill upgrades planned.

The underground mine construction begins in year 2022, with ore production in 2023. The open pit mining ends in year 2027 and the remaining LOM comprises mining from the underground and stockpile reclaim.

MINERAL PROCESSING
The Sabodala processing plant was expanded in late 2012 to a design capacity of approximately 3.5 Mtpa (fresh ore) and 4.0 Mtpa with a mix of fresh and oxidized ore. In mid-2015, a mill optimization project was initiated and commissioned in the third quarter of 2016.

The plant comprises facilities for crushing, grinding, carbon in leach (CIL) cyanidation, and tailings disposal. Gold recovery facilities include acid washing, carbon stripping and electrowinning, followed by bullion smelting and carbon regeneration.

The mill optimization project consisted of adding a second primary jaw crusher and screening station to operate in parallel with the original crusher and upgrades to the primary and secondary milling circuits. Upgrades to the semi-autogenous grinding (SAG) milling circuit include installation of a trommel screen, redesign of the liner configuration, and installation of
a vortex discharge head. Upgrades to the ball mill circuit included increasing the ball charge, increasing motor power by 500 kW for each ball mill, and installation of new gearboxes. The increased milling rate for hard fresh rock is in excess of 500 tonnes per hour (tph) and approximately 530 tph for a blend consisting of fresh rock and soft oxidized ore. As a result, annual throughput rates for the plant are estimated to be in the range from 4.3 Mtpa to 4.5 Mtpa.

PROJECT INFRASTRUCTURE
The Sabodala Mining Concession infrastructure includes the Sabodala and Masato open pits, a processing plant, a power plant, a ROM pad, and a tailings storage facility (TSF). A network of haul roads connect the various pits to the process plant.

The Gora deposit is further than the Golouma/Kerekounda deposit area; as a result, more infrastructure was required. This includes two 250 kW diesel generators, fuel and lube storage facilities, operations and dispatch buildings, kitchen, lunch room and ablution facilities, warehouse, workshop and storage yard, and gatehouse.

Existing port facilities at Dakar are used for delivery of all project construction materials and long term operational freight. Teranga has set up its own corporate offices in Dakar in which logistics, government liaison, personnel transport, and other management functions for SGO and SMC are based.

ENVIRONMENTAL, PERMITTING AND SOCIAL CONSIDERATIONS
In accordance with the Environmental Code (2001) and the Sabodala Mining Convention, an Environmental and Social Impact Statement (ESIS) for the Project was completed in July 2006 and an Environmental and Social Management and Monitoring Plan (ESMMP) was developed in September 2007 and updated in 2012. The Environmental Compliance Certification was granted in January 2008. The Environmental and Social Impact Assessment (ESIA) for the Golouma Project was prepared in 2012, is Equator Principles compliant, and meets the requirements of the International Finance Corporation (IFC). The Environmental Compliance Certification for the Golouma was granted in November 2013.
A new ESIA will be prepared for the Niakafiri project, and Project-specific mitigation measures included in the ESMMP already covering the Sabodala and Golouma operations. Similarly, the closure and rehabilitation costs will be added into the existing RMCP.

In November 2015, Environmental Resources Management (ERM) completed a new Rehabilitation and Mine Closure Plan (RMCP) that incorporates deposits from the OJVG acquisition and the Gora deposit into SGO’s closure plan. The RMCP provides a comprehensive discussion of the implementation, management and monitoring of rehabilitation activities that are to be undertaken during both the operational and closure phases of the Project. The RMCP also provides SGO with an indication of anticipated rehabilitation and closure costs throughout the life of the Project. This plan satisfies the requirements of the Government of Senegal as well as relevant international standards, specifically Canadian, Australian, and those of the IFC.

Teranga is committed to best practice in corporate governance. It has formalized commitments to conducting its business and affairs in accordance with the highest ethical standards by enacting a Code of Business Conduct and Ethics. As a company, Teranga strives to comply with all applicable mining code and national and international laws, and adhere to the Extractive Industry Transparency Initiative (EITI).

**CAPITAL AND OPERATING COST ESTIMATES**

The total LOM capital cost of $236.9 million includes sustaining capital of $130.8 million and capital project and development costs of $106.1 million.

Sustaining cost for the open pit mine consists primarily of replacing aged equipment and is approximately $61 million. The costs associated with setting up new satellite deposits is included in the mine sustaining costs. These satellite deposits include Niakafiri, Maki Medina, and Goumbati West/Kobokoto.

The LOM sustaining cost for the process plant is approximately $32 million and is comprised of the amount required to sustain the current Sabodala mill on an annual basis, such as mill relining and motor rebuilds and replacements. The administration and other sustaining capital expenditures include all the necessary capital required to sustain the camp facilities, security, and other general administration departments and are approximately $11.1 million.
The community relations section of the sustaining capital expenditure of $26.6 million consists entirely of the relocation cost of Sabodala village.

Capital projects and development include additional tailings storage capacity required by 2022. The underground equipment and development capital of approximately $102 million accounts for all costs required to purchase the mobile equipment, fixed equipment, and develop the underground workings. This amount includes the preproduction and production periods. Management is currently investigating whether to continue to raise TSF1 or construct the permitted TSF2.

The total LOM operating cost is $1,806 million and ranges from $39 million to $159 million on an annual basis. Operating costs at the Sabodala mine are largely the same as outlined in the 2016 Technical Report. Additional increases account for renegotiated contracts, market conditions, as well as LOM cost forecasting of various equipment and facilities.

The all-in sustaining cash cost (AISC) for the LOM is approximately $893 per ounce of gold produced. Between the years of 2023 and 2024, the AISC cost is at the highest, corresponding to the capital expenditures for the development of underground mining.
2 INTRODUCTION

Roscoe Postle Associates Inc. (RPA) was retained by Teranga Gold Corporation (Teranga) to co-author a Technical Report on the Sabodala Gold Project (the Project), located in Senegal, West Africa. The purpose of this report is to support the disclosure of the mid-year 2017 Mineral Resources and Mineral Reserves at the Project. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

The Project includes the Sabodala Mining Concession, which consists of the operating Sabodala mine and mill, the adjacent Golouma Project, and the Gora Project, and a group of nearby exploration prospects at different stages of advancement.

Teranga is a Canadian-based gold company created to acquire the Sabodala gold mine and a large regional exploration land package, located in Senegal. Teranga completed the acquisition of certain gold assets from Mineral Deposits Limited (MDL) by way of a demerger in November 2010. MDL executed a mining agreement with the Government of Senegal on March 23, 2005, and by way of a subsequent Supplementary Deed dated January 22, 2007, was granted a ten year (renewable) mining concession. In January 2014, Teranga completed the acquisition of the Oromin Joint Venture Group Ltd. (OJVG), which held a 90% interest in SOMIGOL, a Senegalese company formed to operate the Golouma Project. On April 7, 2015, an updated Sabodala mining agreement (the “Sabodala Mining Convention”) was executed to reflect the incorporation of prior amendments and agreements with the Government of Senegal as well as a larger mining concession area, which now also includes the Golouma and Gora projects.

Currently, Teranga’s interests in Senegal are represented by two Senegalese subsidiaries, namely:

- Sabodala Gold Operations SA (SGO), 90% owned. SGO is the operator of the Sabodala Mining Concession.
- Sabodala Mining Company (SMC), 100% owned. SMC is the exploration company exploring the Regional Exploration Package, which is comprised of exploration permits, the majority of which are within 50 km of the Sabodala processing plant.

The Senegalese Government has a 10% free carried interest in SGO.
SOURCES OF INFORMATION

Site visits were carried out by Patti Nakai-Lajoie, Stephen Ling, and Peter Mann of Teranga during the year.

Table 2-1 lists the Qualified Persons (QP) and their responsibilities for this Technical Report.

<table>
<thead>
<tr>
<th>QP</th>
<th>Sections</th>
<th>Most Recent Site Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Ling</td>
<td>Sections 2, 3, 15, 16, 18, 19, 20, 21, 22, 23 and 24; contributed to Sections 1, 25, 26, and 27</td>
<td>January 15, 2017 to January 22, 2017</td>
</tr>
<tr>
<td>Patti Nakai-Lajoie</td>
<td>Sections 11, 12, and 14; contributed to Sections 1, 25, 26, and 27</td>
<td>May 3, 2017 to May 17, 2017</td>
</tr>
<tr>
<td>Peter Mann</td>
<td>Sections 4, 5, 6, 7, 8, 9 and 10; contributed to Sections 1, 25, 26, and 27</td>
<td>May 7, 2017 to May 31, 2017</td>
</tr>
<tr>
<td>Kathleen Altman</td>
<td>Sections 13 and 17; contributed to Sections 1, 25, 26, and 27</td>
<td>No visit</td>
</tr>
<tr>
<td>Jeff Sepp</td>
<td>Portions of Sections 15 (Underground Mineral Reserves) and 16 (Underground Mining); contributed to Sections 1, 25, 26, and 27</td>
<td>No visit</td>
</tr>
</tbody>
</table>

The documentation reviewed, and other sources of information, are listed at the end of this report in Section 27 References.
**LIST OF ABBREVIATIONS**

Units of measurement used in this report conform to the metric system. All currency in this report is US dollars (US$) unless otherwise noted.

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>annum</td>
</tr>
<tr>
<td>A</td>
<td>ampere</td>
</tr>
<tr>
<td>bbl</td>
<td>barrels</td>
</tr>
<tr>
<td>btu</td>
<td>British thermal units</td>
</tr>
<tr>
<td>°C</td>
<td>degree Celsius</td>
</tr>
<tr>
<td>C$</td>
<td>Canadian dollars</td>
</tr>
<tr>
<td>cal</td>
<td>calorie</td>
</tr>
<tr>
<td>cfm</td>
<td>cubic feet per minute</td>
</tr>
<tr>
<td>cm</td>
<td>centimetre</td>
</tr>
<tr>
<td>cm²</td>
<td>square centimetre</td>
</tr>
<tr>
<td>d</td>
<td>day</td>
</tr>
<tr>
<td>dia</td>
<td>diameter</td>
</tr>
<tr>
<td>dmt</td>
<td>dry metric tonne</td>
</tr>
<tr>
<td>dwt</td>
<td>dead-weight ton</td>
</tr>
<tr>
<td>°F</td>
<td>degree Fahrenheit</td>
</tr>
<tr>
<td>ft</td>
<td>foot</td>
</tr>
<tr>
<td>ft²</td>
<td>square foot</td>
</tr>
<tr>
<td>ft³</td>
<td>cubic foot</td>
</tr>
<tr>
<td>ft/s</td>
<td>foot per second</td>
</tr>
<tr>
<td>g</td>
<td>gram</td>
</tr>
<tr>
<td>G</td>
<td>giga (billion)</td>
</tr>
<tr>
<td>Gal</td>
<td>Imperial gallon</td>
</tr>
<tr>
<td>g/L</td>
<td>gram per litre</td>
</tr>
<tr>
<td>Gpm</td>
<td>Imperial gallons per minute</td>
</tr>
<tr>
<td>g/t</td>
<td>gram per tonne</td>
</tr>
<tr>
<td>gr/ft³</td>
<td>grain per cubic foot</td>
</tr>
<tr>
<td>gr/m³</td>
<td>grain per cubic metre</td>
</tr>
<tr>
<td>ha</td>
<td>hectare</td>
</tr>
<tr>
<td>hp</td>
<td>horsepower</td>
</tr>
<tr>
<td>hr</td>
<td>hour</td>
</tr>
<tr>
<td>Hz</td>
<td>hertz</td>
</tr>
<tr>
<td>in.</td>
<td>inch</td>
</tr>
<tr>
<td>in²</td>
<td>square inch</td>
</tr>
<tr>
<td>J</td>
<td>joule</td>
</tr>
<tr>
<td>k</td>
<td>kilo (thousand)</td>
</tr>
<tr>
<td>kcal</td>
<td>kilocalorie</td>
</tr>
<tr>
<td>kg</td>
<td>kilogram</td>
</tr>
<tr>
<td>km</td>
<td>kilometre</td>
</tr>
<tr>
<td>km²</td>
<td>square kilometre</td>
</tr>
<tr>
<td>km/h</td>
<td>kilometre per hour</td>
</tr>
<tr>
<td>kPa</td>
<td>kilopascal</td>
</tr>
<tr>
<td>kVA</td>
<td>kilovolt-amperes</td>
</tr>
<tr>
<td>kW</td>
<td>kilowatt</td>
</tr>
<tr>
<td>kWh</td>
<td>kilowatt-hour</td>
</tr>
<tr>
<td>L</td>
<td>litre</td>
</tr>
<tr>
<td>lb</td>
<td>pound</td>
</tr>
<tr>
<td>L/s</td>
<td>litres per second</td>
</tr>
<tr>
<td>m</td>
<td>metre</td>
</tr>
<tr>
<td>M</td>
<td>mega (million); molar</td>
</tr>
<tr>
<td>m²</td>
<td>square metre</td>
</tr>
<tr>
<td>m³</td>
<td>cubic metre</td>
</tr>
<tr>
<td>μ</td>
<td>micron</td>
</tr>
<tr>
<td>MASL</td>
<td>metres above sea level</td>
</tr>
<tr>
<td>μg</td>
<td>microgram</td>
</tr>
<tr>
<td>m³/h</td>
<td>cubic metres per hour</td>
</tr>
<tr>
<td>mi</td>
<td>mile</td>
</tr>
<tr>
<td>min</td>
<td>minute</td>
</tr>
<tr>
<td>μm</td>
<td>micrometre</td>
</tr>
<tr>
<td>mm</td>
<td>millimetre</td>
</tr>
<tr>
<td>mph</td>
<td>miles per hour</td>
</tr>
<tr>
<td>MVA</td>
<td>megavolt-amperes</td>
</tr>
<tr>
<td>MW</td>
<td>megawatt</td>
</tr>
<tr>
<td>MWh</td>
<td>megawatt-hour</td>
</tr>
<tr>
<td>oz</td>
<td>Troy ounce (31.1035g)</td>
</tr>
<tr>
<td>oz/st, opt</td>
<td>ounce per short ton</td>
</tr>
<tr>
<td>ppb</td>
<td>part per billion</td>
</tr>
<tr>
<td>ppm</td>
<td>part per million</td>
</tr>
<tr>
<td>psia</td>
<td>pound per square inch absolute</td>
</tr>
<tr>
<td>psig</td>
<td>pound per square inch gauge</td>
</tr>
<tr>
<td>RL</td>
<td>relative elevation</td>
</tr>
<tr>
<td>s</td>
<td>second</td>
</tr>
<tr>
<td>st</td>
<td>short ton</td>
</tr>
<tr>
<td>stpa</td>
<td>short ton per year</td>
</tr>
<tr>
<td>stpd</td>
<td>short ton per day</td>
</tr>
<tr>
<td>t</td>
<td>metric tonne</td>
</tr>
<tr>
<td>tpa</td>
<td>metric tonne per year</td>
</tr>
<tr>
<td>tpd</td>
<td>metric tonne per day</td>
</tr>
<tr>
<td>US$</td>
<td>United States dollar</td>
</tr>
<tr>
<td>USg</td>
<td>United States gallon</td>
</tr>
<tr>
<td>USgpm</td>
<td>US gallon per minute</td>
</tr>
<tr>
<td>V</td>
<td>volt</td>
</tr>
<tr>
<td>W</td>
<td>watt</td>
</tr>
<tr>
<td>wmt</td>
<td>wet metric tonne</td>
</tr>
<tr>
<td>wt%</td>
<td>weight percent</td>
</tr>
<tr>
<td>yr</td>
<td>year</td>
</tr>
<tr>
<td>yd³</td>
<td>cubic yard</td>
</tr>
</tbody>
</table>
3 RELIANCE ON OTHER EXPERTS

This report has been prepared by RPA and Teranga. The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to RPA at the time of preparation of this report,
- Assumptions, conditions, and qualifications as set forth in this report, and
- Data, reports, and other information supplied by Teranga and other third party sources.

Teranga has relied on a legal opinion by Francois Sarr & Associates dated November 21, 2016 regarding the validity of mining titles held by SGO and SMC in Senegal in compliance with Senegalese law. This opinion is relied upon in Sections 1 (Executive Summary) and 4 (Property Description and Location) of this report. RPA has not researched property title or mineral rights for the Sabodala Project and expresses no opinion as to the ownership status of the property.

Except for the purposes legislated under provincial securities laws, any use of this report by any third party is at that party’s sole risk.
4 PROPERTY DESCRIPTION AND LOCATION

PROPERTY LOCATION

The Sabodala Project is located in southeast Senegal, approximately 650 km east-southeast of the capital city of Dakar and 96 km north of the town of Kedougou. The property location is shown in Figure 4-1.

LAND TENURE

In Senegal, there are three major levels of permitting required to undertake mineral exploration and development. The first Exploration Permit (Permis de Recherche) allows exploration to be undertaken. The second, an Exploitation Permit (Permis d'exploitation), allows resource estimates, feasibility studies, and mining for smaller scale, less capital intensive projects with a mining duration of five years or less. The third, a Mining Concession (Concession Minière) or Mine Licence, is intended for large scale projects with mining durations of five years to 25 years and includes significant tax incentives from the government.

In each case, a “Mining Convention” or “Mining Agreement” is the initial contractual agreement between the investor and the State. This contract sets out the legal, fiscal, administrative, and specific corporate conditions under which the permit holder shall undertake its operations.

SABODALA MINING CONCESSION

The Sabodala property is located at 13°11'5"N latitude, 12°6'45"W longitude, and comprises a Mining Concession, originally granted on May 2, 2007 pursuant to a Mining Agreement (the “Sabodala Mining Agreement”) executed on March 23, 2005. On April 7, 2015, the Sabodala Mining Agreement was amended and restated to reflect the incorporation of a larger mining concession area. This included the adjacent and former Golouma mining concession, and the Gora project area that had been elevated from an exploration permit into a mining concession. On July 29, 2015, a Presidential Decree was issued confirming the perimeters for the new Sabodala Mining Concession comprised of a total area of 245.6 km² (the Sabodala Perimeter) and 45.6 km² (the Gora Perimeter), to be collectively referred to as the
Sabodala Mining Licence. The dimensions of the current mining concession are approximately 23 km north-south by 11 km east-west within the Sabodala Perimeter and approximately 10 km by five kilometres within the Gora Perimeter. The outline and the UTM coordinates are shown in Figure 4-2.

Pursuant to the terms of a shareholders’ agreement between the State of Senegal and one of Teranga’s wholly-owned Mauritius subsidiaries which established SGO in November 2007, the Senegalese Government retained a 10% free carried interest in SGO. Dividend rights of the State are triggered only after repayment of Teranga’s initial capital investment in the Project and all other third party debt owing by SGO.

On May 2, 2015, the eight year tax holiday granted to SGO under its Mining Agreement and its Mining Licence expired. SGO's fiscal framework is stabilized as to the regime in place in Senegal as of the date of its original Mining Agreement (March 23, 2005), subject to mutual agreement otherwise. For instance, and notwithstanding the foregoing, SGO has agreed with the State to pay a 5% net smelter royalty (NSR) as part of an investment agreement executed with the State in 2013.

In February 2016, Teranga received an exemption for the payment and collection of Value Added Tax (VAT). This VAT exemption is governed by an amendment to the existing mining convention and is enforceable for six years, expiring on May 2, 2022. Further, SGO has applied for qualification under an “export free enterprise” investment program in Senegal which, if approved would provide certain fiscal benefits to SGO, including a reduction in its income tax rate to 15% provided it continues to export more than 80% of its gold product for sale abroad.
REGIONAL EXPLORATION PACKAGE

The Regional Exploration Permits (RLP) refer to a collection of exploration permits that surround or are otherwise within close proximity to the Sabodala Mining Licence. At the commencement of 2016, the RLP was comprised of eight separate permits grouped into the following four different project areas which cover a total surface area of 967 km²: Near Mine Project, which contains the three permits of Bransan, Bransan South and Sabodala West; Faleme, which contains the two permits of Heremakono and Sounkounkou; Dembala, which contains the two permits of Dembala Berola and Saiensoutou; and Massakounda, which contains only one permit of the same name. Of the eight exploration permits that comprised Teranga’s RLP, five are or were held solely by SMC, a wholly owned indirect subsidiary of Teranga, and three are held by joint venture partners, with SMC holding a majority interest in each permit.

During 2016, four of the eight exploration permits expired, three are set to expire during 2017, with the remaining permit expiring in 2019. Working with the Senegalese Ministry of Mines, Teranga filed applications in the fall of 2016 for reissuance of new exploration permits that would comprise approximately 2/3 of the 967 km² RLP pursuant to the terms of Senegal’s new and current 2016 Mining Code. With the recent issuance of the regulations for the current Senegalese Mining Code, Teranga anticipates receipt of these new exploration permits in due course.

The original and current permit locations are shown in Figure 4-3 while the new permit locations are outlined in Figure 4-4.
Figure 4-3

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Location of Original and Current Exploration Permits

Figure 4-4

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa
Location of New Exploration Permits

Legend:
- Mining Concessions
- New Exploration Permits
- Previous Exploration Permits

Details of the permits are tabulated in Table 4-1.

### TABLE 4-1 GRANTED GOLD EXPLORATION PERMITS AND APPLICATIONS

Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>SMC Exploration Permits</th>
<th>Original Permit Grant Date</th>
<th>Current Permit Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Near Mine Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sabodala West</td>
<td>November 2010</td>
<td>Expired November 2016</td>
</tr>
<tr>
<td>Bransan</td>
<td>October 2006</td>
<td>Expired May 2016 -</td>
</tr>
<tr>
<td>Bransan South</td>
<td>November 2010</td>
<td>Expired November 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Application for re-issuance filed</td>
</tr>
<tr>
<td>Faleme Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sounkounkou</td>
<td>September 2006</td>
<td>Expiring October 2017</td>
</tr>
<tr>
<td>Heremakono</td>
<td>October 2005</td>
<td>Expired October 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Application for re-issuance filed</td>
</tr>
<tr>
<td>Dembala Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dembala Berola</td>
<td>January 2005</td>
<td>Expired January 2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Application for re-issuance filed</td>
</tr>
<tr>
<td>Saiansoutou</td>
<td>November 2010</td>
<td>Expiring November 2019</td>
</tr>
<tr>
<td>Massakounda</td>
<td>January 2005</td>
<td>Expired January 2017</td>
</tr>
</tbody>
</table>

All exploration permits are granted by ministerial decree and are subject to a Mining Convention signed with the state of Senegal. The gold exploration permits are held in a combination of full SMC ownership and earn-in joint ventures where SMC is the funding and managing party, as outlined in Table 4-2.

### TABLE 4-2 EQUITY AND FUNDING ARRANGEMENTS FOR PERMITS

Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Project</th>
<th>Permit</th>
<th>SMC Equity (%)</th>
<th>Holder</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Near Mine</td>
<td>Bransan</td>
<td>70</td>
<td>SMC</td>
<td>Partnership with local syndicate</td>
</tr>
<tr>
<td></td>
<td>Bransan South</td>
<td>100</td>
<td>SMC</td>
<td>100% SMC</td>
</tr>
<tr>
<td></td>
<td>Sabodala West</td>
<td>100</td>
<td>SMC</td>
<td>100% SMC</td>
</tr>
<tr>
<td>Faleme</td>
<td>Sounkounkou</td>
<td>100</td>
<td>Axmin</td>
<td>1.5% NSR over identified prospects</td>
</tr>
<tr>
<td></td>
<td>Heremakono</td>
<td>100</td>
<td>Axmin</td>
<td>1.5% NSR over identified prospects</td>
</tr>
<tr>
<td>Dembala</td>
<td>Dembala Berola</td>
<td>100</td>
<td>SMC</td>
<td>100% SMC</td>
</tr>
<tr>
<td></td>
<td>Saiansoutou</td>
<td>100</td>
<td>SMC</td>
<td>100% SMC</td>
</tr>
<tr>
<td>Massakounda</td>
<td>Massakounda</td>
<td>100</td>
<td>SMC</td>
<td>100% SMC</td>
</tr>
</tbody>
</table>
All permits (exploration or exploitation/mining) are linked to an executed mining convention with the Government of Senegal, which governs the mineral rights of the permit holder, and typically contain the following key terms:

- Exclusive right to apply for an exploitation permit provided a feasibility study is completed.
- The Senegalese Government will be entitled to a 10% free carried interest in the mining operation.
- Senegalese import duty exemption on mining equipment, fuel, explosives, and chemicals.

Given the Sabodala Mining Convention executed April 7, 2015 and its provisions extending to SMC exploration permits, it is anticipated that exploration permits that move into production utilizing the Sabodala mill will be considered "satellite deposits" and as such incorporated into it. As a result, the fiscal terms included under the Sabodala Mining Convention, including royalty and taxation rates as well as other fiscal incentives, are anticipated to be applied to these future operations.

**SUMMARY OF AGREEMENTS IN PLACE OVER SMC’S EXPLORATION PERMITS**

With the transfer of the formerly Rokamko held permits of Massakounda and Dembala Berola, only two agreements remain effective:

- Axmin Joint Venture – over the permits of Heremakono and Sounkounkou.
- Bransan Agreement – although this permit is fully held by SMC, there is a 30% ownership right assigned to a Senegalese company, Senegal Nominees Limited.

**AXMIN JOINT VENTURE**

A joint venture between Axmin Ltd. (AXM) and SMC was signed on September 30, 2008 (the Axmin JV). The Axmin JV involves the Sounkounkou and Heremakono exploration permits.

When SMC reached its 80% equity position in the Axmin JV in 2011, the two parties renegotiated it, and these revised terms were established:

- AXM elected not to participate in further development of the Gora resource. AXM retained the right to a 1.5% NSR from all production that results from the resource, or production from new discoveries that may arise in a defined 50 km² block around Gora.
• AXM elected not to participate on a 20% basis on all identified targets and prospects as of that date. As of the date of this report, AXM has continued to elect its 1.5% NSR right on all identified targets and prospects across both exploration permits. New targets may be defined from regional work and added to this list as they arise.

• AXM retains a 1.5% NSR on any new targets and prospects on which they elect to not continue their 20% interest.

• In the case where both SMC and AXM are involved in the construction of a mine, the 10% free carried interest of the Republic of Senegal will be absorbed by both parties proportionally.

• Presently, SMC can exit the joint venture at any time with 30 days’ notice.

**BRANSAN AGREEMENT**

This agreement was signed on July 4, 2007, subsequent to SMC acquiring the Bransan permit in October 2006. The agreement stipulates that the initial ownerships are 70% SMC and 30% Senegal Nominees (SN). SMC is responsible for 100% funding of the exploration work and is the manager.

Once a discovery is made and a development decision is made, SN has the right after 120 days to either:

• Convert to a contributing interest, in which case SN will have to fund its share of the development costs.

• Not to convert to a contributing interest, in which case SN will dilute to a 10% equity holding in the mine development with SMC’s shareholding increasing to 90%.

SN will only be entitled to receive benefits from production after SMC has recovered all of its joint venture and development costs.

The start of the mining will require the formation of a special purposes company, which will allow Senegal to receive its 10% equity stake. The equity ratios will be diluted proportionally to accommodate the Senegal equity as follows:

• In the case where SN has diluted: Senegal 10%, SMC 81%, SN 9%.

**EXISTING ENVIRONMENTAL LIABILITIES**

There is an abandoned processing facility which operated in 1998 near the current pit. The predecessor operator of the Sabodala Project reported that the historical tailings were moved to the current tailings storage facility.
There is virtually no artisanal mining within the Sabodala Perimeter apart from sporadic hard rock working at Faloumbo, and minor alluvials at Sutuba. According to SGO, the area has not been contaminated by these workings such that it could reasonably stand out as a liability or obligation for remediation. Artisanal workings within the Gora Perimeter have ceased with the commencement of SGO mining operations and their workings have either been remediated through the progression of mining or otherwise incorporated within the overall mine closure plan for the Gora deposit.

The QPs are not aware of any environmental liabilities on the property. Teranga has all required permits to conduct the proposed work on the property. The QPs are not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the property.
5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

PHYSIOGRAPHY
Topography in the area is generally undulating with a gentle gradient to the north and west towards the major river courses in the area. The elevation varies from approximately 150 m to 350 m. In the east of the area and abutting onto the eastern side of the concession is a north-south aligned ridge rising at least 100 m above the surroundings.

Vegetation ranges from savannah to thick bushes and large trees on hillsides. Watercourses are typically marked by palms.

ACCESSIBILITY
The Project is located in southeast Senegal, approximately 650 km east-southeast of the capital city of Dakar. Access to the Project from Dakar is by sealed road, Highway N1, to the regional centre of Tambacounda and then via a good all-weather sealed road, Highway N7, 230 km southeast to Kedougou, connecting with 96 km of sealed and laterite-surfaced roads, which intersect the villages of Faloumbo and Sabodala. A 1,250 m sealed public airstrip, capable of handling light to medium sized aircraft, lies at the north end of the property.

There are three villages on the Sabodala Mining Concession. Sabodala village is approximately two kilometres south of the Sabodala pit and is very close to the Niakafiri deposit. Faloumbo village is to the north-northeast of Sabodala pit and is close to the Faloumbo workings.

CLIMATE
In Kedougou, the highest monthly average temperatures are between March and May (typical range from 31°C to 40°C). The lowest monthly average temperatures are between December and January (typical range from 17°C to 26°C). The annual Harmattan is a dry wind that blows from the north, usually from December to February, resulting in dusty and hazy skies.
There is a distinct tropical wet season from May to October, with most rain falling from storms between August and September, and a dry season from December to April. Mean annual rainfall at Sabodala is approximately 1,130 mm. It is possible to operate year round, however, the schedule allows for a reduced mining rate and for predominantly fresh rock ore to be processed in the wet season.

**SURFACE RIGHTS FOR MINING OPERATIONS, WATER, POWER, AND LABOUR**

The Mining Convention, discussed in Section 4, granted all necessary surface rights to mine.

Water for Sabodala is sourced from two fresh water dams and via a 42 km pipeline from the Faleme River in the event of an emergency. To date, water sources from the Faleme River have not been required.

Power is generated on site (details in Section 18).

Personnel comprising the workforce are sourced from the surrounding villages, towns, and the city of Dakar. Senior staff comes from various parts of the globe.

Just beyond the eastern boundary of the former SOMIGOL Mining Concession is the village of Khossanto, a regional centre, which has telephone service, a government office, schools, and a medical centre.

In addition to the three villages on the Sabodala Mining Concession, there are six small villages within the former SOMIGOL Mining Concession, each housing 100 to 300 people. Subsistence gardens and a scattering of small fields including sorghum and maize surround the villages. At the larger village of Mamakono, there are schools and small shops. The small villages of Bransan, Dendifa, Mankana, Bambaraya, and Maki Medina have no services or facilities, although they do have water wells.
6 HISTORY

SABODALA MINING CONCESSION

A soil sampling program carried out by BRGM in 1961 resulted in the discovery of Sabodala, which had not previously been recognized by the local artisanal miners, as the gold was fine-grained.

A summary of subsequent ownership and general account of work performed is listed in Table 6-1.

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Work Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>BRGM</td>
<td>Regional geology, soil sampling, pitting, trenching in area of artisanal mining.</td>
</tr>
<tr>
<td>1971-1973</td>
<td>Soviet-Senegal JV</td>
<td>513 m diamond drilling in 19 holes in quartz vein style mineralization.</td>
</tr>
<tr>
<td>1973-1983</td>
<td>BRGM</td>
<td>5,856 m diamond drilling in 53 holes, 263 m percussion in 30 holes.</td>
</tr>
</tbody>
</table>

Some outstanding findings of the work done over the subsequent tenure periods are summarized below. Despite progressively encouraging results, the Project did not progress to production due to the gold price and other factors.

- The drilling by the Soviet-Senegal JV reported intercepts of 12.2 m at 5.8 g/t Au, 69 m at 1.9 g/t Au, and 25 m at 3.6 g/t Au.

- The drilling by BRGM (second tenure) reported intercepts of 8 m at 7.9 g/t Au, 35 m at 5.6 g/t Au, and 18.6 m at 27.6 g/t Au, though it was not specified whether these were from percussion or from core holes.
The drilling highlights for the next period of work by Société Minière de Sabodala-Paget Mining Ltd. JV were 28 m at 6.8 g/t Au, 13 m at 29.8 g/t Au, 18 m at 12.1 g/t Au, and 25 m at 9.2 g/t Au.

The only operation at the site was by Eeximcor-Afrique SA, which mined and stockpiled 80,000 t of which 38,000 t at a grade of 4.4 g/t Au were processed, producing approximately 4,400 oz of gold.

Following Parliamentary approval of the new Senegal Mining Code on November 24, 2003, the Government of Senegal decided to accelerate development of the country's mineral resources. As part of this plan, a consortium of international companies, including MDL, were invited to tender for the exploration and exploitation of the Sabodala deposit.

MDL lodged a full compliant bid for the Sabodala Gold Project on June 7, 2004, and was advised by the Government of its selection on October 25, 2004. The bid was a joint venture between SMC (70%) and private Senegalese interests (30%). Exploration drilling began in June 2005. The company subsequently exercised its option to acquire the remaining 30% minority interest for a mixture of cash and shares.

On May 2, 2007, MDL received Mining Concession status for Sabodala by decree of the President of Senegal. The decree includes the following provisions:

- Ten year mine lease.
- The holder of the mining permit was exempt from VAT, land, and property taxes as well as company tax for a period of eight years from the date of the notification of the issue of the mining concession.
- The holder of the mine permit was exempt from import duties for a period of eight years from the date of the notification of the issue of the mining concession.
- The holder of the mining permit is exempted from export tax for the products resulting from its mining activities within the area of the awarded mining permit.
- A royalty (termed a 'mining tax') equivalent to 3% of gold sales is payable to the Senegalese Government.
- The Republic of Senegal retains a 10% free carried interest after project capital is recovered with interest.

SMC has continued to explore the Project as described in Sections 9 and 10.
On November 23, 2010, Teranga completed the indirect acquisition of the Sabodala gold mine and a regional exploration package by way of a restructuring and demerger from MDL (the Demerger). As part of the Demerger, the following transactions were completed:

- The shares held in the gold-related operating and exploration companies (collectively, the 100% owned Mauritius entities, Sabodala Gold (Mauritius) Limited and SGML (Capital) Limited, as well as the Senegalese subsidiaries, namely the 90% owned Sabodala Gold Operations SA and 100% owned Sabodala Mining Company, as well as shares held in Oromin Explorations Ltd, (Oromin) and an intercompany loan receivable from Sabodala Gold Operations, were transferred to Teranga in consideration for the issuance of 200,000,000 common shares of Teranga to MDL and C$50 million in deferred consideration.

- On December 7, 2010, the company completed the initial public offering (IPO) in Canada and Australia. In Canada, after exercise of the over-allotment option, a total of 36,617,900 common shares of Teranga were issued for gross proceeds of approximately C$110 million. In Australia, 9,000,000 common shares of Teranga were issued for gross proceeds of A$27 million. Total gross proceeds of the IPO were C$137 million.

- A loan of C$50 million, part of the deferred consideration for the transfer of the gold assets to Teranga from MDL, was repaid from the IPO proceeds.

In May 2013, Teranga and its local operating subsidiaries entered into a series of agreements with the government of Senegal with the stated intent to resolve outstanding tax disputes and to provide a framework for the future growth of Teranga’s investment in Senegal (the Global Agreement). On October 4, 2013, Teranga completed the acquisition of Oromin Explorations Ltd. (Oromin) which held a 43.5% participating interest in a joint venture, the Oromin Joint Venture Group (OJVG). The OJVG held a 90% interest, along with 10% held by the government of Senegal, in a 212.6 km² mining concession contiguous with the Sabodala Mining Licence.

On January 15, 2014, Teranga completed a $135 million gold stream transaction with Franco-Nevada Corporation (Franco Nevada) to fund its acquisition of the balance of the OJVG that it did not already own, and retire half of the Company’s then outstanding $60 million loan facility (the Gold Stream Transaction). Pursuant to the Gold Stream Transaction, Franco Nevada purchased a fixed annual amount of gold in the amount of 22,500 oz from SGO for the first six years of the agreement, and thereafter a right to 6% of future gold production.
Subsequent to its acquisition of the OJVG, Teranga executed the new Sabodala Mining Convention with the Government of Senegal which further expanded the Sabodala Mining Licence to 291.2 km² with the inclusion of the Gora gold project.

On January 29, 2016, a Presidential Decree extended the term of the Sabodala Mining Licence to January 26, 2025.

The Sabodala Mining Convention includes a commitment to invest $425,000 per annum in social development programs within the region, $200,000 per annum towards training and logistical support, as well as $30,000 per annum to district administration support. In addition, SGO is required a fee equal to 1% of the average “spot” price gold during the previous 12 months for each additional ounce of recoverable reserves independently confirmed within the Sabodala Mining License, after deduction of mining royalties payable to the State.

EX-SOMIGOL MINING CONCESSION

Oromin, with its OJVG partners, secured rights to the OJVG exploration concession through an open tender process completed in 2004. Initial exploration work programs focused on testing prospects defined by historic exploration and defining new targets. Work began in early 2005, and by year-end 2006, $11 million was spent to methodically explore the property on a district scale and outline several high priority gold targets.

Upon completion of the original Exploration Licence in February 2007, the OJVG petitioned the Senegalese government for an extension as allowed within the Mining Act. A 20-month extension was granted until December 22, 2008, during which time the OJVG was required to spend $12 million. These expenditures led to the undertaking of a Prefeasibility Study (PFS) guided by SRK, to provide information to help determine the best path forward for the Project. Concurrent with the extension in December 2008, OJVG was required to relinquish a portion of the concession, reducing the original concession from 231.3 km² to its current size of 212.6 km².

In September 2009, the OJVG submitted a PFS to the Senegalese government. Although the study concluded negative Project economics, the ongoing resource expansion and exploration drilling programs continued to expand the Project resource base beyond the PFS
drill data cut-off date of May 2009. The OJVG elected to complete the drill program and produce an updated PFS in 2010.

In December 2009, the OJVG submitted a Strategic Environmental Evaluation (SEE) report to the Senegalese government, in support for OJVG’s application for a project mining licence.

In January 2010, OJVG announced that it would upgrade the scope of the updated study to a full Feasibility Study, scheduled for completion at the end of June 2010. Additionally in January 2010, OJVG received government approval for the SEE report submitted in 2009. In February 2010, the Senegalese government granted the OJVG a mining licence for a term of 15 years, at which time the licence can be renewed. A Senegalese company, SOMIGOL, was formed to mine the property.

The Environmental and Social Impact Assessment (ESIA) was presented to the Senegalese government in March 2011. The government identified some issues that needed clarification and the ESIA was re-submitted in September 2011. A technical review committee validated the ESIA document on November 2011 and a subsequent and final public hearing approved the ESIA in March 2012.

The only known production from the Project has been from local small-scale artisanal mining and a small mechanically excavated open cut at Kerekounda. Accurate records of the tonnage and grade from Kerekounda are not available.

**PAST PRODUCTION**

Open pit mining commenced in the Sabodala pit in 2009 and continued until June 2015. Additional open pit mining started at Masato in September 2014 and at Gora in July 2015. Mining of the Masato Phase 1 pit was completed in March 2016 and the Masato Phase 2 pit was completed in January 2016. Mining at Sabodala was halted in June 2015. Mining of the final phases at Masato and Sabodala will commence in future. Mining at Gora is ongoing. All open pit production to date is summarized in Table 6-2.
### TABLE 6-2  PAST PRODUCTION
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Year</th>
<th>Tonnes (kt)</th>
<th>Grade (Au g/t)</th>
<th>Au (koz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,806</td>
<td>3.12</td>
<td>167</td>
</tr>
<tr>
<td>2010</td>
<td>2,285</td>
<td>2.12</td>
<td>141</td>
</tr>
<tr>
<td>2011</td>
<td>2,444</td>
<td>1.87</td>
<td>131</td>
</tr>
<tr>
<td>2012</td>
<td>2,439</td>
<td>3.08</td>
<td>214</td>
</tr>
<tr>
<td>2013</td>
<td>3,152</td>
<td>2.24</td>
<td>207</td>
</tr>
<tr>
<td>2014</td>
<td>3,622</td>
<td>2.03</td>
<td>212</td>
</tr>
<tr>
<td>2015</td>
<td>3,421</td>
<td>1.79</td>
<td>182</td>
</tr>
<tr>
<td>2016</td>
<td>4,025</td>
<td>1.81</td>
<td>217</td>
</tr>
<tr>
<td>2017*</td>
<td>2,094</td>
<td>1.85</td>
<td>114</td>
</tr>
</tbody>
</table>

Note. *Q1 and Q2 Only
7 GEOLOGICAL SETTING AND MINERALIZATION

REGIONAL GEOLOGY

OVERVIEW
The Sabodala Mining Concession and the surrounding exploration permits are located in the 2,213 Ma to 2,198 Ma age Kedougou-Kenieba Inlier (Figure 7-1) which lies within the Paleoproterozoic age Birimian Terrane of the West African Craton. The permits straddle two major divisions of the Inlier – the volcanic-dominated Mako Supergroup to the west, and the sediment-dominated Diale-Dalema Supergroup to the east. The Sabodala, Masato and Gora deposits and western portions of the company's Faleme and Near Mine projects are hosted in the Mako belt volcanics. The Mako Supergroup consists mainly of tholeiitic basalts and andesitic lavas (massive and pillowved flows) with minor komatiitic units interbedded with volcanoclastic sediments (pyroclastic banded tuffs and agglomerates), quartzite and chert as well as ultramafics, dolerites and gabbros. The Diale and Dalema Supergroup are characterized by folded sandstones and siltstones interbedded with calc-alkaline ash and lapilli tuffs that are more pelitic and siliceous in the Diale Supergroup and more calcareous in the Dalema Supergroup.

The Mako and Diale-Dalema supracrustal sequences are intruded by a series of variably deformed granitoid intrusions that range in age from 2,160 Ma to 2,000 Ma. These include the Karkadian Batholith that bounds the Mako Belt to the west, and several major large stocks in the central Mako Belt in the project areas. Northeast trending intermediate to felsic and later, post-tectonic mafic dykes are present throughout the region, the latter forming prominent linear magnetic features. Felsic and intermediate composition dykes are often spatially associated with shear zones hosting gold mineralization, and locally are host to significant gold mineralization themselves. Lithologies in the region are affected mainly by lower greenschist grade metamorphism.

REGIONAL STRUCTURAL SETTING
Birimian rocks of the Kedougou-Kenieba inlier show a polycyclic deformation and metamorphic history. The first phase of deformation (D₁) was compressive followed by a later transcurrent movement and deformation (D₂-D₃). Major crustal shear zones regionally
bound, and influence the overall north-northeast lithologic grain in the region. These include a north-northeast trending shear zone which is interpreted to form a boundary between the Mako and Diale-Dalema groups which lies east of the Sabodala property area, and which is termed the Senegal-Tombo Shear Zone or Main Transcurrent Shear Zone (MTZ) by different authors. This structure has been previously interpreted to pass through the western portions of the Diale-Dalema sequence based on magnetic patterns, but fieldwork suggests that the linear magnetic features are instead related to sets of late mafic dykes. Zones of highly sheared rocks have been mapped in the western part of the Dembala Berola project area confirming the presence of a major shear zone.

The MTZ converges with, and may join to the north in Mali with the major northerly trending Senegal-Mali Shear Zone, which is spatially associated with several major gold deposits, including Sadiola and Loulo in Mali. Intense zones of high strain are also present in the eastern portions of the Mako Supergroup on the Sabodala projects, confirming the presence of a major structural corridor referred to as the Sabodala Structural Corridor (SSC).

High strain zones and apparent truncations of lithologic features on the Sabodala and Sounkounkou permits suggest the presence of second and third order shear zones at the property scale, which may control the localization of gold mineralization. The structures wrap around major intrusions, and northwest trending linking structures between major shear zones are also present, all of which form potentially prospective sites for gold deposit formation. The transcurrent deformation has been interpreted as being synchronous with gold mineralization and the emplacement of several calc-alkaline granites. Field relationships suggest that gold mineralization at Sabodala and other deposits in the region are probably coeval with latter stages of shear zone development. Regional greenschist metamorphism has also been interpreted as being associated with both compressive and transcurrent phases of deformation.
Figure 7-1

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Schematic Geology & Endowment of the Kedougou-Kenieba Inlier

REGIONAL SURFICIAL GEOLOGY
Lateritic weathering combined with duricrust formation is still active in the region. Apart from local hills and resistant lithologies, much of the terrain is covered by laterite and ferricrete resulting in limited rock outcrop. Hills which occur in east and southeastern portions of the Sabodala Mining Lease and in the western portion of the Heremakono permit form some of the best exposed outcrop areas on the projects. Oxidation depth in the region is highly variable, but is generally several tens of metres. Towards the northwest, thick soils and colluvial materials cover large tracts of land. Close to the Faleme River, small lenses of lateritized alluvial deposits can be observed.

PROPERTY GEOLOGY AND MINERALIZATION
Teranga’s properties are subdivided into five project areas:

The Sabodala Mining Concession comprising

(i) the original Sabodala Mining Concession and the former SOMIGOL Mining Concession,

The Regional Exploration Package, which includes

(ii) Near Mine,
(iii) Dembala,
(iv) Faleme, and
(v) Massakounda.

Individual permit areas are listed in Table 4-1. The original Project and permit areas are illustrated in Figure 7-2, and the new permit areas, pending final authorization, are illustrated in Figure 7-3.

The following sections have been largely taken from AMC (2014) and utilize the original Project and permit areas in the description.
Figure 7-2

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Property Geology
(Original Permit Outlines)

Figure 7-3

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Property Geology
(New Permit Outlines)

SABODALA MINING CONCESSION PROJECT AREA

The Sabodala Mining Concession prospects and deposits are shown in Figure 7-4.

SABODALA DEPOSIT
Lithology

Lithologies generally trend north-northeast to northeast with steep dips, although local variations are apparent. Lower greenschist grade metamorphic assemblages affect lithologies. Mafic volcanic rocks dominate in the sequence and interflow sediment horizons occur locally in the mafic volcanic sequence, with the most prominent being a cherty horizon referred to as mylonite by Painter (2005). Other interflow units comprise narrow carbonaceous (graphitic) mudstone-siltstone horizons, which locally are often exploited by shear zones.

Ultramafic rocks are present throughout the stratigraphy and are variably and often intensely affected by alteration and high strain zone development. Fresher varieties, which retain primary textures, are mottled with relict igneous texture suggesting that they mainly comprise intrusive sills and dykes.

Dykes of several varieties intrude both the volcanic sequence and the ultramafic sills. These include at least two phases of porphyritic dykes of probable intermediate to felsic composition that preferentially intrude along shear zones in altered ultramafic units and mineralized shear zones. These are typically one metre to 10 m thick. Later, post-mineralization, fresh mafic dykes that are up to several tens of metres in thickness trend north-northeast generally sub-parallel to the lithologic sequence. The late mafic dykes are not associated with, and crosscut mineralization and its hosting structures.

Structure

The following is largely taken from Rhys (2009).

Principal structures on the Sabodala Mining Concession form a steeply west-northwest dipping, north-northeast trending shear zone network, which has previously been referred to as the "Sabodala Shear Zone". The north-northeast trending shear zones at Sabodala likely represent first and second order structures of regional scale to first order features such as the MTZ, while the northwest trending shear zones may be third order features that accommodate strain between these higher order features.
Two dominant foliations have been recognized: a locally intense (S1) foliation that trends east west to northeast and a north-northeast trending steep northwest dipping foliation (S2). The foliation is inhomogeneous and large areas in the massive mafic volcanics, gabbro, and felsic intrusions often lack or are weakly foliated. Field relationships indicate that the gold mineralization at Sabodala and other deposits in the region is likely to be coeval with later stages of shear zone development.

Mineralization

The Sabodala deposit comprises a network of mineralized shear zones and associated surrounding sets of quartz breccia veins and vein arrays that are discordant to, and cut across the hosting volcanic stratigraphy. Mineralization is most intensely focused in and west of where the shear zone network intersects, and crosscuts the mylonitic chert unit. The best-developed mineralization extends from the chert unit westward to the ultramafic-hosted Ayoub’s Thrust, in the steeply west-northwest dipping host sequence comprising the volcaniclastic unit, mafic volcanic units and gabbro that lie between the chert and the shear zone. The deposit is developed over a strike length of at least 600 from the Sutuba deposit southwest of the current open pit, northward to several hundred metres north of the open pit, where it is open at depth. Within and northward from the current open pit, the deposit plunges moderately to the north; while at the south end of the deposit, the plunge is shallow to the south. The mineralization plunges vary with the orientation of, and intersections between the principal mineralized structures, which host and are surrounded, by gold mineralization.

Gold mineralization at the Sabodala deposit occurs in a combination of occurrences. Continuous grey quartz shear veins along shear zone surfaces in the Main Flat and Northwest shear zones, in sets of quartz-carbonate-albite-pyrite extension veins, in coalescing extension and shear vein domains forming zones of quartz-carbonate matrix breccia, and in areas of pervasive tan to pink coloured carbonate-albite-sericite-pyrite alteration which surrounds and links between veins, shear zones and breccia. Multiple generations of veins are evident, but the most voluminous veining and alteration forms the youngest generations.

Gold mineralization of all styles is associated with pyrite in association with extension and shear veins as clots, grains and along slips surfaces within veins, as pervasively disseminated envelopes around veins, and disseminated in broad zones of carbonate-albite
alteration surrounding shear veins. Locally pyrite forms veinlets, which both cut across, and in other areas are cut by, quartz-carbonate albite veins, suggesting multiple pyrite generations, occurring within both pyrite veinlets and quartz-carbonate veinlets. Pyrite is variable in grain size and ranges from cubic to anhedral. Pyrite of all grain sizes from mineralized zones is spatially associated with grains of native gold along crystal margins, in fractures within pyrite, or encapsulated in pyrite grains. Coarse gold is absent (Ross and Rhys, 2009).

**NIAKAFIRI EAST DEPOSIT**

The Niakafiri East deposit consists of the former Niakafiri Main, Dinkokono, and Niakafiri Southeast deposits, which are located adjacent to and along strike from each other. Gold mineralization is located within the north-northeast trending Niakafiri Shear zone that extends across the Niakafiri East area. Gold mineralization comprises sets of quartz veins, shear veins and disseminated pyrite developed in the ultramafic-hosted carbonate altered ductile Niakafiri Shear Zone, steeply dipping to the west. Mineralization is generally concentrated in areas of both most intense strain, and most pervasive dolomite-sericite alteration where networks of quartz extension and shear veins are developed, often spatially associated with fine-grained pink felsic dykes that occur in close proximity to the mineralized shears. The intersection of north-northeast and north-northwest trending shear vein sets and associated fringing sets of steeply dipping, east-west trending extension veins defines steep northerly plunging shoots.

The dominant alteration mineral in the Niakafiri Shear Zone is dolomite with variable muscovite (sericite) content, and quartz, albite and pyrite as other common alteration minerals. In the southern part of the Niakafiri East deposit, the carbonate dominated hydrothermal alteration is relatively widespread, and as at Masato, fuchsite (Cr-mica) is present in addition to the carbonate-silica-sericite alteration assemblage, particularly within ultramafic units.

The mainly steeply dipping extension and shear veins at Niakafiri East that are associated with areas of gold mineralization are generally more highly strained than those at the Sabodala deposit, and may form an older set of veins than the main stage shallow dipping Sabodala vein arrays.
**NIKAFAIRI WEST DEPOSIT**
The Niakafiri West deposit consists of the former Niakafiri Southeast and Niakafiri West deposits, which are located adjacent to and along strike from each other, and is located parallel to and approximately 0.5 km west of the Niakafiri East deposit. Niakafiri West is located in a north-northeast trending shear zone that extends through the Sutuba and Soukhoto areas, and is possibly associated with the Ayoub’s Thrust at the Sabodala deposit. As at Niakafiri East, Niakafiri West consists of north-northeast trending steeply west dipping, strongly sheared, and altered mafic and ultramafic volcanic rocks.

Mineralization at Niakafiri West is similar to the Niakafiri East deposit, comprising sets of variably deformed quartz extension veins and quartz-carbonate-sericite-tourmaline-pyrite shear veins developed in tan to pale green carbonate alteration zones in areas of high strain. Alteration is similar to that at Niakafiri East and dominated by carbonate-silica-sericite and locally fuchsite. As at Niakafiri East, fine-grained pink felsic dykes occur in close proximity to the mineralized shears. Recent drilling in the northern part of Niakafiri West indicates that gold mineralization occurs as both moderately to steeply dipping shear veins and as broader, flatter lying zones of similar altered shear veins.

**GOUMBATI WEST DEPOSIT**
The Goumbati West deposit is located southwest of the Maki Medina and Kobokoto south gold deposits and is an extension of the Niakafiri West Shear. The gold mineralization at Goumbati West occurs within a 1.2 km long north-northeast trending shear structure. Goumbati West is a north-northeast trending gold in quartz vein system comprised of several zones (A, B, C and D) occurring in a sequence of epiclastics and basalt. Drilling in the northeast extent of Goumbati West suggests a direct linkage of the Goumbati West deposit with the Kobokoto South deposit.

**KOBOKOTO SOUTH DEPOSIT**
The Kobokoto deposit is located to the southwest of Maki Medina, along the same steeply west dipping north-northeast trending structural zone that hosts Masato. At Kobokoto, the host mafic metavolcanics and tuffaceous volcanoclastic sediments are strongly sheared and carbonate dominated alteration is widespread. The main mineralized zone extends to a depth of 100 m and 800 m along strike, and consists of a shallow west dipping, variably sheared zone of quartz-carbonate alteration and quartz-carbonate-tourmaline veining.
**GORA DEPOSIT**

Gora is hosted by a moderate to steep southeast dipping, northeast trending sequence of turbiditic sandstone, siltstone, carbonaceous siltstones, and mudstone which is at least locally overturned by tight to isoclinal folding which are consistently down facing towards the west. The sedimentary package hosting the veins is of undetermined thickness, but from limited outcrops and IP data is estimated to be in the order of 500 m to 600 m thick in the Gora area. At Gora the sedimentary package is intruded and probably bounded by various sill-like intrusions to the east and west, including gabbro, felsic porphyries, minor granitic dykes, and large amounts of quartz-monzodiorite plugs and dykes. The hosting sediments have been affected by upper greenschist grade metamorphic conditions, defined by aluminosilicate porphyroblasts and biotite, probably in the thermal aureole of the surrounding intrusions. Hosting lithologies contain a slaty foliation which strikes parallel but which dips variably with respect to bedding.

Veins dip between 45° and 55° to the southeast. Veins vary locally to several metres thick and typically are banded with grey and white quartz. Dark grey bands and stylolites in the veins may contain carbonaceous material, possibly tourmaline, and reddish Fe-oxides probably after pyrite. The veins occur in narrow shear zones, which are locally manifested as narrow zones of more intense foliation on vein margins. In many locations, these selvedges are very carbonaceous and up to 0.5 m thick. Left steps in the outcrops of veins in plan may suggest either en echelon stepping of the veins and/or left lateral offsets on late sinistral faults known to be developed regionally.

The gold occurs as fine grained, but visible gold has been observed in core from several holes, with the largest measuring up to 120 microns. Gold occurs as free grains on the boundaries of quartz crystals with a very small proportion of gold encapsulated or attached to pyrite. The abundance of visible gold in polished sections did not correlate well with gold grade in the assay intervals. Where abundant gold was observed, the flakes occurred in discrete clusters.

**MASATO DEPOSIT**

The Masato deposit is located several kilometres to the north of Golouma West, within a zone of highly magnetic mafic and ultramafic volcanics. The geology of Masato is dominated by a north-northeast-south-southwest (~020°) trending ductile shear zone several tens of metres in width. The mineralization is hosted in multiple shear fabric-parallel zones within the
broader shear zone. This shear zone is traceable to the north and particularly to the south, where it appears to host further mineralization at Niakafiri East.

The shear zone fabric dips approximately 70º west with local areas of intense metre-scale folding. Some ultramafic rocks are affected by the shearing and commonly appear “greasy”, possibly resulting from alteration by talc and serpentine. Carbonate dominated alteration is relatively widespread; however, fuchsite is present in addition to the carbonate-quartz-sericite assemblage, particularly within ultramafic units. Pink felsic dykes occur in close proximity to the mineralized shear zone.

Gold mineralization is associated with intensely altered zones dominated by the presence of carbonate, silica, and pyrite. The Masato deposit hosts multiple generations of mineral veins. Early white-grey coloured quartz-feldspar veins are commonly highly deformed and barren. The veins dip to the west and strike broadly parallel to the main trace of the deposit.

**MASATO NORTHEAST PROSPECT**
The Masato Northeast prospect is situated along a 2.5 km northeast trending structural splay off the main Masato structural trend, located one kilometre northeast of the Masato deposit. The prospect coincides with soil anomalies along part of its strike length.

The shear zone is comprised of variably sheared and altered oxidized volcanics, unaltered and altered felsic and mafic intrusives, and 2 cm to 60 cm quartz veins. Quartz veins are locally folded, trending approximately parallel to the shear orientation and dipping -50° to -85° to the west-northwest. Anomalous gold grades are associated with quartz veining in strongly sheared and siliceous, carbonate altered volcanics inside the main northeast shear and in adjacent parallel shears, and oxidized fractures in unaltered to weakly altered volcanics.

**GLOLOUMA AREA**
The geology of the Golouma area is dominated by moderately deformed massive flows and pillowed basaltic rocks. The rocks are moderately chloritized, which in some instances is accompanied by the development of epidote replacement. Hydrothermal carbonate-dominated alteration overprints the rocks where deformed by ductile shear. In areas of low strain, the alteration yields a wispy appearance, but in more highly deformed zones, it imparts a buff or salmon-pink colouration and is associated with anomalous gold
concentrations. Several felsic dykes, up to 5 m in width, occur throughout the Golouma area and appear to be intimately associated with the gold mineralization, particularly in Golouma South. A small number of mafic dykes have been recognized in drill core, including one larger gabbroic dyke approximately 12 m in width.

**GOLOUMA WEST DEPOSIT**

The geometry of the Golouma West deposit consists of two broadly east-west trending shear zone-hosted, sheet-like bodies, which together have a total strike length of approximately 900 m and a north-northeast trending appendage, referred to as the West Limb. In plan, the east-west trending bodies are offset by approximately 140 m in a dextral sense along the east-northeast striking Golouma West Fault. As such, it appears these bodies were originally emplaced along a single east-west structure. The West Limb is approximately 200 m in length and dips moderately to steeply towards the west-northwest.

The principal zone of mineralization at Golouma West changes orientation from east-west to north-northeast where it intersects a strong north-northeast oriented shear zone of the Main Transcurrent Shear Zone trend. In section, the main mineralized zone dips 75° to 80° south, broadly parallel to the main east-west ductile cleavage. The West Limb dips at -65° west transitioning to approximately -45° at depths of 200 m. A series of thick northeast oriented quartz-carbonate veins define the trace of the sheet-like body, which has similar mineralogical and alteration characteristics to Golouma West. Mineralization is open both to the east and west of the main east-west body although it appears to weaken to the east. High-grade shoot controlled mineralization remains open at depth in several areas of the deposit.

**GOLOUMA SOUTH DEPOSIT**

Golouma South occupies a north-northeast oriented ductile shear zone with mineralization in a sheet like body, dipping 50° to 65° west. Mineralization has been defined over a strike length of approximately 640 m and down to 560 m below surface.

The deposit consists of sub-parallel mineralized zones coinciding with higher strain zones within the northeast oriented shear zone. Similar to Golouma West, gold is associated with the highest strain parts of the shear zone, corresponding to areas of intense alteration and the presence of quartz veins. The veins are predominantly oriented parallel to the shear fabric and tend to be localized on the margins between high and low strain domains.
The true thickness of mineralized zones varies from 2 m to 20 m, but is typically 5 m to 12 m. Gold distribution is more uniform than at Golouma West, but higher-grade shoots have been noted. These shoots plunge steeply toward the west-southwest and are thought to occur at the intersection between the northeast oriented shear zone and zones of intense east-west shearing.

**GOLOUMA NORTH DEPOSIT**

The Golouma North deposit is located approximately 1.0 km north-northeast of the northernmost Golouma pit and 0.5 km northwest of the Kerekounda deposit. The gold mineralization at Golouma North is associated with three spatially close shear directions. Most of the gold intersections are associated with a north-northeast shear that is up to 20 m wide and extends at least 250 m along strike, while two other gold bearing shears trending east-northeast and northwest cross into the main north-northeast shear.

**GOLOUMA NORTHWEST PROSPECT**

The Golouma Northwest zone trends west-northwest and sub-parallel to the main Golouma West zone. A fairly continuous zone of gold mineralization has been defined and traced for approximately 400 m on strike and 120 m down-dip.

A felsic dyke intrudes the central portion of the mineralized zone, and is interpreted to be the same felsic dyke that is present in the Kerekounda deposit. This dyke is approximately 5 m to 10 m in width, strikes to the northeast, dips moderately northwest, and crosscuts the main gold zone.

Gold mineralization at Golouma Northwest is hosted by a relatively narrow (2 m to 10 m), east-southeast striking shear zone that dips steeply to the south. Alteration, characterized by moderate to strong carbonate-sericite-silica-pyrite mineral assemblage, is accompanied locally by quartz-tourmaline veining.

**KOUROULOULOU DEPOSIT**

The Kourouloulou deposit is situated directly west of the northern continuation of the Golouma South shear zone. The deposit consists of four broadly east-southeast striking mineralized veins arranged parallel to each other within a zone that dips steeply towards the south. A number of the veins are high grade in nature.
**KEREKOUNDA DEPOSIT**

The Kerekounda deposit is located approximately 1.5 km to the north of the Golouma South deposit, within the same east-northeast-west-southwest structural trend that hosts the mineralization of the Golouma area. The deposit is hosted by weakly to moderately deformed mafic volcanics, similar to the host rocks at Golouma. The main ductile foliation orientation is 060-240°, consistent with the east-northeast trending regional structure.

Three distinct shear zones host the mineralization at Kerekounda. Each zone typically ranges from one metre to 10 m width and high-grade shoots plunge steeply toward the west-northwest. The plunging shoots appear to be controlled by the intersection of the regional north-northeast trending shear zone fabric, which controls the location of mineralization in the Golouma-Kerekounda area, with the discrete north-northwest trending shear zones that host the mineralization. Of the three mineralized shears, it is the eastern most shear which is most prevalent. It comprises a quartz-carbonate vein and multiple veins and/or vein breccias, within a broader zone of carbonate dominated alteration. The highest gold grades occur with the quartz veins especially those containing tourmaline while lower grades are generally found in the adjacent altered rock.

A relatively thick unmineralized north-northeast trending mafic dyke cuts the deposit and several smaller mafic dykes cross-cut the mineralization. Additionally, felsic dykes occur in the hangingwall and along the contact between the mafic volcanics and tuffaceous sediments, within the footwall to the mineralization.

**SOUKHOTO AND FALOUMBO AREA PROSPECTS**

The Soukhoto and Faloumbo areas contain widely spaced east-northeast trending and steeply dipping quartz veins that vary from 5 cm to 50 cm thick, with strike lengths of at least several tens of metres. The veins occur in foliated mafic volcanic rocks and comprise white quartz with local prismatic fill, and have thin foliated envelopes. These veins occur in areas of high strain between the more intense shear zones and associated subsidiary structures, potentially linking between the larger shear zones or occurring in areas of strain accommodation at bends and terminations of individual shear zone strands.

**MAKI MEDINA DEPOSIT**

The Maki Medina gold deposit extends across an approximate 1,000 m strike length and is situated along the same steeply west dipping, north-northeast trending structural zone that
hosts Masato and Niakafiri to the north, and Kobokoto and Kinemba to the south. At Maki Medina Main, the host mafic metavolcanics and tuffaceous volcanoclastic sediments are strongly sheared and carbonate dominated alteration is widespread. The main mineralized zone consists of several west dipping, variably sheared zones of quartz-carbonate alteration and quartz-carbonate-tourmaline veining. Several shear parallel, fine-grained, pink felsic dykes occur in close proximity to the mineralized shears.

**MAMASATO DEPOSIT**

The Mamasato deposit geology consists of mafic metavolcanics that have been strongly deformed and sheared by an east-west striking, moderately north dipping, 30 m to 50 m wide shear zone. Several prominent, narrow, fine-grained, pink, felsic dykes occur proximal to the gold mineralization, and minor intermediate dykes occur in both the hanging wall and footwall of the main shear. Oxidation at Mamasato extends to depths of 30 m to 50 m. Gold mineralization at Mamasato consists of three narrow, sub-parallel zones (2 m to 10 m) that strike to the west and dip moderately to the north. These zones are characterized by weak to moderate intensity, carbonate-dolomite-sericite-silica-pyrite alteration, with localized quartz veining.

**GOUMBATI EAST PROSPECT**

The Goumbati East prospect is located three kilometres southwest of the Golouma West deposit and is hosted within the same north-northeast trending regional structure. This prospect has been outlined by soil geochemistry over a strike length of approximately 400 m and drilled along a 200 m strike length. A narrow, altered, shear hosted quartz vein system with local widening, within hosting mafic volcanic and intrusives has been partially delineated by drilling, however, strike length appears limited.

**KOULOUQWINDE DEPOSIT**

The Kouloqwinde deposit is situated within the southwest extension of the main structure that hosts the Golouma South deposit. The principal rock type is massive to sheared mafic metavolcanic, with minor felsic and mafic dykes. Low-grade gold mineralization at Kouloqwinde is hosted primarily within several, sub-parallel, 10 m to 20 m wide northeast trending shear zones. Alteration within the shears is comprised of moderate to locally intense, patchy to pervasive silica-albite-carbonate-sericite-Fe carbonate with traces of pyrite, and minor quartz-tourmaline veining.
**KINEMBA DEPOSIT**

The geology of the Kinemba deposit consists of massive to locally strongly sheared mafic metavolcanics intruded by a prominent magnetic mafic (gabbro) dyke, and minor intermediate to felsic dykes. The shear zones and dykes commonly strike towards the northeast and dip moderately to steeply westward, parallel to the regional trend. Oxidation at Kinemba can reach depths of up to 70 m (vertical), making it an ideal target for heap leach operations. Gold mineralization at Kinemba is found in multiple zones of weak to moderate carbonate-albite-silica-sericite-pyrite alteration, varying in width from 5 m to 30 m, which are hosted by strongly sheared mafic metavolcanic rocks. Mineralization trends approximately north-northeast, dipping steeply westward (-80°), and has been traced over a strike length of approximately 600 m to a depth of 200 m.

**KOUTOUNIOKOLLO DEPOSIT**

The geology at the Koutouniokollo deposit consists of strongly deformed mafic metavolcanics and minor volcanoclastic sediments, which are locally intruded by fine-grained pink felsic dykes. The mafic metavolcanics have been strongly deformed by two separate shear zones, with shearing oriented either west-northwest or north-northeast.

Gold mineralization at Koutouniokollo is located in two structural/alteration zones and in northwest-trending brittle veins. The first structural trend strikes to the north-northeast and dips steeply west-northwest. Mineralization is characterized by strong to intense carbonate-silica-albite-sericite alteration, with local silicification and carbonate-quartz-tourmaline veining hosted in strongly sheared to locally brecciated mafic metavolcanics over widths of 10 m to 30 m. The second zone of mineralization is hosted by a west-northwest striking moderately to steeply southwest dipping shear zone. Gold mineralization along this structure is more sporadic, except in the vicinity of the intersection with the north-northeast structure. Anomalous gold mineralization is associated with quartz-tourmaline veining and pervasive silicification.

**KOUROUNDI DEPOSIT**

The geology of the Kouroundi deposit consists of mafic metavolcanics, which have been locally strongly deformed by two major shear zones. The main gold bearing shear zone strikes to the northwest and dips approximately 40° to the southwest, and is generally 10 m to 40m wide. The second major shear zone is located at the southern end of the prospect and is perpendicular to the main gold bearing shear zone. The second shear zone strikes
westerly, dips steeply to the north, is approximately 25 m to 35 m in width and appears to cut off gold mineralization where it intersects the main gold bearing shear. Prominent and minor intermediate dykes intrude both shear zones, and are oriented generally sub-parallel to the strike of both shears. The most prominent intermediate dyke is located in the footwall of the gold bearing shear and is approximately 10 m in width and strikes towards the north.

Oxidation at Kouroundi is quite variable; with oxidation in the hanging wall commonly extending down 30 m to 50 m. Oxidation within the footwall is more intermittent with oxidation locally extending to depths of over 100 m, especially towards the north, where the mineralized zone extends beneath a very thick laterite plateau.

Gold mineralization at Kouroundi is characterized by strong to intense carbonate-sericite-silica-albite-pyrite alteration with local quartz-tourmaline veining hosted in strongly sheared mafic metavolcanics.

MALEKO PROSPECT
Maleko mineralization is hosted within a broad north-northwest oriented granitic body intruding mafic volcanics and tuffaceous sediments within the regional north-northeast trending structural corridor. An oblong, 600 m by 300 m gold geochemical anomaly was evaluated with mechanized trenching, and later drilling. Maleko comprises a series of both north-northwest and north-northeast trending, moderately dipping, silicified shear zones predominantly hosted by the granitic intrusive body.

SEKOTO PROSPECT
Sekoto area geology consists of a central granodiorite stock, which has intruded adjacent, deformed to highly strained mafic metavolcanics and sediments. Late, massive, fine grained, narrow, intermediate-mafic dykes intrude all of the units. Oxidation at Sekoto commonly extends 30 m to 40 m below surface (vertical), and to greater depth along structures and under laterite cover. Gold mineralization at Sekoto is hosted within and along the margins of the variably altered, massive to weakly deformed, medium grained, granodioritic intrusive, associated with multiple sub-parallel zones of replacement-style pink carbonate-silica-pyrite alteration that range in thickness from three metres to 30 m. The zones strike towards the north or northeast and dip moderate-steeply towards the west.
THE REGIONAL EXPLORATION PACKAGE
The Sabodala Regional prospects and deposits are shown in Figure 7-5.

NEAR MINE PROJECT AREA
The Near Mine Project area composed of the Bransan, Bransan South, and Sabodala West permits lie within the Mako Supergroup, the same general geology which hosts the Sabodala property. Mafic volcanic rocks predominate at both properties, and host bands of ultramafic rocks which are locally highly strained and carbonate altered, such as in eastern portions of the Makana property, which hosts the southern continuation of the Niakafiri Shear zone.

Three large granitoid intrusions have been mapped on Bransan, Bransan South, and Sabodala Northwest. Outcrops of these granites are relatively small in extent with most of the intrusions covered by laterite, however the high resolution aeromagnetics clearly define their boundaries. Significant gold mineralization is present in the central granitoid, named Faloumbo granite.

The western portion of the project area is underlain by the Kakadian batholith, which is poorly mapped complex of gneissic material, largely covered by laterite plateaus. The Sabodala Sheer Corridor (SSC) can be traced from the southernmost part of the Sabodala Concession through to Bransan in the north. At Bransan the aeromagnetics interpretation indicates that the structure cuts through and breaks up the Dialakotoba granitoid.
Bransan Permit

**Goumbou Gamba Prospect**

Goumbou Gamba is hosted by a north trending granitic sill that is localized in alternating mafic volcanic rocks and highly strained talc-chlorite altered ultramafic rocks. Areas of high strain locally wrap around granite intrusions to the east, forming bends and steps, and locally penetrating into and offsetting margins of these intrusions. Continuations of potentially the same chert-mudstone horizon that occurs in the Sabodala pit are present on the Bransan permit, west of the Goumbou Gamba prospect. Mature trough cross-bedded quartzite and black shale also outcrop west of the Goumbou Gamba prospect. Mineralization occurs as narrow discontinuous quartz veins with disseminated pyrite which dip at 40° to 85° east.

**Diadiako Deposit**

The Diadiako deposit occurs in a northwest trending shear zone that is located in a crustal scale shear system on a major regional scale geologic contact between basement Kakadian granite-gneiss and Mako Supergroup basalts and metavolcanics. Host rocks to mineralization at Diadiako are well-foliated mafic volcanics and basalts.

Mineralization occurs as auriferous pyrite occurring in quartz veins and breccia systems hosted within orange/pink albite-hematite altered metavolcanics.

Mineralized quartz veins commonly contain laminated and brecciated internal textures, and are generally mottled grey in colour. Vein margins commonly host displacement surfaces that are lineated and mantled with dark grey to black cataclastite composed of finely comminuted vein, wallrock, and sulphide (pyrite). Vein quartz is characteristically opaque, suggesting that recrystallization is pervasive and caused by ongoing deformation of the vein breccia system or by an overprinting metamorphic event.

**DEMBALA PROJECT AREA**

The Dembala project area, comprising the Dembala Berola and Saiansoutou Permits, are underlain mainly by the turbiditic sedimentary rocks of the Diale-Dalema Supergroup. Principal lithologies in this area comprise a thick sequence of bedded turbiditic sandstone, siltstone, and mudstone. Bedding in most areas dips moderately to steeply west-northwest, although variations to shallow and moderate east-southeast dips occur locally. Bedding in trenches within prospects and isolated outcrop exposures observed throughout the area is
generally upright and faces west toward the Mako belt, based on facing indicators such as common graded bedding and local load casts and scours.

The Diale-Dalema sequence is intruded by several phases of intrusions having differing ages and a range of compositions. Most are small stocks and dykes, the former of which are generally less than 2 km in length and a few hundred metres wide. There are often preferential hosts to gold-bearing quartz veins, generally as sets of extension veins and associated with minor crosscutting shear zones. Common varieties include gabbro, quartz-feldspar porphyritic felsic intrusions, and medium to fine-grained probable granodiorite. Thermal aureoles around some form hornfels zones, or are spatially associated with areas of higher, upper greenschist, metamorphic grade. The intrusions become more abundant westward toward the transition to the Mako Supergroup where some tectonic interleaving of the intrusions and sediments may occur, and in the transition area, larger granitoids intrusions are also present. Dykes of the different intrusive types typically trend northeast shallowly oblique to the strike of bedding, with steep dips.

**Dembala Berola Permit**

**Marougou Deposit**

The Marougou prospect is located 3 km southwest of the Tourokhoto prospect. The turbiditic sedimentary rocks of the Diale-Dalema Supergroup described above predominantly underlie Marougou. These strata include greywacke, siltstone, and shale units intruded by felsic porphyry. Bedding appears to dip moderately to steeply west-northwest. Argillic alteration is pervasive throughout the sequences in the area. The surface gold anomaly at the Marougou prospect was originally defined by termite mound geochemistry. The anomaly was further defined by subsequent rotary air blast (RAB) drilling. Reverse circulation (RC) drilling programs identified a series of north-northeast trending northwest dipping (25-45°) auriferous quartz vein lenses with disseminated pyrite developed over a 1,200 m strike length down to depths of 170 m below surface. Recent diamond drilling and mechanized trenching indicates that gold mineralization occurs in quartz veins, stringers and stockworks developed in medium to coarse-grained immature sandstones.

**Tourokhoto Prospect**

The Tourokhoto prospect is located over the MTZ. Geology is marked by the transition from the more volcanic Mako Group in the west to the more sediment-dominated series of the Diale-Dalema Super group to the east (Figure 7-2).
At this prospect, the Mako volcanic group is represented by sedimentary formations with major fine pelitic sediments locally with some basaltic lava flows. The centre of the prospect contains a large sheared gabbro/gabbro-diorite, surrounded by a black shale series intercalated with basaltic pillow lava units which can up to several tens of metres in width.

The Mako sediment cannot be visually differentiated from the Diale sediments: it is very fine and completely deformed. At surface, fine saprolitic particles covers the soil mixed with erosional products of the once covering lateritic plateaus. Shales are visible within the cutting rivers beds and only some late doleritic dykes are showing some variation in this very continuous area.

The centre of the Tourokhot prospect is characterized by a large gabbro-gabbrodiorite body possibly intercalated with black shales and orientated north-northeast paralleling the MTZ trend. The gabbro is sub-vertical, sheared, and locally mineralized. Some porphyroblastic dolerite dykes with larger feldspar crystals also intrude the sequence.

To the east of the gabbro, hematitic black shales are encountered, these are highly sheared and locally strongly mylonitized and trend N25-35°E. The many sub-parallel shear zones have a very high hematite content that weathers to a highly ferruginous fine-grained unit that in places appears gossanous. A medium size iron-rich hill, partially oxidized into a gossan, crops out in the north of the prospect.

This mylonitic zone and sheared corridor are a product of the intense deformation that occurred along the MTZ. These ferruginous sheared sediments can be traced over strike lengths of several kilometres from north to south. The black shale units located between the gabbro body and the pillow lava basalts are host to the main area of deformation.

Basaltic pillow lava flows are intercalated with the black shales. Generally modest in size, a few metres to ten metres wide, they show very well defined pillow structures. Some gold mineralization is known to occur along these more brittles units.

Eastward, past this intense zone of alteration lie the sediments of the Diale Group. The Diale Group is characterized by medium to fine-grained sediments, varying from pelites and shales to greywacke and sandstones. Minor basalt units are present. The first Diale unit encountered is a very fine pelitic unit also called Dembala Berola Pelites. This unit form large
planes of clayey, white-grey soils that turn to very fine dust on the bush tracks during the dry season and extensive mud planes in the wet season.

From the aeromagnetic images, the MTZ can be interpreted as a major N35°E trending shear, which is clearly crosscut by major N70°E fault structures. It appears that the MTZ is compartmentalized into several fault-bounded blocks by these later N70°E faults/shears. These later faults/shears are not visible in the field in the Tourokhoto Prospect but may contribute as significant structures for mineralization. Late classic N135°E brittle faults are crosscutting the formations. They are fairly visible in the field, cutting through the dolerite dykes and pillow-lava flow units. The local drainage pattern is influenced by this trend.

**Goundameko Prospect**

The turbiditic sedimentary rocks of the Diale-Dalema Supergroup described above underlie the Goundameko prospect. It is located on major 070° trending structures but some local north-northeast trending structural elements are also visible. The main surface gold anomaly consists of three sub-parallel north-northeast trending anomalies about 2.5 km long along strike and approximately two kilometres in width. Trenching has intersected quartz-sulphide stockworks in greywacke, short strike length, one to two metres wide quartz veins, and stringer zones of quartz over widths of two to three metres. RC drilling indicates that felsic intrusive units may be present at depth.

**Dembala Hill Prospect**

The Dembala Hill prospect contains gold mineralization associated with a gabbro-diorite intrusion occurring within turbiditic sedimentary rocks of the Diale-Dalema Supergroup described above. The prospect has been extended to include a 4,000 m long buried intrusive body interpreted from the aeromagnetic data set. The intrusion sits along a gold bearing structure that parallels the Main Transcurrent Shear Zone (MTZ).

**Saiansoutou Permit**

**Saiansoutou Prospect**

The Saiansoutou prospect is located on the permit of the same name and is defined by a 2.8 km long north-south trending surface gold anomaly defined from analysis of termite mound samples. The anomaly is associated with a strong arsenic response and a buried intrusive is indicated by an aeromagnetic response. The turbiditic sedimentary rocks of the Diale-Dalema Supergroup described above underlies the prospect.
FALEME PROJECT AREA

The Faleme Project area consists of two adjacent exploration permits: Sounkounkou and Heremakono. The permits follow the Senegal-Mali Border to the north and span the entire Mako Group of mafics and sediments with the Kakadian Batholith bounding this unit in the west at Massakounda and the MTZ bounding it in the east.

Fine-grained sediments assigned to the Mako Group dominate the Sounkounkou and Heremakono permits. As with the Mako Supergroup, late, fresh mafic dykes that form prominent aeromagnetic lineaments intrude the turbidite sequences in the Diale-Dalema Supergroup.

Narrow north to northeast trending shear zones associated with intense development of the dominant foliation occur locally in the Diale-Dalema sequence where they vary from bedding concordant to discordant. Several shears are localized along felsic dykes, some associated with gold mineralization.

Heremakono Permit

Soreto Prospect

The Soreto prospect is hosted by folded northeast and east-northeast trending sequences of Mako volcano-sedimentary schistose turbiditic sandstone, siltstone, greywacke, and mudstone units. Gabbro, granodiorite, felsic porphyries, minor granitic dykes and large quartz-monzodiorite plugs and dykes intrude the sedimentary package. The hosting sediments have also been affected by upper greenschist grade metamorphic conditions.

The gold mineralization which is often visible occurs in smoky and white quartz veins developed in sheared and brecciated intrusives and sediments, which have undergone intense albite-sericite alteration and micro-fracturing developed over widths of 2 m to 15 m. Visible gold often occurs in the white and smoky quartz veins. The quartz veins and gold mineralization appear to be controlled by north and north-northeast trending structures, dipping both moderately and steeply to the southeast. (50° to 70°). Conjugate northwest southeast trending structures with associated gold mineralization have also been observed. These structures are interpreted as being related to regional shear and thrust zones. Pyrite and trace amounts of chalcopyrite are present in both mineralized and unmineralized samples. Gold mineralization also appears to be closely associated with the presence of
quartz-feldspar porphyry dykes. Surface exposures of the quartz veining and coincident surface geochemical anomalies extend in excess of 3,000 m along strike.

**Nienienko Main Prospect**

The Nienienko Main prospect is underlain mainly by andesitic lavas with associated sub-volcanic mafic intrusions, inter-layered with variably altered sedimentary horizons of the Mako volcano-sedimentary supergroup. A large granitic intrusion occupies the northwestern portions of the prospect, with several gabbroic and doleritic to felsic dykes intruding the sequence. Lithologies generally trend north-northeast to northeast with steep dips, although local variations are apparent.

Gold mineralization is mainly associated with flat lying and locally folded white and smoky quartz veins developed within granodiorite, granite, and andesitic units that are brecciated in places. The gold mineralization has been traced in trench excavations over a distance of 1,200 m and coincides with a termite geochemical soil anomaly extending over a 2,500 m strike length. The mineralization appears to be controlled by regional scale north-northeast trending decollement and imbricate thrust systems.

**Nienienko Regional Prospects**

Detailed geochemical soil sampling programs testing co-incident gold-molybdenum-copper and potassium anomalies identified by earlier regional termite mound sampling programs in areas adjacent to the Nienienko Main area have identified several separate gold mineralized shear zones which trend north-northeast or west-northwest regional structural trends which commonly host other gold deposits in the region. The shear zones frequently have quartz-carbonate alteration with quartz-carbonate-tourmaline veining and are sometimes gossanous.

**Sounkounkou Permit**

**Cinnamon Prospect**

The Cinnamon group of prospects are underlain by Mako volcanosedimentary units comprised predominantly of fine-grained siltstone, shale, and tuffaceous units intruded by felsic and multiple gabbroic dykes and sills. Numerous narrow and discontinuous shear hosted quartz veins were identified by soil and termite mound geochemistry, prospecting and trenching. Gold mineralization has been identified locally in both the quartz veining and altered host wall rock units, however, has yet to demonstrate continuity over any appreciable
size. Additional exploration is warranted on some of the Cinnamon prospects, which have not yet received more than a cursory evaluation. Cinnamon’s geochemical anomalous pattern, when included with both Honey and Jam, comprise the Doughnut geochemical and structural target within the Regional Exploration Permits.

**Honey Prospect**

The Honey group of prospects are underlain by Mako volcanosedimentary units comprised of fine grained siltstone, shale, and tuffaceous units intruded by felsic and multiple gabbroic dykes and sills. Many of the soil geochemical anomalies at Honey mimic the regional north-northeast structural overprint common throughout both the Sabodala Mine Licence and Regional Exploration Permits. The primary exploration target within Honey is associated with a north-northeast trending set of mafic intrusives within coarse and fine grained metasedimentary units. A continuous zone of gold mineralization has been identified by trenching as well as RC and DDH drilling over a strike length in excess of 1 km, however, grades and widths of mineralization are currently not at economic levels. Further exploration should be considered for both the primary exploration target at Honey as well as undrilled secondary geochemical anomalies with positive trench results.

**Jam Prospect**

The Jam prospect is underlain by Mako volcanosedimentary units comprised of fine grained siltstone, shale, and tuffaceous units intruded by felsic and multiple gabbroic dykes and sills. The primary exploration target identified to-date at Jam is comprised of altered and quartz veined metasediments adjacent to a silicified and altered felsic sill-like body traceable in trenching for approximately 300 metres in lateral extent. Mineralization continuity to depth could not be demonstrated by early-stage DDH evaluation. Additional geochemical targets should be evaluated by ground truthing and possibly trenching. Gold mineralization at Jam is quite similar in nature to that observed at both Cinnamon and Honey which jointly comprise the Doughnut anomaly which is bounded by intersecting NNW and NNE structural zones.

**Diabougou Prospect**

The Diabougou prospect is hosted by folded northeast and east-northeast trending sequences of Mako volcano-sedimentary schistose turbiditic sandstone, siltstone, greywacke, and mudstone units. Gabbro, granodiorite, felsic porphyries, minor granitic dykes and large quartz-monzodiorite plugs and dykes intrude the sedimentary package. The
hosting sediments have also been affected by upper greenschist grade metamorphic conditions. Gold mineralization is similar in style to Soreto mineralization.

**KA Prospect**
The KA prospect is hosted by Mako volcanosedimentary units comprised mainly of fine-grained siltstone, shale, and tuffaceous units intruded by felsic and gabbroic dykes. Gold mineralization occurs at the contact between a quartz-feldspar porphyry intrusive and siltstone-shale unit. The contact zone is often brecciated with multiple variably orientated, quartz vein stringers and sulphide box works following bedding and fold axial planar cleavages.

**KB Prospect**
The KB prospect is underlain by Mako volcanosedimentary units comprised of fine grained siltstone, shale, and tuffaceous units intruded by felsic and multiple gabbroic dykes and sills. The hosting geology displays a series of tight antiformal and synformal folds that suggest a shallow plunge, which coupled with the dominantly brittle host gabbroic units, makes the exploration target both small and discontinuous.

**KC Prospect**
The KC prospect overlies Mako volcanosedimentary units comprised of fine grained siltstone, shale, and tuffaceous units intruded by felsic and gabbroic dykes and sills. Gold mineralization occurs within a north-northeast trending shear structure with narrow discontinuous quartz veins and brecciated felsic intrusives, as well as alluvial gold in transported overburden ranging in thickness from 0.4 m to 0.6 m.

**KD Prospect**
Mako volcanosedimentary units comprised mainly of fine-grained siltstone, shale, and tuffaceous units intruded by felsic and gabbroic dykes and Bouroumbourou granite host the KD prospect. Gold soil anomalies coincide with northeast and northwest trending regional scale structures. Trenching and diamond drilling confirm that the gold mineralization is associated with narrow, discontinuous layer parallel quartz veins developed within sheared and sometimes brecciated fine grained, silicified, tourmalinized and sometimes hematized sediments.
8 DEPOSIT TYPES

The Sabodala district occurs in the West African (Birimian) Paleoproterozoic metallogenic province, which extends from Senegal and Mali through northeastern Guinea, Ivory Coast, Ghana, Burkina Faso, and as far east as Niger (Figure 8-1).

The region includes several world-class gold deposits such as Loulo and Sadiola in Mali, and Ashanti (Obuassi) in Ghana. The metallogenic district is associated with Paleoproterozoic aged epigenetic gold deposits which occur in 2.25 Ga to 1.90 Ga granite-greenstone belts of the Birimian and Tarkwaian cycles, which were deformed and metamorphosed during the Paleoproterozoic Eburnean orogeny adjacent to the Archean Sao Luis Craton in Guinea, Sierra Leone, and Liberia. Despite the abundance of known deposits, much of the region remains poorly explored.

Gold deposits in the West African metallogenic district, including those on the Sabodala Project and the company's adjacent exploration concessions, show many characteristics consistent with their classification as orogenic (mesothermal) gold deposits and prospects. In addition to the deposits in western Africa, these include some of the largest gold deposits globally of variable age, such as the Archean aged Hollinger and Red Lake deposits in Canada and Kalgoorlie in Australia. Orogenic gold systems are structurally controlled deposits formed during regional deformation (orogenic) events. The term orogenic refers to deposits sharing common origin in metamorphic belts that have undergone regional compressional to transpressional deformation (orogenesis), often in response to terrane accretion or continent-continent collisional events.

Orogenic gold deposits exhibit a range of styles dependent on metamorphic grade, setting, fluid type, and fluid/confining pressure. They often include spatially associated quartz shear veins, extension vein arrays, shear zone and disseminated sulphide styles. At greenschist grade, vein dominated styles such as those developed in the Sabodala district contain quartz-carbonate ± albite ± K-feldspar veins with up to 10% (pyrite ± arsenopyrite ± base metals) sulphides and associated Fe-carbonate albite, chlorite, scheelite, fuchsite and tourmaline as associated vein and hydrothermal alteration assemblages. Vein systems and shear zones are often semi-brittle in style, including both brittle veinling styles (extension veins and fault hosted brecciated shear veins), which alternate with periods of ductile
deformation, producing sequences of early folded and younger less strained vein systems during latter periods of regional deformation at peak to immediate post-peak metamorphic timing. Sigmoidal extension vein arrays are often present and are typical of the deposit style. This deposit type often also has great vertical extent providing potential for discovery of significant down dip and down plunge continuations of mineralized zones.

Orogenic deposits are typically localized adjacent to major faults (shear zones) in second and third order shear zones within volcano-sedimentary (greenstone and sedimentary) belts between granitic domains (commonly for Precambrian deposits such as the West African Birimian, Abitibi Greenstone Belt of Canada and Yilgarn region of Western Australia) or in slate belt turbidite sequences (many Phanerozoic age deposits). Fluid source for these systems is controversial: they generally involve a dominant metamorphic fluid component, consistent with their setting and relative timing, however, in many districts, there is evidence for a contributing magmatic fluid inducing early oxide-rich alteration assemblages, as is seen at Sabodala.
9 EXPLORATION

EXPLORATION APPROACH

A phased approach has been used to explore the exploration permits.

PHASE 1: TARGET GENERATION

The following data types are collected and compiled.

- Airborne geophysics are interpreted and integrated with field geology (regolith and outcrop mapping) to identify major prospective structures, lithologies, and alteration zones that will provide a project-scale regolith framework in which the context of any surface geochemistry can be evaluated.

- Surface geochemistry to delineate gold-bearing corridors and targets.

- RAB drilling and trenching of prospective structures where extensive transported materials render surface sampling of low effectiveness.

This work also includes geological mapping. Phase 1 of the exploration process is essentially completed and Teranga’s future exploration programs will primarily be focused on Phase 2 and Phase 3 as outlined below. Although, some aspects of Phase 1 continue as in the case of detailed soil grid coverage and trenching activities.

PHASE 2: PRIORITIZATION AND RANKING

Based on the compiled data from Phase 1 and the knowledge base of the SMC exploration team, targets are prioritized by best chance of hosting economic mineralization that meets the following objectives:

- To increase Mineral Reserves on the mine licence, which entails:
  - Measured, Indicated, and Inferred Resource conversion within economic pit limits.
  - Defining mineralized extensions along strike and outlining high-grade zones within economic pit limits.

- Identify heap leachable reserves on the mine leases:
  - Delineating oxide ore in addition to areas already identified within the deposits being mined or going to be mined within the next two years.
  - Delineating extent of transition zones, defining comminution parameters, and determining the resources amenability to various leaching processes.
  - Selection criteria based on size amenable to mining recovery at a diluted economic grade.
• Identify and evaluate open-pit satellite deposits within economic transportation distances of current mining operations:
  o Orebody geometry and diluted grades are required to support open pit mining.
  o Deposits must have economic potential, leach amenability, and scalability for haul to Sabodala.

• Standalone potential and to be exploited as open pit operations:
  o Prioritization of targets within prospects with potential to yield in excess of one million ounces of gold.
  o Identification of targets with significant (>100 ppb Au) soil anomalies coinciding with 1st, 2nd, and 3rd order shear structures supported by favourable trenching results.
  o Flat lying gold mineralized structures similar in style to Sabodala are given the highest preference.

PHASE 3: TARGET EVALUATION

• Trenching is carried out in areas of shallow soil cover to map and sample the gold bearing zones, provide initial third dimension observations of geology and structure and provide a first pass evaluation of their potential.

• RC and diamond drilling are used to test systematically the defined targets towards understanding mineralization continuity. The diamond drilling has an added benefit of enabling the development of structural models towards understanding orientation of mineralization.

Where significant mineralization has been identified, systematic RC and diamond drilling is employed to ascertain overall dimension and quality of the target area.

Exploration activities prior to January 2016, for both the Sabodala Mine Licence as well as all of the RLP, have been documented in considerable detail in the previous Teranga Gold Corporation NI 43-101 dated March 11, 2016.

Additional detailed results for the following subsections can be found on the Teranga website (www.terangagold.com).

JANUARY 2016 TO JUNE 2017 EXPLORATION

SABODALA MINING CONCESSION

GEOPHYSICAL SURVEYS

No geophysical surveys were undertaken during the reporting period.
SOIL, TERMITE MOUND, ROCK CHIP AND BULK LEACH EXTRACTABLE GOLD GEOCHEMISTRY

A total of 2,164 soil samples were collected from a variety of prospects within the Sabodala Mining Concession (Table 9-1). Results were contoured and the geochemical anomalies identified would be followed up with prospecting, rock chip sampling, and trenching. During this reporting period, 405 rock chip samples were taken for analysis, both from within the soil geochemical anomalies and from additional prospecting beyond soil anomalies (Table 9-1). Favorable results would be followed up with further detailed prospecting and trenching, if warranted. No termite mound samples were collected during this reporting period, however, fifty-six Bulk Leach Extractable Gold (BLEG) samples were collected from the Mining Concession as part of a broader regional scale BLEG program (Table 9-1 and Figure 9-1). Analytical results from the BLEG sampling program are pending. Favorable results would be followed-up with detailed evaluation activities beginning with prospecting, rock chip and soil sampling and potentially trenching and drilling.

TRENCHING AND GEOLOGICAL MAPPING

As surficial exposures are quite limited throughout much of the Mining Concession, Teranga utilizes mechanized trenching as a method of extracting both geological and structural information prior to drilling programs. Trenches are designed to cross regional and local structural trends that display any, or a combination of, soil, termite mound and rock chip geochemical anomalies. Trenches are mapped in detail and sampled at the base of each trench using a standard one metre sample interval. From January 2016 through June 2017, seventy-three trenches covering 8,868 m of exposure were excavated, mapped, and sampled (Tables 9-1 and 9-2). Favorable results are followed-up with additional trenching and drilling.

<table>
<thead>
<tr>
<th>Permit</th>
<th>BLEG</th>
<th>Soil</th>
<th>Termite</th>
<th>Rock Chip</th>
<th>Trench No.</th>
<th>Trench m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala - Lot A</td>
<td>48</td>
<td>46</td>
<td>0</td>
<td>362</td>
<td>63</td>
<td>7,741</td>
</tr>
<tr>
<td>Sabodala - Lot B</td>
<td>8</td>
<td>2,118</td>
<td>0</td>
<td>43</td>
<td>10</td>
<td>1,127</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>2,164</td>
<td>0</td>
<td>405</td>
<td>73</td>
<td>8,868</td>
</tr>
</tbody>
</table>
TABLE 9-2  SABODALA MINING CONCESSION – TRENCH LOCATIONS
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Permit</th>
<th>Deposit/Prospect</th>
<th>Trench No.</th>
<th>Trench m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala - Lot A</td>
<td>Golouma 2016</td>
<td>17</td>
<td>1884.1</td>
</tr>
<tr>
<td></td>
<td>Goumbati East 2016</td>
<td>4</td>
<td>438</td>
</tr>
<tr>
<td></td>
<td>Kerekounda 2016</td>
<td>3</td>
<td>575</td>
</tr>
<tr>
<td></td>
<td>Kinemba 2016</td>
<td>4</td>
<td>245</td>
</tr>
<tr>
<td></td>
<td>Kobokoto / Goumbati West 2016</td>
<td>13</td>
<td>1497</td>
</tr>
<tr>
<td></td>
<td>Koulouqwinde 2016</td>
<td>7</td>
<td>1438</td>
</tr>
<tr>
<td></td>
<td>Niakafiri East 2016</td>
<td>1</td>
<td>143</td>
</tr>
<tr>
<td></td>
<td>Saboraya 2016</td>
<td>9</td>
<td>883.3</td>
</tr>
<tr>
<td></td>
<td>Koulouqwinde 2017</td>
<td>2</td>
<td>191</td>
</tr>
<tr>
<td></td>
<td>Niakafiri East 2017</td>
<td>3</td>
<td>447</td>
</tr>
<tr>
<td>Sabodala - Lot B</td>
<td>Zone ABC 2016</td>
<td>7</td>
<td>904</td>
</tr>
<tr>
<td>Sabodala - Lot B</td>
<td>Zone ABC 2017</td>
<td>3</td>
<td>223</td>
</tr>
</tbody>
</table>

**DRILLING**

Exploration activity within the Sabodala Mining Concession was mainly drill based and is described in Section 10.

**REGIONAL EXPLORATION PERMITS**

**GEOPHYSICAL SURVEYS**

No geophysical surveys were undertaken during the reporting period.

**SOIL, TERMITE MOUND, ROCK CHIP AND BLEG GEOCHEMISTRY**

In total, 12,783 soil samples were collected from a variety of exploration targets and prospects throughout the Regional Exploration Permits (Table 9-3). Results were contoured and the geochemical anomalies identified would be followed-up with prospecting, rock chip sampling, and trenching. During this reporting period, 318 rock chip samples were collected for analysis, both from within the soil geochemical anomalies and from additional prospecting beyond soil anomalies (Table 9-3). Favorable results would be followed-up with further detailed prospecting and trenching, if warranted. No termite mound samples were collected during this reporting period, however, 138 BLEG samples were collected from across the entire exploration land package comprising the Regional Exploration Permits (Table 9-3 and Figure 9-1). Analytical results from the BLEG sampling program are pending. Favorable results will be followed-up with detailed evaluation activities.
TRENCHING AND GEOLOGICAL MAPPING

As surficial exposures are quite limited throughout much of the area comprising the Regional Exploration Permits, Teranga utilizes mechanized trenching as a method of extracting both geological and structural information prior to drilling programs. Trenches are designed to cross regional and local structural trends that display any, or a combination of, soil, termite mound and rock chip anomalies. Once trenches are excavated, they are mapped in detail and sampled at the base of each trench using a standard one-metre sample interval. During this reporting period, from January 2016 through June 2017, 164 trenches covering 22,748 m of exposure were excavated, mapped and, sampled (Table 9-3 and 9-4). Favourable results are followed up with additional trenching and drilling.

### TABLE 9-3 REGIONAL EXPLORATION PERMITS – SAMPLE SUMMARY
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Permit</th>
<th>BLEG</th>
<th>Soil</th>
<th>Termite</th>
<th>Rock Chip</th>
<th>Trench No.</th>
<th>Trench m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bransan - Lot A</td>
<td>10</td>
<td>6,103</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bransan - Lot B</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bransan - Lot C</td>
<td>62</td>
<td>467</td>
<td>0</td>
<td>163</td>
<td>61</td>
<td>8,819</td>
</tr>
<tr>
<td>Sounkounkou (New)</td>
<td>65</td>
<td>6,213</td>
<td>0</td>
<td>154</td>
<td>103</td>
<td>13,929</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>12,783</td>
<td>0</td>
<td>318</td>
<td>164</td>
<td>22,748</td>
</tr>
</tbody>
</table>
### TABLE 9-4  REGIONAL EXPLORATION PERMITS – TRENCH LOCATIONS
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Permit</th>
<th>Deposit/Prospect</th>
<th>Trench No.</th>
<th>Trench m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bransan - Lot C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cinnamon 2016</td>
<td>9</td>
<td>2,083</td>
</tr>
<tr>
<td></td>
<td>JC Corridor 2016</td>
<td>1</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td>Marougou 2016</td>
<td>25</td>
<td>2,777</td>
</tr>
<tr>
<td></td>
<td>Tourokhoto 2016</td>
<td>6</td>
<td>1,668</td>
</tr>
<tr>
<td></td>
<td>Marougou 2017</td>
<td>20</td>
<td>2,076</td>
</tr>
<tr>
<td>Sounkounkou (New)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cinnamon 2016</td>
<td>4</td>
<td>274</td>
</tr>
<tr>
<td></td>
<td>Honey 2016</td>
<td>12</td>
<td>2,711</td>
</tr>
<tr>
<td></td>
<td>Jam 2016</td>
<td>10</td>
<td>1,326</td>
</tr>
<tr>
<td></td>
<td>JC Corridor 2016</td>
<td>4</td>
<td>892</td>
</tr>
<tr>
<td></td>
<td>KA 2016</td>
<td>5</td>
<td>505</td>
</tr>
<tr>
<td></td>
<td>KB 2016</td>
<td>10</td>
<td>1,096</td>
</tr>
<tr>
<td></td>
<td>KD 2016</td>
<td>6</td>
<td>891</td>
</tr>
<tr>
<td></td>
<td>Kodadian 2016</td>
<td>3</td>
<td>276</td>
</tr>
<tr>
<td></td>
<td>Leoba 2016</td>
<td>19</td>
<td>3,021</td>
</tr>
<tr>
<td></td>
<td>Nienienko 2016</td>
<td>1</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>Soreto 2016</td>
<td>4</td>
<td>568</td>
</tr>
<tr>
<td></td>
<td>Soreto North 2016</td>
<td>5</td>
<td>816</td>
</tr>
<tr>
<td></td>
<td>Honey 2017</td>
<td>12</td>
<td>884</td>
</tr>
<tr>
<td></td>
<td>Jam 2017</td>
<td>6</td>
<td>467</td>
</tr>
<tr>
<td></td>
<td>JC Corridor 2017</td>
<td>2</td>
<td>62</td>
</tr>
</tbody>
</table>

**DRILLING**

Exploration activity within the Regional Exploration Permits included considerable drilling evaluation that is described in Section 10 of this report.
Figure 9-1

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa

BLEG Survey Coverage - Mining Concession & Regional Exploration Permits

Legend:
- SSED Samples
- Mining Concessions
- New Exploration Permits
- Previous Exploration Permits

10 DRILLING

Previous drilling activities, prior to January 2016, for both the Sabodala Mine Licence as well as all of the Regional Land Permits, has been documented in considerable detail in RPA (2016) and AMC (2014).

DRILLING METHODS

Teranga has established and followed standard operating procedures for RAB, RC, and Diamond Core Drilling (DDH). Teranga follows a similar sampling method and approach for the Sabodala Mining Concession and Regional Exploration Permits as previously outlined in AMC (2014). The following sub-sections have been largely taken from this report.

Drillhole collars are surveyed using a theodolite or Topcon differential GPS based on survey points triangulated from established monuments. All holes are downhole surveyed using a Reflex Easy-Shot single shot tool. The target of the hole dictates frequency of measurement. Holes drilled on a predetermined grid are surveyed at 30 m intervals after the hole is completed. Holes targeted specifically at a certain geologic feature are downhole surveyed as the hole progresses. Ezy-Mark or ACE Tool TM is used for oriented core. To provide adequate coverage, orientation marks are inserted every three metres down the hole.

The geologist logs wet diamond drill core and RC chips following a consistent coding system for lithology, alteration, mineralization, and base of oxidation. Core logging also includes structural geology, geotechnical features including core recovery, rock quality designation (RQD), fracture frequency and infill, and hardness. The recovery for diamond drill core averages 95% for fresh rock and approximately 80% to 90% for oxide. RC recovery averages approximately 85%.

REVERSE CIRCULATION DRILLING

RC drilling is used for shallow exploration drillholes (<250 m) and pre-collars of deeper diamond tailed drillholes, where water inflow at depth makes RC drilling inefficient. RC cuttings are collected through a cyclone into a collector bag. The cuttings are sampled on one-metre intervals for each metre drilled. The 1-metre interval cuttings are passed through a
three-tier, one-eighth splitter resulting in an approximate 2.0 kg to 2.5 kg subsample. A geologist or geological technician is at the drill rig at all times it is in operation.

All 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 the instances where some water ingress is unavoidable, damp or wet samples are dried prior to being split; clods are not force-fed through the riffles. Plastic sample bags and calico collection bags are labeled with a permanent ink marker. As a general policy, bulk RC bags are to be emptied and removed only on receipt of the assay results. For resource drilling, mineralized intervals and three to five metres immediately adjacent on both sides, are retained either as laboratory rejects or by resampling the original bulk RC bags.

The cyclone is cleaned regularly. To ensure compatibility, the drill log and sample book are regularly checked against the hole depth as drilling proceeds. The drill log has a column for sample return quality that is noted as either “good”, or “poor”.

A sample of the chips for the interval is stored in a plastic chip tray and received by the logging geologist. Sections are manually drawn in the field as the drilling progresses.

### DIAMOND DRILLING

All diamond drillholes are collared and drilled using HQ (63.5 mm diameter) or NQ (47.6 mm diameter) sized equipment.

When larger diameter holes were required for geotechnical studies, PQ sized holes were drilled. Drillholes are typically drilled approximately perpendicular to the target mineralization from the hanging wall to or into the footwall. A geologist is at attendance at the rig when it is in operation during day shift.

Core measurement blocks are inserted by the driller into the core boxes and the block position marked in the box in case of core movement during transport to the core logging facility. Core orientation marks are rotated to the bottom of the core. The core pieces are aligned in the core trays and the orientation line propagated along the length of the core. A geologist respecting lithological and mineralization contacts marks the core for sampling.
Sampling is mostly done in one-metre intervals, except on rare occasions where geological variations are examined in more detail.

All drill core is photographed before it is sampled or disturbed during logging. For geotechnical purposes, core photographs are taken dry, as soon as possible after recovery to minimize the effects of breakage during handling or decomposition from exposure to air and water. The core is re-photographed wet for easier recognition of colours, geological features, and textures. Each core tray is photographed with a name board listing project location, drillhole number, tray number, start and end depths of tray, date and colour bar.

The core is sawn in half lengthwise with a diamond saw, then sampled, bagged, and tagged.

On resource drilling programs, bulk density determinations are carried out for both mineralized and barren host rocks, as well as on samples of the various weathering profiles. A 20 cm to 30 cm sample is taken from each five-metre interval of the split core. Bulk density determinations are measured in-house using the immersion in water method. Porous oxide samples were sealed with paraffin wax prior to taking measurements.

For metallurgical studies, the remaining half core is split, with the quarter core samples sent for analysis.

**ROTARY AIR BLAST DRILLING**

The RAB drill is used for reconnaissance exploration drilling and sterilization programs. RAB holes are typically drilled to blade refusal, which in most cases coincides with the top of the unoxidized bedrock. The maximum, practical drill depth for most rigs is around 60 m to 80 m where the oxidation and overburden profile is very well developed. Holes are angled 60º to 70º degrees to surface. Collar surveys are picked up using hand held GPS units. No downhole surveys are performed.

Cuttings are recovered via a cyclone that is attached by a drill pipe to the top of the sealed hole collar. Unlike RC cuttings, the cuttings from a RAB hole are exposed to the wall rock as they ascend to the collar of the hole for collection.
Samples submitted for analysis are a composite of two individual one-metre samples. The 1 m sample is taken via a pipe inserted into the cuttings pile in two passes, forming a cross pattern. The composite weighs approximately 2.5 kg. The RAB cuttings are left in one metre piles on the ground near the hole collar. The subsample composite is collected in a clear plastic bag, the top folded twice and stapled over the fold with a paper sample-number tag inserted in the fold.

REGIONAL EXPLORATION DATA MANAGEMENT

The drilling and surface geochemical geological database is centralized, and held in an SQL database that resides on the Sabodala server. The SGO mining operation implemented a site-wide Centric platform in 2009 to manage its various drilling, mining and production dataflow. Following this roll out the exploration team transferred its MS Access database onto the same platform. This product was managed by NCS technologies of Canada. The exploration component was a customized module based on the borehole manager in use for the grade control drilling.

User interface is via the web based Centric platform format and monitored by a dedicated Database Manager. The database has built in validation features. Geologists enter drill hole logging data into a standardized template on Panasonic Toughbook computers either at the rig or in the core yard. The database group transfers the digital field logs into Excel files, then the data is stored in a SQL MS Access database. Database access is restricted as much as possible to maintain accuracy. Field data from some large outsourced campaigns are received in MS Excel format that can be directly imported into the database. A dedicated Database Manager supervises the database and data entry. MapInfo or Vulcan is used for on-site data validation by the responsible geologist and for geological interpretation.

Assays from all laboratories are received in digital format via e-mail and are automatically loaded into the database upon simple QA/QC data plotting and checking. The downhole surveys, driller sheets, and safety forms are stored in an organized fashion within the same data room. Electronic files are kept under the control of the Data Manager.
### SABODALA MINING CONCESSION

**PREVIOUS CUMULATIVE DRILLING - 2005 TO DECEMBER 2015**

Teranga and its predecessors drilled 5,000 diamond and RC drillholes totalling 920,966 m on the Sabodala Mining Concession, as summarized in Table 10-1.

#### TABLE 10-1  SABODALA MINING CONCESSION – CUMULATIVE DRILLING FROM 2005 TO DECEMBER 2015

Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Deposit/Prospect</th>
<th>No. of Holes</th>
<th>RC (m)</th>
<th>DD (m)</th>
<th>Total (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayoub's Extension</td>
<td>159</td>
<td>18,700</td>
<td>20,085</td>
<td>38,785</td>
</tr>
<tr>
<td>Base of Sambaya Hill</td>
<td>53</td>
<td>4,066</td>
<td>3,742</td>
<td>7,808</td>
</tr>
<tr>
<td>Dambakhoto Sterilization</td>
<td>5</td>
<td>870</td>
<td>0</td>
<td>870</td>
</tr>
<tr>
<td>Dinkokono</td>
<td>94</td>
<td>6,879</td>
<td>6,350</td>
<td>13,229</td>
</tr>
<tr>
<td>Faloumbo</td>
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<td>900</td>
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<td>26,042</td>
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<td>9,144</td>
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<td>9,260</td>
<td>10,706</td>
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<td>65,765</td>
<td>74,291</td>
<td>140,056</td>
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<td>870</td>
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<td>7,847</td>
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<td>6,698</td>
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<td>634</td>
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<td>96,491</td>
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<td>Deposit/Prospect</td>
<td>No. of Holes</td>
<td>RC (m)</td>
<td>DD (m)</td>
<td>Total (m)</td>
</tr>
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<td>---------------------</td>
<td>-------------</td>
<td>--------</td>
<td>--------</td>
<td>-----------</td>
</tr>
<tr>
<td>Sabodala North</td>
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<td>1,539</td>
<td>3,625</td>
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<td>485</td>
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<td>7,082</td>
<td>1,856</td>
<td>8,938</td>
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<td>1,303</td>
<td>3,064</td>
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<td>Soukhoto</td>
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<td>3,553</td>
<td>1,634</td>
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<td>15,615</td>
<td>5,817</td>
<td>21,432</td>
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<td>842</td>
<td>798</td>
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<td><strong>5,000</strong></td>
<td><strong>410,396</strong></td>
<td><strong>510,600</strong></td>
<td><strong>920,996</strong></td>
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</table>

**DRILLING JANUARY 2016 TO JUNE 2017**

During this reporting period, Teranga completed 683 DDH, RC, and RAB holes for a total of 50,155 m on the Sabodala Mining Concession (Table 10-2).

Drilling during this period focused on the Niakafiri deposits: Niakafiri East (consisting of Niakafiri Main, Dinkokono, and Niakafiri Southeast) and Niakafiri West (consisting of Niakafiri West and Niakafiri Southwest) deposits; and the Goumbati West deposit. Step-out and infill DDH drilling was undertaken to further delineate and confirm resources, as well as attain better structural information for each deposit.

Additional diamond drilling was conducted at Golouma North to enable initial resource estimation and Maleko to test mineralization extents at this previously undrilled prospect.

A RAB sterilization program was conducted over the planned dumps and lay down footprint areas at Golouma West and Golouma South.

A separate RAB exploration evaluation program was utilized at Goumbati West (Zone C), Niakafiri and Bambarayandi prospects.

The resource delineation program at the Niakafiri East and Niakafiri West deposits comprised 17,182 m of core drilling.

The resource delineation program at the Goumbati West deposit comprised 17,116 m of core drilling and 455 m of pre-collar RC drilling.
Additional detailed results for the following subsections can be found on the Teranga website (www.terangagold.com).

**TABLE 10-2** SABODALA MINING CONCESSION - DRILLING FROM JANUARY 2016 TO JUNE 2017

Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Permit</th>
<th>Deposit/Prospect</th>
<th>Year</th>
<th>No. of Holes</th>
<th>RAB (m)</th>
<th>RC (m)</th>
<th>DDH (m)</th>
<th>TOTAL (m)</th>
</tr>
</thead>
<tbody>
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<td>Sabodala - Lot A</td>
<td>Bambarayandi</td>
<td>2016</td>
<td>38</td>
<td>1,068</td>
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<td>0</td>
<td>1,068</td>
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<tr>
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<td>Golouma</td>
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<td>140</td>
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<td>5,159</td>
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<td>Goumbati East</td>
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<td>0</td>
<td>0</td>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td></td>
<td>Kobokoto/Goumbati West</td>
<td>2016</td>
<td>362</td>
<td>5,430</td>
<td>455</td>
<td>17,116</td>
<td>23,001</td>
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<td>Kobokoto/Goumbati West</td>
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<td>300</td>
<td>0</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
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<td>Koulouqwinde</td>
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<td>13</td>
<td>334</td>
<td>0</td>
<td>0</td>
<td>334</td>
</tr>
<tr>
<td></td>
<td>Koulouqwinde</td>
<td>2017</td>
<td>17</td>
<td>271</td>
<td>0</td>
<td>0</td>
<td>271</td>
</tr>
<tr>
<td></td>
<td>Maki Medina</td>
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<td>300</td>
<td>0</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>Maleko</td>
<td>2016</td>
<td>8</td>
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<td>0</td>
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<td>1,200</td>
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<td>0</td>
<td>656</td>
<td>656</td>
</tr>
<tr>
<td></td>
<td>Niakafiri East</td>
<td>2017</td>
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<td>441</td>
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<td>2017</td>
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</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>683</td>
<td>8,284</td>
<td>455</td>
<td>41,416</td>
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</table>

**NIAKAFIRI DEPOSITS**

To enable the resource estimation update for the various components comprising the Niakafiri deposits, a comprehensive diamond core-drilling program was undertaken. Drilling was undertaken throughout the reporting period (Figure 10-1). In excess of 17,000 m of core was drilled, predominantly in the last six months of the reporting period. Drilling activities continued beyond June 2017 as well, at all components comprising the Niakafiri deposits, as mineralization has not yet been fully delineated.
Figure 10-1

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Niakafiri Deposit
DDH Drilling Program

Legend:
- Villages
- DDH Completed
  January 2016 to June 2017
- December 2016 Mineralized
  Surface Projections

August 2017
**GOUMBATI WEST DEPOSIT**
Additional step-out and infill drilling was undertaken at Goumbati West to enable a resource estimation update.

Mineralization intersected by drilling at the current northern extent of the Goumbati West deposit appears to either, link directly with the Kobokoto South mineralization or, come extremely close to the southern extent of that previously defined mineralization.

In excess of 17,000 m of core was drilled at Goumbati West, predominantly during the initial twelve months of the reporting period (Figure 10-2). Drilling will continue at both the Goumbati West deposit and Kobokoto South deposit in the future, as neither has been fully delineated.

**GOLOUMA NORTH PROSPECT**
In excess of 5,000 m of core drilling was undertaken at the Golouma North prospect that lies in close proximity to both the Golouma South and Kerekounda open pit operations (Figure 10-3). Early drilling results were of interest, however, follow-up drilling suggests that the zone of mineralization is limited in size. This prospect may be revisited for further evaluation in the future.

**MALEKO PROSPECT**
Eight core holes totalling 1,200 m were completed at Maleko during this reporting period. Drilling was targeting a number of gold-in-soil and trench results and was not designed for resource estimation. The initial drilling results were successful in identifying mineralization warranting a follow-up drilling evaluation program in the future.

**GOUMBATI EAST PROSPECT**
Ten core holes totalling 900 m were drilled at Goumbati East during the reporting period. The results of these holes failed to outline a continuous mineralized zone of sufficient size and grade to warrant further evaluation at this time, nor to undertake any resource estimations.
Figure 10-2

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Goumbati West
DDH Drilling Program

August 2017

Completed DDH
January 2016 to June 2017
Shear Zone

Au PPB Soil Contours:
- < 501
- 201 - 500
- 151 - 200
- 101 - 150
- 051 - 100

REGIONAL EXPLORATION PERMITS

On the Regional Exploration Permits, between 2005 and December 2015, Teranga, its predecessors, and joint venture partners drilled approximately 11,597 DDH, RC, and RAB drillholes totalling 296,299 m, as summarized in Table 10-3.

**TABLE 10-3 REGIONAL EXPLORATION PERMITS – DRILLING FROM 2005 TO DECEMBER 2015**

Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Permit</th>
<th>Deposit/Prospect</th>
<th>No. of Holes</th>
<th>DD (m)</th>
<th>RC (m)</th>
<th>RAB (m)</th>
<th>Total (m)</th>
</tr>
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<td>306</td>
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<td>123</td>
</tr>
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<td>KE</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>55</td>
<td>55</td>
</tr>
</tbody>
</table>
Permit | Deposit/Prospect | No. of Holes | DD (m) | RC (m) | RAB (m) | Total (m)  
--- | --- | --- | --- | --- | --- | ---  
Sterilization | 25 | 338 | 0 | 420 | 758  
Total | 11,783 | 19,554 | 70,771 | 205,974 | 296,299  

**JANUARY 2016 TO JUNE 2017**

During this reporting period, Teranga completed 186 DDH and RC holes for a total of 9,032 m on the Regional Exploration Permits (Table 10-4).

Drilling during this period focused on the Marougou deposit. Additional diamond drilling was conducted at a variety of early-stage exploration prospects including, Leoba, Nienienko, Honey, Cinnamon, Jam, and Kodadian. These early-stage drilling evaluations were generally of limited scale and designed to evaluate mineralization depth and strike extents of these trenching and gold-in-soil prospects.

In addition to further drilling evaluation at the Marougou deposit, future drilling, of those prospects drilled during this reporting period, is planned for Leoba and Cinnamon prospects.

**TABLE 10-4 REGIONAL EXPLORATION PERMITS – DRILLING FROM JANUARY 2016 TO JUNE 2017**

Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Permit</th>
<th>Deposit/Prospect</th>
<th>Year</th>
<th>No. of Holes</th>
<th>RAB (m)</th>
<th>RC (m)</th>
<th>DDH (m)</th>
<th>TOTAL (m)</th>
</tr>
</thead>
<tbody>
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<td>Bransan - Lot A</td>
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<td>0</td>
<td>0</td>
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<td>Bransan - Lot B</td>
<td>All</td>
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<td>0</td>
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<td>0</td>
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<td>Cinnamon</td>
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<td>0</td>
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<td>576</td>
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<td>383</td>
<td>383</td>
</tr>
<tr>
<td></td>
<td>Leoba</td>
<td>2016</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>485</td>
<td>485</td>
</tr>
<tr>
<td></td>
<td>Nienienko</td>
<td>2016</td>
<td>137</td>
<td>0</td>
<td>3,376</td>
<td>0</td>
<td>3,376</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>186</strong></td>
<td><strong>3,376</strong></td>
<td><strong>5,656</strong></td>
<td><strong>0</strong></td>
<td><strong>9,032</strong></td>
</tr>
</tbody>
</table>

**MAROUGOU DEPOSIT**

The primary drilling target on the Regional Exploration Permits, during the reporting period, was the Marougou deposit. The mineralization at Marougou was identified predominantly by an extensive trenching program undertaken prior to and during the drilling programs. Twenty-nine core holes totalling 2,718 m were completed at Marougou in 2016 (Figure 10-4).
The majority of these holes tested the mineralization only to very shallow depths. To date, at least three partially delineated mineralized zones comprise the current Inferred Resource at Marougou.

Drilling will continue at the Marougou deposit in the future, to extend known mineralization along trend, to greater depths and to evaluate the potential to identify and delineate additional parallel, mineralized zones.

**LEOBA PROSPECT**
Three core holes totalling 385 m were drilled to evaluate a number of very wide alteration zones identified by mechanized trenches across a broad gold-in-soil geochemical anomaly. Results for two of the holes were low, although alteration zones were observed in both. The third drillhole intersected a mineralized zone of width and grade warranting follow-up evaluation (11 m grading 3.34 g/t Au). A short second phase drilling evaluation is planned to evaluate both to depth and along trend of this positive intersection.

**NIENIENKO PROSPECT**
Early during the reporting period, a comprehensive RC drilling program was undertaken at the Nienienko prospect to evaluate the potential of flat to moderately dipping quartz veins that demonstrated some localized folding. The quartz vein target had been mapped and trenched over a broad area, which lent itself to evaluation, by Sectional profile drilling utilizing short heel-to-toe overlapping RC drillholes. In total 137 RC holes comprising 3,376 m were completed within four profile sections. Results failed to outline a target demonstrating continuity of grade and thickness favorable for further evaluation or resource estimation.
Completed DDH
January 2016 to June 2017

Legend:

Projected Surface Mineralization Trends

Au PPB Soil Contours:
< 241
181 - 240
121 - 180
061 - 120
031 - 060

August 2017

HONEY PROSPECT
Five core holes totaling 1,085 m were completed at the Honey prospect during this reporting period. Drilling was targeting an area from which earlier widely spaced RC drilling had identified some gold intervals of interest warranting further infill drilling evaluation. The 2016 drilling program, utilizing core drilling, assisted greatly with the structural and lithological controls on alteration and mineralization. Results did identify two to three altered and mineralized zones in the drillholes, however, grades and thicknesses intersected do not warrant additional drilling evaluation, nor any resource estimation at this time.

CINNAMON PROSPECT
Three core holes totaling 576 m were completed at the Cinnamon prospect early in the reporting period. Drilling targeted a newly identified gold-in-soil anomaly and recent trenching results indicating a series of parallel altered-mineralized zones. Results from the limited drilling completed, verified the existence of two to three altered zones; however, mineralization was low grade and narrow. Further exploration is warranted in the area along trend of the limited drill program focusing on structural intersections associated with the drilled trend.

JAM PROSPECT
Six short core holes totalling 410 m were drilled along a 200 m strike extent of a mineralized zone identified in a series of mechanized trenches displaying a continuous zone of mineralization. Although a number of the holes verified the type of results identified by the trenching, there is a lack of continuity across the entire strike length tested by drilling. No additional exploration drilling, nor resource estimation, is warranted at this prospect at this time.

KODADIAN PROSPECT
Three core holes totalling 383 m were completed at Kodadian to evaluate a lengthy and wide quartz vein system displaying gold-in-rock chip sampling associated with a gold-in-soil geochemical anomaly. Drilling results, from all three drillholes, were low. No additional drilling evaluation is currently planned here, however, it is a lengthy target only locally tested by drilling to date.
11 SAMPLE PREPARATION, ANALYSES AND SECURITY

Teranga has established standard operating procedures for sample preparation, analyses, and security, which are appropriate for gold mineralization and follow industry standards. Sample preparation methodology and analyses conducted prior to 2014 are outlined in detail in AMC (2014). Sample preparation, methodology, and analyses conducted from 2014 to 2015 are outlined in detail in RPA (2016). The following summarizes the sample preparation, analyses, and security procedures undertaken from January 2016 to June 2017.

SAMPLE PREPARATION

The Exploration Geologist is responsible for all sampling activities conducted by geological technicians and samplers, including sampling, sample bagging, numbering and tagging, sorting, transportation, security, completion of the analytical submission sheets, and QA/QC program. The Project Geologist is responsible for the overall drilling and sampling programs.

One sample is taken for each one metre interval drilled by RC and for each two metre interval drilled by RAB. Jones riffle splitters are used at the drill site to obtain a representative sub-sample. Drill core sampling intervals are defined then cut in half with a diamond saw along the core length. Half core is sampled over approximate one metre lengths or based on lithology intervals.

All samples are placed into sample bags with assigned sample numbers, then closed, sealed and inserted into larger rice bags that are securely sealed. Samples that are sent for assay to the on-site SGS laboratory are securely transported by company trucks. Samples that are sent for assay to off-site laboratories are inserted into large metal drums that are securely sealed, then transported off-site by contract transport trucks to Dakar and either by land transport or air freight to off-site laboratories. Sample intervals that are not assayed remain in storage at the mine site or exploration camps.
SAMPLE ANALYSES

Diamond drill core, RC, RAB, soil, and grab samples were sent for gold analysis to the on-site laboratory operated by SGS Minerals as its primary laboratory for atomic absorption analyses (AAS). SGS Sabodala is accredited to the ISO/OEC 17025:2005 Standard by laboratory Certificate number 812.

Samples received by the laboratory were transferred into stainless steel trays, and coded with sample system identification numbers. Samples were dried at 105°C for eight hours.

Dried samples were crushed in the jaw crusher to minus 2.0 mm. Compressed air was used to clean the crusher and splitter between samples, with crushing of barren quartz for additional cleaning as required. Crushed samples were split using a Jones riffle to 200 g. The 200 g sample was pulverized with a ring and puck pulverizer to 85% minus 75 µm (200 mesh).

Fifty gram sample pulps were analyzed for gold using an aqua regia digestion followed by AAS (ARE155).

Teranga used ALS Chemex in Johannesburg, South Africa, as its primary fire assay laboratory. ALS Chemex Johannesburg is accredited to the ISO/IEC 17025:2005 Standard by laboratory Certificate number T0387.

Dried samples were crushed to 70% minus 2.0 mm. Crushed samples were riffle split to 250 g, then pulverized to 85% minus 75 µm (200 mesh). Fifty gram sample pulps were analyzed for gold using fire assay with an atomic absorption finish and a 5.0 ppb detection limit (Au-AA24). Assay results greater than 1.0 g/t Au were automatically re-assayed by fire assay with a gravimetric finish (Au-GRA22).

Coarse rejects were kept for a few months for possible reassay if there was an issue with the QA/QC, original sample assay, or lost sample.
SAMPLE SECURITY

During trenching, drilling, logging, sampling, and shipping, multiple data storage systems were employed. Field data were recorded on maps, sample sheets, logging forms, and shipping forms and later entered and stored on the Bransan exploration camp computer server. Hard copies of all field data were stored on site at the Bransan exploration camp.

Geological logging was conducted on laptop computers. All files containing core photos and geological logs were stored on the exploration camp computer server.

All digital files from surveyors and assay labs are stored in their original format, in addition to integrating them into the master database.

All drill core and RC chips are stored on site at the Bransan exploration camp, the OJVG exploration camp or the Sabodala minesite. The core storage compound at the Sabodala mine and the exploration camps are protected by security fences that are locked at night and are under 24 hour surveillance by security personnel.

Chain of custody was strictly maintained during transportation, sample collection, shipping, and preparation to avoid tampering. No evidence of tampering had been identified.

QUALITY ASSURANCE AND QUALITY CONTROL

In addition to the standard internal laboratory quality control measures employed, a blind Quality Assurance and Quality Control (QA/QC) program was established, consisting of geological standards, blanks, and duplicate samples inserted into the sample stream at regular intervals. Teranga’s QA/QC program prior to 2014 is discussed in detail in AMC (2014), and the QA/QC program undertaken from 2014 to 2015 is discussed in detail in RPA (2016). Teranga’s QA/QC program from January 2016 to June 2017 is summarized in the following sections.

Detailed QA/QC results can be found on the Teranga website (www.terangagold.com).
BLANKS
The regular submission of blank material is used to assess potential contamination during sample preparation and to identify sample numbering errors. Teranga’s QA/QC protocol called for blanks to be inserted in the sample stream at a rate of approximately one in 40 samples.

Teranga used barren granite as blank material collected from surface outcrops near Saraya. Granite material was originally assayed for gold at different labs by atomic absorption and fire assay, to ensure that the samples were barren of gold prior to use. All test results returned gold values below the detection limit.

An assay was considered a failure if it returned a value greater than three times the detection limit of the assay method. A total of 2,414 blank samples were submitted with one failure returned. Results indicate no evidence of contamination, drift, or tampering.

DUPLICATES
Pulp duplicates from drill core samples originally assayed at the SGS Sabodala laboratory were selected by Teranga geologists and re-submitted to the same laboratory for comparison against the original assay result. Teranga submitted a total of 325 pulp duplicates for re-analysis.

Results indicate good correlation between the original and duplicate pulp gold assays.

CERTIFIED REFERENCE MATERIALS (STANDARDS)
Results of the regular submission of Certified Reference Material (CRM) samples were used to identify problems with specific sample batches and long-term biases. A total of 11 CRMs supplied by Geostats Pty. Ltd and Ore Research and Exploration Pty. Ltd. were utilized. The CRMs cover the range of expected results and are considered appropriate for use in Teranga’s QA/QC program.

Specific pass/fail criteria were determined from the standard deviation provided for the CRMs. The conventional approach to setting acceptance limits is to use the mean assay ± 2 standard deviations as a warning limit and ± 3 standard deviations as a failure limit. Results for the standards are within acceptable limits with a small percentage of failures. The
expected values and standard deviations (S.D.) for the various CRMs are listed in Tables 11-1 to 11-2.

### TABLE 11-1  EXPECTED VALUES AND RANGES OF STANDARDS ALS

**JOHANNESBURG**

Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Source</th>
<th>Standard</th>
<th>Au (g/t)</th>
<th>S. D. (g/t)</th>
<th>Number of assays</th>
<th>Number of failures</th>
<th>% Failures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geostats</td>
<td>G907-2</td>
<td>0.890</td>
<td>0.060</td>
<td>2</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G911-3</td>
<td>1.370</td>
<td>0.060</td>
<td>22</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G910-9</td>
<td>1.510</td>
<td>0.060</td>
<td>43</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G311-8</td>
<td>1.570</td>
<td>0.080</td>
<td>70</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G313-2</td>
<td>2.040</td>
<td>0.070</td>
<td>23</td>
<td>1</td>
<td>4.4</td>
</tr>
<tr>
<td>Geostats</td>
<td>G310-9</td>
<td>3.290</td>
<td>0.140</td>
<td>24</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G314-3</td>
<td>6.700</td>
<td>0.210</td>
<td>55</td>
<td>0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

### TABLE 11-2  EXPECTED VALUES AND RANGES OF STANDARDS SGS

**SABODALA**

Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Source</th>
<th>Standard</th>
<th>Au (g/t)</th>
<th>S. D. (g/t)</th>
<th>Number of assays</th>
<th>Number of failures</th>
<th>% Failures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geostats</td>
<td>G302-10</td>
<td>0.160</td>
<td>0.030</td>
<td>231</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G909-6</td>
<td>0.560</td>
<td>0.030</td>
<td>222</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>ORE Research</td>
<td>OREAS-503</td>
<td>0.658</td>
<td>0.046</td>
<td>231</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G907-2</td>
<td>0.860</td>
<td>0.060</td>
<td>214</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G908-4</td>
<td>0.930</td>
<td>0.060</td>
<td>335</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G911-3</td>
<td>1.370</td>
<td>0.120</td>
<td>175</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G910-9</td>
<td>1.480</td>
<td>0.080</td>
<td>94</td>
<td>0</td>
<td>0.6</td>
</tr>
<tr>
<td>Geostats</td>
<td>G311-8</td>
<td>1.540</td>
<td>0.110</td>
<td>432</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G313-2</td>
<td>2.070</td>
<td>0.090</td>
<td>214</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G310-9</td>
<td>3.250</td>
<td>0.180</td>
<td>236</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Geostats</td>
<td>G314-3</td>
<td>6.680</td>
<td>0.320</td>
<td>114</td>
<td>0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
LABORATORY AUDIT

Teranga exploration personnel conduct regular audits of the SGS Sabodala site laboratory, with the latest audit completed on April 22, 2017. All laboratory procedures for sample analysis and lab equipment were reviewed. Details of the 2017 audit are documented in the Teranga SGS Sabodala Laboratory audit document (Teranga, 2017).

Teranga did not identify any significant issues in general, regarding the technical level of laboratory personnel, the laboratory procedures developed in-house, or the execution of the sample preparation and sample analytical procedures.

Teranga previously recommended implementing direct uploading and direct transfer of assay results digitally instead of reporting on digital spreadsheets and hard copies, which is still outstanding. Teranga recommended employing additional covering of sample rejects that are stored outside the laboratory to reduce the possibility of contamination, should future analyses be required. As the pulp storage space inside the laboratory is limited, Teranga recommended maintaining appropriate storage containers to better organize pulp samples. Teranga also recommended using a barcode system to label samples instead of handwritten sample numbers, to avoid possible transcription errors.

Ms. Nakai-Lajoie reviewed and confirms the adequacy of the samples taken, the security of the transportation procedures, the sample preparation and analytical procedures used, and Teranga’s QA/QC program.
12 DATA VERIFICATION

Independent reviewers completed extensive reviews of procedures and data prior to 2016, which are documented in detail in previous NI 43-101 technical reports. This involved reviews of general knowledge and practices, the on-site laboratory facility, sample preparation, sample analysis, sample security and QA/QC procedures; drilling programs including standard operating procedures, collar and downhole surveys, logging and sampling; geological interpretation, assay verification, density determinations and data management. Standard industry practices were followed, with no significant discrepancies identified during the reviews.

Since 2016, Teranga exploration geologists have conducted regular in-house reviews involving standard operating procedures and data verification during ongoing sampling, trenching and drilling programs. Standard operating procedures are maintained and follow industry best practices, with no significant issues identified during the reviews.

From January 2016 to June 2017, a total of 8,753 duplicate pulp samples from drill core were submitted to ALS Johannesburg for fire assay checks on the original AAS assays. Dried samples were crushed to 70% minus 2 mm. Crushed samples were riffle split to 250 g, then pulverized to 85% minus 75 µm (200 mesh). Fifty gram sample pulps were analyzed for gold using fire assay with an atomic absorption finish and a 5 ppb detection limit (Au-AA24). Samples that returned inconsistent assay results were re-assayed by fire assay with a gravimetric finish (Au-GRA22). Results indicate reasonable correlation of gold assay grades and are presented in Figure 12-1.

The resource databases are considered to be valid and acceptable for use in Mineral Resource estimates.
FIGURE 12-1  SGS AA VS. ALS FA QUARTILE-QUARTILE PLOT

Duplicate ALS FA Assay (Au ppm)

Original SGS AA Assay (Au ppm)

Total Samples: 8753
HISTORICAL DATA

Metallurgical testwork for the Sabodala Project has been conducted since 1988, by a series of owners and metallurgical laboratories. AMC reported details of the historical metallurgical testing and data (2014). The test data was used to develop the process design criteria that is the basis of the plant design. Significant observations are:

- The ore types tested contained large quantities of gravity recoverable gold
- The optimum grind size was determined to be approximately 80% passing (P_{80}) 75 µm
- The carbon-in-leach (CIL) residence time required is between 24 hrs and 30 hrs for most ore types that were tested
- Comminution tests indicated that the fresh ore is hard to very hard

Now that the plant has been operating for a sustained period of time, RPA evaluated plant operating data as part of the analysis. Using this analysis ensures that the data is representative of the areas that have been mined. Data from the mining areas that are included in the Mineral Reserves and life of mine (LOM) plan that will be processed in the future was also evaluated. The analysis using operating data is complicated by the facts that ore from a number of deposits and mixtures of oxide and fresh rock are processed concurrently.

Analysis of the plant operating data is divided into two phases (i.e., 2013 to 2015 and 2016 through July 2017).

PLANT OPERATING DATA ANALYSIS

2013-2015

From 2013 through 2015, the Sabodala processing facility processed ore from the Sabodala, Masato, and Gora open pit mines. The quantities and average grades of the ore processed are summarized in Table 13-1.
TABLE 13-1   ORE PROCESSED FROM 2013 THROUGH 2015
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Mine</th>
<th>Tonnes (kt)</th>
<th>Grade (Au g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala</td>
<td>2,902</td>
<td>2.26</td>
</tr>
<tr>
<td>Masato Phase 1</td>
<td>3,589</td>
<td>1.61</td>
</tr>
<tr>
<td>Masato Phase 2</td>
<td>874</td>
<td>1.68</td>
</tr>
<tr>
<td>Gora Phase 1*</td>
<td>187</td>
<td>3.44</td>
</tr>
<tr>
<td>Gora Phase 2*</td>
<td>39</td>
<td>1.68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,591</strong></td>
<td><strong>1.91</strong></td>
</tr>
</tbody>
</table>

*Diluted to 2015 year end due to artisanal impact

Nearly 60% of the ore came from Masato and approximately 40% of the ore from Sabodala during this period. Based on the available data, AMC (2014) estimated oxide gold recovery to be 92.8% since no relationship between feed grade and recovery was observed. Gold recovery for fresh ore was based on a recovery algorithm that was developed based on the correlation between recovery and gold head grade, which is:

\[
\text{Gold Recovery \%} = 86.74 + (1.55 \times \text{Head Grade})
\]

A reasonable comparison of whether the estimation assumptions are correct is to compare the actual milled grade with the actual achieved gold recovery. The gold recoveries were based on metallurgical accounting balance and reconciled to (i) monthly mine surveyed and (ii) to the monthly gold poured. Figure 13-1 presents the actual mill head grade and gold recoveries for the period of 2013 to 2015 on a monthly basis, and the recovery curves for fresh rock and oxide ore as presented in AMC (2014). In Table 13-2, the production for the period of 2013 to 2015, on an annual basis, is presented.

The current grade-recovery trend for the mixture of fresh rock and oxide ore is shallower than the LOM recovery curve. From the operating data it is clear that there is no relationship between head grade and recovery due to the very low R-squared for the trend line. The shallower trend and lack of relationship between grade and recovery are expected due to the influence of the oxide ore.
FIGURE 13-1 MILL GRADE-RECOVERY PLOT FROM 2013-2015

TABLE 13-2 MILL PRODUCTION FROM 2013 TO 2015
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th></th>
<th>2013 FY</th>
<th>2014 FY</th>
<th>2015 FY</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes Milled (kt)</td>
<td>3,152</td>
<td>3,622</td>
<td>3,421</td>
<td>10,195</td>
</tr>
<tr>
<td>Mill Feed Grade (g/t)</td>
<td>2.24</td>
<td>2.03</td>
<td>1.79</td>
<td>2.01</td>
</tr>
<tr>
<td>Tail Solid Grade (g/t)</td>
<td>0.19</td>
<td>0.21</td>
<td>0.14</td>
<td>0.18</td>
</tr>
<tr>
<td>Gold Recovery (%)</td>
<td>91.4</td>
<td>89.7</td>
<td>92.3</td>
<td>91.1</td>
</tr>
</tbody>
</table>

RPA also compared the gold head grade to the gold tailing grade using the production data, as shown in Figure 13-2.
This data indicates that there is a reasonable correlation between feed grade and tailings grade for the combined oxide and fresh ore data. This data indicates that estimating the tailings grade based on the feed grade and then calculating the recovery using the feed and tailings grades potentially improves the accuracy of the estimates. The recovery calculation, using this data, is:

\[
Recovery = \frac{Head\ Grade - (0.0772 \times Head\ Grade + 0.0227)}{Head\ Grade} \times 100\%
\]

**2016-2017 (MID YEAR)**

From 2016 through 2017 mid-year, the Sabodala processing facility processed ore from the Masato, Gora, Golouma and Kerekounda open pit mines. The quantities and average grades of the ore processed are summarized in Table 13-3.
### TABLE 13-3  ORE PROCESSED FROM 2016 THROUGH 2017 MID YEAR
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Mine*</th>
<th>Tonnes (kt)</th>
<th>Grade (Au g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala</td>
<td>1,938</td>
<td>0.83</td>
</tr>
<tr>
<td>Masato</td>
<td>2,047</td>
<td>1.09</td>
</tr>
<tr>
<td>Gora</td>
<td>821</td>
<td>3.91</td>
</tr>
<tr>
<td>Golouma</td>
<td>1,190</td>
<td>3.43</td>
</tr>
<tr>
<td>Kerekounda</td>
<td>232</td>
<td>2.17</td>
</tr>
<tr>
<td>Total</td>
<td>6,227</td>
<td>1.87</td>
</tr>
</tbody>
</table>

* Actual material crushed

During this period, material from Sabodala and Masato came from rehandled low-grade stockpiles. Material distribution provides a good analysis for material coming from Golouma and Gora. Material from Kerekounda represents approximately 5% of the ore during this period. As described previously, AMC (2014) estimated oxide gold recovery to be 92.8 and gold recovery for fresh ore was based on a recovery algorithm that was developed based on the correlation between recovery and gold head grade.

Figure 13-3 presents the actual mill head grade and gold recoveries for the period of 2016 to 2017 mid-year on a monthly basis and the recovery curves based on the recovery algorithm for fresh rock and the oxide recovery curve. In Table 13-4, the actual production for the period of 2016 to 2017 mid-year, on an annual basis, is presented.

The current recovery-grade trend is steeper and trending higher than the LOM recovery curve. At the current LOM average grade of 1.37 g/t, the past 18 month grade-recovery trend results in an average gold recovery of approximately 91.2%, whereas the LOM recovery curve results in an average gold recovery of approximately 88.9%. The current trend yields higher gold recoveries as compared to the LOM recovery curve, making the recovery algorithm curve a conservative estimate.
FIGURE 13-3  MILL GRADE-RECOVERY PLOT FROM 2016-2017 MID YEAR

TABLE 13-4  MILL PRODUCTION FROM 2016 TO 2017 MID YEAR
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th></th>
<th>2016 FY</th>
<th>2017 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes Milled (kt)</td>
<td>4,025</td>
<td>2,094</td>
</tr>
<tr>
<td>Mill Feed Grade (g/t)</td>
<td>1.81</td>
<td>1.85</td>
</tr>
<tr>
<td>Tail Solid Grade (g/t)</td>
<td>0.13</td>
<td>0.15</td>
</tr>
<tr>
<td>Gold Recovery (%)</td>
<td>92.6</td>
<td>92.1</td>
</tr>
</tbody>
</table>

RPA also compared the gold head grade to the gold tailings grade using the production data, as shown in Figure 13-4.
This data indicates that there is a reasonable correlation between feed grade and tailings grade for the combined oxide and fresh ore data, which deserves further evaluation in the future to determine if the new methodology results in more accurate recovery estimates. This data indicates that estimating the tailings grade based on the feed grade and then calculating the recovery using the feed and tailings grades may improve the accuracy of the estimates. The recovery calculation using this data is:

\[
Recovery = \frac{\text{Head Grade} - (0.0298 \times \text{Head Grade} + 0.0836)}{\text{Head Grade}} \times 100\%
\]

**SUMMARY OF PRODUCTION DATA**

Table 13-5 compares the actual gold recovery, the estimated recovery using the fresh rock recovery algorithm, and the estimated recovery using the equations generated from the head grade vs. tailing grade relationships for the two periods (i.e., 2013 to 2015 and 2016 through mid-year 2017). The brief analysis indicates that the estimate using tailings grade is more accurate than the algorithm that is currently in use, however, it would need to be adjusted annually using the most recent data.
TABLE 13-5  MILL PRODUCTION FROM 2016 TO 2017 MID YEAR
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th></th>
<th>2013-2015</th>
<th>2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Head Grade</td>
<td>2.01</td>
<td>1.82</td>
</tr>
<tr>
<td>Plant Recovery</td>
<td>91.1</td>
<td>92.4</td>
</tr>
<tr>
<td>Estimated Recovery Using Fresh Rock Algorithm</td>
<td>89.9</td>
<td>89.6</td>
</tr>
<tr>
<td>Estimated Recovery Using Tailing Grade Estimate</td>
<td>91.2</td>
<td>92.4</td>
</tr>
</tbody>
</table>

LOM ANALYSIS

Data needed to estimate future production should be prioritized based on the quantities of material that will be mined and processed in the future. Table 13-6 summarizes the total quantities and grades from Table 16-5, which provides the LOM production schedule (excluding run of mine (ROM) stockpiles).

TABLE 13-6  LIFE OF MINE PRODUCTION DATA
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Area</th>
<th>Mt</th>
<th>Au (g/t)</th>
<th>Contained (Moz)</th>
<th>% Oz</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala</td>
<td>5.22</td>
<td>1.42</td>
<td>0.24</td>
<td>9.85%</td>
</tr>
<tr>
<td>Masato</td>
<td>18.62</td>
<td>1.10</td>
<td>0.66</td>
<td>27.12%</td>
</tr>
<tr>
<td>Gora</td>
<td>0.82</td>
<td>5.25</td>
<td>0.14</td>
<td>5.72%</td>
</tr>
<tr>
<td>Kerekounda</td>
<td>0.53</td>
<td>4.71</td>
<td>0.08</td>
<td>3.32%</td>
</tr>
<tr>
<td>Golouma</td>
<td>4.35</td>
<td>1.99</td>
<td>0.28</td>
<td>11.48%</td>
</tr>
<tr>
<td>Niakafiri</td>
<td>15.73</td>
<td>1.16</td>
<td>0.59</td>
<td>24.30%</td>
</tr>
<tr>
<td>Maki Medina</td>
<td>0.98</td>
<td>1.12</td>
<td>0.04</td>
<td>1.45%</td>
</tr>
<tr>
<td>Goumbati West / Kobokoto</td>
<td>1.42</td>
<td>1.31</td>
<td>0.06</td>
<td>2.47%</td>
</tr>
<tr>
<td>Underground</td>
<td>2.15</td>
<td>5.01</td>
<td>0.35</td>
<td>14.30%</td>
</tr>
<tr>
<td>Total</td>
<td>49.81</td>
<td>1.51</td>
<td>2.42</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

This summary shows that nearly 65% of the future gold production should be estimated accurately using the historical data from Sabodala, Masato, Gora, and Golouma. An additional 7% comes from Kerekounda, while the remaining comes from Niakafiri (24%), Maki Medina (1.5%) and Goumbati West / Kobokoto (2.5%).

METALLURGICAL TEST DATA

GOLOUMA AND KEREKOUNDA

Ammtec completed test work on Golouma and Kerekounda in 2010 and 2016. The following discusses the results of the new testwork results.
ALS Metallurgy (2016) conducted metallurgical testwork on two composite samples from Golouma between December 2015 and April 2016. The scope of work included:

- Commination
- Gravity gold recovery
- Cyanide leach testwork
- Multi-stage diagnostic leach testwork

The head grades of the two samples are compared to the LOM average head grade for Golouma in Table 13-7. Based on this comparison, the sample had a low head grade in relationship to the LOM plan.

### TABLE 13-7 HEAD ASSAYS OF GOLOUMA SAMPLES TESTED

<table>
<thead>
<tr>
<th></th>
<th>Au, g/t</th>
<th>Sulphide S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Ore</td>
<td>3.42</td>
<td>0.62</td>
</tr>
<tr>
<td>Oxide Ore</td>
<td>2.35</td>
<td>&lt;0.02</td>
</tr>
<tr>
<td>LOM Average</td>
<td>1.99</td>
<td></td>
</tr>
</tbody>
</table>

The comminution tests show that the ore is hard and abrasive, which is consistent with the ore types that are currently processed.

A summary of the leach test results under different conditions is provided in Table 13-8. The cyanide and lime consumptions for the tests can be found in Table 13-9.

### TABLE 13-8 GOLOUMA 2015-2016 TEST RESULTS

<table>
<thead>
<tr>
<th>Variables</th>
<th>Fresh Ore</th>
<th></th>
<th>Oxide Ore</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24 hr Au Extraction</td>
<td>30 hr Au Extraction</td>
<td>24 hr Au Extraction</td>
<td>30 hr Au Extraction</td>
</tr>
<tr>
<td>Grind Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>106 µm</td>
<td>87.6</td>
<td>88.4</td>
<td>85.9</td>
<td>86.5</td>
</tr>
<tr>
<td>90 µm</td>
<td>87.0</td>
<td>88.3</td>
<td>88.9</td>
<td>89.9</td>
</tr>
<tr>
<td>75 µm</td>
<td>84.2</td>
<td>86.7</td>
<td>88.4</td>
<td>90.4</td>
</tr>
<tr>
<td>53 µm</td>
<td>92.3</td>
<td>92.6</td>
<td>84.6</td>
<td>87.1</td>
</tr>
<tr>
<td>Cyanide Concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.15 kg/t</td>
<td>87.4</td>
<td>88.7</td>
<td>87.1</td>
<td>87.7</td>
</tr>
<tr>
<td>0.45 kg/t</td>
<td>87.3</td>
<td>90.3</td>
<td>89.4</td>
<td>90.6</td>
</tr>
<tr>
<td>0.60 kg/t</td>
<td>87.8</td>
<td>88.3</td>
<td>90.1</td>
<td>91.3</td>
</tr>
<tr>
<td>Gravity plus Leach</td>
<td>88.1</td>
<td>88.9</td>
<td>88.6</td>
<td>89.9</td>
</tr>
</tbody>
</table>
TABLE 13-9  GOLOUMA 2015-2016 METALLURGICAL TEST REAGENT CONSUMPTIONS  
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Variables</th>
<th>Fresh Ore Cyanide Consumption, kg/t</th>
<th>Oxide Ore Cyanide Consumption, kg/t</th>
<th>Fresh Ore Lime Consumption, kg/t</th>
<th>Oxide Ore Lime Consumption, kg/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grind Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>106 µm</td>
<td>0.15</td>
<td>0.18</td>
<td>1.25</td>
<td>5.05</td>
</tr>
<tr>
<td>90 µm</td>
<td>0.18</td>
<td>0.20</td>
<td>1.15</td>
<td>5.04</td>
</tr>
<tr>
<td>75 µm</td>
<td>0.20</td>
<td>0.23</td>
<td>1.21</td>
<td>4.81</td>
</tr>
<tr>
<td>53 µm</td>
<td>0.15</td>
<td>0.18</td>
<td>1.41</td>
<td>5.16</td>
</tr>
<tr>
<td>Cyanide Concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.15 kg/t</td>
<td>0.16</td>
<td>0.17</td>
<td>1.38</td>
<td>4.67</td>
</tr>
<tr>
<td>0.45 kg/t</td>
<td>0.25</td>
<td>0.29</td>
<td>1.27</td>
<td>5.02</td>
</tr>
<tr>
<td>0.60 kg/t</td>
<td>0.35</td>
<td>0.38</td>
<td>1.33</td>
<td>5.16</td>
</tr>
<tr>
<td>Gravity plus Leach</td>
<td>0.22</td>
<td>0.24</td>
<td>0.87</td>
<td>4.23</td>
</tr>
</tbody>
</table>

The data supports that the gold recovery using the current operating conditions (i.e., P<sub>80</sub> 75 µm and 015 kg/t cyanide) is nearly the same as it is at increased cyanide concentration and finer grind sizes.

The leach curves for the tests conducted under these conditions are shown in Figure 13-5.

FIGURE 13-5  GOLOUMA LEACH RECOVERY CURVES
The graphs show that the gold extraction is still increasing after 30 hours of leaching.

Diagnostic leach tests showed that approximately 25% of the gold found in leach residue was cyanide soluble, which indicates that the leaching conditions could be improved. For example, based on the graphs, a longer leach residence time might increase the recovery.

**KEREKOUNDA**

In 2016, ALS completed metallurgical testwork on two composite samples from Kerekounda. The oxide ore sample was composited from 15 individual samples of RC drill cuttings and the fresh ore sample was composited from three samples of broken one-quarter drill core. The scope of work included cyanide leaching tests at various grind sizes and cyanide concentrations plus gravity plus leach tests.

The head assays are compared to the LOM average grade from Kerekounda in Table 13-10. Based on the grade of the samples and the locations where they were taken, it appears that the samples are representative of the Kerekounda ore that will be processed in future years.

| TABLE 13-10  HEAD ASSAYS OF KEREKOUNDA SAMPLES TESTED |
|-------------|------------|-------------|
|             | Au, g/t    | Sulphide S  |
| Fresh Ore   | 6.80       | 0.56        |
| Oxide Ore   | 2.46       | 0.16        |
| LOM Average | 4.71       |             |

A summary of the leach test results under different conditions is provided in Table 13-11. The cyanide and lime consumptions for the tests can be found in Table 13-12.
TABLE 13-11  KEREKOUNDA 2016 TEST RESULTS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Variables</th>
<th>Fresh Ore 24 hr Au Extraction</th>
<th>30 hr Au Extraction</th>
<th>Oxide Ore 24 hr Au Extraction</th>
<th>30 hr Au Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grind Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>106 µm</td>
<td>88.4</td>
<td>90.7</td>
<td>92.5</td>
<td>88.3</td>
</tr>
<tr>
<td>90 µm</td>
<td>94.4</td>
<td>92.9</td>
<td>91.3</td>
<td>91.3</td>
</tr>
<tr>
<td>75 µm</td>
<td>94.1</td>
<td>94.1</td>
<td>93.3</td>
<td>90.2</td>
</tr>
<tr>
<td>53 µm</td>
<td>95.1</td>
<td>94.7</td>
<td>91.5</td>
<td>93.8</td>
</tr>
<tr>
<td>Cyanide Concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.15 kg/t</td>
<td>91.4</td>
<td>92.1</td>
<td>91.4</td>
<td>92.1</td>
</tr>
<tr>
<td>0.45 kg/t</td>
<td>91.2</td>
<td>91.7</td>
<td>91.2</td>
<td>91.7</td>
</tr>
<tr>
<td>0.60 kg/t</td>
<td>94.8</td>
<td>93.3</td>
<td>94.8</td>
<td>93.3</td>
</tr>
<tr>
<td>Gravity plus Leach</td>
<td>94.3</td>
<td>93.4</td>
<td>93.5</td>
<td>93.5</td>
</tr>
</tbody>
</table>

TABLE 13-12  KEREKOUNDA 2016 METALLURGICAL TEST REAGENT CONSUMPTIONS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Variables</th>
<th>Fresh Ore Cyanide Consumption, kg/t</th>
<th>Oxide Ore Cyanide Consumption, kg/t</th>
<th>Fresh Ore Lime Consumption, kg/t</th>
<th>Oxide Ore Lime Consumption, kg/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grind Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>106 µm</td>
<td>0.08</td>
<td>0.11</td>
<td>0.85</td>
<td>2.81</td>
</tr>
<tr>
<td>90 µm</td>
<td>0.14</td>
<td>0.14</td>
<td>0.70</td>
<td>2.56</td>
</tr>
<tr>
<td>75 µm</td>
<td>0.12</td>
<td>0.12</td>
<td>0.75</td>
<td>2.63</td>
</tr>
<tr>
<td>53 µm</td>
<td>0.12</td>
<td>0.14</td>
<td>0.78</td>
<td>2.98</td>
</tr>
<tr>
<td>Cyanide Concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.15 kg/t</td>
<td>0.05</td>
<td>0.09</td>
<td>1.01</td>
<td>3.14</td>
</tr>
<tr>
<td>0.45 kg/t</td>
<td>0.14</td>
<td>0.20</td>
<td>0.86</td>
<td>2.86</td>
</tr>
<tr>
<td>0.60 kg/t</td>
<td>0.14</td>
<td>0.23</td>
<td>0.79</td>
<td>2.86</td>
</tr>
<tr>
<td>Gravity plus Leach</td>
<td>0.11</td>
<td>0.06</td>
<td>0.75</td>
<td>2.38</td>
</tr>
</tbody>
</table>

The data supports that the gold recovery using the current operating conditions (i.e., P₈₀ 75 µm and 0.15 kg/t cyanide) is nearly the same as it is at increased cyanide concentration and finer grind sizes.

The leach curves for the tests conducted under these conditions are shown in Figure 13-6.
The graphs show that the gold extraction is complete after 24 hours.

**NIAKAFIRI**

AMC reported that Ammtec performed test work on four samples of ore from the Niakafiri deposit although the data reported by Ammtec (2007) was not clear about which samples were from Niakafiri. The comminution testwork indicated that the ore was similar to other ores that are processed. Overall gold extraction was 89.7% to 93.7% at various grind sizes. AMC reports that the samples were not representative of the deposit (AMC, 2013).

**SUMMARY**

The plant operating data confirms that the equations used to estimate gold recovery for ore from Sabodala, Masato, and Gora are reasonable, however, the accuracy of the gold recovery estimates are hampered by the mixture of oxide ore and fresh rock. A brief analysis of the correlation between gold feed grades and tailings grades indicates that a more accurate estimate of gold recovery might be made using the correlation and calculating recovery using feed and tailings grades. Further analysis should be conducted in the future to determine if a more accurate methodology can be developed.
Table 13-13 compares the gold extraction results from the Golouma and Kerekounda metallurgical tests to the extraction estimates based on the LOM algorithm and the tailings grade estimates from the two data sets discussed in this report plus the tailings grade estimate generated from the 2013 to 2017 plant data.

<table>
<thead>
<tr>
<th></th>
<th>Fresh Ore</th>
<th>Oxide Ore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Golouma</td>
<td>Kerekounda</td>
</tr>
<tr>
<td>Sample Head Grade, g/t Au</td>
<td>3.42</td>
<td>6.80</td>
</tr>
<tr>
<td>Test, % Au</td>
<td>86.7</td>
<td>94.1</td>
</tr>
<tr>
<td>LOM Estimate, % Au</td>
<td>92.0</td>
<td>97.3</td>
</tr>
<tr>
<td>2013-2015 Tailings, % Au</td>
<td>91.6</td>
<td>91.9</td>
</tr>
<tr>
<td>2016-2017 Tailings, % Au</td>
<td>94.6</td>
<td>95.8</td>
</tr>
<tr>
<td>2013-2017 Tailings, % Au</td>
<td>92.0</td>
<td>92.2</td>
</tr>
</tbody>
</table>

The LOM algorithm recovery estimates for Golouma ore appear to overstate the gold recovery from the metallurgical testwork results by approximately 2.6% for the oxide ore to over 5% for the Golouma fresh ore. However, current Sabodala plant recoveries when processing Golouma ore may indicate that the actual gold recoveries for Golouma ore are closer to the LOM algorithm derived estimate. In order to accurately estimate the future gold recovery for Golouma and Kerekounda, additional data and new estimation methodologies should be developed.

Based on the information provided, RPA is of the opinion that the Kerekounda samples used for the testwork are representative of the ore that will be mined and processed in the future and the Golouma samples provided in the testwork are not representative.

RPA recommends that Teranga continue to analyze the production data in order to maintain accurate correlations for estimating future gold extraction. Also, representative samples of ore from the deposits that will be mined in the future, including variability samples, should be collected and metallurgical testing should be conducted in order to develop accurate estimating parameters for future LOM planning.
14 MINERAL RESOURCE ESTIMATE

PROJECT SUMMARY

Mineral Resources were estimated for the project located on the Sabodala Mining Concession and the Bransan exploration permit and are summarized by deposit in Table 14-1. Mineral Resources are reported inclusive of Mineral Reserves. The effective date of the estimate is June 30, 2017.

There have been no revisions to the resource models for Masato, Gora, Golouma, and Kerekounda, except for adjustments due to mining depletion, since the date of the previous technical report (RPA, 2016).

Mineral Resource block models for Niakafiri East, Niakafiri West, and Goumbati West – Kobokoto have been revised since the date of the previous technical report. Each block model is an amalgamation of two previous individual block models located adjacent to and along strike from each other, with continuity of mineralization delineated between both, based on new drilling between deposits. The updated Niakafiri East resource model is a consolidation and revision of the previous individual Dinkokono, Niakafiri Main, and Niakafiri Southeast resource models. The updated Niakafiri West resource model is a consolidation and revision of the previous Niakafiri West and Niakafiri Southwest resource models.

Golouma North and Marougou are new resource models that have been generated since the date of the previous technical report.

There have been no revisions to the Sabodala, Maki Medina, Diadiako, Kinemba, Koulouqwinde, Kourouloulou, Kouroundi, Koutouniokollo, Mamasato, Sekoto and Soukhoto block models since the date of the previous technical report,

For reporting of open pit Mineral Resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of “reasonable prospects for eventual economic extraction”.

For reporting of underground Mineral Resources, only classified blocks greater than or equal to the underground cut-off grade outside of the open pit shells were reported. This is in compliance with CIM (2014) resource definition requirements. In addition, Deswik Stope Optimizer software was used to generate wireframe models to constrain blocks satisfying minimum size and continuity criteria, which were used for reporting Sabodala underground Mineral Resources.

Additional details for the following subsections can be found on the Teranga website (www.terangagold.com).

The Qualified Person for the Mineral Resource estimates is Patti Nakai-Lajoie, P. Geo., who is a full-time employee of Teranga and not independent, and is a Qualified Person in accordance with NI 43-101. Ms. Nakai-Lajoie is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues that would materially affect the Mineral Resource estimates.

The location of the deposits on the Sabodala Mining Concession and Bransan exploration permit are presented in Figure 14-1.
TABLE 14-1 OPEN PIT AND UNDERGROUND MINERAL RESOURCES
SUMMARY AS AT JUNE 30, 2017
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnage (000 t)</th>
<th>Grade (g/t Au)</th>
<th>Contained Metal (000 oz Au)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured - Open Pit</td>
<td>21,174</td>
<td>1.15</td>
<td>783</td>
</tr>
<tr>
<td>Measured - UG</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Measured</strong></td>
<td>21,174</td>
<td>1.15</td>
<td>783</td>
</tr>
<tr>
<td>Indicated - Open Pit</td>
<td>59,091</td>
<td>1.52</td>
<td>2,882</td>
</tr>
<tr>
<td>Indicated - UG</td>
<td>6,354</td>
<td>3.78</td>
<td>773</td>
</tr>
<tr>
<td><strong>Total Indicated</strong></td>
<td>65,444</td>
<td>1.74</td>
<td>3,655</td>
</tr>
<tr>
<td><strong>Total Measured + Indicated</strong></td>
<td>86,618</td>
<td>1.59</td>
<td>4,438</td>
</tr>
<tr>
<td>Inferred - Open Pit</td>
<td>11,933</td>
<td>1.13</td>
<td>434</td>
</tr>
<tr>
<td>Inferred - UG</td>
<td>5,315</td>
<td>3.34</td>
<td>570</td>
</tr>
<tr>
<td><strong>Total Inferred</strong></td>
<td>17,247</td>
<td>1.81</td>
<td>1,004</td>
</tr>
</tbody>
</table>

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Open pit oxide Mineral Resources are estimated at a cut-off grade of 0.35 g/t Au, except for Gora and Marougou at 0.48 g/t Au.
3. Open pit transition and fresh rock Mineral Resources are estimated at a cut-off grade of 0.40 g/t Au, except for Gora and Marougou at 0.55 g/t Au.
4. Underground Mineral Resources are estimated at a cut-off grade of 2.00 g/t Au.
5. Measured Resources at Sabodala include stockpiles which total 7.2 Mt at 0.75 g/t Au for 174,000 oz.
6. Measured Resources at Masato include stockpiles which total 4.2 Mt at 0.68 g/t Au for 92,000 oz.
7. Measured Resources at Gora include stockpiles which total 0.4 Mt at 1.28 g/t Au for 15,000 oz.
8. Measured Resources at Golouma include stockpiles which total 0.04 Mt at 1.38 g/t Au for 2,000 oz.
9. Measured Resources at Kerekounda include stockpiles which total 0.03 Mt at 3.30 g/t Au for 3,000 oz.
10. High grade assays were capped at grades ranging from 1.5 g/t Au to 110 g/t Au.
12. Open pit shells were used to constrain open pit resources.
13. Mineral Resources are estimated using a gold price of $1,450 per ounce.
14. Sum of individual amounts may not equal due to rounding.
Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa

Location of Deposits on the Sabodala Mining Concession and Exploration Permit

August 2017

RESOURCES DATABASE

All deposit drillholes are stored in both MS Access and Vulcan databases, except for Gora, which is stored in both Centric and Vulcan databases.

All databases contain collar coordinate data, collar azimuth and downhole dip data, lithology, alteration, structure and vein data, sample interval and assay data, and density data. Table 14-2 lists drillholes in individual mineral resource databases by drillhole type, with the effective date of each database. Not all of the holes were used for resource estimation as some holes are located outside of the mineralized zones.

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Effective Date of Database</th>
<th>RC Holes (No)</th>
<th>RC Metres</th>
<th>RC-DDH Holes (No)</th>
<th>RC-DDH Metres</th>
<th>DDH Holes (No)</th>
<th>DDH Metres</th>
<th>Total Holes (No)</th>
<th>Total Metres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala</td>
<td>Apr. 30, 2013</td>
<td>658</td>
<td>66,401</td>
<td>579</td>
<td>170,900</td>
<td>191</td>
<td>42,997</td>
<td>1,428</td>
<td>280,298</td>
</tr>
<tr>
<td>Gora</td>
<td>Jul. 21, 2012</td>
<td>75</td>
<td>8,844</td>
<td>149</td>
<td>27,719</td>
<td>35</td>
<td>3,685</td>
<td>259</td>
<td>40,248</td>
</tr>
<tr>
<td>Niakafiri East</td>
<td>Apr. 19, 2017</td>
<td>195</td>
<td>19,755</td>
<td>69</td>
<td>14,568</td>
<td>150</td>
<td>24,286</td>
<td>414</td>
<td>58,609</td>
</tr>
<tr>
<td>Masato</td>
<td>Nov. 6, 2014</td>
<td>355</td>
<td>49,607</td>
<td>19</td>
<td>5,614</td>
<td>214</td>
<td>42,674</td>
<td>588</td>
<td>97,895</td>
</tr>
<tr>
<td>Golouma</td>
<td>Sept. 16, 2013</td>
<td>239</td>
<td>39,274</td>
<td>13</td>
<td>4,897</td>
<td>354</td>
<td>87,463</td>
<td>606</td>
<td>131,634</td>
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<tr>
<td>Kerekounda</td>
<td>Sept. 16, 2013</td>
<td>105</td>
<td>18,746</td>
<td>-</td>
<td>-</td>
<td>89</td>
<td>25,786</td>
<td>194</td>
<td>44,532</td>
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<tr>
<td>Niakafiri West</td>
<td>Apr. 28, 2017</td>
<td>80</td>
<td>10,727</td>
<td>5</td>
<td>1,933</td>
<td>64</td>
<td>8,135</td>
<td>149</td>
<td>20,795</td>
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<tr>
<td>Soukhoito</td>
<td>June 2010</td>
<td>8</td>
<td>834</td>
<td>1</td>
<td>221</td>
<td>4</td>
<td>532</td>
<td>13</td>
<td>1,587</td>
</tr>
<tr>
<td>Diadiako</td>
<td>Dec. 31, 2011</td>
<td>32</td>
<td>4,624</td>
<td>5</td>
<td>1,564</td>
<td>9</td>
<td>1,973</td>
<td>46</td>
<td>8,161</td>
</tr>
<tr>
<td>Kinemba</td>
<td>Apr. 17, 2012</td>
<td>25</td>
<td>4,141</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>1,536</td>
<td>33</td>
<td>5,677</td>
</tr>
<tr>
<td>Goumbati West - Kobokoto</td>
<td>Mar. 27, 2017</td>
<td>52</td>
<td>7,272</td>
<td>5</td>
<td>571</td>
<td>211</td>
<td>21,773</td>
<td>268</td>
<td>29,616</td>
</tr>
<tr>
<td>Golouma North</td>
<td>Aug. 17, 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66</td>
<td>8,045</td>
<td>66</td>
<td>8,045</td>
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<tr>
<td>Koulouwinde</td>
<td>Apr. 17, 2012</td>
<td>29</td>
<td>4,294</td>
<td>-</td>
<td>-</td>
<td>75</td>
<td>14,646</td>
<td>104</td>
<td>18,940</td>
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<tr>
<td>Kourouloulou</td>
<td>Apr. 17, 2012</td>
<td>51</td>
<td>7,442</td>
<td>13</td>
<td>3,767</td>
<td>108</td>
<td>16,989</td>
<td>172</td>
<td>28,198</td>
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<tr>
<td>Kouroundi</td>
<td>Apr. 17, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>2,005</td>
<td>14</td>
<td>2,005</td>
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<tr>
<td>Koutouniokollo</td>
<td>Apr. 17, 2012</td>
<td>9</td>
<td>1,255</td>
<td>-</td>
<td>-</td>
<td>28</td>
<td>4,423</td>
<td>37</td>
<td>5,678</td>
</tr>
<tr>
<td>Maki Medina</td>
<td>Aug. 5, 2015</td>
<td>73</td>
<td>9,665</td>
<td>-</td>
<td>-</td>
<td>75</td>
<td>10,507</td>
<td>148</td>
<td>20,172</td>
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<tr>
<td>Mamasato</td>
<td>Apr. 17, 2012</td>
<td>8</td>
<td>1,446</td>
<td>-</td>
<td>-</td>
<td>42</td>
<td>7,587</td>
<td>50</td>
<td>9,033</td>
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<tr>
<td>Marouguo</td>
<td>Jul. 9, 2016</td>
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<td>12,191</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>2,202</td>
<td>80</td>
<td>14,393</td>
</tr>
<tr>
<td>Sekoto</td>
<td>Apr. 17, 2012</td>
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<td>1,761</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>1,303</td>
<td>26</td>
<td>3,064</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2,069</strong></td>
<td><strong>268,279</strong></td>
<td><strong>858</strong></td>
<td><strong>231,754</strong></td>
<td><strong>1,768</strong></td>
<td><strong>328,547</strong></td>
<td><strong>4,695</strong></td>
<td><strong>828,580</strong></td>
</tr>
</tbody>
</table>
BULK DENSITY

The immersion in water method was conducted by in-house Sabodala personnel to determine the bulk density values in core samples. Porous or absorbent samples were coated with wax after obtaining an initial weight in air, then immersed in water and weighed again.

Samples correspond to most of the rock and alteration types, and were taken at an approximate ten metre minimum spacing.

Fifty density determinations were taken on Diadiako core, but were not used, pending future confirmation from an outside laboratory to support and confirm in-house results.

Density determinations were taken on core at Marougou, however, these are awaiting validation and were not used.

Bulk density control samples were used as QC checks on the determinations of sample densities. Densities were measured on a control sample before the first and after the last sample density measurement of each hole.

Bulk density determinations are listed by deposit in Table 14-3. Tonnage factors used in the resource models are listed below, in subsection Block Model Parameters, of this Section 14.
GEOLOGICAL AND MINERALIZATION MODELS

Mineralization models for the Niakafiri East, Niakafiri West, and Goumbati West - Kobokoto deposits on the Sabodala Mining Concession were updated from 2016 to June 2017. Initial mineralization models for Golouma North and Marougou were also generated. All other mineralization models for Sabodala, Masato, Gora, Golouma, Kerekounda, Maki Medina, Diadiako, Kinemba, Koulouqwinde, Kourouloulou, Kouroundi, Koutouniokollo, Mamasato, Sekoto, and Soukhoto have not been updated and are largely referenced from the previous Teranga technical report (RPA, 2016).

SABODALA

Lithology models were revised in 2013 in Vulcan. A total of six lithology models were generated for the mafic basalt, mylonite, east mafic volcaniclastic, gabbro, ultramafic and west mafic volcaniclastic units. The existing topographic surface was used to generate an “air” model. The block model boundary was used to limit the extents of the lithology models.
An oxidation surface was constructed by modelling individual points representing the base of the weathered rock profile in each drillhole. Oxide and "fresh" (unoxidized) rock solids were generated.

Existing mineralization zones were reviewed and remodelled in 2013 based on lithological, alteration and structural trends using additional drillhole data and the most recent structural interpretation. A total of 24 mineralization models were generated.

The structural study undertaken by Panterra Geoservices (Rhys, 2009) indicates that the Main Flat Zone (MFZ) is the dominant mineralization-controlling structure based on field and core observations and is associated with quartz veining, intense brecciation, shearing, and carbonate-albite-pyrite-sericite alteration.

Upper Flat Zones (UF) splay off steeper trending structures (NWS and the original East Thrust zone) with variable widths and primarily located above the MFZ in the hangingwall volcanioclastics and footwall mafic basalts where mineralization is not as continuous from hole to hole as in the MFZ. These exhibit a general shallow trend similar to the MFZ and are associated with variable carbonate-albite-siliceous alteration.

The Ultramafic Flat Zone (UM Flat) is located above the MFZ primarily in the ultramafic unit, trends parallel to the MFZ and UF Zones, and is associated with quartz veining and variable carbonate-albite alteration.

The Footwall Flat Zone (FW Flat) was originally a part of the MFZ, but has been modelled as a splay off the eastern footwall of the MFZ. This zone has similar alteration and structural characteristics to the MFZ but follows a southeast-northwest trend with a shallow dip to the northeast. A 10 m wide steeply dipping barren mafic dyke trending approximately 10° to the northeast and crosscutting the FW Flat zone was intersected during mining in 2014. This dyke was not intersected in previous drilling but impacts the local tonnage and grade of the mineralized zone. The FW Flat was remodelled in 2014, by removing the portion of the zone crosscut by the mafic dyke.

Two steep zones have been modelled and generally follow the trends of the previously modelled steep zones. The Steep FG Zone corresponds to the steep-dipping portion of the mylonite at depth and includes high grades associated with variable shearing at the contacts.
The steep Ayoub Thrust Zone generally aligns parallel to the gabbro/mafic volcanic contact and includes quartz veining with weak carbonate-albite alteration.

Four Deep Flat Zones (DF) were modelled at depth. These are associated with generally flat trending breccia zones with associated albite and siliceous alteration, and narrow felsic intrusions.

Six Sutuba zones were modelled as northwest trending shallow southwest dipping narrow structures, as interpreted from drillhole logs and field observation. These follow similar trends as the Upper Flat zones, but are located further south and away from other identified steep structures.

A global mineralization envelope (EDA) was generated that includes all mineralization domains as well as mineralization located in closely-spaced and widely-spaced holes that have not been domained. Mineralization inside the EDA but located outside of other modelled domains has been treated as a separate domain with a unique composite and domain flag.

The 23 individual mineralization models are presented in Figure 14-2.
Figure 14-2

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Sabodala Mineralization Models
Long Section Looking East

GORA
A topographic surface was generated from surveyed drillhole collars and artisanal mined workings in 2012 in Vulcan. A surface representing the base of the oxide zone was modelled based on logged lithological data. Four vein mineralization wireframes were generated based on local lithological, alteration and structural trends from drillholes and surface mapping, a minimum two metre true width and a 0.1 g/t Au cut-off grade. Vein mineralization solids are illustrated in Figure 14-3.

NIKAFAFI EAST AND NIKAFAFI WEST
Topographic and oxide surfaces, and mineralization models were revised in 2017. A topographic surface based on drillhole collars was generated over the combined Dinkokono, Niakafiri Main, Niakafiri Southeast, Niakafiri Southwest, and Niakafiri West deposits using Aranz’s Leapfrog software, version 4.0.1 (Leapfrog). The oxide horizon was segregated into two distinct weathering domains, saprolite and transition zones, based on core photos, drillhole logs and density determinations.

Based on infill drilling and drilling completed between deposits, continuity of mineralization was confirmed between deposits along a northeast-southwest structural trend. The updated Niakafiri East mineralization wireframes are a consolidation and revision of the previous individual Dinkokono, Niakafiri Main and Niakafiri Southeast mineralized zones. The updated Niakafiri West mineralization wireframes are a consolidation and revision of the previous Niakafiri West and Niakafiri Southwest mineralized zones.

Mineralization wireframes were generated using Leapfrog software and a 0.2 g/t Au cut-off grade. A total of twenty-eight wireframes were modelled using Leapfrog at Niakafiri East and twenty-four wireframes were modelled at Niakafiri West. All wireframes were modelled as steeply dipping zones that trend northeast-southwest and range in thickness between two metres and 65 m. Wireframe models extend from surface to a maximum of 390 m vertically and up to three kilometres along strike. Niakafiri East mineralization models are presented in Figure 14-4. Niakafiri West mineralization models are presented in Figure 14-5.
Figure 14-3

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Gora Mineralization Models

Figure 14-4

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Niakafiri East
Mineralization Models

August 2017
MASATO

The Masato topographic surface was revised in 2013 in Vulcan. As the Masato deposit straddles the original boundary between the former Sabodala Mining Concession on the west side and the former SOMIGOL Mining Concession on the east side, the topographic surfaces from both sides were combined to cover the entire deposit. Original topographic surfaces (DEM) were obtained from the high resolution satellite stereopair images covering the eastern portion of the deposit, and appended to the topographic surface covering the western portion, which was based on drillhole collar elevations. An oxidation surface was modelled based on logged lithological data representing the base of the weathered rock profile.

The six mineralization models generated at depth on the former Sabodala Mining Concession in 2012 have not been revised. Eleven additional mineralization models were generated on the former SOMIGOL Mining Concession that incorporated additional drill data collected in 2014. All 17 models were generated following local lithological, alteration and structural trends logged from drillholes, using a minimum two metre true width and a 0.2 g/t Au cut-off grade. Masato mineralization solids are illustrated in Figure 14-6.

GOLOUMA

Golouma topographic and oxide surfaces, and mineralization models were revised in 2013 in Surpac. The topographic surface (DEM) obtained from the high resolution satellite stereo pair images, was revised locally to correspond with the surveyed drillhole collar elevations. An oxidation surface was modelled based on logged lithological data representing the base of the weathered rock profile.

Mafic dykes intersect Golouma West and Golouma Northwest mineralization, and were modelled based on logged lithology and magnetic data. A total of six felsic dykes intersect Golouma South mineralization and were modelled based on logged lithological data.

Mineralization models were generated at a 0.2 g/t Au cut-off grade across a minimum true width of two metres following logged geology and structural data. A total of twenty mineralization models were generated. Mineralization models were clipped to the crosscutting dykes, with the unmineralized intersecting volumes removed from the final mineralization wireframes.
Five mineralization models were generated at Golouma South, eleven mineralization models at Golouma West and four mineralization models at Golouma Northwest. Mineralization models are illustrated in Figure 14-7.

**KEREKOUNDA**

Kerekounda topographic and oxide surfaces, and mineralization models were revised in 2013 in Surpac. The topographic surface (DEM) obtained from the high resolution satellite stereo pair images, was revised locally to correspond with the surveyed drillhole collar elevations. An oxidation surface was modelled based on logged lithological data representing the base of the weathered rock profile.

One mafic dyke intersects Kerekounda mineralization and appears to align north of the east mafic dyke cross-cutting the Golouma West mineralization models. The mafic dyke model was generated from logged lithological data and the local magnetic signature.

Mineralization models were generated at a 0.2 g/t Au cut-off grade across a minimum true width of two metres following logged geology and structural data. A total of four mineralization models were generated. Mineralization models were clipped to the crosscutting dyke, with the unmineralized intersecting volumes removed from the final mineralization wireframes. Kerekounda mineralization models are presented in Figure 14-8.

**MAKI MEDINA**

Maki Medina topographic and oxide surfaces, lithological and mineralization models were revised in Vulcan to incorporate additional drill data collected in 2015. The previous oxide model was segregated into three distinct weathering domains based on core photos, drillhole logs, and density determinations: laterite, saprolite, and transition zones.

An intermediate dyke and gabbro domain were modelled separately as they appear to control the location of mineralization.

Fifteen mineralization models were generated following local lithological, alteration and structural trends logged from drillholes, using a minimum two metre true width and a 0.2 g/t Au cut-off grade. Maki Medina mineralization models are illustrated in Figure 14-9.
Figure 14-6

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Sabodala Project
Sénégal, West Africa
Masato Mineralization Models

August 2017

Figure 14-7

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa
Golouma Mineralization Models

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa
Kerekounda
Mineralization Models

GOUMBATI WEST - KOBOKOTO

Topographic and oxide surfaces, and mineralization models were revised in 2017. A topographic surface based on drillhole collars was generated over the combined Goumbati West and Kobokoto deposits using Leapfrog. The oxide horizon was segregated into two distinct weathering domains, saprolite and transition zones, based on core photos, drillhole logs and density determinations.

Based on infill drilling and drilling completed between deposits, continuity of mineralized structures was confirmed between deposits along a north-northeast to south-southwest trend. The updated mineralization wireframes include additional drillhole data from 2016 and 2017.

Mineralization wireframes were generated using Leapfrog and a 0.2 g/t Au cut-off grade. A total of 21 domain wireframes and three EDA envelopes were modelled. All wireframes were modelled as steeply dipping zones and a minimum two metres true width. Wireframe models extend from surface to a maximum of 180 m vertically and up to 1.5 km along strike. Goumbati West - Kobokoto mineralization models are presented in Figure 14-10.

MAROUGOU

A topographic and oxide surface, and mineralization models were generated in Vulcan to incorporate additional drill data collected in 2016. Five mineralization models were generated along a 1.8 km northeast to southwest trend with a shallow dip to the northwest using a minimum two metre true width and a 0.2 g/t Au cut-off grade. Marougou mineralization models are illustrated in Figure 14-11.

GOLOUMA NORTH

Topographic and oxide surfaces, and mineralization models were generated using Leapfrog in 2016. The oxide horizon was segregated into two distinct weathering domains, saprolite and transition zones, based on core photos, drillhole logs and density determinations.

Three mineralization wireframes were generated using Leapfrog and a 0.2 g/t Au cut-off grade. All wireframes were modelled along a northeast to southwest trend, moderately dipping to the northwest, and a minimum two metre true width. Wireframe models extend from surface to a maximum of 100 m vertically and up to 1.2 km along strike. Golouma North mineralization models are presented in Figure 14-12.
Figure 14-12

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa
Golouma North
Mineralization Models

ASSAY STATISTICS

Classical statistics for the raw gold assays within the modelled zones were completed for each deposit. Results for Sabodala, Gora, Niakafiri East and Niakafiri West, Masato, Golouma West, Golouma South, Golouma Northwest, Kerekounda, Maki Medina, and Goumbati West - Kobokoto, which host the majority of resource ounces, are presented in Figures 14-13 through 14-23.

FIGURE 14-13  SABODALA ASSAY STATISTICS
FIGURE 14-14   GORA ASSAY STATISTICS

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<thead>
<tr>
<th>Parameter</th>
<th>Vein 1</th>
<th>Vein 2</th>
<th>Vein 3</th>
<th>Vein 4</th>
</tr>
</thead>
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<td>Minimum Grade (g/t Au)</td>
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<td>0.0025</td>
<td>0.0025</td>
<td>0.0003</td>
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<td>25th percentile (g/t Au)</td>
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<td>0.06</td>
<td>0.05</td>
<td>0.06</td>
</tr>
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<td>Median Grade (g/t Au)</td>
<td>0.62</td>
<td>0.18</td>
<td>0.14</td>
<td>0.23</td>
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<tr>
<td>75th percentile (g/t Au)</td>
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<td>0.42</td>
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<td>Maximum Grade (g/t Au)</td>
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<td>Mean Grade (g/t Au)</td>
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<td>Standard Deviation</td>
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FIGURE 14-15  NIAKAFIRI EAST ASSAY STATISTICS

Parameter
Minimum Grade (g/t Au) 0.005 0.003 0.0001 0.02 0.01 0.12 0.005 0.005 0.005 0.005 0.003 0.003 0.04 0.02 0.02 0.003 0.0001
25th percentile (g/t Au) 0.10 0.11 0.17 0.20 0.12 0.19 0.10 0.18 0.10 0.09 0.24 0.08 0.17 0.14 0.01
Median Grade (g/t Au) 0.28 0.37 0.39 0.35 0.22 0.26 0.23 0.29 0.31 0.27 0.26 0.48 0.30 0.24 0.32 0.02
75th percentile (g/t Au) 0.55 0.71 0.69 0.60 0.41 0.35 0.50 0.50 0.67 0.07 0.52 0.48 0.65 0.40 0.47 0.70 0.06
Maximum Grade (g/t Au) 2.87 4.63 8.28 7.54 14.13 0.55 5.09 17.39 64.99 3.81 2.27 4.39 1.39 4.29 8.20 12.30
Mean Grade (g/t Au) 0.47 0.55 0.73 0.62 0.03 0.41 0.47 1.28 0.44 0.39 0.67 0.38 0.68 0.64 0.06
Standard Deviation 0.54 0.06 0.99 1.20 2.68 0.12 0.61 1.21 4.77 0.59 0.43 0.83 0.36 1.07 0.94 0.18
Coefficient of Variation 1.15 1.20 1.36 1.46 3.23 0.43 1.48 2.67 3.73 1.34 1.10 1.24 0.95 1.57 1.47 3.00
Number of Samples 106 251 1,068 67 27 18 114 219 244 109 193 41 28 23 414 40,439
FIGURE 14-16  NIAKAFIRI WEST ASSAY STATISTICS

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<th>Minimum Grade (g/t Au)</th>
<th>25th percentile (g/t Au)</th>
<th>Median Grade (g/t Au)</th>
<th>75th percentile (g/t Au)</th>
<th>Maximum Grade (g/t Au)</th>
<th>Mean Grade (g/t Au)</th>
<th>Standard Deviation</th>
<th>Coefficient of Variation</th>
<th>Number of Samples</th>
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<td>107</td>
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FIGURE 14-17  MASATO ASSAY STATISTICS

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</table>
FIGURE 14-18  GOLOUMA WEST ASSAY STATISTICS

![Boxplot for Goouuma West Assay Statistics](image)

- **Parameter**                         - **Value**
  - Minimum Grade (g/t Au)             - 0.0025
  - 25th percentile (g/t Au)          - 0.19
  - Median Grade (g/t Au)             - 0.73
  - 75th percentile (g/t Au)          - 2.80
  - Maximum Grade (g/t Au)            - 80.73
  - Mean Grade (g/t Au)               - 2.37
  - Standard Deviation               - 4.56
  - Coefficient of Variation         - 1.93
  - Number of Samples                - 1,464

FIGURE 14-19  GOLOUMA SOUTH ASSAY STATISTICS

![Boxplot for Goouuma South Assay Statistics](image)

- **Parameter**                         - **Value**
  - Minimum Grade (g/t Au)             - 0.0025
  - 25th percentile (g/t Au)          - 0.04
  - Median Grade (g/t Au)             - 0.41
  - 75th percentile (g/t Au)          - 2.90
  - Maximum Grade (g/t Au)            - 67.90
  - Mean Grade (g/t Au)               - 4.60
  - Standard Deviation               - 12.13
  - Coefficient of Variation         - 2.64
  - Number of Samples                - 59
FIGURE 14-20  GOLOUMA NORTHWEST ASSAY STATISTICS

<table>
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<th>Parameter</th>
<th>1st quartile</th>
<th>Minimum</th>
<th>Median</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Coefficient of Variation</th>
<th>Number of Samples</th>
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<tbody>
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<td>0.04</td>
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<td>1.33</td>
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<td>37.86</td>
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FIGURE 14-21  KEREKOUNDA ASSAY STATISTICS

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<th>Minimum</th>
<th>Median</th>
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<th>Mean</th>
<th>Standard Deviation</th>
<th>Coefficient of Variation</th>
<th>Number of Samples</th>
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<td>Minimum Grade (g/t Au)</td>
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<td>0</td>
<td>0</td>
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<td>0.08</td>
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<td>Median Grade (g/t Au)</td>
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<td>0.33</td>
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<td>75th percentile (g/t Au)</td>
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<td>6.31</td>
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FIGURE 14-22  MAKI MEDINA ASSAY STATISTICS

![Graph showing Maki Medina Assay Statistics]

- **Parameter**
  - Minimum Grade (g/t Au): 0.0025
  - 25th percentile (g/t Au): 0.07
  - Median Grade (g/t Au): 0.29
  - 75th percentile (g/t Au): 0.65
  - Maximum Grade (g/t Au): 3.07
  - Standard Deviation: 0.61
  - Coefficient of Variation: 1.24
  - Number of Samples: 88

- **Domain**
  - DZ1, DZ2, DZ3, DZ4, DZ5, CZ6, CZ7, CZ8, CZ9, CZ10, CZ11, CZ12, CZ13, CZ14

FIGURE 14-23  GOUMBATI WEST - KOBOKOTO ASSAY STATISTICS

![Graph showing Goumbati West - Kobokoto Assay Statistics]

- **Parameter**
  - Minimum Grade (g/t Au): 0.22
  - 25th percentile (g/t Au): 0.03
  - Median Grade (g/t Au): 0.47
  - 75th percentile (g/t Au): 0.69
  - Maximum Grade (g/t Au): 1.86
  - Standard Deviation: 0.80
  - Coefficient of Variation: 3.06
  - Number of Samples: 495

- **Domain**
GRADE CAPPING

Capping levels were determined by raw assays for mineralization domains prior to compositing to limit the influence of high grade outliers. All assays located inside mineralization wireframes were combined to determine an appropriate capping level for each mineralized zone or zone group. Capping levels were established using a combination of histograms, probability plots, decile plots and cutting curves. Capping levels were not applied at Diadiako, as management of high grade assays was not considered necessary.

Capping levels for Sabodala, Gora, Niakafiri East and Niakafiri West, Masato, Golouma West, Golouma South, Golouma Northwest, Kerekounda, Maki Medina, and Goumbati West - Kobokoto, which host the majority of the resource ounces, are listed in Tables 14-4 through Table 14-14.

### TABLE 14-4  SABODALA CAPPING LEVELS

<table>
<thead>
<tr>
<th>Domain</th>
<th>Total Number of Assays</th>
<th>Maximum Grade (g/t Au)</th>
<th>Capping Level (g/t Au)</th>
<th>Number of Capped Assays</th>
<th>% Capped Assays</th>
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<td>30</td>
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<td>Ayoubs</td>
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<td>Steep FG</td>
<td>576</td>
<td>184</td>
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### TABLE 14-5  GORA CAPPING LEVELS

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<th>Capping Level (g/t Au)</th>
<th>Number of Capped Assays</th>
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Teranga Gold Corporation - Sabodala Project

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**TABLE 14-9 GOLOUMA WEST CAPPING LEVELS**
Teranga Gold Corporation - Sabodala Project

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**TABLE 14-10 GOLOUMA SOUTH CAPPING LEVELS**
Teranga Gold Corporation - Sabodala Project

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Teranga Gold Corporation - Sabodala Project

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Teranga Gold Corporation - Sabodala Project

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Teranga Gold Corporation - Sabodala Project

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Teranga Gold Corporation - Sabodala Project

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<td>5</td>
<td>2</td>
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</tbody>
</table>

COMPOSITE SAMPLES

Run-length composites were generated inside the mineralization wireframes and flagged by mineralization domains using Vulcan, Surpac, GEMS, or Leapfrog. Gold assay results reported below the detection limit were assigned half the detection limit. Non-logged and unsampled intervals were assigned a grade of 0.0 g/t Au prior to compositing.

Composite statistics for Sabodala, Gora, Niakafiri East and Niakafiri West, Masato, Golouma West, Golouma South, Golouma Northwest, Kerekounda, Maki Medina, and Goumbati West - Kobokoto, which host the majority of the resource ounces, are listed in Tables 14-15 through Table 14-25.
Approximately 99% of all drill samples are one metre in length. One metre composites were generated for grade estimation for all deposits except Gora, Diadiako, and Marougou. Run-length composites were generated at two metre lengths for Gora. Run-length composites across the width of the mineralized zones were generated for Diadiako and Marougou.

**SABODALA**

Run-length composites were generated at one metre lengths from capped assays inside the domain wireframes and inside the larger mineralized envelope (EDA), flagged by mineralization domain. Composites less than 0.5 m in length were removed from the final database. This accounted for a small percentage of data (1%) with no demonstrated grade bias.

The classical statistics for the final one metre composites are presented in Table 14-15.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>MFZ</th>
<th>Ayoubs</th>
<th>Steep FG</th>
<th>FW Flat</th>
<th>UM Flat</th>
<th>DF Zones</th>
<th>UF Zones</th>
<th>Sutuba Zones</th>
<th>EDA</th>
</tr>
</thead>
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<td>Minimum Grade (g/t Au)</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.04</td>
<td>0.02</td>
<td>0.05</td>
<td>0.11</td>
<td>0.01</td>
<td>0.01</td>
<td>0.1</td>
<td>0.16</td>
<td>0.005</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.43</td>
<td>0.13</td>
<td>0.55</td>
<td>0.75</td>
<td>0.19</td>
<td>0.03</td>
<td>0.55</td>
<td>0.47</td>
<td>0.01</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>1.94</td>
<td>0.54</td>
<td>2.23</td>
<td>2.53</td>
<td>0.82</td>
<td>0.49</td>
<td>1.89</td>
<td>1.44</td>
<td>0.02</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>30</td>
<td>15</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>20</td>
<td>20</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>1.84</td>
<td>0.54</td>
<td>2.27</td>
<td>1.94</td>
<td>0.71</td>
<td>0.8</td>
<td>1.68</td>
<td>1.28</td>
<td>0.08</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>3.66</td>
<td>1.21</td>
<td>4.16</td>
<td>2.96</td>
<td>1.31</td>
<td>2.15</td>
<td>2.92</td>
<td>2.09</td>
<td>0.45</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.99</td>
<td>2.24</td>
<td>1.84</td>
<td>1.52</td>
<td>1.84</td>
<td>2.69</td>
<td>1.74</td>
<td>1.64</td>
<td>5.57</td>
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<td>2,703</td>
<td>590</td>
<td>4,303</td>
<td>5,577</td>
<td>952</td>
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</table>

**GORA**

Run-length composites were generated at two metre lengths from capped assays. Composites were flagged by mineralization domain. Composites less than 0.5 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Gora composite statistics are presented in Table 14-16.
TABLE 14-16  GORA COMPOSITE STATISTICS  
Teranga Gold Corporation – Sabodala Project

<table>
<thead>
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<th>Parameter</th>
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<th>Vein 2</th>
<th>Vein 3</th>
<th>Vein 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
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<td>0</td>
<td>0.003</td>
<td>0.003</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.16</td>
<td>0.1</td>
<td>0.08</td>
<td>0.12</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>1.1</td>
<td>0.27</td>
<td>0.18</td>
<td>0.42</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>8.33</td>
<td>1.44</td>
<td>0.58</td>
<td>1.87</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>67.1</td>
<td>44.54</td>
<td>10.42</td>
<td>33.89</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>6.51</td>
<td>2.43</td>
<td>0.96</td>
<td>3.69</td>
</tr>
<tr>
<td>Standard Deviation</td>
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<td>5.88</td>
<td>2.02</td>
<td>7.34</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
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<td>2.42</td>
<td>2.1</td>
<td>1.99</td>
</tr>
<tr>
<td>Number of Samples</td>
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<td>110</td>
<td>99</td>
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</tbody>
</table>

NIKAFIRI EAST AND NIKAFIRI WEST

Capped drillhole assays were composited into 1 m composites. Composites less than 0.5 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Niaafiri East and Niaafiri West composite statistics are presented in Tables 14-17 and 14-18.
### TABLE 14-17 NIAKAFIRI EAST COMPOSITE STATISTICS

**Teranga Gold Corporation - Sabodala Project**

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<th>113</th>
<th>114</th>
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<th>116</th>
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<tbody>
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<td>0</td>
<td>0</td>
<td>0.003</td>
<td>0.005</td>
<td>0.003</td>
<td>0.01</td>
<td>0.03</td>
<td>0.005</td>
<td>0.005</td>
<td>0.005</td>
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<tr>
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<td>0.16</td>
<td>0.17</td>
<td>0.12</td>
<td>0.12</td>
<td>0.09</td>
<td>0.29</td>
<td>0.22</td>
<td>0.28</td>
<td>0.16</td>
<td>0.22</td>
<td>0.10</td>
<td>0.09</td>
<td>0.16</td>
<td>0.14</td>
<td>0.15</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.30</td>
<td>0.39</td>
<td>0.51</td>
<td>0.36</td>
<td>0.28</td>
<td>0.29</td>
<td>0.59</td>
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<td>0.76</td>
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<td>0.37</td>
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<td>0.29</td>
<td>0.32</td>
<td>0.32</td>
<td>0.36</td>
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<tr>
<td>75th percentile (g/t Au)</td>
<td>0.67</td>
<td>0.91</td>
<td>1.37</td>
<td>0.73</td>
<td>0.51</td>
<td>0.67</td>
<td>1.54</td>
<td>0.89</td>
<td>1.05</td>
<td>0.60</td>
<td>0.64</td>
<td>0.92</td>
<td>0.42</td>
<td>0.54</td>
<td>0.75</td>
<td>0.84</td>
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<td>10.00</td>
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<td>2.82</td>
<td>10.00</td>
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<td>8.67</td>
<td>4.84</td>
<td>10.00</td>
<td>10.00</td>
<td>3.11</td>
<td>3.01</td>
<td>3.25</td>
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<td>0.59</td>
<td>0.96</td>
<td>0.74</td>
<td>0.83</td>
<td>0.55</td>
<td>0.71</td>
<td>0.63</td>
<td>0.37</td>
<td>0.46</td>
<td>0.69</td>
<td>0.74</td>
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<td>0.5</td>
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<td>1.09</td>
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<td>1.38</td>
<td>1.44</td>
<td>1.20</td>
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<td>1.38</td>
<td>0.86</td>
<td>1.64</td>
<td>1.8</td>
<td>1.16</td>
<td>1.11</td>
<td>1.09</td>
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<td>0.0</td>
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<td>0.01</td>
<td>0.12</td>
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<td>0.005</td>
<td>0.003</td>
<td>0</td>
<td>0.04</td>
<td>0.02</td>
<td>0.02</td>
<td>0.003</td>
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<tr>
<td>25th percentile (g/t Au)</td>
<td>0.08</td>
<td>0.11</td>
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<td>0.2</td>
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<td>0.19</td>
<td>0.09</td>
<td>0.18</td>
<td>0.10</td>
<td>0.09</td>
<td>0.08</td>
<td>0.24</td>
<td>0.08</td>
<td>0.17</td>
<td>0.14</td>
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<tr>
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<td>0.38</td>
<td>0.35</td>
<td>0.22</td>
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<td>7.54</td>
<td>10.00</td>
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<td>0.67</td>
<td>0.39</td>
<td>0.44</td>
<td>0.95</td>
<td>0.44</td>
<td>0.37</td>
<td>0.67</td>
<td>0.38</td>
<td>0.68</td>
<td>0.64</td>
<td>0.06</td>
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</tr>
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<td>1.89</td>
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<td>0.60</td>
<td>0.75</td>
<td>1.86</td>
<td>0.59</td>
<td>0.43</td>
<td>0.83</td>
<td>0.36</td>
<td>1.06</td>
<td>0.94</td>
<td>0.16</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.15</td>
<td>1.20</td>
<td>1.34</td>
<td>1.46</td>
<td>2.62</td>
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<td>1.70</td>
<td>1.95</td>
<td>1.34</td>
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<td>41</td>
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### TABLE 14-18 NIAKAFIRI WEST COMPOSITE STATISTICS
Teranga Gold Corporation - Sabodala Project

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<th>217</th>
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<tbody>
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<td>Minimum Grade (g/t Au)</td>
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<td>0.003</td>
<td>0.007</td>
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<td>0</td>
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<td>0.003</td>
<td>0.003</td>
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</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.09</td>
<td>0.15</td>
<td>0.16</td>
<td>0.14</td>
<td>0.11</td>
<td>0.10</td>
<td>0.30</td>
<td>0.12</td>
<td>0.11</td>
<td>0.05</td>
<td>0.07</td>
<td>0.07</td>
<td>0.24</td>
<td>0.13</td>
<td>0.12</td>
<td>0.11</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.26</td>
<td>0.30</td>
<td>0.32</td>
<td>0.32</td>
<td>0.23</td>
<td>0.26</td>
<td>0.51</td>
<td>0.28</td>
<td>0.29</td>
<td>0.27</td>
<td>0.21</td>
<td>0.24</td>
<td>0.25</td>
<td>0.25</td>
<td>0.41</td>
<td>0.32</td>
<td>0.34</td>
<td>0.39</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>0.49</td>
<td>0.57</td>
<td>0.71</td>
<td>0.62</td>
<td>0.46</td>
<td>0.60</td>
<td>0.84</td>
<td>0.57</td>
<td>0.84</td>
<td>0.7</td>
<td>0.37</td>
<td>0.65</td>
<td>0.52</td>
<td>0.79</td>
<td>0.91</td>
<td>0.95</td>
<td>1.09</td>
<td>1.08</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>7.53</td>
<td>10.00</td>
<td>9.98</td>
<td>10.00</td>
<td>7.90</td>
<td>9.72</td>
<td>4.43</td>
<td>3.78</td>
<td>3.77</td>
<td>10.00</td>
<td>3.85</td>
<td>2.09</td>
<td>4.80</td>
<td>4.37</td>
<td>5.92</td>
<td>5.10</td>
<td>6.56</td>
<td>6.03</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>0.55</td>
<td>0.52</td>
<td>0.65</td>
<td>0.58</td>
<td>0.44</td>
<td>0.59</td>
<td>0.74</td>
<td>0.55</td>
<td>0.59</td>
<td>0.68</td>
<td>0.31</td>
<td>0.46</td>
<td>0.46</td>
<td>0.66</td>
<td>0.72</td>
<td>0.75</td>
<td>0.78</td>
<td>0.80</td>
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<tr>
<td>Standard Deviation</td>
<td>0.93</td>
<td>0.87</td>
<td>1.17</td>
<td>0.97</td>
<td>0.78</td>
<td>1.03</td>
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<td>0.76</td>
<td>0.77</td>
<td>1.14</td>
<td>0.51</td>
<td>0.47</td>
<td>0.70</td>
<td>0.71</td>
<td>0.99</td>
<td>1.00</td>
<td>1.00</td>
<td>1.16</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.69</td>
<td>1.67</td>
<td>1.80</td>
<td>1.67</td>
<td>1.77</td>
<td>1.75</td>
<td>1.16</td>
<td>1.38</td>
<td>1.31</td>
<td>1.68</td>
<td>1.65</td>
<td>1.02</td>
<td>1.52</td>
<td>1.08</td>
<td>1.38</td>
<td>1.33</td>
<td>1.28</td>
<td>1.45</td>
</tr>
<tr>
<td>Number of Samples</td>
<td>107</td>
<td>974</td>
<td>554</td>
<td>186</td>
<td>282</td>
<td>214</td>
<td>29</td>
<td>111</td>
<td>33</td>
<td>589</td>
<td>85</td>
<td>48</td>
<td>160</td>
<td>205</td>
<td>119</td>
<td>174</td>
<td>105</td>
<td>72</td>
</tr>
</tbody>
</table>
MASATO

Run-length composites were generated at two metre lengths from capped assays for the six mineralization domains generated in 2012 and located on the original Sabodala Mining Concession (min1 to min6). Composites were flagged by mineralization domain. Composites less than 0.5 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias.

Run-length composites were generated at one metre lengths from capped assays for the eleven mineralization domains generated in 2014 and located on the original SOMIGOL Mining Concession (M1, M2, HW1 to HW6, and FW1 to FW3). Composites less than 0.5 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Composite statistics are presented in Table 14-19.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>M1</th>
<th>M2</th>
<th>All</th>
<th>FW1/ FW2</th>
<th>FW3</th>
<th>Min1</th>
<th>Min2</th>
<th>Min3</th>
<th>Min4</th>
<th>Min5</th>
<th>Min6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
<td>0</td>
<td>0.01</td>
<td>0</td>
<td>0.01</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.005</td>
<td>0.11</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.04</td>
<td>0.21</td>
<td>0.07</td>
<td>0.2</td>
<td>0.04</td>
<td>0.27</td>
<td>0.1</td>
<td>0.02</td>
<td>0.3</td>
<td>0.41</td>
<td>0.56</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.25</td>
<td>0.27</td>
<td>0.36</td>
<td>0.33</td>
<td>0.16</td>
<td>0.64</td>
<td>0.36</td>
<td>0.16</td>
<td>0.62</td>
<td>0.88</td>
<td>0.91</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>0.83</td>
<td>0.49</td>
<td>0.83</td>
<td>0.63</td>
<td>0.49</td>
<td>1.48</td>
<td>0.88</td>
<td>0.47</td>
<td>1.09</td>
<td>1.67</td>
<td>2.23</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>25.00</td>
<td>2.14</td>
<td>5.00</td>
<td>7.00</td>
<td>4.00</td>
<td>20</td>
<td>6.57</td>
<td>13.13</td>
<td>1.75</td>
<td>5.02</td>
<td>5.62</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>0.82</td>
<td>0.41</td>
<td>0.65</td>
<td>0.65</td>
<td>0.39</td>
<td>1.26</td>
<td>0.63</td>
<td>0.44</td>
<td>0.71</td>
<td>1.20</td>
<td>1.54</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1.79</td>
<td>0.39</td>
<td>0.83</td>
<td>1.06</td>
<td>0.58</td>
<td>1.82</td>
<td>0.8</td>
<td>0.93</td>
<td>0.47</td>
<td>1.08</td>
<td>1.54</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>2.19</td>
<td>0.96</td>
<td>1.28</td>
<td>1.63</td>
<td>1.5</td>
<td>1.44</td>
<td>1.26</td>
<td>2.08</td>
<td>0.67</td>
<td>0.91</td>
<td>1.00</td>
</tr>
<tr>
<td>Number of Samples</td>
<td>34,031</td>
<td>62</td>
<td>586</td>
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<td>536</td>
<td>962</td>
<td>173</td>
<td>628</td>
<td>31</td>
<td>44</td>
<td>39</td>
</tr>
</tbody>
</table>

GOLOUMA

Run-length composites were generated at one metre lengths from capped assays. Composites were flagged by mineralization domain. Composites less than 0.5 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Golouma composite statistics are listed in Tables 14-20 to 14-22.
TABLE 14-20  GOLOUMA WEST COMPOSITE STATISTICS  
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Parameter</th>
<th>18000</th>
<th>18100</th>
<th>18300</th>
<th>18400</th>
<th>18414</th>
<th>18600</th>
<th>18700</th>
<th>18800</th>
<th>18900</th>
<th>19000</th>
<th>19400</th>
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</thead>
<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
<td>0</td>
<td>0.002</td>
<td>0</td>
<td>0</td>
<td>0.002</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.002</td>
<td>0</td>
<td>0.003</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.21</td>
<td>0.22</td>
<td>0.17</td>
<td>0.19</td>
<td>0.24</td>
<td>0.06</td>
<td>0.01</td>
<td>0.15</td>
<td>0</td>
<td>0.08</td>
<td></td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.77</td>
<td>0.77</td>
<td>0.77</td>
<td>0.77</td>
<td>0.54</td>
<td>1.03</td>
<td>0.39</td>
<td>0.18</td>
<td>0.83</td>
<td>0.09</td>
<td>0.42</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>2.73</td>
<td>2.05</td>
<td>3.89</td>
<td>2.27</td>
<td>2.09</td>
<td>3.51</td>
<td>1.98</td>
<td>0.86</td>
<td>3.27</td>
<td>0.63</td>
<td>2.36</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>29.58</td>
<td>19.8</td>
<td>12</td>
<td>20</td>
<td>30</td>
<td>69.58</td>
<td>40</td>
<td>10</td>
<td>39.8</td>
<td>9.14</td>
<td>6</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>2.29</td>
<td>1.63</td>
<td>2.43</td>
<td>1.85</td>
<td>2.16</td>
<td>4.04</td>
<td>2.42</td>
<td>0.92</td>
<td>2.94</td>
<td>0.58</td>
<td>1.6</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>3.77</td>
<td>2.45</td>
<td>3.25</td>
<td>2.9</td>
<td>4.48</td>
<td>9.38</td>
<td>6.17</td>
<td>1.84</td>
<td>5.46</td>
<td>1.29</td>
<td>2.17</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.64</td>
<td>1.5</td>
<td>1.34</td>
<td>1.57</td>
<td>2.07</td>
<td>2.32</td>
<td>2.55</td>
<td>2</td>
<td>1.85</td>
<td>2.23</td>
<td>1.36</td>
</tr>
<tr>
<td>Number of Samples</td>
<td>1,411</td>
<td>807</td>
<td>78</td>
<td>1,023</td>
<td>368</td>
<td>1,186</td>
<td>316</td>
<td>497</td>
<td>512</td>
<td>220</td>
<td>35</td>
</tr>
</tbody>
</table>

TABLE 14-21  GOLOUMA SOUTH COMPOSITE STATISTICS  
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2000</th>
<th>2100</th>
<th>2200</th>
<th>2300</th>
<th>404</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
<td>0.005</td>
<td>0</td>
<td>0.002</td>
<td>0.002</td>
<td>0.02</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.053</td>
<td>0.3</td>
<td>0.21</td>
<td>0.155</td>
<td>0.42</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.38</td>
<td>1.11</td>
<td>0.79</td>
<td>0.9</td>
<td>2.45</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>3.12</td>
<td>3.73</td>
<td>3.37</td>
<td>3.39</td>
<td>4.89</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>15</td>
<td>40</td>
<td>49.57</td>
<td>19.98</td>
<td>5</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>2.46</td>
<td>3.36</td>
<td>3.67</td>
<td>2.69</td>
<td>2.57</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>4.21</td>
<td>5.85</td>
<td>7.35</td>
<td>4.02</td>
<td>2.07</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.71</td>
<td>1.74</td>
<td>2</td>
<td>1.49</td>
<td>0.81</td>
</tr>
<tr>
<td>Number of Samples</td>
<td>59</td>
<td>1,123</td>
<td>410</td>
<td>496</td>
<td>8</td>
</tr>
</tbody>
</table>

TABLE 14-22  GOLOUMA NORTHWEST COMPOSITE STATISTICS  
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Parameter</th>
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<th>7300</th>
<th>7400</th>
</tr>
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<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
<td>0.003</td>
<td>0.005</td>
<td>0.009</td>
<td>0.002</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.32</td>
<td>0.01</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>1.37</td>
<td>0.73</td>
<td>0.1</td>
<td>0.16</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>3.06</td>
<td>2.40</td>
<td>0.62</td>
<td>0.91</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>9.99</td>
<td>9.87</td>
<td>9.87</td>
<td>9.86</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>2.42</td>
<td>1.76</td>
<td>0.90</td>
<td>1.00</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>2.79</td>
<td>2.69</td>
<td>2.10</td>
<td>2.11</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.15</td>
<td>1.53</td>
<td>2.33</td>
<td>2.11</td>
</tr>
<tr>
<td>Number of Samples</td>
<td>62</td>
<td>17</td>
<td>29</td>
<td>31</td>
</tr>
</tbody>
</table>

KEREKOUMANDA

Run-length composites were generated at one metre lengths from capped assays. Composites were flagged by mineralization domain. Composites less than 0.5 m in length...
were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Kerekounda composite statistics are listed in Table 14-23.

### TABLE 14-23 KEREKOUNDA COMPOSITE STATISTICS
**Teranga Gold Corporation - Sabodala Project**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>3100</th>
<th>3200</th>
<th>3300</th>
<th>3400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>25&lt;sup&gt;th&lt;/sup&gt; percentile (g/t Au)</td>
<td>0.05</td>
<td>0.3</td>
<td>0.05</td>
<td>0.01</td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.35</td>
<td>1.61</td>
<td>0.39</td>
<td>0.3</td>
</tr>
<tr>
<td>75&lt;sup&gt;th&lt;/sup&gt; percentile (g/t Au)</td>
<td>1.3</td>
<td>6.33</td>
<td>2.11</td>
<td>1.73</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>15</td>
<td>50</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Mean Grade (g/t Au)</td>
<td>1.28</td>
<td>5.75</td>
<td>1.99</td>
<td>1.4</td>
</tr>
<tr>
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<td>2.47</td>
<td>9.85</td>
<td>3.69</td>
<td>2.49</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>1.93</td>
<td>1.71</td>
<td>1.85</td>
<td>1.77</td>
</tr>
<tr>
<td>Number of Samples</td>
<td>324</td>
<td>919</td>
<td>333</td>
<td>180</td>
</tr>
</tbody>
</table>

**MAKI MEDINA**
Run-length composites were generated at two metre lengths from capped assays. Composites were flagged by mineralization domain. Composites less than 1.0 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Maki Medina composite statistics are listed in Table 14-24.

**GOUMBATI WEST - KOBOKOTO**
Run-length composites were generated at one metre lengths from capped assays. Composites were flagged by mineralization domain. Composites less than 0.5 m in length were removed from the final composite database. This accounted for a small percentage of data with no demonstrated grade bias. Goumbati West - Kobokoto composite statistics are listed in Table 14-25.
TABLE 14-24  MAKI MEDINA COMPOSITE STATISTICS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Parameter</th>
<th>DZ1</th>
<th>DZ2</th>
<th>DZ3</th>
<th>DZ41</th>
<th>DZ42</th>
<th>DZ5</th>
<th>CZ6</th>
<th>CZ7</th>
<th>CZ8</th>
<th>CZ9</th>
<th>CZ10</th>
<th>CZ11</th>
<th>CZ12</th>
<th>CZ13</th>
<th>CZ14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Grade (g/t Au)</td>
<td>0.0025</td>
<td>0.01</td>
<td>0.0025</td>
<td>0.006</td>
<td>0.0001</td>
<td>0.12</td>
<td>0.0001</td>
<td>0.004</td>
<td>0.02</td>
<td>0.15</td>
<td>0.03</td>
<td>0.01</td>
<td>0.005</td>
<td>0.025</td>
<td>0.004</td>
</tr>
<tr>
<td>25th percentile (g/t Au)</td>
<td>0.16</td>
<td>0.08</td>
<td>0.18</td>
<td>0.20</td>
<td>0.19</td>
<td>0.14</td>
<td>0.15</td>
<td>0.14</td>
<td>0.15</td>
<td>0.14</td>
<td>0.13</td>
<td>0.16</td>
<td>0.14</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td>Median Grade (g/t Au)</td>
<td>0.30</td>
<td>0.30</td>
<td>0.33</td>
<td>0.57</td>
<td>0.37</td>
<td>0.21</td>
<td>0.20</td>
<td>0.30</td>
<td>0.22</td>
<td>0.30</td>
<td>0.36</td>
<td>0.25</td>
<td>0.34</td>
<td>0.23</td>
<td>0.30</td>
</tr>
<tr>
<td>75th percentile (g/t Au)</td>
<td>0.64</td>
<td>0.82</td>
<td>0.79</td>
<td>1.71</td>
<td>0.84</td>
<td>0.50</td>
<td>0.32</td>
<td>0.55</td>
<td>0.37</td>
<td>0.61</td>
<td>0.66</td>
<td>0.43</td>
<td>0.69</td>
<td>0.40</td>
<td>0.82</td>
</tr>
<tr>
<td>Maximum Grade (g/t Au)</td>
<td>3.04</td>
<td>6.00</td>
<td>4.22</td>
<td>8.00</td>
<td>6.00</td>
<td>0.93</td>
<td>2.19</td>
<td>3.71</td>
<td>1.46</td>
<td>0.69</td>
<td>1.24</td>
<td>3.43</td>
<td>5.09</td>
<td>5.44</td>
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<td>C10</td>
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<td>0.005</td>
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<td>0.006</td>
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<td>0.005</td>
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<td>0.021</td>
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<td>0.02</td>
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<td>0.56</td>
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<td>0.29</td>
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<td>0.65</td>
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<td>2.08</td>
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<td>1.56</td>
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<td>1.26</td>
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<tr>
<td>75th percentile (g/t Au)</td>
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<td>0.83</td>
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<td>Coefficient of Variation</td>
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<td>0.89</td>
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<td>0.05</td>
<td>0.03</td>
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</table>
BLOCK MODEL PARAMETERS

The Kinemba, Koulouqwinde, Kourouloulou, Kouroundi, Koutouniokollo, Mamasato, and Sekoto block models were generated by SRK in 2012 in Gemcom GEMS. These block models are percent models, and contain one regular block size, with the proportion of the mineralized domain in each block stored as a percentage. These block models remain unchanged since the date of the previous technical report (RPA, 2016).

The Sabodala, Gora, Masato, Golouma, Kerekounda, Maki Medina, Soukhoto, and Diadiako block models remain unchanged since the date of the previous technical report (RPA, 2016). The Sabodala, Gora, Masato, Maki Medina, Soukhoto, and Diadiako block models were generated in Vulcan, and the Golouma and Kerekounda block models were generated in Surpac. The Sabodala, Gora, Masato, Golouma, Kerekounda, Maki Medina, and Diadiako block models are sub-blocked models, consisting of parent blocks and smaller sub-blocks located along mineralization domain boundaries. In addition, block sizes inside mineralized domains were restricted to a maximum block size for Sabodala, Gora, Masato, Golouma, and Maki Medina. The Soukhoto block model contains one regular block size.

Mineral Resource block models for Niakafiri East, Niakafiri West, and Goumbati West – Kobokoto are new resource models generated in Vulcan since the date of the previous technical report. Each block model is an amalgamation of two previous individual resource models located adjacent to and along strike from each other, with continuity of mineralization delineated between both, based on new drilling between deposits. Golouma North and Marougou are new resource models that have been generated since the date of the previous technical report.

All block models were constructed along an east-west orientation, except for Maki Medina which is a rotated block model constructed along an 85° orientation, corresponding to the 175° azimuth mineralization trend.

The transformation from Sabodala local grid coordinates to WGS 84 UTM Zone 28N is based on the common points listed in Table 14-26. This transformation results in a translation and clockwise rotation of approximately 14°.
TABLE 14-26  SABODALA GRID COORDINATE TRANSFORMATION
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Point</th>
<th>Sabodala Local Grid</th>
<th>UTM Zone 28N</th>
</tr>
</thead>
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<tr>
<td></td>
<td>Easting</td>
<td>Northing</td>
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<td>Trig 1</td>
<td>10,027.07</td>
<td>20,358.91</td>
</tr>
<tr>
<td>SMC 04</td>
<td>10,962.20</td>
<td>17,896.98</td>
</tr>
</tbody>
</table>

The Sabodala transformation is calculated using the following functions. The factors used for the transformation are listed in Table 14-27.

\[
\text{UTM}_\text{East} = \text{PRXA} + P(\text{SabodalaLocal}_\text{Easting} - \text{SUBXA}) + Q(\text{SabodalaLocal}_\text{Northing} - \text{SUBYA})
\]

\[
\text{UTM}_\text{North} = \text{PRYA} + P(\text{SabodalaLocal}_\text{Northing} - \text{SUBYA}) + Q(\text{SabodalaLocal}_\text{Easting} - \text{SUBXA})
\]

TABLE 14-27  SABODALA GRID COORDINATE TRANSFORMATION FACTORS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Factor</th>
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<td>10,027.07</td>
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<tr>
<td>SUBYA</td>
<td>20,358.911</td>
</tr>
<tr>
<td>SUBXB</td>
<td>10,962.20</td>
</tr>
<tr>
<td>SUBYB</td>
<td>17,896.98</td>
</tr>
<tr>
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<td>PRYA</td>
<td>1,459,455.70</td>
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<td>PRYB</td>
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<tr>
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<tr>
<td>Q</td>
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</table>

The transformation from Gora local grid coordinates to WGS 84 UTM Zone 29N is based on the common points listed in Table 14-28. This transformation results in a translation and clockwise rotation of approximately 55°.
The transformation is calculated using the following functions. The factors used for the transformation are listed in Table 14-29.

\[
\text{UTM}_\text{East} = \text{PRXA} + P(\text{GoraLocal}_\text{Easting} - \text{SUBXA}) + Q(\text{GoraLocal}_\text{Northing} - \text{SUBYA})
\]
\[
\text{UTM}_\text{North} = \text{PRYA} + P(\text{GoraLocal}_\text{Northing} - \text{SUBYA}) + Q(\text{GoraLocal}_\text{Easting} - \text{SUBXA})
\]

**TABLE 14-29  GORA GRID COORDINATE TRANSFORMATION FACTORS**

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<td>SUBYA</td>
<td>100,000.00</td>
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<tr>
<td>SUBXB</td>
<td>50,500.65</td>
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Block model parameters are listed in Table 14-30.
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<th>Deposit</th>
<th>Coordinate System</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Parent Block (m)</th>
<th>Maximum in Domain (m)</th>
<th>Block Size</th>
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<td>Y</td>
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<td>815,900</td>
<td>1,455,100</td>
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<tr>
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<td>WGM 84 UTM Zone 28N</td>
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<td>1,457,700</td>
<td>50</td>
<td>815,400</td>
<td>1,458,400</td>
</tr>
<tr>
<td>Marougu</td>
<td>WGM 84 UTM Zone 28N</td>
<td>845,000</td>
<td>1,468,000</td>
<td>-100</td>
<td>847,000</td>
<td>1,470,500</td>
</tr>
<tr>
<td>Sekoto</td>
<td>WGM 84 UTM Zone 28N</td>
<td>818,000</td>
<td>1,461,200</td>
<td>-90</td>
<td>818,400</td>
<td>1,461,850</td>
</tr>
<tr>
<td>Soukhoti</td>
<td>Sabodala Local</td>
<td>10,000</td>
<td>18,360</td>
<td>540</td>
<td>10,350</td>
<td>18,480</td>
</tr>
<tr>
<td>Diadiako</td>
<td>Sabodala Local</td>
<td>807,640</td>
<td>1,470,700</td>
<td>-100</td>
<td>808,740</td>
<td>1,471,840</td>
</tr>
</tbody>
</table>
BULK DENSITY MODELS

Oxidation surfaces were constructed for each deposit by modelling individual points representing the base of the weathered rock profiles in each drillhole. Oxide surfaces were used as hard boundaries separating the lower density oxide horizons from the higher density fresh rock.

For Golouma North, Goumbati West – Kobokoto, Niakafiri East and Niakafiri West, oxide domains were subdivided into laterite, saprolite and transition sub-domains based on core photos, density determinations and logged lithology.

Average bulk densities for Maki Medina were applied separately to mineralized and unmineralized portions of the oxide and fresh rock sub-domains.

Bulk density determinations for Sabodala were flagged with lithology and oxide models then averaged by lithology type.

A range of bulk densities were applied to the oxide domain for Masato. Average bulk densities were applied separately to mineralized and unmineralized portions of the fresh rock sub-domains.

The average bulk density for oxide for Gora was estimated, as density determinations were not taken. Average bulk densities were applied separately to mineralized and unmineralized portions of the fresh rock sub-domains.

Bulk densities were averaged for oxide and fresh rock for Golouma, Kerekounda, Kourououlou, Kouroundi, and Diadiako.

For Kinemba, Koulouqwinde, Koutouniokollo, Mamasato, and Sekoto, bulk densities were estimated using the inverse distance squared method. All un-interpolated blocks were assigned the average bulk densities for the oxide and fresh rocks.

As the majority of drilling at Soukhoto was RC, sufficient representative core was not available for bulk density determinations. Density determinations were taken on core at Marougou, however, these are awaiting validation and were not used. Average bulk densities for Soukhoto and Marougou were determined from existing data in similar lithologies.
Average bulk densities are presented in Table 14-31.

### TABLE 14-31 AVERAGE BULK DENSITIES
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Average Oxide (t/m³)</th>
<th>Laterite (t/m³)</th>
<th>Saprolite (t/m³)</th>
<th>Transition (t/m³)</th>
<th>Fresh Rock (t/m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diadiako</td>
<td>2.70</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.70</td>
</tr>
<tr>
<td>Golouma</td>
<td>2.19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.82</td>
</tr>
<tr>
<td>Golouma North</td>
<td>-</td>
<td>2.03</td>
<td>2.40</td>
<td>-</td>
<td>2.83</td>
</tr>
<tr>
<td>Gora</td>
<td>2.53</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.72 (veins), 2.77 (waste)</td>
</tr>
<tr>
<td>Goumbati West -</td>
<td>-</td>
<td>1.86</td>
<td>1.86</td>
<td>2.34</td>
<td>2.72</td>
</tr>
<tr>
<td>Kobokoto</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kerekounda</td>
<td>2.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.80</td>
</tr>
<tr>
<td>Kinemba</td>
<td>1.75</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.84</td>
</tr>
<tr>
<td>Kouloqwinde</td>
<td>2.25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.70</td>
</tr>
<tr>
<td>Kourouloulou</td>
<td>2.11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.74</td>
</tr>
<tr>
<td>Kouroundi</td>
<td>2.64</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.90</td>
</tr>
<tr>
<td>Koutouniokollo</td>
<td>2.14</td>
<td>1.83 (min zones), 1.92 (waste)</td>
<td>1.83 (min zones), 1.92 (waste)</td>
<td>2.29 (min zones), 2.36 (waste)</td>
<td>2.71 (min zones), 2.76 (waste)</td>
</tr>
<tr>
<td>Maki Medina</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mamasato</td>
<td>2.46</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.81</td>
</tr>
<tr>
<td>Marougou</td>
<td>2.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.75</td>
</tr>
<tr>
<td>Masato</td>
<td>1.87 to 2.22</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.84 (min zones), 2.80 (waste)</td>
</tr>
<tr>
<td>Niakafiri East</td>
<td>-</td>
<td>1.75</td>
<td>1.75</td>
<td>1.91</td>
<td>2.85</td>
</tr>
<tr>
<td>Niakafiri West</td>
<td>-</td>
<td>1.67</td>
<td>1.67</td>
<td>1.86</td>
<td>2.76</td>
</tr>
<tr>
<td>Sekoto</td>
<td>1.83</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.44</td>
</tr>
<tr>
<td>Soukhoto</td>
<td>2.20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.75</td>
</tr>
</tbody>
</table>

**SABODALA**

Bulk density determinations were flagged with lithology and oxide models then averaged by lithology type. Although local variances are not preserved, calculated averages are within reasonable limits for each lithology and were used in the final block model.

There were no bulk density determinations located in the oxide portion of the porphyry and therefore the average bulk density was determined from the original lithology flagging of a previous oxide model. Adjusted bulk densities were calculated to account for partial rock blocks adjacent to the topographic surface. Table 14-32 lists the average bulk densities assigned to the Sabodala block model.
TABLE 14-32  SABODALA BULK DENSITY BY LITHOLOGY
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Lithology</th>
<th>Fresh</th>
<th></th>
<th>Oxide</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Samples (No.)</td>
<td>Average (t/m³)</td>
<td>Samples (No.)</td>
<td>Average (t/m³)</td>
</tr>
<tr>
<td>Volcaniclastics West</td>
<td>1,626</td>
<td>2.84</td>
<td>17</td>
<td>2.76</td>
</tr>
<tr>
<td>Ultramafics</td>
<td>2,166</td>
<td>2.85</td>
<td>40</td>
<td>2.52</td>
</tr>
<tr>
<td>Gabbro</td>
<td>7,878</td>
<td>2.85</td>
<td>90</td>
<td>2.17</td>
</tr>
<tr>
<td>Volcaniclastics East</td>
<td>9,960</td>
<td>2.82</td>
<td>261</td>
<td>2.34</td>
</tr>
<tr>
<td>Mylonite</td>
<td>1,884</td>
<td>2.73</td>
<td>7</td>
<td>2.14</td>
</tr>
<tr>
<td>Basalt</td>
<td>12,976</td>
<td>2.87</td>
<td>82</td>
<td>2.38</td>
</tr>
<tr>
<td>Felsic Porphyry</td>
<td>459</td>
<td>2.75</td>
<td>assigned</td>
<td>2.68</td>
</tr>
</tbody>
</table>

**GORA**

Bulk density samples were taken from veins, mafic volcanics, felsic volcanics, and sediments. There were no bulk density determinations for the oxide portion, therefore the bulk density estimated for the previous block model was used for the oxide. The vein samples were a combination of vein and wallrock sediments, with the majority of the sample consisting of sediments, therefore the average bulk density of the veins and sediments was applied to the veins. The mafic and felsic volcanic units are discontinuous, irregular, intercalated within the more extensive sedimentary unit, and not separately modelled. The average bulk density of the sediments was applied to all fresh rock. Gora bulk densities are included in Table 14-31.

**MASATO**

Based on 1,091 density measurements performed on diamond drill core in oxides, dry bulk density was determined to be related to the height above the base of oxide surface, where the highest densities occur in the first 10 m immediately above the base of oxide, and the lowest occur higher up at 50 m or more above the base of oxide (Srivastava, 2014). A regression curve was generated to predict average dry bulk density as a function of the height above the base of oxide. Immediately above the base of oxide surface, the regression curve predicts an average density of 2.22 t/m³; 50 m above the base of oxide, it predicts an average density of 1.87 t/m³, as presented in Figure 14-24.
Of the density measurements taken in fresh rock, approximately half were taken in mineralization domains. The average density is 2.84 t/m³ in mineralized fresh rock and is 2.80 t/m³ in unmineralized fresh rock. Masato bulk densities are included in Table 14-31.

GRADE ESTIMATION
Grade estimates were revised for Niakafiri East, Niakafiri West, and Goumbati West - Kobokoto in Vulcan. Grade estimates were generated for the two new deposits: Golouma North and Marougou. Grade estimates for all other mineral resource block models remain the same as reported in the previous technical report (RPA, 2016).

SABODALA
Sabodala block gold grades were estimated using the Ordinary Kriging method (OK) for the MFZ, Ayoub, Steep FG, FW Flat, UF Zones, and the EDA. Downhole and directional correlograms were constructed for mineralization domains containing a sufficient number of composites to generate suitable variograms. The variogram model parameters used in the previous 2011 estimate were reviewed using the additional data from 2012 and 2013. Revisions to the variogram parameters were not warranted and remain the same.
The first estimation pass uses small limited searches to estimate blocks located close to composites. The second estimation pass uses larger search radii based on the second variogram structure with composites from a minimum of two drillholes that connect the majority of the blocks estimated during the first pass. The third estimation pass uses 1.5 times the second variogram structure with no minimum drillhole restriction. The minor search range for the second and third estimation passes for the EDA was determined visually and were more restrictive in order to prevent extrapolation of grades beyond reasonable limits in the absence of a hard boundary.

The Inverse Distance Squared method (ID²) was used to estimate block gold grades for the UM Flat, Deep Flat Zones, and Sutuba Zones, due to the small number of contained sample composites or the presence of multiple trends. Search directions were determined visually for each domain. Isotropic search ranges were applied for grade estimation. Three estimation runs were applied, each with increasing search distances. Grade estimation parameters are listed in Table 14-33.
<table>
<thead>
<tr>
<th>Estimation Method</th>
<th>MFZ</th>
<th>Ayoub's</th>
<th>Steep FG</th>
<th>FW Flat</th>
<th>UM Flat</th>
<th>DF Zones</th>
<th>UF Zones</th>
<th>Sutuba Zones</th>
<th>EDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OK</td>
<td>OK</td>
<td>OK</td>
<td>OK</td>
<td>ID²</td>
<td>ID²</td>
<td>OK</td>
<td>ID²</td>
<td>OK</td>
</tr>
<tr>
<td>Vulcan Search Ellipse Orientation</td>
<td>340</td>
<td>353</td>
<td>353</td>
<td>327</td>
<td>-</td>
<td>-</td>
<td>338</td>
<td>-</td>
<td>335</td>
</tr>
<tr>
<td>Bearing (z)</td>
<td>-9</td>
<td>-26</td>
<td>-26</td>
<td>-11</td>
<td>-</td>
<td>-</td>
<td>-10</td>
<td>-</td>
<td>-11</td>
</tr>
<tr>
<td>Plunge (y)</td>
<td>23.4</td>
<td>56.2</td>
<td>56.2</td>
<td>-19.2</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>-</td>
<td>22.6</td>
</tr>
<tr>
<td>Min. No. Samples</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
<td>3,6,2</td>
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<tr>
<td>Max. No. Samples</td>
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<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Pass 1 Ranges</td>
<td>Major Axis</td>
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<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Semi-major Axis</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Minor Axis</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Pass 2 Ranges</td>
<td>Major Axis</td>
<td>65</td>
<td>80</td>
<td>40</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>75</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Semi-major Axis</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>30</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Minor Axis</td>
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<td>20</td>
<td>30</td>
<td>25</td>
<td>50</td>
<td>50</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>Pass 3 Ranges</td>
<td>Major Axis</td>
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<td>120</td>
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<td>60</td>
<td>75</td>
<td>75</td>
<td>112</td>
<td>75</td>
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<td></td>
<td>Semi-major Axis</td>
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<td>60</td>
<td>60</td>
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<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Minor Axis</td>
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<td>45</td>
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<td>75</td>
<td>53</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>C₀</td>
<td>0.1</td>
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<td>0.2</td>
<td>0.13</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
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<td>C₁</td>
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<td>0.622</td>
<td>0.709</td>
<td>-</td>
<td>-</td>
<td>0.584</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Major Axis</td>
<td>40</td>
<td>40</td>
<td>10</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Semi-major Axis</td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Minor Axis</td>
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<td>10</td>
<td>10</td>
<td>8</td>
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<td>-</td>
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</tr>
<tr>
<td></td>
<td>C₂</td>
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<td>0.178</td>
<td>0.161</td>
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<td>-</td>
<td>0.146</td>
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</tr>
<tr>
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<td>Major Axis</td>
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</tr>
<tr>
<td></td>
<td>Semi-major Axis</td>
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<td>40</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Minor Axis</td>
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<td>30</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>35</td>
<td>-</td>
</tr>
</tbody>
</table>

**TABLE 14-33**  SABODALA GRADE ESTIMATION PARAMETERS
Teranga Gold Corporation - Sabodala Project
GORA

Gora block grades were estimated using the Inverse Distance Cubed (ID$^3$) method. Domain models were used as hard boundaries to limit the extent of influence of composites grades within the domains.

Suitable variograms could not be generated for individual or combined domain models due to the small number of contained sample composites. Search ranges were determined visually based on continuity of mineralization and drillhole spacing.

Search directions were determined visually for each domain. Isotropic search ranges in the major and semi-major directions following the trend of individual domain models were applied. Minor search ranges were also determined visually and were shorter. Search directions and trends are listed in Table 14-34.

<table>
<thead>
<tr>
<th>Domain Model</th>
<th>General Trend</th>
<th>Vulcan Rotation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strike (°)</td>
<td>Z Rotation</td>
</tr>
<tr>
<td></td>
<td>Dip (°)</td>
<td>Y Rotation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X Rotation</td>
</tr>
<tr>
<td>Vein 1</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>-42S</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-42</td>
</tr>
<tr>
<td>Vein 2</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>-45S</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-45</td>
</tr>
<tr>
<td>Vein 3</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>-40S</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>-40</td>
</tr>
<tr>
<td>Vein 4</td>
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<td>90</td>
</tr>
<tr>
<td></td>
<td>-40S</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-40</td>
</tr>
</tbody>
</table>

Three grade estimation passes were run with increasing major, semi-major, and minor search ranges for each successive estimation run. Estimation flags were stored for each estimation run based on increasing search distances. The number of samples and holes were stored in separate block variables for use in determining resource classification. Grade estimation parameters are listed in Table 14-35.
TABLE 14-35  GORA GRADE ESTIMATION PARAMETERS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Vein</th>
<th>Estimation Run</th>
<th>Search Ranges</th>
<th>Number of Samples Per Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Major Axis (m)</td>
<td>Semi-Major Axis (m)</td>
</tr>
<tr>
<td>All</td>
<td>1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Veins</td>
<td>2</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

**MASATO**
Masato block grades for the M1 domain were estimated by M. Srivastava (Benchmark Six) using OK and customized unfolding, where the search ellipse is locally re-oriented to the local directions of continuity which are calculated at the centers of the blocks, with high anisotropy in the strike direction compared to the across-structure direction.

Masato block grades for the M2, FW1 to FW3, and HW1 to HW6 domains were estimated in Vulcan using ID\(^2\) and local unfolding.

Masato block grades for the Min1 to Min6 domains, located at depth in the deposit, were estimated in Vulcan using the ID\(^2\) method, as suitable variograms could not be generated due to the small number of contained sample composites or the presence of multiple trends.

Multiple estimation passes were run with increased major, semi-major, and minor search ranges applied to consecutive passes. The number of samples and holes were stored in separate block variables for use in determining resource classification. Masato grade estimation parameters are listed in Table 14-36.
### TABLE 14-36  MASATO GRADE ESTIMATION PARAMETERS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
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GOLOUMA

Downhole and directional variograms were generated for the Golouma South 2100, 2200, 2300 domains, and the Golouma West 18000, 18100, 18400, 18600, and 18900 domains. Suitable variograms could not be generated for the other domains due to the small number of contained sample composites or the presence of multiple trends.

Golouma block grades were estimated using OK for the 2100, 2200, 2300, 18000, 18100, 18400, 18600, and 18900 domains. ID² was used to estimate block grades for the 2000, 404, 7100, 7200, 7300, 7400, 18300, 18414, 18700, 18800, 19000, and 19400 domains.

Two estimation passes were run with increased major, semi-major, and minor search ranges applied to the second pass. Search ranges for the first pass ID² estimation runs were determined visually based on continuity of mineralization and drillhole spacing. The number of samples and holes were stored in separate block variables for use in determining resource classification. Golouma grade estimation parameters are listed in Table 14-37.
### TABLE 14-37  GOLOUMA GRADE ESTIMATION PARAMETER

Teranga Gold Corporation - Sabodala Project

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Teranga Gold Corporation – Sabodala Project, Project #2819

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KEREKOUNDA

Downhole and directional variograms were generated for the 3100, 3200, 3300, and 3400 domains.

Kerekounda block grades were estimated using OK. Two estimation passes were run with increased major, semi-major, and minor search ranges applied to the second pass. The number of samples and holes were stored in separate block variables for use in determining resource classification. Kerekounda grade estimation parameters are listed in Table 14-38.

### TABLE 14-38 KEREKOUNDA GRADE ESTIMATION PARAMETERS

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<td>80</td>
<td>75</td>
</tr>
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<td>Pass 2 Major Axis (m)</td>
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<td>4</td>
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MAKI MEDINA
Maki Medina block grades were estimated using ID$^3$ by RPA in Vulcan. In addition, block grades for domains 41, 42, and 14 were estimated using local dynamic rotations of the bearing and dip directions of the search ellipsoid, using trend surfaces to guide the grade interpolations. Correlograms were run for domains 41, 42 and 14 to confirm first pass search ranges. Search ranges for the first pass ID$^3$ estimation runs for the other domains were determined visually based on continuity of mineralization and drillhole spacing.

Three estimation passes were run with increasing major, semi-major, and minor search ranges applied to successive passes. The number of samples and holes were stored in separate block variables for use in determining resource classification. Maki Medina grade estimation parameters are listed in Table 14-39.

NIKAFIRI EAST AND NIKAFIRI WEST
Niakafiri East and Niakafiri West block grades were estimated using ID$^3$ in Vulcan. Domain models were used as hard boundaries to limit the extent of influence of composite grades within the domains. Two separate EDA envelopes were generated around the domain models as well as mineralization located in closely-spaced and widely-spaced holes that have not been domained. Mineralization inside the EDA but located outside of other modelled domains has been treated as separate domains with a unique composite and domain flag. Search ranges were determined visually based on continuity of mineralization and drillhole spacing.

Grade estimation was completed in Vulcan using customized unfolding where the search ellipse for each domain is locally re-oriented to the local directions of continuity, which are calculated at the centers of the blocks. Three estimation passes were run with increasing major, semi-major, and minor search ranges applied to successive passes. The number of samples and holes were stored in separate block variables for use in determining resource classification. Niakafiri East and Niakafiri West grade estimation parameters are listed in Table 14-40.
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<th>DZ3</th>
<th>DZ41</th>
<th>DZ42</th>
<th>DZ5</th>
<th>CZ6</th>
<th>CZ7</th>
<th>CZ8</th>
<th>CZ9</th>
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<td>5</td>
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<td>0</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>3 / 2 / 1</td>
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<td>3 / 2 / 1</td>
<td>3 / 2 / 1</td>
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<td>Max. Samples per Hole</td>
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<td>2 / 2 / 2</td>
<td>2 / 2 / 2</td>
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<td>2 / 2 / 2</td>
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<td>30</td>
<td>30</td>
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<td>75</td>
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<td>45</td>
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<td>Semi-major Axis</td>
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**TABLE 14-39** MAKI MEDINA GRADE ESTIMATION PARAMETERS
Teranga Gold Corporation - Sabodala Project
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<thead>
<tr>
<th>Estimation Method</th>
<th>Niakafiri East ID³</th>
<th>Niakafiri West 201 to 209 ID³</th>
<th>Niakafiri West 210 to 224 ID³</th>
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<td>Local unfolding</td>
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<td>Pass 1 / 2 / 3</td>
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<td>Max. Samples per Hole</td>
<td>Pass 1 / 2 / 3</td>
<td>3 / 3 / 3</td>
<td>3 / 3 / 3</td>
<td>2 / 2 / -</td>
</tr>
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<td>Ranges</td>
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<td>50</td>
<td>50</td>
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<tr>
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<td>Semi-major Axis (m)</td>
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<td>50</td>
<td>50</td>
</tr>
<tr>
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<td>Minor Axis (m)</td>
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<td>5</td>
</tr>
<tr>
<td></td>
<td>High grade restriction (g/t Au)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>High grade restriction (m)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
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<td>Pass 1</td>
<td>Major Axis (m)</td>
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<td>75</td>
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<td>10</td>
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<tr>
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<td>High grade restriction (g/t Au)</td>
<td>8</td>
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<td>8</td>
</tr>
<tr>
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<td>High grade restriction (m)</td>
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<td>Major Axis (m)</td>
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<td>100</td>
<td>100</td>
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<tr>
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<td>Semi-major Axis (m)</td>
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<td>100</td>
<td>100</td>
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<td></td>
<td>Minor Axis (m)</td>
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<tr>
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<td>High grade restriction (g/t Au)</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
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<td>High grade restriction (m)</td>
<td>10 / 10 / 2.5</td>
<td>10 / 10 / 5</td>
<td>10 / 50 / 5</td>
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</table>
GOUMBATI WEST - KOBOKOTO

Goumbati West block grades were estimated using ID$^2$. Domain models were used as hard boundaries to limit the extent of influence of composite grades within the domains. Three separate EDA envelopes were generated around the domain models as well as mineralization located in closely-spaced and widely-spaced holes that have not been domained. Mineralization inside the EDA but located outside of other modelled domains has been treated as separate domains with a unique composite and domain flag. Search ranges were determined visually based on continuity of mineralization and drillhole spacing.

Grade estimation was completed in Vulcan using customized unfolding where the search ellipse for each domain is locally re-oriented to the local directions of continuity, which are calculated at the centers of the blocks. Three estimation passes were run with increasing major, semi-major, and minor search ranges applied to successive passes. The number of samples and holes were stored in separate block variables for use in determining resource classification.

Goumbati West - Kobokoto grade estimation parameters are listed in Table 14-41.

**TABLE 14-41  GOUMBATI WEST - KOBOKOTO GRADE ESTIMATION PARAMETERS**

<table>
<thead>
<tr>
<th>Teranga Gold Corporation - Sabodala Project</th>
<th>All Domain Zones</th>
<th>EDA Zones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimation Method</td>
<td>ID$^2$</td>
<td>ID$^2$</td>
</tr>
<tr>
<td>Search Ellipse Orientation</td>
<td>Local unfolding</td>
<td>Local unfolding</td>
</tr>
<tr>
<td>Min. No. Samples</td>
<td>Pass 1 / 2 / 3</td>
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</tr>
<tr>
<td>Max. No. Samples</td>
<td>Pass 1 / 2 / 3</td>
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</tr>
<tr>
<td>Max. Samples per Hole</td>
<td>Pass 1 / 2 / 3</td>
<td>3 / 3 / 3</td>
</tr>
<tr>
<td>Ranges</td>
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<td>Semi-major Axis (m)</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Minor Axis (m)</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>High Grade Restriction (g/t Au)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>High Grade Restriction (m)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Major Axis (m)</td>
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</tr>
<tr>
<td>Pass 2</td>
<td>Semi-major Axis (m)</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Minor Axis (m)</td>
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</tr>
<tr>
<td></td>
<td>High Grade Restriction (g/t Au)</td>
<td>3 or 8</td>
</tr>
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<td></td>
<td>High Grade Restriction (m)</td>
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</tbody>
</table>

Teranga Gold Corporation – Sabodala Project, Project #2819
Technical Report NI 43-101 – August 30, 2017
GOLOUMA NORTH

Golouma North block grades were estimated using ID\textsuperscript{3}. Domain models were used as hard boundaries to limit the extent of influence of composite grades within the domains. Search ranges were determined visually based on continuity of mineralization and drillhole spacing. Three estimation passes were run with increasing major, semi-major, and minor search ranges applied to successive passes. The number of samples and holes were stored in separate block variables for use in determining resource classification. Golouma North grade estimation parameters are listed in Table 14-42.

### TABLE 14-42  GOLOUMA NORTH GRADE ESTIMATION PARAMETERS

<table>
<thead>
<tr>
<th>Estimation Method</th>
<th>All Domain Zones</th>
<th>EDA Zones</th>
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</thead>
<tbody>
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</tr>
<tr>
<td>Major Axis (m)</td>
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<td>-</td>
</tr>
<tr>
<td>Semi-major Axis (m)</td>
<td>100</td>
<td>-</td>
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<tr>
<td>Minor Axis (m)</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>High Grade Restriction (g/t Au)</td>
<td>3 or 8</td>
<td>-</td>
</tr>
<tr>
<td>High Grade Restriction (m)</td>
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#### TABLE 14-42  GOLOUMA NORTH GRADE ESTIMATION PARAMETERS

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<th>RS2S</th>
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<td>0</td>
<td>0</td>
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</tr>
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<td>Min. No. Samples</td>
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<td>4 / 3 / 1</td>
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<td>3 / 2 / -</td>
<td>3 / 2 / -</td>
<td>3 / 2 / -</td>
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</tr>
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<td>Pass 1</td>
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<td>50</td>
<td>50</td>
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<td>Minor Axis (m)</td>
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<td>Pass 2</td>
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<td>75</td>
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<td>Semi-major Axis (m)</td>
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<td>75</td>
<td>75</td>
<td>75</td>
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<tr>
<td>Minor Axis (m)</td>
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<tr>
<td>Pass 3</td>
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<td>100</td>
</tr>
<tr>
<td>Semi-major Axis (m)</td>
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<td>100</td>
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<td>100</td>
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<tr>
<td>Minor Axis (m)</td>
<td>30</td>
<td>30</td>
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</tr>
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</table>
**MAROUGOU**

Marougou block grades were estimated using the Nearest Neighbour (NN) estimation method inside the mineralization domain models, with one estimation run applied.

**BLOCK GRADE VALIDATION**

Block model grade validation consisted of a visual validation, as well as a comparison of the average block grade to the average composite grade by domain. In some domains, average block grades were higher than average composite grades due to widely spaced high grade composites influencing a larger number of blocks. Visual validation comparing assay and composite grades to block grade estimates showed reasonable correlation with no significant overestimation or overextended influence of high grades.

Swath plots were generated for most deposits to compare average composite grades to average block grades along different directions. Local average composites may be more variable than average block grades, however, the swath plots demonstrate a reasonable correlation between the composite grades and block grade estimates.

**RESOURCE CLASSIFICATION**


Mineral Resource block models for Niakafiri East, Niakafiri West, and Goumbati West – Kobokoto are new resource models generated since the date of the previous technical report. Each block model is an amalgamation of two previous individual resource models located adjacent to and along strike from each other, with continuity of mineralization delineated between both, based on new drilling between deposits. Golouma North and Marougou are new resource models that have been generated since the date of the previous technical report.
SABODALA
Resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.

Additional estimation runs were completed for classification of Measured Resources. Blocks estimated by OK, using search ranges corresponding to the first variogram structures with a minimum of two drillholes, and well established geological and grade continuity were classified as Measured Resources. Blocks estimated by ID², using a 20 m by 20 m by 20 m search range with a minimum of two drillholes, were classified as Measured Resources.

Blocks estimated during the second estimation run with a minimum of two holes were classified as Indicated Resources, where geological and grade continuity has been sufficiently established.

Inferred Resources have been defined with the third estimation run based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

GORA
Gora resource classification within gold mineralization domains is primarily based on drillhole spacing and continuity of grade, and was manually completed. Blocks estimated by drillholes with a maximum spacing of approximately 20 m, and well established geological and grade continuity, were classified as Measured Resources. Blocks estimated by a minimum of two drillholes with a maximum spacing of approximately 40 m, and sufficient geological and grade continuity were classified as Indicated Resources. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.

Inferred Resources have been defined by the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

MASATO
Mineral Resource classification of the M1, M2, FW1 to FW3, and HW1 to HW6 domains is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes. Blocks estimated in the first estimation pass with a minimum of two holes
were classified as Indicated Resources. Inferred Resources have been defined with the second estimation pass, based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

The Min1 to Min6 domains located at depth were classified as Inferred Resources due to the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

**GOLOUMA**

Mineral resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.

Blocks estimated by OK, using search ranges corresponding to the first estimation pass with a minimum of two drillholes, and sufficiently established geological and grade continuity were classified as Indicated Resources. Blocks estimated by ID², using search ranges corresponding to the first estimation pass with a minimum of two drillholes, were classified as Indicated Resources.

Inferred Resources have been defined with the second estimation pass, based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

**KEREKOUNDA**

Mineral resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.

Blocks estimated by OK, using search ranges corresponding to the first estimation pass with a minimum of two drillholes, and sufficiently established geological and grade continuity were classified as Indicated Resources.

Inferred Resources have been defined with the second estimation pass, based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.
MAKI MEDINA
Mineral Resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes. Blocks estimated in the first estimation pass with a minimum of two holes were classified as Indicated Resources. An Inferred Resource limit was defined by the extent of the second estimation pass, with all blocks estimated in the second and third passes inside this limit classified as Inferred Resources. The Inferred Resource classification is based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

NIAKAFIRI EAST
Niakafiri East resource classification within gold mineralization domains is primarily based on drillhole spacing and continuity of grade, and was manually completed. Blocks estimated in the first estimation pass with a maximum spacing of 30 m were classified as Measured Resources. All other blocks estimated in the first pass with a minimum of two holes were classified as Indicated Resources. Inferred Resources were assigned to blocks estimated in the second and third estimation passes. Blocks estimated outside of the domains and inside the buffer zones in the first and second estimation passes were classified as Inferred Resources.

NIAKAFIRI WEST
Mineral resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.

Blocks in the domain wireframes estimated in the first estimation pass with a minimum of two holes were classified as Indicated Resources. Inferred Resources have been defined with the second and third estimation passes, based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity. Blocks estimated outside of the domains and inside the buffer zones in the first and second estimation passes were classified as Inferred Resources.

GOUMBATI WEST - KOBOKOTO
Mineral resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.
Blocks in the domain wireframes estimated in the first estimation pass with a minimum of two holes were classified as Indicated Resources. Inferred Resources have been defined with the second and third estimation passes in the domain wireframes, based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity. Blocks estimated outside of the domains and inside the buffer zones in the first and second estimation passes were classified as Inferred Resources.

**GOLOUMA NORTH**

Mineral resource classification is primarily based on drillhole spacing and continuity of grade, and is manually completed. Manual adjustments were made to eliminate the unusual artifacts generated from the estimation passes.

Blocks estimated in the first estimation pass with a minimum of two holes and a maximum spacing of 30 m were classified as Indicated Resources. Inferred Resources were assigned to all other blocks estimated in the first, second and third estimation passes, based on the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

**OTHER DEPOSITS**

Diadiako, Koulouqwinde, Koutouniokollo, Marougou, Sekoto, and Soukhoto Mineral Resources have been classified as Inferred Resources due to the wide spacing of drillholes and resultant uncertainty in geological and grade continuity.

Kinemba and Kouroundi Mineral Resources have been classified as Indicated and Inferred Resources based on the variogram ranges, and OK estimation passes. Additional broad wireframe envelopes were generated to reclassify small discontinuous clusters of estimated blocks to correspond to the resource category of the surrounding blocks.

Kourouloulou and Mamasato Mineral Resources have been classified as Indicated and Inferred Resources based on the ID² estimation passes. Additional broad wireframe envelopes were generated to reclassify small discontinuous clusters of estimated blocks to correspond to the resource category of the surrounding blocks.
OPEN PIT CONSTRAINT AND CUT-OFF GRADE

For reporting of open pit Mineral Resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of “reasonable prospects for eventual economic extraction”.

Operating parameters for the optimizations and cut-off grade estimates were based on geotechnical recommendations, site operating experience, production data, and life-of-mine planning. The operating parameters are summarized in Table 14-43 with a range provided as appropriate to cover all deposits, along with the estimated cut-off grades for each rock type.

### TABLE 14-43  SUMMARY OF OPEN PIT OPERATING PARAMETERS

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Price</td>
<td>$1,450/oz</td>
</tr>
<tr>
<td>Pit Slope - Oxide</td>
<td>29° to 38°</td>
</tr>
<tr>
<td>Pit Slope - Transition</td>
<td>31° to 38°, and 45° (avg trans./fresh)</td>
</tr>
<tr>
<td>Pit Slope - Fresh</td>
<td>39° to 54°</td>
</tr>
<tr>
<td>Mining Dilution (1)</td>
<td>5%</td>
</tr>
<tr>
<td>Mining Recovery (1)</td>
<td>95%</td>
</tr>
<tr>
<td>Mining Cost - Oxide</td>
<td>$1.64 to 1.92/t mined</td>
</tr>
<tr>
<td>Mining Cost - Trans &amp; Fresh</td>
<td>$1.89 to 2.14/t mined</td>
</tr>
<tr>
<td>Ore Transport Cost to Mill</td>
<td>$0.00 to 4.93/t milled</td>
</tr>
<tr>
<td>Ore Re-Handling Cost</td>
<td>$0.50/t milled</td>
</tr>
<tr>
<td>CIL Process Recovery - Oxide</td>
<td>92%</td>
</tr>
<tr>
<td>CIL Process Recovery - Trans &amp; Fresh</td>
<td>90%</td>
</tr>
<tr>
<td>CIL Process Cost - Oxide</td>
<td>$10.20 to 10.80/t milled</td>
</tr>
<tr>
<td>CIL Process Cost - Trans &amp; Fresh</td>
<td>$11.96 to 13.50/t milled</td>
</tr>
<tr>
<td>G&amp;A Cost - Oxide</td>
<td>$2.78/t milled</td>
</tr>
<tr>
<td>G&amp;A Cost - Trans &amp; Fresh</td>
<td>$2.84/t milled</td>
</tr>
<tr>
<td>Gold Transp./Refining less Ag Revenue</td>
<td>$2.35/oz Au</td>
</tr>
<tr>
<td>Metal Payable at Refinery</td>
<td>99.92%</td>
</tr>
<tr>
<td>Royalty</td>
<td>5%</td>
</tr>
<tr>
<td>Royalty for Gora Deposit (Axmin)</td>
<td>1.5%</td>
</tr>
<tr>
<td>Cut-Off grade - Oxide</td>
<td>0.35 to 0.48 g/t Au</td>
</tr>
<tr>
<td>Cut-Off grade – Trans &amp; Fresh</td>
<td>0.40 to 0.55 g/t Au</td>
</tr>
</tbody>
</table>

Notes:

1. No additional mining dilution or recovery factors have been applied in excess of standard SMU sizes in the process of defining limits of pit boundaries.
2. The above estimates used to determine cut-off grades for pit optimization.
The pit slope angles are expressed as overall slope angles, which account for the impact of required ramps along pit walls. For resource areas without current geotechnical recommendations, the overall slope angles were set to the average overall angles in oxide and transition/fresh from all other pits (35° and 45° respectively).

The site discard cost, which is exclusive of mining costs, varies between $14.00/t milled in oxide to $21.77/t milled in fresh rock; this includes ore re-handling and transportation, processing, and G&A costs. The site discard cost, along with consideration of the gold price and gold processing recovery, were used to estimate the cut-off grades for reporting Mineral Resources. The estimated cut-off grades range from 0.35 g/t Au to 0.48 g/t Au for oxide mineralization and from 0.40 g/t Au to 0.55 g/t Au for transition and fresh rock mineralization.

**UNDERGROUND CONSTRAINT AND CUT-OFF GRADE**

For reporting of underground Mineral Resources, only classified blocks greater than or equal to the underground cut-off grade outside of the open pit shells were reported. In addition, Deswik Stope Optimizer software was used to generate wireframe models to constrain blocks satisfying minimum size and continuity criteria, which were used for reporting Sabodala underground Mineral Resources. For the remaining estimates of underground resources, it was determined by visual examination that sufficient mining width and continuity existed within the mineral resource wireframes at the estimated cut-off grade for the purpose of estimating underground resources. This is in compliance with CIM (2014) resource definition requirements. The underground operating parameters are summarized in Table 14-44 along with the estimated cut-off grades.
### TABLE 14-44 SUMMARY OF UG OPERATING PARAMETERS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Price</td>
<td>$1,450/oz</td>
</tr>
<tr>
<td>Underground Mining Cost</td>
<td>$65.00/t mined</td>
</tr>
<tr>
<td>CIL Process Recovery - Fresh</td>
<td>92%</td>
</tr>
<tr>
<td>CIL Process Cost - Fresh</td>
<td>$15.50/t milled</td>
</tr>
<tr>
<td>Underground G&amp;A Cost</td>
<td>$3.50/t milled</td>
</tr>
<tr>
<td>Gold Transp./Refining less Ag Revenue</td>
<td>$2.35/oz Au</td>
</tr>
<tr>
<td>Metal Payable at Refinery</td>
<td>99.92%</td>
</tr>
<tr>
<td>Royalty</td>
<td>5%</td>
</tr>
<tr>
<td>Additional Royalty (Axmin)</td>
<td>1.5% on Au mined from Gora Perimeter</td>
</tr>
<tr>
<td>Underground Cut-Off grade – Fresh</td>
<td>2.0 g/t Au</td>
</tr>
</tbody>
</table>

The underground process recovery uses the same formula as the open pit, thus the average gold recovery is higher because the average underground grades are higher than the open pit. Process cost includes transportation of mineralization from the underground mine to the processing facilities. Underground G&A cost is higher than for the open pit as it was considered as a standalone cost versus incremental to the operation. The estimated cut-off grade for reporting underground resources is 2.0 g/t Au.

### MINERAL RESOURCE ESTIMATE

The Mineral Resource estimate, inclusive of Mineral Reserves, is summarized by deposit in Table 14-45.
<table>
<thead>
<tr>
<th>Deposit</th>
<th>Domain</th>
<th>Measured</th>
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<th>Indicated</th>
<th></th>
<th>Measured and Indicated</th>
<th></th>
<th>Inferred</th>
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<tr>
<td></td>
<td></td>
<td>Tonnes</td>
<td>Grade</td>
<td>Au</td>
<td>Tonnes</td>
<td>Grade</td>
<td>Au</td>
<td>Tonnes</td>
<td>Grade</td>
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<tr>
<td></td>
<td></td>
<td>('000s)</td>
<td>(g/t Au)</td>
<td>('000s)</td>
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<td>(g/t Au)</td>
<td>('000s)</td>
<td>('000s)</td>
<td>(g/t Au)</td>
</tr>
<tr>
<td>Sabodala</td>
<td>Open Pit</td>
<td>11,725</td>
<td>1.17</td>
<td>442</td>
<td>6,488</td>
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<td>332</td>
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<tr>
<td></td>
<td>Underground</td>
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<td>1.17</td>
<td>442</td>
<td>8,119</td>
<td>2.01</td>
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<td>Masato</td>
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<td>Gora</td>
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<td>315</td>
<td>5.14</td>
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<td>Golouma</td>
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<td>Underground</td>
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<td>Niakafiri West</td>
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<td>1.22</td>
<td>83</td>
<td>2,112</td>
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<td>Goumbati West - Kobokoto</td>
<td>Open Pit</td>
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<td>2,678</td>
<td>1.35</td>
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<tr>
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<td>1.35</td>
<td>116</td>
<td>131</td>
<td>3.25</td>
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<td>3.25</td>
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<td>Au ('000s)</td>
<td>Tonnes ('000s)</td>
<td>Grade (g/t Au)</td>
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<td>Total</td>
<td>Open Pit</td>
<td>21,174</td>
<td>1.15</td>
<td>783</td>
<td>59,091</td>
<td>1.52</td>
<td>2,882</td>
<td>80,264</td>
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<td>6,354</td>
<td>3.78</td>
<td>773</td>
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<td>3.78</td>
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</tbody>
</table>

Notes:
1) CIM definitions were followed for Mineral Resources.
2) Open pit oxide Mineral Resources are estimated at a cut-off grade of 0.35 g/t Au, except for Gora and Marougou at 0.48 g/t Au.
3) Open pit transition and fresh rock Mineral Resources are estimated at a cut-off grade of 0.40 g/t Au, except for Gora and Marougou at 0.55 g/t Au.
4) Underground Mineral Resources are estimated at a cut-off grade of 2.00 g/t Au.
5) Measured Resources at Sabodala include stockpiles which total 7.2 Mt at 0.75 g/t Au for 174,000 oz.
6) Measured Resources at Masato include stockpiles which total 4.2 Mt at 0.88 g/t Au for 92,000 oz.
7) Measured Resources at Gora include stockpiles which total 0.4 Mt at 1.28 g/t Au for 15,000 oz.
8) Measured Resources at Golouma include stockpiles which total 0.04 Mt at 1.38 g/t Au for 2,000 oz.
9) Measured Resources at Kerekounda include stockpiles which total 0.03 Mt at 3.30 g/t Au for 3,000 oz.
10) High grade assays were capped at grades ranging from 1.5 g/t Au to 110 g/t Au.
11) Mineral Resources are inclusive of Mineral Reserves.
12) Open pit shells were used to constrain open pit resources.
13) Mineral Resources are estimated using a gold price of US$1,450 per ounce.
14) Sum of individual amounts may not equal due to rounding.
RECONCILIATION

Reconciliation of mineral reserves, production grade control, and mill feed is conducted monthly, quarterly and annually. Monthly reconciliation procedures have been established in-house and are recorded in an internal company document. Mineral Reserve and mill feed cut-off grades as well as stockpile practices at Sabodala have changed over time since commencement of production; however, during the period from January 2016 to June 2017 inclusive, a consistent cut-off grade of 1.0 g/t Au has been applied to mill feed.

For the purpose of reconciliation, the actual mined material is defined as the tonnage which is reported on a shift-by-shift basis combined with the grades estimated within the grade control model. Daily actual mined material is generated by the Teranga production geology team. Daily mill feed tonnes and grades are generated by the Teranga process team.

Monthly reconciliation is undertaken by two separate comparisons. The first is a comparison of the grade control model (including actual mined and stockpile movements) against mill feed, and the second is a comparison of the Mineral Reserve to actual mined. The grade control model is derived through RC drilling on a nominally 10 m grid and is intended to provide guidance for short term planning and ore recovery. The reserves models are derived by applying dilution and recovery factors and are used for the LOM long term planning.

Fresh rock ore mined in the 0.5 g/t Au to 1.0 g/t Au grade range for Golouma South, Golouma West, Kerekounda, and Masato is placed into marginal grade stockpiles to be processed at the end of the mine life. Fresh rock ore mined in the 0.6 g/t Au to 1.0 g/t Au grade range for Gora is placed into marginal grade stockpiles to be processed at the end of the mine life. Oxide ore mined in the 0.4 g/t Au to 1.0 g/t Au grade range for Golouma South, Golouma West, Kerekounda, and Gora is placed into marginal grade oxide stockpiles for processing at a later date.

Significant discrepancies identified in the monthly reconciliation are immediately investigated, to identify the source of the discrepancies and determine remediation procedures as quickly as possible.

A comparison of the combined grade control models (including the actual mined and stockpiles) to mill feed from January 1, 2016 to June 30, 2017 inclusive, is presented in
Table 14-46. Results indicate that above a 1.0 g/t Au cut-off grade, the grade control models report 2% higher tonnes, 2% higher grade and 4% higher ounces.

**TABLE 14-46  GRADE CONTROL TO MILL FEED RECONCILIATION JANUARY 2016 TO JUNE 2017**

<table>
<thead>
<tr>
<th>Month</th>
<th>Grade Control Model (Actual Mined and Stockpiles)</th>
<th>Mill Feed</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes (kt)</td>
<td>Grade (Au g/t)</td>
<td>Au (koz)</td>
</tr>
<tr>
<td>Jan-16</td>
<td>384.1</td>
<td>1.77</td>
<td>21.8</td>
</tr>
<tr>
<td>Feb-16</td>
<td>374.3</td>
<td>2.20</td>
<td>26.5</td>
</tr>
<tr>
<td>Mar-16</td>
<td>349.2</td>
<td>2.69</td>
<td>30.2</td>
</tr>
<tr>
<td>Apr-16</td>
<td>353.7</td>
<td>2.23</td>
<td>25.3</td>
</tr>
<tr>
<td>May-16</td>
<td>366.9</td>
<td>1.80</td>
<td>21.2</td>
</tr>
<tr>
<td>Jun-16</td>
<td>322.0</td>
<td>1.43</td>
<td>14.8</td>
</tr>
<tr>
<td>Jul-16</td>
<td>324.4</td>
<td>1.89</td>
<td>19.7</td>
</tr>
<tr>
<td>Aug-16</td>
<td>335.9</td>
<td>1.61</td>
<td>17.4</td>
</tr>
<tr>
<td>Sep-16</td>
<td>305.2</td>
<td>1.70</td>
<td>16.7</td>
</tr>
<tr>
<td>Oct-16</td>
<td>340.6</td>
<td>1.26</td>
<td>13.8</td>
</tr>
<tr>
<td>Nov-16</td>
<td>333.4</td>
<td>1.79</td>
<td>19.1</td>
</tr>
<tr>
<td>Dec-16</td>
<td>384.0</td>
<td>1.15</td>
<td>14.2</td>
</tr>
<tr>
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<td>24.8</td>
</tr>
<tr>
<td>Feb-17</td>
<td>357.1</td>
<td>2.18</td>
<td>25.0</td>
</tr>
<tr>
<td>Mar-17</td>
<td>319.5</td>
<td>1.59</td>
<td>16.3</td>
</tr>
<tr>
<td>Apr-17</td>
<td>332.4</td>
<td>2.16</td>
<td>23.1</td>
</tr>
<tr>
<td>May-17</td>
<td>355.4</td>
<td>2.15</td>
<td>24.6</td>
</tr>
<tr>
<td>Jun-17</td>
<td>319.3</td>
<td>1.81</td>
<td>18.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,216.3</strong></td>
<td><strong>1.87</strong></td>
<td><strong>373.2</strong></td>
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</tbody>
</table>

Comparisons of the Proven and Probable Reserves to actual mined from January 1, 2016 to June 30, 2017 inclusive, are presented by deposit at a cut-off grade of 1.0 g/t Au in Table 14-47.

Mining of the Masato Phase 1 pit was completed in March 2016 and the Masato Phase 2 pit was completed in January 2016. Mining commenced at Kerekounda in December 2016. Results indicate that above the reported Mineral Reserve cut-off grade of 1.0 g/t Au, the actual mined portion of the grade control models report 19% higher tonnes, no grade variance and 20% higher ounces. This overall positive correlation can be attributed to wider mineralized zones with higher grades delineated with closer spaced grade control drilling in oxide at Golouma South and Kerekounda. Additional tonnes at lower grade were delineated in fresh rock with closer spaced grade control drilling at the Masato Phase 1 pit. Additional
non-insitu high-grade surface mineralization was mined at Kerekounda, which remained from previous mining activities.

TABLE 14-47 SABODALA PIT MINERAL RESERVES TO ACTUAL MINED RECONCILIATION

Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Deposit</th>
<th>1 g/t Au cut-off</th>
<th>Proven and Probable Reserves</th>
<th>Actual Mined</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grade Tonnes (kt)</td>
<td>Grade Au (koz)</td>
<td>Grade Tonnes (kt)</td>
</tr>
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<td>Masato Phase 1</td>
<td>1.80</td>
<td>7.0</td>
<td>217.7</td>
<td>1.53</td>
</tr>
<tr>
<td>Masato Phase 2</td>
<td>1.78</td>
<td>46.5</td>
<td>893.1</td>
<td>1.69</td>
</tr>
<tr>
<td>Gora</td>
<td>3.95</td>
<td>101.4</td>
<td>798.2</td>
<td>4.21</td>
</tr>
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<td>Golouma South</td>
<td>3.17</td>
<td>104.4</td>
<td>1,198.1</td>
<td>3.42</td>
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<td>Kerekounda</td>
<td>2.81</td>
<td>6.1</td>
<td>262.1</td>
<td>2.30</td>
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<tr>
<td>Total</td>
<td>2.92</td>
<td>265.4</td>
<td>3,369.1</td>
<td>2.94</td>
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</table>

Mining at Golouma West commenced in June 2017, and was not included in the comparison of mineral reserves to actual mined summary for the period of interest, as additional mining data is required to generate an appropriate reconciliation.
15 MINERAL RESERVE ESTIMATE

SUMMARY OF MINERAL RESERVES

The Sabodala Gold Operation Mineral Reserve estimate is composed of open pit and underground deposits.

Open Pit Deposits:  
1. Sabodala  
2. Masato  
3. Gora  
4. Golouma South  
5. Golouma West  
6. Kerekounda  
7. Niakafiri East  
8. Niakafiri West  
9. Maki Medina  
10. Goumbati West and Kobokoto

Underground Deposits:  
1. Golouma South  
2. Kerekounda  
3. Golouma West 1  
4. Golouma West 2

The Gora, Golouma South, Golouma West, and Kerekounda open pit deposits are currently being mined by conventional open pit methods. The location of the open deposits and the underground deposits is shown in Figure 15-1.

The Proven and Probable Mineral Reserves for the deposits are based on only that part of the Measured and Indicated Resources that falls within the designed final pit limits.

Mineral Reserve cut-off grades are based on current operating practice and 2017 costs projected to the LOM. The Reserves are based on a gold price of $1,200/oz.

The Mineral Reserve estimate as at June 30, 2017, is presented in Table 15-1.
Figure 15-1

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Location of Sabodala Open Pit & Satellite Deposits

Legend:
- Sabodala Plant
- Sabodala Mining Concession
- Reserves - Open Pit
- Reserves - Underground

### TABLE 15-1 MINERAL RESERVE ESTIMATE AS AT JUNE 30, 2017

**Teranga Gold Corporation - Sabodala Project**

<table>
<thead>
<tr>
<th>Deposits</th>
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<th>Proven and Probable</th>
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<td>Au</td>
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<td>(g/t)</td>
<td>(Moz)</td>
<td>(Mt)</td>
<td>(g/t)</td>
<td>(Moz)</td>
</tr>
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<td>0.66</td>
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<td>0.66</td>
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<td>0.20</td>
<td>9.92</td>
<td>1.10</td>
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<td>0.10</td>
<td>3.18</td>
<td>1.33</td>
<td>0.14</td>
</tr>
<tr>
<td>Gora</td>
<td>0.82</td>
<td>5.25</td>
<td>0.14</td>
<td>0.82</td>
<td>5.25</td>
<td>0.14</td>
</tr>
<tr>
<td>Kerekounda</td>
<td>0.53</td>
<td>4.71</td>
<td>0.08</td>
<td>0.53</td>
<td>4.71</td>
<td>0.08</td>
</tr>
<tr>
<td>Goumbati West and Kobokoto</td>
<td>1.42</td>
<td>1.31</td>
<td>0.06</td>
<td>1.42</td>
<td>1.31</td>
<td>0.06</td>
</tr>
<tr>
<td>Maki Medina</td>
<td>0.98</td>
<td>1.12</td>
<td>0.04</td>
<td>0.98</td>
<td>1.12</td>
<td>0.04</td>
</tr>
<tr>
<td>Niakafiri West</td>
<td>1.20</td>
<td>1.06</td>
<td>0.04</td>
<td>1.20</td>
<td>1.06</td>
<td>0.04</td>
</tr>
<tr>
<td>Golouma South</td>
<td>0.24</td>
<td>3.23</td>
<td>0.02</td>
<td>0.24</td>
<td>3.23</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Subtotal Open Pit</strong></td>
<td>6.65</td>
<td>1.39</td>
<td>0.30</td>
<td>41.02</td>
<td>1.35</td>
<td>1.78</td>
</tr>
<tr>
<td><strong>Stockpiles</strong></td>
<td>11.80</td>
<td>0.75</td>
<td>0.28</td>
<td></td>
<td>11.80</td>
<td>0.75</td>
</tr>
<tr>
<td><strong>Total Open Pit with Stockpiles</strong></td>
<td>18.45</td>
<td>0.98</td>
<td>0.58</td>
<td>41.02</td>
<td>1.35</td>
<td>1.78</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golouma West 1</td>
<td>0.62</td>
<td>6.07</td>
<td>0.12</td>
<td>0.62</td>
<td>6.07</td>
<td>0.12</td>
</tr>
<tr>
<td>Kerekounda</td>
<td>0.61</td>
<td>4.95</td>
<td>0.10</td>
<td>0.61</td>
<td>4.95</td>
<td>0.10</td>
</tr>
<tr>
<td>Golouma West 2</td>
<td>0.45</td>
<td>4.39</td>
<td>0.06</td>
<td>0.45</td>
<td>4.39</td>
<td>0.06</td>
</tr>
<tr>
<td>Golouma South</td>
<td>0.47</td>
<td>4.28</td>
<td>0.06</td>
<td>0.47</td>
<td>4.28</td>
<td>0.06</td>
</tr>
<tr>
<td><strong>Total Underground</strong></td>
<td>2.15</td>
<td>5.01</td>
<td>0.35</td>
<td>2.15</td>
<td>5.01</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>TOTAL Open Pit and Underground</strong></td>
<td>18.45</td>
<td>0.98</td>
<td>0.58</td>
<td>43.17</td>
<td>1.35</td>
<td>2.12</td>
</tr>
</tbody>
</table>

**Notes:**
1. CIM definitions were followed for Mineral Reserves.
2. Mineral Reserve cut-off grades range from 0.38 g/t to 0.57 g/t Au for oxide and 0.44 g/t to 0.63 g/t Au for fresh rock based on a $1,200/oz gold price.
3. Underground Mineral Reserve cut-off grades range from 2.3 g/t to 2.6 g/t Au based on a $1,200/oz gold price.
5. Proven Mineral Reserves are based on Measured Mineral Resources only.
6. Probable Mineral Reserves are based on Indicated Mineral Resources only.
7. Sum of individual amounts may not equal due to rounding.
8. The Niakafiri East and West 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.

Information in Table 15-1 relating to the open pit Mineral Reserve estimates associated with the open pit deposits and Sabodala stockpiles is based on information compiled and reviewed by Mr. Stephen Ling, P.Eng. Mr. Ling is a full-time employee of Teranga and is not “independent” within the meaning of NI 43-101.
Information in Table 15-1 relating to the underground Mineral Reserve estimates associated with the underground deposits is based on information reviewed by Mr. Jeff Sepp, P.Eng. Mr. Sepp is a full-time employee of RPA and independent of Teranga.

Teranga and RPA are not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

**OPEN PIT DEFINITION**

Teranga personnel undertook the open pit optimization and design work for the Sabodala Gold Operation.

**MINING DILUTION AND RECOVERY**

Mining dilution and ore loss parameters were applied to each of the resource block models before undertaking open pit optimization work using the Whittle Pit Optimization software. Current pit surfaces and new cut-off grades were used in the dilution comparison.

The resource block models were reblocked to account for dilution and ore loss. The reblocking parameters were derived by reviewing reconciliation data for Sabodala, which compares the contents of the sub-celled resource block model to the actual mined material.

In essence, the reblocked model represents the selective mining unit (SMU) that can be physically extracted during operations. The reconciliation figures are continuously reviewed to ensure that the reblocked model continues to predict actual mined grades going forward. The dilution encountered during the reblocking phase forms the internal dilution. Further to the internal dilution, an additional amount of dilution is added to account for the mixing of materials at the contact edges of the ore zones with the waste (or low grade) zones. This represents the external dilution.

Furthermore, the mining dilution and mining recovery factors are verified against a different technique used for estimating mining dilution and ore loss for the narrow-vein style orebodies. Details of the methodology applied can be found in section 15.2.1 of the previous NI 43-101 report AMC (2014).
The total mining dilution ranges from 5% to 15% and the mining recovery ranges from 90% to 95% depending on the deposit and mineralization type.

**PIT OPTIMIZATION PARAMETERS**

The pit optimization parameters and cut-off grade calculations for all the reserve pits are summarized in Tables 15-2 and 15-3, respectively.

**TABLE 15-2  TERANGA PROCESSING THROUGHPUT, G&A AND REFINING PARAMETERS**

Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold Price</td>
<td>$1,200/oz</td>
</tr>
<tr>
<td>Pit Slope - Oxide</td>
<td>31° to 37°</td>
</tr>
<tr>
<td>Pit Slope - Transition</td>
<td>33° to 40°</td>
</tr>
<tr>
<td>Pit Slope - Fresh</td>
<td>44° to 57°</td>
</tr>
<tr>
<td>Mining Dilution</td>
<td>Incorporated in block model (5-15%)</td>
</tr>
<tr>
<td>Mining Recovery</td>
<td>Incorporated in block model (90-95%)</td>
</tr>
<tr>
<td>*Mining Cost - Oxide</td>
<td>$1.96 to 2.18/t mined</td>
</tr>
<tr>
<td>*Mining Cost - Trans &amp; Fresh</td>
<td>$2.15 to 2.50/t mined</td>
</tr>
<tr>
<td>Incremental Mine Haulage</td>
<td>$0.02/t/m mined</td>
</tr>
<tr>
<td>Ore Transport Cost to Mill</td>
<td>$0.00 to 4.68/t milled</td>
</tr>
<tr>
<td>Ore Re-Handling Cost</td>
<td>$0.04/t milled</td>
</tr>
<tr>
<td>CIL Process Recovery - Oxide</td>
<td>92%</td>
</tr>
<tr>
<td>CIL Process Recovery - Trans &amp; Fresh</td>
<td>90%</td>
</tr>
<tr>
<td>CIL Process Cost - Oxide</td>
<td>$9.23 to 10.25/t milled</td>
</tr>
<tr>
<td>CIL Process Cost - Trans &amp; Fresh</td>
<td>$11.60 to 11.78/t milled</td>
</tr>
<tr>
<td>G&amp;A Cost - Oxide</td>
<td>$3.27 to 3.83/t milled</td>
</tr>
<tr>
<td>G&amp;A Cost - Trans &amp; Fresh</td>
<td>$3.44 to 4.04/t milled</td>
</tr>
<tr>
<td>Gold Transp./Refining less Ag Revenue</td>
<td>$2.35/oz Au</td>
</tr>
<tr>
<td>Metal Payable at Refinery</td>
<td>99.92%</td>
</tr>
<tr>
<td>Royalty</td>
<td>5%</td>
</tr>
<tr>
<td>Royalty for Gora Deposit (Axmin)</td>
<td>1.5%</td>
</tr>
<tr>
<td>Cut-Off grade - Oxide</td>
<td>0.38 to 0.57 g/t Au</td>
</tr>
<tr>
<td>Cut-Off grade – Trans &amp; Fresh</td>
<td>0.44 to 0.63 g/t Au</td>
</tr>
</tbody>
</table>

* Mining Costs shown include incremental mine haulage amount
TABLE 15-3  SABODALA CUT-OFF GRADE
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Oxide</th>
<th>Fresh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabodala</td>
<td>0.38</td>
<td>0.44</td>
</tr>
<tr>
<td>Masato</td>
<td>0.39</td>
<td>0.45</td>
</tr>
<tr>
<td>Gora</td>
<td>0.57</td>
<td>0.63</td>
</tr>
<tr>
<td>Golouma South</td>
<td>0.48</td>
<td>0.54</td>
</tr>
<tr>
<td>Golouma West</td>
<td>0.48</td>
<td>0.54</td>
</tr>
<tr>
<td>Kerekounda</td>
<td>0.47</td>
<td>0.54</td>
</tr>
<tr>
<td>Niakafiri</td>
<td>0.39</td>
<td>0.45</td>
</tr>
<tr>
<td>Maki Medina</td>
<td>0.43</td>
<td>0.49</td>
</tr>
<tr>
<td>Goumbati West and Kobokoto</td>
<td>0.46</td>
<td>0.51</td>
</tr>
</tbody>
</table>

The pit definition comprised a first stage pit optimization shell and a second stage final pit design. Pit optimization runs were completed using Whittle software based on the Lerchs-Grossman (LG) algorithm for pit optimization. The pit designs were completed using the Vulcan open pit design software.

Pit optimization parameters such as mining cost, processing cost, and cut-off grades are different for all the pits (Tables 15-2 and 15-3) because of the pit haulage distances from the Sabodala processing plant, oxide and fresh material balance, and mining dilution/recovery.

Metallurgical recovery for oxide is approximately 92% and fresh is 90% for the Sabodala mill.

An incremental haulage cost of $0.02/t/10 m vertical distance was applied to account for additional haulage costs as the pits deepen.

GEOTECHNICAL CONSIDERATIONS
Xstract Mining Consultants of Australia (Xstract) has been providing geotechnical expertise and advice for the Sabodala mine, and has developed the appropriate geotechnical model for all the deposits. Periodic site visits and continuous assessment are maintained to update issues of ground conditions and pit slopes. Xstract ensures the risks are mitigated with guidance for the appropriate operating methods and parameters for the entire Sabodala operations.
SLOPE DESIGN REVIEW
As part of the ongoing mine design process, all updated mine designs are reviewed by the geotechnical consultant (Xstract) where checks against slope design parameters as well as limit equilibrium stability assessment of overall wall scale slopes are undertaken.

Design Factor of Safety targets for overall scale slopes of greater than 1.2 to 1.3 (i.e., 20% to 30% safety margin) are utilized, with actual results for overall scale slopes typically returning values greater than the target due to the generally good quality rock mass. Slope designs through the weathered materials tend to return lower factors of safety due to the poorer quality and highly variable nature of these materials. Slope performance to date in existing pits, suggests that stability analysis generally tends to underestimate the performance of these materials, with occasional small slowing moving failures in the extreme worst quality materials which generally have not impacted mining schedule or costs to any great extent.

PIT DESIGN CONSIDERATIONS
All haulage roads are designed to accommodate two-way traffic of the Komatsu HD785-7 haul trucks, and a safety berm of at least half the height of a haul truck tire. The roads have minimum width of 25 m and a maximum of 10% overall gradient. Some pits have single 15 m wide lanes at the last few benches to the pit bottom.

STOCKPILES
The selective mining practice and stockpiling strategy at Sabodala since start-up, has released ore at a faster rate than milling, resulting in the build-up of several lower grade stockpiles. These stockpiles range in grade from marginally economic to low grade (1.0 g/t Au). Stockpiled ore is reported as a Proven Mineral Reserve (Table 15-1).

OPEN PIT SUMMARY
The pit designs and the procedures used for their generation have been reviewed for the deposits and the requirements have been met with the following recommendations:

- The mine planning process for the Sabodala mine production units, including specifically that for final pit designs, is in line with standard mining engineering procedure.

- The parameters used for the pit optimization process appear reasonable as they are based on actual performance at the Sabodala mine, both in terms of economic factors and geotechnical behaviour of pit slopes.
• The cut-off grade calculations are supported by current operating practice and are considered an appropriate basis for definition of Mineral Reserves.

SLOPE DESIGN REVIEW – RISKS AND OPPORTUNITIES
Based on the work undertaken on slope stability analysis of the pit designs for all the deposits, these pit designs are considered appropriate for Mineral Reserve estimation.

As these pits are developed, the following uncertainties with the expected geotechnical conditions from a feasibility study level of knowledge to operations can be expected:

• The likely rock mass conditions expected particularly in the weathered and fresh rock mass domains.

• The likely impact of major structures upon the final pit slope design.

• The actual rock mass conditions in the vicinity of the newly (2017) updated pit slopes principally related to limited drilling coverage over the larger footprint.

The following actions are suggested to address these uncertainties:

• Undertake a review of all available data, including geological, geotechnical and hydrogeological to develop a geotechnical model prior to operations in the various pits. This model would then be used to better define data gaps, including any orientation and/or location bias, and to refine any future geotechnical works.

• Undertake additional diamond drilling and geotechnical logging on core from short (less than 40 m) vertical diamond drillholes located in the proximity of the new pit crests to improve confidence in the weak and weathered materials.

• Undertake additional diamond drilling, geotechnical logging, and possibly laboratory testing on orientated core from new diamond drillholes.

• Undertake an updated geotechnical pit slope design study.

• Continue ongoing slope excavation and design improvement practices through annual external reviews as the current practice at Sabodala Gold Operation.

UNDERGROUND DEFINITION
RPA selected underground Cut and Fill (C&F) mining for use at the underground Golouma deposits, including Golouma West 1, Golouma West 2, Golouma South, and Kerekounda, for the following reasons:

• Allows for maximum recovery of ore

• Permits selectivity of mining
• Requires a minimal amount of mining equipment
• Allows for sustainable mining as there will be a low production rate.
• Suits the irregular nature of the deposits

Two deposits will be mined concurrently. A nominal underground mining rate of 500 tpd per deposit, for a total of 1,000 tpd, was determined to supplement surface mining.

GEOTECHNICAL AND GEOMECHANICAL CONSIDERATIONS

Two types of backfill material are proposed at Golouma, Cemented Rock Fill (CRF), and Unconsolidated Rock Fill (URF).

The underground operations are below the water table. For the most part, the underground operations at Golouma will be dry as mining is taking place in fresh rock. Kerekounda might be the exception, as it is located near surface.

UNDERGROUND DILUTION AND EXTRACTION FACTORS
Dilution is applied to all development to account for overbreak and tonnage hauled. Table 15-4 lists the dilution for the various size drift headings.

<table>
<thead>
<tr>
<th>Development</th>
<th>Width (m)</th>
<th>Height (m)</th>
<th>Dilution Width (m)</th>
<th>Dilution Height (m)</th>
<th>% Dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ramp/Level Access/Remuck</td>
<td>5</td>
<td>5</td>
<td>0.3</td>
<td>0.15</td>
<td>8</td>
</tr>
<tr>
<td>Operating Waste Development</td>
<td>2.5</td>
<td>5</td>
<td>0.15</td>
<td>0.15</td>
<td>8</td>
</tr>
<tr>
<td>Ore Development (lifts 1,3)</td>
<td>4</td>
<td>5</td>
<td>0.075</td>
<td>0.15</td>
<td>5</td>
</tr>
<tr>
<td>Ore Development (lifts 2,4)</td>
<td>4</td>
<td>5</td>
<td>0.075</td>
<td>0.3</td>
<td>7</td>
</tr>
<tr>
<td>Attack Ramps</td>
<td>4</td>
<td>5</td>
<td>0.3</td>
<td>0.15</td>
<td>10</td>
</tr>
<tr>
<td>Vent Access/Sumps</td>
<td>4</td>
<td>4</td>
<td>0.3</td>
<td>0.15</td>
<td>10</td>
</tr>
</tbody>
</table>

The extraction factor used is 99%. The mining method poses low risk for the LHD operators resulting in a high extraction factor.
UNDERGROUND CUT-OFF GRADE

Table 15-5 presents the development of the cut-off grade (COG) for each zone. The forecasted gold price is $1,200/oz. Mill recovery was provided as a formula by Teranga.

The mining operating costs were derived from comparable projects in Africa. A lower mining cost was used in determining the COG to account for incremental stopes. Refining, royalty, processing, and general and administrative (G&A) costs were provided by Teranga.

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Kerekounda</th>
<th>Golouma South</th>
<th>Golouma West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Grade (g/t)</td>
<td>2.5</td>
<td>3.37</td>
<td>3.37</td>
</tr>
<tr>
<td>Unit Cost ($/t)</td>
<td>65.00</td>
<td>65.00</td>
<td>65.00</td>
</tr>
<tr>
<td>Underground Mining</td>
<td>65.00</td>
<td>65.00</td>
<td>65.00</td>
</tr>
<tr>
<td>Processing</td>
<td>15.50</td>
<td>15.50</td>
<td>15.50</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
</tr>
<tr>
<td>Total</td>
<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
</tr>
</tbody>
</table>

Notes:
1. Gold price of $1,200/oz was used.
2. Mill recovery is approximately 93%.

UNDERGROUND MINERAL RESERVE ESTIMATE

Table 15-6 presents the underground Mineral Reserve estimate for the Golouma deposits.

<table>
<thead>
<tr>
<th>Probable Orebody</th>
<th>Tonnes (000)</th>
<th>Grade g/t Au</th>
<th>Ounces (000) Au</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOLW 1</td>
<td>619</td>
<td>6.1</td>
<td>121</td>
</tr>
<tr>
<td>GOLW 2</td>
<td>454</td>
<td>4.4</td>
<td>63</td>
</tr>
<tr>
<td>GOLS</td>
<td>472</td>
<td>4.3</td>
<td>65</td>
</tr>
<tr>
<td>KRKD</td>
<td>605</td>
<td>5.0</td>
<td>96</td>
</tr>
<tr>
<td>Total</td>
<td>2,151</td>
<td>5.0</td>
<td>346</td>
</tr>
</tbody>
</table>

Notes:
1. CIM definitions were followed for Mineral Reserves.
2. Mineral Reserves are estimated at cut-off grades ranging from 2.3 g/t Au to 2.6 g/t Au.
3. Mineral Reserves are estimated using an average long-term gold price of $1,200 per ounce.
4. A minimum mining width of 2.5 m was used.
5. Numbers may not add due to rounding.
16 MINING METHODS

HISTORIC PRODUCTION

The Sabodala open pit commenced production in March 2009 and has since been in operation.

A summary of the open pit production to date is provided in Table 16-1.

| TABLE 16-1   SABODALA OPEN PIT PRODUCTION HISTORY |
|-------------|-----------------------------------------------|
|             | Teranga Gold Corporation - Sabodala Project   |
|             | Unit  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017 H1 |
| Ore mined   | kt    | 2,637 | 2,915 | 3,973 | 5,916 | 4,540 | 6,174 | 7,748 | 2,132 | 853     |
| Waste mined | kt    | 9,144 | 13,199| 21,818| 22,961| 30,238| 23,148| 23,883| 35,291| 19,390  |
| Total mined | kt    | 11,781| 16,114| 25,791| 28,877| 34,778| 29,321| 31,631| 37,422| 20,243  |
| Grade mined | g/t   | 2.19  | 1.80  | 1.39  | 1.98  | 1.62  | 1.54  | 1.22  | 2.66  | 3.58    |
| Ounces mined| oz    | 186,077| 168,979| 177,362| 376,184| 236,718| 305,192| 303,023| 182,394| 98,257  |
| Tonnes milled| kt | 1,806  | 2,285 | 2,444 | 2,439 | 3,152 | 3,622 | 3,421 | 4,025 | 2,094   |
| Head grade  | g/t   | 3.12  | 2.12  | 1.87  | 3.08  | 2.24  | 2.03  | 1.79  | 1.81  | 1.85    |
| Recovery    | %     | 92%   | 91%   | 89%   | 89%   | 91%   | 90%   | 92%   | 93%   | 92%     |
| Recovered gold| oz | 166,769| 141,119| 131,461| 214,310| 207,204| 211,823| 182,282| 216,812| 114,460 |

OPEN PIT MINING

CURRENT OPERATION

Golouma South, Golouma West, Kerekounda, and Gora are currently being mined in the second half of 2017. Production will then continue into the following year and beyond as indicated in the overall LOM plan in Table 16-5.

MATERIAL MOVEMENT

The selective mining practice and stockpiling strategy at the Sabodala mine since start-up has released ore at a faster rate than milling capacity. This has resulted in a large build-up of low grade stockpiled ore on the ROM pad, planned to be fed to the Sabodala processing plant at the end of mine life.
The mining method utilized is conventional truck and shovel open pit mining. The mining operation is effective at selectively separating ore from waste, and in separating the four ore categories that are stockpiled if not immediately milled. These are, namely, high grade, medium grade, low grade, and marginal as defined in Table 16-2.

### TABLE 16-2  GRADE CLASSES FOR ORE MOVEMENT  
Teranga Gold Corporation - Sabodala Project  

<table>
<thead>
<tr>
<th>Code</th>
<th>Category</th>
<th>Grade Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>High Grade</td>
<td>&gt; 2.0 g/t Au</td>
</tr>
<tr>
<td>B</td>
<td>Medium grade</td>
<td>1.5 – 2.0 g/t Au</td>
</tr>
<tr>
<td>C</td>
<td>Low Grade</td>
<td>1.0 – 1.5 g/t Au</td>
</tr>
<tr>
<td>D</td>
<td>Marginal</td>
<td>0.5 – 1.0 g/t Au</td>
</tr>
</tbody>
</table>

**GRADE CONTROL AND SELECTIVE MINING**

Several of the satellite deposits in the LOM, specifically Gora, Golouma, Kerekounda, and some of the areas within Masato, contain an orebody geometry that includes steeply dipping, narrow zones of high grade mineralization.

Measures taken to reduce dilution and ore losses in these areas include:

- Mining in 5 m benches (or less as required) in ore zones. Ore benches are mined in 2.5 m for Gora.
- Establish an RC drilling program to supplement blasthole drilling as a part of regular grade control practice in Masato, Golouma, Kerekounda, and Gora.
- Selective mining using an excavator and backhoe configuration and mining highwall to footwall in sections as small as 4 m, changing blast parameters in selective mining areas.

Standard operation procedures are observed in grade control practices from drilling and blasting, through loading and hauling to ROM and stockpile management. The general practice highlights the potential risks involved and methods to mitigate and eliminate risky practices and behaviours.

Blasthole sampling is carried out such that the safety of personnel and equipment is not compromised. Drillholes are properly identified by using the correct drillhole maps and sample bags are checked to ensure they have matching identification numbers. Disrupted samples are ignored and replaced by new, undisturbed ones. Representative samples are taken within 5 m or 2.5 m intervals on a 10 m blasthole. Irregularities such as re-drills,
excessive dust, broken dust kits, sample unrecovered, excessive water, poor drilling rates, etc., are addressed as much as possible. Finally, samples are split and transported to the laboratory for testing.

Ore spotting, loading, and hauling activities in the pits have the objective of minimizing ore loss and dilution. Effective communication is maintained to ensure ore and waste reach their appropriate destinations. The practice of exposing ore is done from the hanging wall to the ore-waste contact, and then the ore is mined under the supervision of grade control personnel. Good floor maintenance is provided with the help of GPS devices.

The ROM pad operation is characterized by good coordination with the pit supervisors and truck operators to ensure that no waste load ends up on the pad. Only ore with the correct size and grade is tipped directly into the bin, and the correct blend must be applied. Piles on the pad are differentiated in terms of grade by using the correct flagging tapes, so that a good blend strategy is easily worked out.

PERSONNEL AND EQUIPMENT

The current mobile equipment fleet is shown in Table 16-3. It is planned that there are three crews per machine, with one operator at a time. Additional operators are also assigned to a machine in the event of absenteeism and holidays.

<table>
<thead>
<tr>
<th>Mining Fleet</th>
<th>No. of Machines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Komatsu 785 Haul Trucks</td>
<td>24</td>
</tr>
<tr>
<td>Komatsu PC3000 Hydraulic Shovel</td>
<td>3</td>
</tr>
<tr>
<td>Komatsu PC2000 Hydraulic Shovel</td>
<td>1</td>
</tr>
<tr>
<td>Komatsu PC1250 Hydraulic Shovel</td>
<td>3</td>
</tr>
<tr>
<td>Komatsu WA900 Loaders</td>
<td>3</td>
</tr>
<tr>
<td>Sandvik DP1500 Drill</td>
<td>8</td>
</tr>
<tr>
<td>Sandvik DI550 Drill</td>
<td>3</td>
</tr>
<tr>
<td>SKF 12 Drills</td>
<td>3</td>
</tr>
<tr>
<td>Komatsu HD465-7R Water Cart</td>
<td>4</td>
</tr>
<tr>
<td>Komatsu GD825A-2 Grader</td>
<td>5</td>
</tr>
<tr>
<td>Komatsu D275A-5 / D375-6R Dozers</td>
<td>8</td>
</tr>
<tr>
<td>Komatsu WD600 Rubber Tire Dozer</td>
<td>2</td>
</tr>
</tbody>
</table>
Based on the current LOM plan, no additional mobile equipment purchases will be required, only replacements as required.

The LOM haulage estimates use conservative operating parameters for the main haul trucks when compared to existing operations. Table 16-4 shows the main parameters for the Komatsu 785-7 haul trucks.

**TABLE 16-4 KOMATSU TRUCK PARAMETERS**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Unit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loaded Slope</td>
<td>km/hr</td>
<td>15</td>
</tr>
<tr>
<td>Loaded Flat</td>
<td>km/hr</td>
<td>35</td>
</tr>
<tr>
<td>Unloaded Slope</td>
<td>km/hr</td>
<td>20</td>
</tr>
<tr>
<td>Unloaded Flat</td>
<td>km/hr</td>
<td>40</td>
</tr>
<tr>
<td>Availability</td>
<td>%</td>
<td>85</td>
</tr>
<tr>
<td>Utilization</td>
<td>%</td>
<td>88</td>
</tr>
<tr>
<td>Efficiency</td>
<td>%</td>
<td>95</td>
</tr>
</tbody>
</table>

The haulage profiles were simulated within each pit to their ore and waste destinations. The waste material will be transported to the respective designed waste dumps. The ore will be hauled to the Sabodala processing plant or to a stockpile location near the pit for long haul transportation to the plant. The overall travel path increases to reach their final destination for each block as the mining in each deposit reaches deeper depths.

Based on the haul truck parameters in Table 16-4 and the annual material movement, the haul truck requirements were determined for the LOM. Figure 16-1 shows the LOM haul truck fleet requirements per pit by year. The maximum required fleet of 22 trucks is attained in 2021 and 2022.
FIGURE 16-1   TRUCK REQUIREMENTS PER YEAR PER PIT

Annual Haul Truck Fleet Requirement

<table>
<thead>
<tr>
<th>Year</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
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<td>18</td>
</tr>
<tr>
<td>2018</td>
<td>17</td>
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<tr>
<td>2019</td>
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<tr>
<td>2026</td>
<td>18</td>
</tr>
<tr>
<td>2027</td>
<td>13</td>
</tr>
</tbody>
</table>
UNDERGROUND MINING

As described in Section 15 (Underground Definition), RPA selected the C&F mining method for use at the underground Golouma deposits. Additional information on Sabodala Gold Operation’s underground mining can be found in Teranga Gold’s Technical Report on The Sabodala Project dated March 22, 2016. The below section is only a summary of the work.

At Golouma, the C&F method will employ a “double-lift” methodology in which two lifts will be removed before backfill is put in place. The first drift will be mined (“1” in Figure 16-2) and then a bench (“2” in Figure 16-2) will be mined underneath. Both lifts will then be filled with cemented rock backfill. This sequence reduces the ground support in the back to every second lift rather than every lift. A total of four slices will be taken from each attack ramp. Once mining from an attack ramp is complete, the ramp above will then be used to access the deposit.

FIGURE 16-2 SECTION VIEW OF CUT AND FILL MINING SEQUENCE

Source: SRK (2010a)
UNDERGROUND MINE PRODUCTION SCHEDULE

Two deposits will be mined concurrently in order to meet the current mine life schedule, with each deposit scheduled at 500 tpd production, providing approximately 1,000 tpd combined peak underground ore production. Kerekounda and Golouma South will be mined first. Once they are exhausted, the Golouma West deposits will be mined.

OVERALL MINING SCHEDULE

The overall objective of the LOM mining schedule was to produce a plan with the maximum net present value (NPV), while achieving the process plant objectives and targets. This was completed by mining deposits in phases, where possible, and mining lower cost pits in priority.

A stockpiling strategy is implemented as part of the goal to maximize the project NPV. Lower grade material is stockpiled at the ROM stockpiles and higher grade ore material is prioritized for the mill feed. In the periods where ore material delivered from the pit is less than the processing rate, mill ore feed is supplemented by the ROM stockpiles.

The LOM is approximately 14 years, ending mid-year 2031. The average gold production for the first five years is 213,000 oz. The variable annual milling rate is the result of the mill feed material blend and mill upgrades planned.

The underground mine construction begins in year 2022, with ore production in 2023. The open pit mining ends in year 2027 and the remaining LOM comprises mining from the underground and stockpile reclaim.

The mine production schedule is shown in Table 16-5.
### TABLE 16-5  LOM PRODUCTION SCHEDULE
Teranga Gold Corporation - Sabodala Project

| Year  | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt | Ore Mined Mt | Ore Grade g/t | Contained Oz Moz | Waste Mt |
|-------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|---------------|------------------|---------|--------------|
| Sabodala | Ore Mined Mt | 5.2 | 0.1 | 0.5 | 0.9 | 2.7 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Masato | Ore Mined Mt | 5.9 | 0.1 | 0.5 | 0.9 | 2.7 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Gora | Ore Mined Mt | 0.8 | 0.6 | 0.6 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Kerekounda | Ore Mined Mt | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Golouma | Ore Mined Mt | 10.1 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Niaafiri | Ore Mined Mt | 1.1 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Maki Medina | Ore Mined Mt | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Goumbati West | Ore Mined Mt | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Kolokoto | Ore Mined Mt | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Underground | Ore Mined Mt | 2.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Summary | Ore Mined Mt | 49.8 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| Stockpile Ore Balance | Ore Mined Mt | 10.7 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 | 8.2 |
| Stockpile Grade | Ore Mined Mt | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Contained Oz Moz | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Stockpile | Ore Mined Mt | 24.4 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 |
| Head Grade g/t | 1.37 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 | 1.72 |
| Oxide % | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% |
| Produced Oz Moz | 2.44 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 |

**Teranga Gold Corporation – Sabodala Project, Project #2**

Technical Report NI 43-101 – August 30, 2017
17 RECOVERY METHODS

The Sabodala processing plant was expanded in late 2012 to a design capacity of approximately 3.6 Mtpa (fresh ore) or 4.0 Mtpa with a mix of fresh and oxidized ore. In mid-2015, a mill optimization project was initiated and commissioned in Q3 2016.

The mill optimization project consisted of adding a second primary jaw crusher and screening station to operate in parallel with the original crusher and upgrades to the primary and secondary milling circuits. Upgrades to the SAG milling circuit include installation of a trommel screen, redesign of the liner configuration, and installation of a vortex discharge head. Upgrades to the ball mill circuit included increasing the ball charge, increasing motor power by 500 kW for each ball mill, and installation of new gearboxes. The increased milling rate for hard fresh rock is in excess of 500 tph and approximately 530 tph for a blend consisting of fresh rock and soft oxidized ore. As a result, annual throughput rates for the plant are estimated to be in the range from 4.3 Mtpa – 4.5 Mtpa.

OVERVIEW OF CURRENT PROCESSING PLANT

The plant comprises facilities for crushing, grinding, carbon-in-leach (CIL) cyanidation, and tailings disposal. Gold recovery facilities include acid washing, carbon elution, and electrowinning, followed by bullion smelting and carbon regeneration.

The major pieces of equipment are shown in Table 17-1.

| TABLE 17-1   SABODALA MAJOR PLANT EQUIPMENT |
| Teranga Gold Corporation – Sabodala Project |
| Equipment | No. | Description |
| Primary crushers | 2 | Nordberg C140S single toggle jaw crusher |
| Secondary crusher | 1 | Sandvik CH660 cone crusher |
| SAG mill | 1 | Outotec 7.3 m x 4.3 m EGL, 4,000 kW |
| Ball mills | 2 | Outotec 5.5 m x 7.85 m EGL 4,000 kW |
| Pebble crusher | 1 | Metso HP200SX Cone crusher |
| Leach and Adsorption Circuits | 3 | 2,600 m³ leach tanks |
| Elution circuit | 1 | 1,240 m³ adsorption tanks with compressed air injection |
| Tailings thickeners | 2 | Outotec 23 m high rate thickener |
Figure 17-1 shows the simplified process flowsheet for the Sabodala plant.

CRUSHING, STOCKPILING, AND RECLAIM

Rear dump haul trucks and front end loaders deliver ROM ore to two, identical primary crushing facilities (Crusher A or Crusher B) that are operated in parallel. Ore delivery from the mine is on a 24 hr/d schedule. A front-end loader feeds ROM ore to the ROM bins. From the bins, apron feeders deliver ore to the vibrating grizzly feeders. Oversize from the grizzly feeders discharges to the jaw crushers. Undersize from the grizzly feeders by-pass the jaw crushers. The discharge from the jaw crushers and the undersize from the grizzly feeders are combined and conveyed to triple deck screens that segregate ore into two particle size distributions. Conveyors transport screen oversize ore from both circuits to Stockpile 1, which is the coarse ore stockpile. Conveyors transport undersize from the screens to the secondary crusher bin that feeds the secondary crusher. Conveyors transport the secondary crushed ore to Stockpile 2.

The reclaim system from each of the crushed ore stockpiles includes a single apron feeder and two vibrating feeders, located under the stockpiles.

GRINDING AND CLASSIFICATION

Ore is ground in two stages to produce a product suitable for cyanide leaching. The first stage includes a SAG mill driven by a four megawatt variable speed motor. Ore is conveyed from the crushed ore stockpiles to the SAG mill feed chute where it is mixed with water to form a slurry. Lime is metered onto the SAG mill feed conveyor to control the pH to approximately 10.0. Slurry discharges from the SAG mill through a trommel screen and onto a vibrating screen. Oversize pebbles are crushed by the 132 kW pebble crusher and returned to the SAG mill feed conveyor. Undersize from the SAG mill discharge screen flows by gravity to the ball mill 1 primary cyclone feed hopper, where it is combined with the discharge from ball mill 1 and process water.

The second grinding stage consists of two ball mills, each driven by four megawatt fixed speed motors. The ball mills operate in closed circuit with cyclone clusters consisting of 16 250-mm diameter cyclones (12 operating, four standby). A combination of SAG mill
discharge, ball mill discharge, and process water is pumped from the cyclone feed hoppers to the cyclones. The cyclone underflow reports to the ball mills for further grinding, while the cyclone overflow, at 48% to 50% solids by weight and a target grind size of 80% passing (P₈₀) of 75 µm flows by gravity to the CIL feed pumps.

**LEACHING AND ADSORPTION CIRCUIT**

The leach circuit consists of three leach tanks and nine leach-adsorption tanks. The circuit residence time varies from approximately 24 hrs to 30 hrs, dependent on the ore blend. Sodium cyanide is added to the first leach tank. All tanks are sparged with low-pressure air to ensure sufficient oxygen is available for the gold dissolution reaction.

Granular activated carbon is added to the slurry to adsorb the gold-cyanide ion. The carbon concentration is maintained between 10 kg/m³ and 15 kg/m³ in the adsorption tanks.

Each stage of the adsorption circuit consists of a mechanically agitated tank equipped with a mechanically swept vertical carbon retaining screen. Slurry flows by gravity from the first tank in the circuit to the last tank (i.e., Tank 1 through Tank 9). Carbon advances counter-currently by pumping slurry from tank to tank on an intermittent basis in a flow that is opposite to the gravity flow (i.e., from Tank 9 to Tank 1).

**CARBON RECOVERY AND ACID WASH**

The pregnant carbon is recovered from the adsorption circuit using the loaded carbon transfer pump. The carbon is screened and washed with process water on the loaded carbon screen and reports to the acid wash column where the carbon is washed with hydrochloric acid to remove the inorganic contaminants. After the acid wash, the carbon is rinsed with water. The rinsed carbon is transferred to the elution column.

**CARBON ELUTION AND ELECTROWINNING**

The Sabodala elution circuit utilizes a split Anglo American Research Laboratories (AARL) design to treat carbon in five tonne batches.
To recover gold from the carbon, batches of carbon are subject to a high pressure and temperature elution process. Hot cyanide-caustic solution is used to strip the gold from the carbon and recover it into pregnant solution. Precious metal is recovered from the pregnant solution by electrowinning onto stainless steel wire wool cathodes in an electro-winning cell.

The loaded cathodes are removed from the electrowinning cells and washed with pressurized water to remove sludge that contains the precious metals. The sludge is then dried in a drying oven. The dried sludge is mixed with fluxes and smelted on site to produce doré that includes gold and silver. The "barren" carbon is thermally re-activated to remove organic contaminants and returned to the circuit.

The precious metal doré is shipped under secured conditions to the contracted refinery for further processing and subsequent sale.

**TAILINGS THICKENING**

The CIL circuit tailings are dewatered prior to pumping to the tailings storage facilities (TSF). Two tailings thickeners are used to recover process water that contains valuable reagents, to reduce water consumption, and to reduce the overall tailings storage requirements. The thickener underflow density range is 60% to 65% solids by weight.

The thickener underflow is pumped via a two-stage pumping arrangement to the TSF.
Figure 17-1

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa

Sabodala Process Flowsheet

18 PROJECT INFRASTRUCTURE

TAILINGS AND WATER STORAGE

INTRODUCTION
This section of the report presents a summary of the background and details of the TSF design and operation for SGO.

Work on the TSF is ongoing by Coffey Geosciences and Coffey Mining from 2006 to 2012. Design and construction management is currently being undertaken by Worley Parsons Consulting (Worley Parsons) as per their recommendations. All permitting requirements have been met. Periodic reviews and documentation are being completed as planned.

Table 18-1 shows the relevant reports and data on the TSF operation and construction.
# TABLE 18-1  SUMMARY OF REPORTS RELATING TO TAILINGS STORAGE FACILITIES

Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Date</th>
<th>Executing Organization</th>
<th>Document Number</th>
<th>Document Title</th>
<th>Document Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-06</td>
<td>Coffey Geosciences</td>
<td>PZ00008.05 TSF Design Rev A</td>
<td>Tailing Storage Facility - Design Report</td>
<td>Detailed design of the TSF1</td>
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<td>Nov-06</td>
<td>Coffey Geosciences</td>
<td>PZ00008.05-AD Rev B</td>
<td>Small Water Storage Facility - Design Report</td>
<td>Detailed design of the small water storage facility</td>
</tr>
<tr>
<td>Nov-06</td>
<td>Coffey Geosciences</td>
<td>PZ00008.05-AH Rev B</td>
<td>Large Water Storage Facility - Revised Design Report</td>
<td>Detailed design of the large water storage facility</td>
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<td>Coffey Mining</td>
<td>MWP00008AI-AB Audit rep Rev 0</td>
<td>Tailings Storage Audit and Management Review - Tailings Storage Facility 1 – 2010</td>
<td>TSF1 annual audit for 2010</td>
</tr>
<tr>
<td>Nov-11</td>
<td>Coffey Mining</td>
<td>MWP00008AI-AB</td>
<td>Tailings Storage Audit and Management Review - Tailings Storage Facility 1 – 2011</td>
<td>TSF1 annual audit for 2011</td>
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<tr>
<td>Mar-12</td>
<td>Coffey Mining</td>
<td>MWP00008AI-AD Design Rep TSF2 Rev 1</td>
<td>Tailings Storage Facility No. 2 (TSF2) and Associated Works Design Document</td>
<td>Design report of the proposed TSF2</td>
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<tr>
<td>Jan-13</td>
<td>Worley Parsons</td>
<td>301012-01512-00-SS-REP-GR0001</td>
<td>Geotechnical Review TSF1 – 2012</td>
<td>TSF1 annual audit for 2012</td>
</tr>
<tr>
<td>Aug-13</td>
<td>Worley Parsons</td>
<td>301012-01512-00-SS-REP-0001</td>
<td>TSF1 Western Embankment Raise to RL150 m</td>
<td>Design Report for the TSF1 Western Embankment Raise to RL150 m 2013</td>
</tr>
<tr>
<td>Nov-13</td>
<td>Worley Parsons</td>
<td>301012-01512-00-REP-0002</td>
<td>Tailings Storage Facility 1 Western Embankment Raise to RL149 m Construction Report</td>
<td>Construction Report for the embankment raise in 2013</td>
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<tr>
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<td>TSF1 annual audit for 2013</td>
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<td>301012-01512-00-SS-GR00004</td>
<td>Geotechnical Review TSF1 Sabodala Gold Operation 2015</td>
<td>TSF1 annual audit for 2015</td>
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<td>Aug-15</td>
<td>Worley Parsons</td>
<td>301012-01512-SS-LET-TSF1OPT0001</td>
<td>Capital Deferment of Tailings Storage Facility 2 and Optimization of Tailings Storage Facility 1</td>
<td>TSF1 annual audit for 2015</td>
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<td>Jul-16</td>
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<td>Optimisation of Tailings Storage Facility 1</td>
<td>Optimisation of Tailings Storage Facility 1</td>
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<td>Geotechnical Review TSF1 Sabodala Gold Operation 2017</td>
<td>TSF1 annual audit for 2015</td>
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</table>
LIFE OF MINE STORAGE CAPACITY

The storage volume of TSF1 is 12.4 Mm³ for variable beach slope model and 18.0 Mm³ for fixed beach slope model based on the crest level of the existing embankments, raising of the existing southern embankment, and constructing new southwestern embankment. Teranga has implemented the fixed beach slope model for TSF1 and completed construction of an additional lift in July 2017.

Using an average in-situ dry density for the deposited tailings below the pond level of 1.45t/m³ and an average dry insitu density for the tailings deposited above the pond level of 1.60 t/m³, this additional storage equates to sufficient space for deposition to approximately January 2022 with fixed beaches.

Assuming that TSF1 can continue to be operated to achieve an average in-situ dry density for the deposited tailings of 1.45 t/m³, TSF1 could continue to operate through to the end of Q1 2022. Construction for additional space, either through construction of TSF2 (designed and permitted) or an additional lift on TSF1 could therefore be deferred until the end of the wet season 2021, effectively Q4 of 2021. A site investigation program to install additional monitoring stations and determine ground conditions at the base of the existing footprint within TSF 1 was conducted during Q2-2017. Results of this program are currently being used to evaluate the potential and design parameters for an additional lift on TSF 1. Management will determine the option to further increase the height of TSF1 or construct TSF2.

An additional raise to TSF2 to crest RL149 can provide additional storage for the current 14 year LOM. TSF2 can be raised to RL149 m since there is a significant “sunk cost” in terms of the existing western embankment for TSF1 (crest RL149) which forms part of the containment for TSF2.

TSF1 and TSF2 storage volume available and storage volume required is shown in Figure 18-1.
FIGURE 18-1 TAILINGS SOLIDS STORAGE VOLUME

WATER BALANCE
The water balance for the TSF1 and lift schedule, and the water storage design model predict that an additional raise to TSF1 or construction of TSF2 will be required by 2022.

The time series of volumes in TSF1 for historical and predicted volumes is shown in Figure 18-2. The capital cost is provided for in the capital cost summary (Table 21-1).
TAILINGS OPERATION

Both TSF1 and TSF2 have written Operations Manuals for:

- Process Plant Management who has the overall responsibility to implement the deposition and water management strategy.

- Plant Staff who are in control of the day to day spigot operation system and water recovery system to proactively implement the deposition and water management strategy on the TSFs.

Separate manuals are provided for the maintenance staff to ensure equipment is maintained and serviceable to meet the operational requirements.

The tailings deposition strategy is intended to keep the supernatant pond around the decant facility for the life of each TSF by balancing deposition in one area with deposition in other areas.

The modelling undertaken for the TSFs assumes that this deposition strategy would be implemented to optimize the tailings beach configuration and thus maximize the use of the available storage volume. The maximizing of supernatant return water to the process plant is part of this operating strategy and this helps to maximize the average in-situ dry density of deposited tailings. The maintenance of the supernatant pond to the minimum practical size also reduces evaporation and seepage losses.
Maximizing the recovery of supernatant water also assists in preserving the water inventory stored within the various water storage ponds at site.

TAILINGS AND WATER MANAGEMENT RISKS AND OPPORTUNITIES

RISKS
There are risks associated with the operation of any tailings storage facility.

SGO has implemented a sound risk management practice by having in place:

- The Operations Manuals and Water Balance to implement the day to day management of the TSFs to meet the overall tailings deposition and water management strategy.

- A tailings management strategy which has assessed the future needs for tailings storage and has the timing of the necessary construction activities planned, materials sourced and approvals in place.

- An Independent Dam Safety Review (DSR) was conducted in 2016 with resulting recommendations followed up in 2017

OPPORTUNITIES – IN-PIT TAILINGS STORAGE
SGO has looked at a number of alternative tailings management technology strategies including paste and filtered tailings and has concluded these technologies are not cost effective for the Sabodala site.

There is an opportunity to consider in-pit tailings storage as a low risk strategy. However, at this stage the potential abandoned mine pits comprise the Sabodala pit and other potential pits which are much smaller.

The Sabodala pit is very large and deep with an estimated volume to the lowest pit rim of 55.90 Mm³, which is well in excess of the tailings storage requirements. There are potential issues with respect to using the Sabodala pit for tailings deposition, which are outlined as follows:

- There is a potential underground mining resource which would be inaccessible if in-pit tailings deposition were to proceed. It is understood that the underground resource needs further technical work to be classified as a “reserve” and premature ore sterilization is a key issue which would prevent in-pit tailings being considered at this stage.

- If the Sabodala pit were to be used for tailings deposition, the final level of the tailings and the future use of the pit by locals as a source of water is a potential issue. The volume of tailings available is significantly less than the volume of the pit void and
surface of the deposited tailings in relation to the final pit water level post closure is known. The water quality of the end “pit lake” in the closure plan is a concern if there is Process Affected Water (PAW) present such that it could interact with groundwater inflows.

A number of smaller pits filled to within one metre of ground level and capped with mine waste would potentially be a preferable option to a tailings level well below ground level or below the pre-mining water level.

At this stage, technical work is not sufficiently advanced for alternative pits to be defined in detail and those pits which could potentially be available are further away from the process plant than the current options on surface.

Given the above uncertainties, the option of using an in-pit TSF has not been studied at this stage.

SABODALA INFRASTRUCTURE

The Sabodala infrastructure includes the Sabodala and Masato pits, a processing plant, a power plant, a ROM pad, and a TSF, and is shown in Figure 18-3.

GORA INFRASTRUCTURE

The Gora deposit is further than the Golouma/Kerekounda deposit area; as a result, more infrastructure was required.

The infrastructure at Gora includes:

- Two 250 kW diesel generators
- Fuel and lube storage facilities
- Operations and dispatch buildings
- Kitchen, lunch room and ablution facilities
- Warehouse, workshop and storage yard
- Gatehouse

Figure 18-4 shows the site layout for the Gora mine site.
Figure 18-3

Teranga Gold Corporation

Sabodala Project
Sénégal, West Africa
Sabodala Infrastructure Map

August 2017

DAKAR FACILITIES

Existing port facilities at Dakar are utilized for unloading of all project construction freight and for long term operational freight. No new infrastructure is required for the port to accommodate the Project.

Teranga has set up its own corporate offices in Dakar in which logistics, government liaison, personnel transport, and other management functions for SGO and SMC are based.

COMMUNICATIONS

The Project has the following communication and radio facilities:

- Satellite internet
- VOIP satellite phone
- Cell phone coverage
- Vehicle and hand-held radios

Additional communications networks will be expanded and installed as required for the various satellite mines as development commences.
19 MARKET STUDIES AND CONTRACTS

MARKETS

The principal commodity of SGO is gold. Gold is widely and freely traded on the international market, with known and instantly accessible pricing information.

CONTRACTS

Gold produced at the mine site is shipped, under secure conditions, to a refiner. Pursuant to existing contracts, the refiner delivers the gold directly to an account held with one of Teranga’s gold sellers: Macquarie Group and Auramet Trading LLC.
ENVIRONMENTAL LICENCES AND PERMITS

In accordance with the Environmental Code (2001) and the Sabodala Mining Convention, an Environmental and Social Impact Statement (ESIS) for the Project was completed in July 2006, by Tropica Environmental Consultants and an Environmental and Social Management and Monitoring Plan (ESMMP) was developed by Earth Systems in September 2007 and updated in 2012. The Environmental Compliance Certification was granted in January 2008.

The ESMMP recommended that “SGO prepare a stand-alone Rehabilitation and Mine Closure Plan (RMCP) within the first year of operations”. That RMCP was prepared for SGO by Earth Systems in 2008, and updated in 2012.

Prior to acquisition by Teranga, OJVG received approval for the Golouma operation based on the 2010 Feasibility Study project plan and Environmental and Social Impact Assessment (ESIA) through Attestation of Conformance, as issued by the Government of Senegal in May 2012. The ESIA was prepared in compliance with the Equator Principles and meets the requirements of the International Finance Corporation (IFC). The Environmental Compliance Certification was granted in November 2013. A conceptual mine closure plan relating to the Golouma operations was prepared in June 2010, by SRK.

In April 2015, a new Mining Convention incorporating the Golouma and Sabodala concessions was signed between the State of Senegal and SGO and the decree for this merger was signed in July 2015.

The Gora mine lies approximately 28 km northeast of the Sabodala processing plant and is located within the Sounkounkou exploration permit for which SMC holds a majority interest. SGO submitted the ESIA in 2014 for the Gora Project. The approval was received in March 2015. Development for mining at Gora started in mid-2015. The permitting process for the Gora Project comprised two principal steps, the mining lease for the Gora Project and a new road for the haulage of ore from the Gora Project to the Sabodala processing plant.
A new ESIA will be prepared for the Niakafiri project, and Project-specific mitigation measures included in the ESMMP already covering the Sabodala and Golouma operations. Similarly, the closure and rehabilitation costs will be added into the existing RMCP.

**ENVIRONMENTAL MANAGEMENT, REHABILITATION AND MINE CLOSURE**

In November 2015, Environmental Resources Management (ERM) completed a new RMCP that incorporates deposits from the OJVG acquisition and the Gora deposit to SGO’s closure plan. The RMCP provides a comprehensive discussion of the implementation, management, and monitoring of rehabilitation activities that are to be undertaken during both the operational and closure phases of the Project. The RMCP also provides SGO with an indication of anticipated rehabilitation and closure costs throughout the life of the Project. This plan satisfies the requirements of the Government of Senegal as well as relevant international standards specifically Australian, Canadian, and those of the IFC. In addition, as part of the SGO closure plan, a progressive rehabilitation plan is presented.

ERM’s overall goal was to combine all of SGO’s deposits into one comprehensive RMCP report. In particular, the plan had the following objectives:

- Present a set of overarching principles and guidelines that the mine will follow in its approach to closure and rehabilitation.

- Develop a closure strategy of all the components of the site taking into account the challenges associated with mine water quality, restoration of disturbed lands, decommissioning, strategy for socio-economic development, and security/closure safety.

- Provide a description of the implementation, management, site maintenance, and monitoring of rehabilitation and closure activities to be undertaken from the execution phase of mine closure onwards.

- Demonstrate that closure and rehabilitation will be managed in a manner that meets the applicable environmental management standards and sustainable development objectives.

- Provide data on the company’s closure liabilities and assist in engaging with the regulator on closure concepts and strategies.

Various closure options were analyzed as part of the work completed since SGO’s 2012 RMCP update. In Table 20-1, the summary of the preferred closure strategy is presented.
## TABLE 20-1  CLOSURE STRATEGY AND ASSUMPTIONS

**Teranga Gold Corporation - Sabodala Project**

<table>
<thead>
<tr>
<th>Closure Strategy</th>
<th>Post Closure Land Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Open Pits</strong></td>
<td>Pit lakes</td>
</tr>
<tr>
<td>All pits will be closed to form pit lakes and construction of perimeter safety berms. There will be focused community access points</td>
<td>Restricted access or potential partial access</td>
</tr>
<tr>
<td><strong>Waste Rock Dumps (WRD)</strong></td>
<td>Wilderness land use</td>
</tr>
<tr>
<td>WRDs will be rehabilitated in place with reshaping and revegetation and some capping</td>
<td>Wilderness land use</td>
</tr>
<tr>
<td><strong>Tailings Storage Facility (TSF)</strong></td>
<td>Wilderness land use</td>
</tr>
<tr>
<td>Capping of final tailings surface, reshaping to minimize infiltration and revegetation</td>
<td>Wilderness land use</td>
</tr>
<tr>
<td><strong>Raw Water Dams</strong></td>
<td>Government/community use</td>
</tr>
<tr>
<td>All surface water storage dams will be transferred to the government (Agricultural Services) as instructed and documented in the minutes of the Regional mine closure workshop held with the Authorities in 2013. Falémé River pipeline will also be transferred to the government</td>
<td>Government/community use</td>
</tr>
<tr>
<td><strong>Supporting Infrastructure</strong></td>
<td>Traditional land use – cropping and grazing</td>
</tr>
<tr>
<td>All other surface infrastructure will be decommissioned, decontaminated and demolished with demolition wastes to be deposited into the on-site landfill unless it is sold or transferred to the government and community with appropriate agreements to limit SGO liability</td>
<td>Traditional land use – cropping and grazing</td>
</tr>
<tr>
<td><strong>Processing Plant and ROM Pad</strong></td>
<td>Traditional land use – cropping and grazing</td>
</tr>
<tr>
<td>Processing Plant and associated power plant will be decommissioned, and sold or transferred to another mine site</td>
<td>Traditional land use – cropping and grazing</td>
</tr>
<tr>
<td><strong>Monitoring and Maintenance post Closure Execution Phase</strong></td>
<td>Not applicable</td>
</tr>
<tr>
<td>There will be an appropriate maintenance and monitoring phase after completion of closure execution works prior to divestment of the site</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Social Aspects of Closure</strong></td>
<td>Not applicable</td>
</tr>
<tr>
<td>In conformance with Section 22.6 of the Senegalese mining convention, and as agreed with Government, SGO will pay the Government a minimum amount of $15M at mine closure to account for social development costs at closure</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
It should be noted that other possible productive land uses that may also be considered in future work include:

- Sustainable forestry or agro-forestry such as bamboo plantations;
- Diversified agro-pastoral activities;
- Aquaculture or reservoir fisheries in the pit and the small, large and eastern water storage dams;
- Centre for government administration or service provision (i.e., tourism);
- Possible environmental land uses may include:
  - Plant or animal sanctuary.
  - Biodiversity reserve.

Environmental land uses may also be economically productive, by stimulating tourism, providing ecosystem services, or providing management work for the local community. Innovative ideas for productive and/or environmental end land uses will be sought by SGO and pilot schemes will be developed to investigate their viability (e.g., with funding from sources such as the Social Mining Fund). Options will be periodically and systematically reviewed and refined according to their technical feasibility and social, environmental, and economic implications.

The costs used to derive the overall closure costs were assembled by ERM in 2015, with the help of SGO staff in providing actual costs realized for the type of work required under the closure plan. Costs that were new to SGO were obtained by ERM through similar projects in nearby projects or quotes from suppliers in the region. Since then, an adjustment was made to the closure cost estimate to include the new reserve areas. The total closure cost is approximately $37.5 million. In addition to the closure cost, there is a community fund of $15 million as prescribed under Section 22.6 of the Senegalese mining convention, and as agreed with the Government, SGO will pay the Government to account for social development costs at the closure of the mine.
CORPORATE SOCIAL RESPONSIBILITY (CSR)

Teranga is committed to best practice in corporate governance. It has formalized commitments to conducting its business and affairs in accordance with the highest ethical standards by enacting a Code of Business Conduct and Ethics. As a company, Teranga strives to comply with all applicable mining codes and national and international laws, and adhere to the Extractive Industry Transparency Initiative (EITI).

In 2014, with the acquisition of OJVG, Teranga’s social and institutional investments have increased to the following levels:

- Social fund: $1,225,000 per year
- Department of Mines and Geology support fund: $350,000 per year
- Institutional support for exploration licenses of $112,000 per year
- Local institutional support: $30,000 per year.

Furthermore, an additional institutional fund of $250,000 annually was implemented in 2014, to support the Ministry of Environment in its duties. With the commencement of mining at the Gora pit in July 2015, $200,000 is payable annually for each production year up to a maximum of $1,000,000 for community projects located around the Gora deposit.

With the acquisition of OJVG, Teranga’s required initial payments increased to $10 million, related to the waiver of the right for the Republic of Senegal to acquire an additional equity interest in the OJVG. This initial payment is used to finance community development projects in the Kedougou region or Senegal. A total of 10 projects are being developed with the help of this funding.

PROTECTING AND PROMOTING HUMAN RIGHTS

Teranga is committed to promoting and respecting human rights as set forth in the United Nations Universal Declaration of Human Rights. This commitment is reinforced in Teranga’s Code of Business Conduct and Ethics and is part of the company’s adherence to the United Nations Global Compact. Protection of human dignity and promotion of mutual respect for all Teranga’s stakeholders are core to their corporate values. The company takes responsibility for its actions towards the host country, the local communities, and the environment in which it operates. Furthermore, Teranga expects its suppliers and business partners to respect and endorse the company’s commitment and standards regarding human rights.
REVENUE TRANSPARENCY

The mining industry can be a significant contributor to developing countries. To achieve positive results, mining companies must engage in responsible resource exploitation and governments must appropriately manage mining revenues. Transparency allows all stakeholders to monitor how such revenues are being distributed and spent.

In 2013, Senegal was officially accepted as a candidate country for the Extractive Industries Transparency Initiative (EITI). The EITI is a global standard that ensures the transparency of payments made by companies from the oil and mining industries to governments and to government-linked entities, as well as enforcing transparency over revenues earned by host country governments. As part of our commitment to transparency of revenues and payments Teranga continues to work with the Government of Senegal as a member of the multi-stakeholder group responsible for the preparation of annual EITI reports. The first EITI report was submitted by the Government of Senegal in 2015.

COMMUNITY RELATIONS

Teranga is committed to making a positive difference in the communities in which Teranga’s personnel live and work. The aim is to share the benefits of the mining operation and to leave a lasting, positive legacy that will continue to be enjoyed for generations to come. Through Teranga’s community development work, the host communities benefit from new job opportunities, education and training opportunities, expanded health care services, more secure sources of potable water, improved roads and infrastructure, etc.

One of Teranga’s most significant CSR achievements has been the completion of the Teranga Development Strategy (TDS), which is a result of an 18-month process of collaborative planning between Teranga, the communities, the local, regional, and national governments, as well as with other major stakeholders in the near-mine area. The TDS, published in 2014, proposes a vision to promote regional development and to deliver immediate and long term benefits in three priority areas: sustainable economic growth; agriculture and food security; and youth and training. All of Teranga’s CSR initiatives fall into these key areas. Teranga has worked very hard to understand the needs of the Government, both locally and nationally, and those of all stakeholders in their area of influence as they relate to these key areas so that the company’s activities are complementary where appropriate and leading where necessary. Teranga believes it will be
able to make a positive, meaningful impact and together with the communities develop this region in an environmentally and economically sustainable manner.

Teranga has pursued its effort to partner with the communities in the areas where it operates for a long term socio-economic development. Our CSR programs have been recognized internationally in 2016 and 2017 through several international awards and recognitions such as the 2017 Environmental and Social Responsibility Awards from the Prospectors & Developers Association of Canada (PDAC), the 2016 U.N. Sustainable Development Goals Award from the Global Compact Network Canada and the 2016 Best ESG responsible mining management West Africa award from CFI.co.

Amongst our main realizations in 2015 and 2016, we can cite the improvement of agricultural techniques with the donation of 4 fully-equipped tractors and 9 rototillers, the creation of 3 new micro-irrigated market gardens, bringing to 10 the numbers of market gardens installed by Teranga and benefiting to more than 900 women and the support to more than 700 farmers in the Region.

Teranga also continued to develop access to social services and infrastructures through the construction of several health posts, classrooms, water infrastructure, and rehabilitation/opening of new community tracks. Teranga also maintain its efforts to promote education with 90 high schools students benefiting from a bursary throughout their studies, donations of school supplies for 1,200 pupils and funding the accommodation of 200 regional students in the Capital city Dakar for their studies.

Beyond this, Teranga is still working on developing partnerships with other actors in the Region with the establishment in 2014 of a Canadian Cooperation Roundtable with 30 institutions active in the Kedougou region. From this initiative, several projects were conducted, such as a partnership between Teranga and the Foundation Paul Gérin-Lajoie for the vocational training of 50 youths in the region in agriculture and mechanical maintenance. Furthermore, Teranga, in collaboration with Global Affairs Canada, funded the creation of the 3 departmental development plans for each department of the Region.

Finally, Teranga is continuing to work on local procurement, pursuing the training program established in 2016, for the regional entrepreneurs. In 2016, local procurement at the regional level increased from 71% compared to 2015.
COMMUNITY RELOCATION

RESETTLEMENT PLAN

The development of the Niakafiri deposit is expected to result in the physical and economic displacement of households current residing in two communities: Sabodala and Medina Sabodala. A comprehensive resettlement and livelihood restoration process is therefore required to mitigate, manage, and compensate for these displacement impacts, and to ensure the safety and wellbeing of nearby residents during mine development and operation. Displacement impacts can generate budget, schedule, and relationship risks for a project when not managed effectively, as well as risks to the socio-economic stability of affected communities.

The resettlement and livelihood restoration process is being managed by an experienced team from the global sustainability firm, ERM. ERM is preparing a comprehensive Resettlement Action Plan (RAP), in accordance with Teranga Gold’s Resettlement and Livelihood Restoration Policy and the International Finance Corporation Performance Standards (2014), the latter of which are widely recognized as setting international best practice in the management of resettlement and livelihood restoration processes. The RAP will define how affected households will be resettled and their livelihoods restored, based on the development schedule of the Project and the results of a comprehensive planning and negotiations process now underway.

In addition, employment opportunities and sustainable development initiatives supported by Teranga Gold through its Corporate Social Responsibility program will continue to provide significant support for broad-based socio-economic growth in the area.

STATUS OF NEGOTIATIONS OR AGREEMENTS

The Government of Senegal has expressed its full support for the Sabodala resettlement process, recently demonstrated in a written directive issued by the President. Through the Ministry of Mines and regional Governor’s office, the Government has taken an active role in consultations with affected communities, in order to bolster support for and ensure participation of relevant local stakeholders in the resettlement process, and in the formation of the Negotiations Committee in June 2017. This Committee is made up of members of the affected communities, local authorities, and representatives of the Company, and has been charged with establishing the terms and conditions that will guide the resettlement and livelihood restoration processes and with ratifying the final RAP. It will also serve as a
dispute resolution mechanism, as required. Committee meetings and decisions are well documented and shared with relevant stakeholders. Two meetings of the Negotiation Forum have been held to date.

A definitive household survey will be conducted in 2017 H2 in affected communities to confirm the specific number of households that will be displaced and to document household members, livelihood activities, and affected immoveable assets. The survey results – coupled with the results of the negotiations process – will in large part determine the total cost of the resettlement.

**NEXT STEPS**

The household survey is expected to be launched shortly and completed in 2017. In parallel, negotiations with the Committee will continue and proceed through a number of different topics, including eligibility and entitlement policies, selection of resettlement sites, design of resettlement village(s), and design of livelihood restoration and vulnerable people assistance programs. The RAP is expected to be completed in Q2 2018.

Following RAP finalization, individual agreements will be signed with each affected household, outlining their eligibility and entitlements in the resettlement and livelihood restoration process. Agreements are expected to be signed starting as soon as the RAP has been finalized, in accordance with the Project’s development schedule.
21 CAPITAL AND OPERATING COSTS

CAPITAL COSTS

The LOM capital cost was compiled based on past operating experience and meeting the requirements of the forecast LOM plan. Table 21-1 presents the LOM capital cost estimate on an annual basis.
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</thead>
<tbody>
<tr>
<td>Open Pit Mining</td>
<td>US$M</td>
<td>61.1</td>
<td>8.6</td>
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<td>Admin &amp; Other Sustaining</td>
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<td>Community Relations</td>
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<tr>
<td>Total Sustaining Capex</td>
<td>US$M</td>
<td>130.8</td>
<td>16.8</td>
<td>7.4</td>
<td>10.9</td>
<td>29.8</td>
<td>24.1</td>
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<td>10.2</td>
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<td>Capital Projects &amp; Development</td>
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<td>Underground Equipment &amp; Development</td>
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<td>Other Projects &amp; Development</td>
<td>US$M</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<td>Total Projects and Development</td>
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<td>24.4</td>
<td>23.4</td>
<td>8.9</td>
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<td>18.2</td>
<td>10.4</td>
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<tr>
<td>Combined Total</td>
<td>US$M</td>
<td>236.9</td>
<td>22.5</td>
<td>7.4</td>
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SUSTAINING CAPITAL COST

OPEN PIT
The LOM open pit sustaining cost is estimated at approximately $61 million. Sustaining cost for the open pit mine consists primarily of replacing aged equipment. Beyond 2025, the equipment fleet is no longer replaced, rather, it is maintained until the end of the mine life with decreased availability rates reflected in the LOM plan.

The costs associated to setting up new satellite deposits has been included in the mine sustaining costs. These satellite deposits include Niakafiri, Maki Medina and Goumbati West / Kobokoto.

PROCESSING
The LOM processing sustaining cost is estimated at approximately $32 million. Sustaining cost for the process plant consists of the amount required to sustain the current Sabodala mill on an annual basis, such as mill relining and motor rebuilds and replacements.

Mill optimization projects and initiatives are also included in the processing sustaining capital estimate. The goal of these projects is to reduce operating cost and increase mill throughput.

ADMINISTRATION AND OTHER SUSTAINING
The administration and other sustaining capital expenditures include all the necessary capital required to sustain the camp facilities, security and other general administration departments. The LOM estimation is based on the current annual costs.

The total administration and other sustaining capital expenditure for the LOM is approximately $11 million.

COMMUNITY RELATIONS
The community relations section of the sustaining capital expenditure consists entirely of the relocation cost of Sabodala village. The relocation of the village must occur prior to the mining of a portion of the Niakafiri trend deposit, more specifically the Niakafiri East and West deposits.

The capital involved with the village relocation includes the actual relocating, as well as the studies and investigations required. Mining at Niakafiri East is planned to start at the end of year 2019.
The total community relations capital expenditure for the LOM is approximately $26.6 million.

**CAPITAL PROJECTS AND DEVELOPMENT**

**TAILINGS STORAGE FACILITY**

Additional tailings storage capacity would be required by 2022. Management is currently investigating whether to continue to raise TSF1 or construct the permitted TSF2. The LOM capital estimate accounts for either expansion project to be constructed.

**UNDERGROUND EQUIPMENT AND DEVELOPMENT**

The underground equipment and development capital accounts for all costs required to purchase the mobile equipment, fixed equipment, and develop the underground workings. This amount includes the preproduction and production periods.

The total underground equipment and development capital expenditures for the LOM are estimated to be approximately $102 million. Management will evaluate underground contract mining to potentially supply equipment in an effort to reduce capital costs prior to mining.

**OPERATING COSTS**

A summary of the LOM operating costs are presented in Table 21-2. The total LOM operating cost is approximately $1,806 million and ranges from $39 million to $159 million on an annual basis.

Operating costs at the Sabodala mine are largely the same as outlined in the 2016 Technical Report. Additional increases accounts for renegotiated contracts, market conditions, as well as LOM cost forecasting of various equipment and facilities.
### TABLE 21-2 OPERATING COST SUMMARY

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<thead>
<tr>
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<td>101</td>
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<td>908</td>
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<td>All-In Sustaining Costs (3) plus stream</td>
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<td>112</td>
<td>200</td>
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<td>100</td>
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<td>963</td>
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<td>931</td>
<td>659</td>
<td>762</td>
<td>711</td>
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</table>

(1) Excludes any deferred stripping adjustments beyond 2017.
(2) Royalties include Government of Senegal royalties on total production and the NSR royalty due to Axmin on Gora production.
(3) 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. Total cash costs per ounce and all-in sustaining costs per ounce are before cash/non-cash inventory movements and amortized advanced royalty costs, and excludes allocation of corporate overheads. Please refer to non-IFRS Performance Measures.

This production guidance is based on existing proven and probable reserves only from the Sabodala mining licence as disclosed in the Reserves and Resources section of this Report.

Key assumptions: Gold spot price/ounce - US$1,250, Light fuel oil - US$0.81/litre, Heavy fuel oil - US$0.46/litre, US/Euro exchange rate - $1.10.
OPEN PIT MINE OPERATING COSTS

The LOM open pit mine operating costs were calibrated to the 2016-2017 H1 actuals and 2017 H2 budget costs, and were then adjusted for the new deposits being mined in the LOM schedule. The main variations in mining cost by year is driven primarily by varying ore and waste haulage distances and slight variances in drilling and blasting. The mine operating costs assume that the ore from Gora, Golouma, Kerekounda, Maki Medina, and Goumbati West/Kobokoto will be transported with long haul trucks by contractors to the Sabodala processing plant. Ore from the Gora, Golouma and Kerekounda has been transported to the mill site by this method since 2015, 2016, and 2017, respectively.

Table 21-3 shows the total annual mining costs by pit. The annual mining costs range from $2.28/t to $2.62/t mined, with a LOM average of $2.38/t mined. The long haul cost for the ore from the several deposits requiring additional haulage have been included in the annual mining costs presented.

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<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<td><strong>2.40</strong></td>
<td><strong>2.54</strong></td>
<td><strong>2.62</strong></td>
<td><strong>2.38</strong></td>
</tr>
</tbody>
</table>

UNDERGROUND MINE OPERATING COSTS

RPA estimated underground mine operating costs for the Project from first principles, sourcing budgetary quotes, evaluating cost databases, and assessing comparable projects (Table 21-4). Surface haulage costs were provided by Teranga.
TABLE 21-4   SUMMARY OF UNDERGROUND MINING OPERATING COSTS
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>Description</th>
<th>LOM Total ($ millions)</th>
<th>Unit Cost ($/t)</th>
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</thead>
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<td>Contractor Labour</td>
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<td>Equipment Maintenance and Fuel</td>
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<td>Consumables</td>
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<td>Surface Haulage</td>
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<td><strong>Total Underground Mine Operating Costs</strong></td>
<td><strong>155.2</strong></td>
<td><strong>72.23</strong></td>
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</tbody>
</table>

PROCESSING OPERATING COSTS

The processing costs estimated for the LOM is based on the 2017-2019 budget and adjusted for the LOM. In Figure 21-1, the processing cost, by material and by year, are presented. The LOM average processing cost is $10.40/t milled.

The main variations in processing cost by year is primarily due to the material throughput blend. Ongoing optimization work at the Sabodala mill is the factor for the forecasted cost decrease in approximately 2019. Lower processing costs might be realized earlier, but 2019 was chosen to be conservative.

FIGURE 21-1   ANNUAL PROCESSING COST
GENERAL AND ADMINISTRATION OPERATING COSTS
The general and administration (G&A) costs consist of the material and personnel costs related to the mine infrastructure and site administration. Items included are camp facilities, security, and other general administration departments. The costs are based on the current actual costs at Sabodala, which are approximately $14 million annually. Near the end of the mine life, the G&A is scaled back to only the necessary items and to also reflect the ongoing nationalization of many administration positions. The LOM average G&A cost is $2.55 per tonne milled.

ALL-IN SUSTAINING COSTS
The all-in sustaining cash cost (AISC) for the LOM is shown in Table 21-5. The AISC for the LOM is approximately $893 per ounce of gold. Between the years 2023 and 2024, the AISC cost is the highest as a result of the capital expenditures for the development of underground.

NON-IFRS MEASURES
Non-IFRS measures have been used in this report, including “total cash cost per ounce of gold sold”, “all-in sustaining costs per ounce”, and “free cash flow”. Teranga believes that these measures, in addition to conventional measures prepared in accordance with the International Financing Reporting Standards (IFRS), provide investors an improved ability to evaluate the underlying performance of Teranga. 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 in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measure of other companies. The
World Gold Council (WGC) definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding corporate general and administrative costs, reclamation and remediation costs (including accretion and amortization), exploration and study costs (capital and expensed), capitalized stripping costs and sustaining capital expenditures and represents the total costs of producing gold from current operations. All-in sustaining cost excludes income tax payments, interest costs, costs related to business acquisitions and items needed to normalize earnings. Consequently, this measure is not representative of all of Teranga’s cash expenditures. In addition, the calculation of all-in sustaining costs does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Teranga’s overall profitability. Life of mine total cash costs and all-in sustaining costs figures used in this report are before cash/non-cash inventory movements and amortized advanced royalty costs, and exclude any allocation of corporate overheads. Other companies may calculate this measure differently. Teranga calculates free cash flow as net cash flow provided by operating activities less sustaining capital expenditures. Teranga believes this to be a useful indicator of its ability to generate cash for growth initiatives. Other companies may calculate this measure differently.

For more information regarding these measures, please refer to Teranga’s 2016 Annual Management’s Discussion and Analysis accessible on Teranga’s website at www.terangagold.com.
### TABLE 21-5  LIFE OF MINE CASH FLOWS

Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production  Moz</td>
<td></td>
<td>2,46</td>
<td>0.21</td>
<td>0.11</td>
<td>0.21</td>
<td>0.22</td>
<td>0.21</td>
<td>0.21</td>
<td>0.21</td>
<td>0.14</td>
<td>0.17</td>
<td>0.16</td>
<td>0.15</td>
<td>0.16</td>
<td>0.16</td>
<td>0.14</td>
<td>0.14</td>
<td>0.08</td>
</tr>
<tr>
<td>Gold Price $/oz</td>
<td></td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
<td>1,250</td>
</tr>
<tr>
<td>Revenue US$M</td>
<td>US$M</td>
<td>3,080</td>
<td>266</td>
<td>139</td>
<td>267</td>
<td>269</td>
<td>267</td>
<td>264</td>
<td>263</td>
<td>179</td>
<td>210</td>
<td>210</td>
<td>205</td>
<td>182</td>
<td>199</td>
<td>174</td>
<td>176</td>
<td>77</td>
</tr>
<tr>
<td>Total Cash Costs US$M</td>
<td>US$M</td>
<td>1,947</td>
<td>166</td>
<td>76</td>
<td>167</td>
<td>166</td>
<td>166</td>
<td>162</td>
<td>151</td>
<td>170</td>
<td>170</td>
<td>152</td>
<td>115</td>
<td>74</td>
<td>84</td>
<td>43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex US$M</td>
<td></td>
<td>254</td>
<td>23</td>
<td>25</td>
<td>11</td>
<td>30</td>
<td>26</td>
<td>12</td>
<td>34</td>
<td>34</td>
<td>17</td>
<td>6</td>
<td>4</td>
<td>12</td>
<td>13</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>All-in Sustaining Costs US$M</td>
<td></td>
<td>2,201</td>
<td>188</td>
<td>101</td>
<td>177</td>
<td>196</td>
<td>194</td>
<td>178</td>
<td>196</td>
<td>184</td>
<td>186</td>
<td>176</td>
<td>156</td>
<td>127</td>
<td>96</td>
<td>97</td>
<td>92</td>
<td>46</td>
</tr>
<tr>
<td>Franco Nevada US$M</td>
<td></td>
<td>172</td>
<td>17</td>
<td>11</td>
<td>23</td>
<td>23</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Cash Flow before Taxes, Interest and other US$M</td>
<td></td>
<td>707</td>
<td>61</td>
<td>27</td>
<td>67</td>
<td>51</td>
<td>60</td>
<td>73</td>
<td>55</td>
<td>(14)</td>
<td>13</td>
<td>25</td>
<td>39</td>
<td>46</td>
<td>94</td>
<td>68</td>
<td>76</td>
<td>28</td>
</tr>
<tr>
<td>Taxes, Interest, and other (1) US$M</td>
<td></td>
<td>152</td>
<td>15</td>
<td>6</td>
<td>20</td>
<td>8</td>
<td>15</td>
<td>20</td>
<td>12</td>
<td>16</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>(2)</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow US$M</td>
<td></td>
<td>556</td>
<td>46</td>
<td>21</td>
<td>46</td>
<td>42</td>
<td>45</td>
<td>53</td>
<td>42</td>
<td>(30)</td>
<td>9</td>
<td>20</td>
<td>34</td>
<td>42</td>
<td>93</td>
<td>67</td>
<td>78</td>
<td>(6)</td>
</tr>
</tbody>
</table>

(1) Other items include working capital, advanced royalty costs, government social fund, value added tax refunds, closure costs, plant residual value, regional office costs, CSR costs, and regional exploration costs. Excludes any allocation of corporate overheads.
22 ECONOMIC ANALYSIS

This section is not required as Teranga is a producing issuer, the property is currently in production, and there is no material expansion of current production.
23 ADJACENT PROPERTIES

One significant property is adjacent to the Project, Randgold Resources’ Massawa project. The location of the Massawa project with respect to Sabodala is shown in Figure 23-1.

The description is taken from Randgold website's Massawa description (August 25, 2017). Teranga has not verified the information in this section concerning the Massawa project.

RANDGOLD MASSAWA PROJECT

The Massawa gold project is located within the Kounemba permit in eastern Senegal which geologically lies within the 150 km long Mako greenstone belt.

The Mako greenstone belt comprises mafic-ultramafic and felsic volcanic rocks intruded by granitoids.

A regional crustal scale shear zone, the Main Transcurrent Shear Zone (MTZ) with a northeast-southwest trend, exploits the lithological contact between the Mako and the Dialé-Daléma supergroups and is the host structure to mineralisation at Massawa.

Table 23-1 lists the Massawa Project resources and reserves. The total Proven and Probable Reserves are estimated to be 2.2 Moz of gold. The project is currently in a Feasibility Study stage.
### TABLE 23-1 MASSAWA PROJECT RESOURCES
Teranga Gold Corporation - Sabodala Project

<table>
<thead>
<tr>
<th>at 31 December</th>
<th>Category</th>
<th>Tonnes (Mt)</th>
<th>Grade (g/t)</th>
<th>Gold (Moz)</th>
<th>Attributable gold(^a) (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINERAL RESOURCES(^1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open pits</td>
<td>Measured</td>
<td>0.5</td>
<td>0.2</td>
<td>5.5</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Indicated</td>
<td>19</td>
<td>35</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>20</td>
<td>21</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Underground</td>
<td></td>
<td>1.1</td>
<td>2.5</td>
<td>4.9</td>
<td>4.4</td>
</tr>
<tr>
<td>TOTAL MINERAL RESOURCES</td>
<td>Measured and indicated</td>
<td>20</td>
<td>35</td>
<td>4.0</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>Inferred</td>
<td>21</td>
<td>23</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>ORE RESERVES(^2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open pits</td>
<td>Probable</td>
<td>19</td>
<td>21</td>
<td>4.3</td>
<td>3.1</td>
</tr>
<tr>
<td>TOTAL ORE RESERVES</td>
<td>Proved and probable</td>
<td>19</td>
<td>21</td>
<td>4.3</td>
<td>3.1</td>
</tr>
</tbody>
</table>

\(^1\) Open pit mineral resources are reported as the in situ mineral resources falling within the $1.500/oz pit shell reported at an average cut-off of 0.8g/t.

\(^2\) Underground mineral resources are those in situ mineral resources below the $1.500/oz pit shell of the North Zone 2 deposit reported at a 2.5g/t cut-off.

\(^a\) Attributable gold (Moz) refers to the quantity attributable to KangaGold based on its 63.25% interest in Massawa.

Mineral resources and ore reserve numbers are reported as per JORC 2012 and as such are reported to the second significant digit. All mineral resource tabulations are reported inclusive of that material which is then modified to form ore reserves. Refer to the notes to the annual resources and reserves declaration on page 105 of this annual report.
Figure 23-1

Teranga Gold Corporation
Sabodala Project
Sénégal, West Africa
Adjacent Properties - Randgold Resources’ Massawa Project

Legend:
- Operating Gold Mines
- Gold Reserves
- Sabodala Plant
- International Boundary
- 100m Contours
- Teranga Mining Concession
- Teranga Exploration Permits
- Randgold Resources

24 OTHER RELEVANT DATA AND INFORMATION

Teranga and RPA are not aware of any other relevant data or information relevant to this Technical Report.
25 INTERPRETATION AND CONCLUSIONS

Teranga and RPA offer the following conclusions.

EXPLORATION

- In addition to the current operation, there is a good geological database from the maturing exploration work on the Sabodala Mining Concession as well as potential for additional deposits on the regional exploration permits.

- The level of exploration in the area, as proposed, will require a continuation of the rigorous focus in order to maintain quality in all the work being carried out.

- The geological work to date including data collection is of good quality and suitable for the estimation of Mineral Resources.

- There is a succession of targets/deposits in the "pipeline" and it will be important to continue to rank and upgrade these. There is significant potential to increase the Mineral Resources with the current exploration program.

MINERAL RESOURCES

- The Measured and Indicated Mineral Resources as of June 30, 2017 are estimated to be 86.6 Mt grading 1.59 g/t Au for 4.4 Moz of gold. This estimate includes both the open pit and underground Mineral Resources for the Sabodala Mining Concession. In addition, a total of 17.2 Mt of Inferred Resources are estimated at a grade of 1.81 g/t Au for 1.0 Moz of gold.

MINERAL RESERVES

- The Proven and Probable Mineral Reserves as of June 30, 2017 are 61.6 Mt grading 1.37 g/t Au for 2.70 Moz of gold.

MINING AND LIFE OF MINE PLAN

- The Sabodala, Masato, Gora, Golouma, Kerekounda, Goumbati West/Kobokoto, Maki Medina, and Niakafiri deposits, combined with the stockpiled material, have the capacity to produce sufficient ore on an ongoing basis for the current mill capacity.

- The current major mining equipment appears to have the capacity to maintain levels of availability, utilization, and productivity that support the total mine capacity used to model the LOM schedule.

- The underground study indicates that positive economic results can be obtained.
• The cut-off grades applied to the eight deposits are supported by current operating practice and are considered an appropriate basis for definition of Mineral Reserves.

• There have been seven full years of mining operations at Sabodala and the operation has reached its short term targets. It can be anticipated that operational processes will continue to improve as the operation matures and that these will have a positive impact on costs and equipment efficiency.

• Mining operations in the Sabodala pit have shown that the rock mass is relatively dry with some exceptions. The groundwater is related to several structural conduits. It has been observed that the pit makes approximately 6,000 m$^3$ of water per month, which is approximately equivalent to one day's pumping with one pump. There are sufficient measures in the mine to control the water and keep it out of the pit.

• The mine mobile fleet is maturing, an asset management strategy for optimal timing of replacement capital in the LOM schedule needs to be evaluated.

METALLURGY

• The Sabodala, Masato, Gora, Golouma, Kerekounda, and Niakafiri ores are medium to hard but are relatively simple metallurgically allowing 90%, or greater, recovery to be readily obtained. Test work has indicated that potential exists for treating low grade oxide ores by heap leaching, although fine crushing and agglomeration is required.

ENVIRONMENTAL CONSIDERATIONS

• The Sabodala village must be moved prior to mining at Niakafiri deposits. As village relocation has been undertaken previously for the TSF2 permit, Teranga believes that it has a very clear path to do so again for Niakafiri and the process has been initiated.
26 RECOMMENDATIONS

Teranga and RPA offer the following recommendations.

EXPLORATION

- Exploration should continue on the Regional Exploration Package and Sabodala Mining Concession. Discovery of additional resources will provide the opportunity to extend the life of operations, and higher grades will provide flexibility in operating should the price of gold fall or costs increase.

GEOTECHNICAL CONSIDERATIONS

- A geotechnical program should be undertaken to determine specific characteristics for the pit slopes of the Niakafiri, Maki Medina, and Goumbati West/Kobokoto open pit.

UNDERGROUND STUDIES

- Resource definition diamond drilling should be completed to upgrade Inferred material into the Indicated category.

- Contractor and equipment prices should be obtained to improve confidence in the costs prior to mining.

- Longhole mining of the Golouma West deposits should be investigated to reduce operating costs. With minor changes to the designs, longhole mining may be feasible in these deposits.

METALLURGY

- Analysis of the production data should be continued in order to maintain accurate correlations for estimating future gold extraction.

SATELLITE PIT DEVELOPMENT

- Continued evaluation of drill core and empirical data for the pit walls for the upcoming pits in the LOM plan (e.g., Niakafiri).
27 REFERENCES


28 DATE AND SIGNATURE PAGE

This report titled “Technical Report on the Sabodala Project, Senegal, West Africa” dated August 30, 2017 was prepared and signed by the following authors:

(Signed and Sealed) “Stephen Ling”

Dated at Toronto, ON
August 30, 2017

Stephen Ling, P.Eng.
Manager, Mine Technical Services
Teranga Gold Corporation

(Signed and Sealed) “Patti Nakai-Lajoie”

Dated at Toronto, ON
August 30, 2017

Patti Nakai-Lajoie, P.Geo.
Senior Director, Mineral Resources
Teranga Gold Corporation

(Signed and Sealed) “Peter L. Mann”

Dated at Toronto, ON
August 30, 2017

Peter L. Mann, FAusIMM
Exploration Manager
Teranga Gold Corporation

(Signed and Sealed) “Kathleen Ann Altman”

Dated at Lakewood, CO
August 30, 2017

Kathleen Ann Altman, Ph.D., P.E.
Principal Metallurgist
Roscoe Postle Associates Inc.

(Signed and Sealed) “Jeff Sepp”

Dated at Toronto, ON
August 30, 2017

Jeff Sepp, P.Eng.
Senior Mining Engineer
Roscoe Postle Associates Inc.
29 CERTIFICATE OF QUALIFIED PERSON

STEPHEN LING


1. I am Manager, Mine Technical Services with Teranga Gold Corporation at Suite 2600, 121 King Street West, Toronto, Ontario M5H 3T9.

2. I graduated with a degree in Bachelor of Engineering (Mining) from the University of McGill in 2007.

3. I am registered as a Professional Engineer in the Province of Ontario (Reg.# 100176937). I have worked as a mining engineer for a total of 10 years since my graduation from university.

4. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43 101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.

5. I am responsible for the preparation of Sections 2, 3, 15, 16, 18, 19, 20, 21, 22, 23 and 24 and contributed to Sections 1, 25, 26, and 27 of the Technical Report.

6. I visited the Sabodala Project on January 15, 2017 for 7 days.

7. I am not independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101

8. I have had prior involvement with the project that is the subject of the Technical Report.

9. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 2, 3, 15, 16, 18, 19, 20, 21, 22, 23 and 24 and portions of Sections 1, 25, 26, and 27 for which I am responsible in the Technical Report contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of August, 2017

(Signed and Sealed) “Stephen Ling”

Stephen Ling, P.Eng.
PATTI NAKAI-LAJOIE


1. I am Senior Director, Mineral Resources with Teranga Gold Corporation at Suite 2600, 121 King Street West, Toronto, Ontario M5H 3T9.

2. I am a graduate of University of Toronto, Toronto, Ontario, Canada in 1980 with a B.Sc. in Geology.

3. I am registered as a Professional Geoscientist in the Province of Ontario (Reg. #0290). I have worked as a professional geologist for a total of 35 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   • Supervision of underground and surface exploration programs
   • Mineral Resource estimation and block modelling
   • Senior positions with major Canadian consulting and mining companies, with responsibilities in managing all Mineral Resource related functions

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.


6. I am responsible for the preparation of Sections 11, 12 and 14, and contributed to Sections 1, 25, 26, and 27 of the Technical Report.

7. I am not independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have had prior involvement with the property that is the subject of the Technical Report.


10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 11, 12, and 14 and portions of Sections 1, 25, 26, and 27 for which I am responsible in the Technical Report contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of August, 2017

(Signed and Sealed) “Patti Nakai-Lajoie”

Patti Nakai-Lajoie, P.Geo.
I, Peter L. Mann, FAusIMM, as an author of this report entitled “Technical Report on the Sabodala Gold Project, Senegal, West Africa” prepared for Teranga Gold Corporation and dated August 30, 2017, do hereby certify that:

1. I am Exploration Manager with Teranga Gold Corporation at Suite 2600, 121 King Street West, Toronto, Ontario, M5H 3T9.

2. I am a graduate of Rhodes University, Grahamstown, South Africa in 1981 with a B.Sc. degree in Geology and Plant Science, and in 1993 with a M.Sc. degree in Geology, Minerals Exploration.

3. I am a Fellow of the Australasian Institute of Mining and Metallurgy (Reg. 990534). I have worked as a geologist for a total of 36 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - 10 years, 9 months Orogenic gold exploration South African Greenstone Belts of Natal, Barberton and Pietersburg, Kazakhstan Altyntas. Senegal – Burkina Faso Birimian Orogenic Belt.
   - 5 years 7 months gold mining on Witwatersrand gold fields Orange Free State, South Africa.
   - 4 years 7 months Witwatersrand gold exploration on Witwatersrand gold fields Orange Free State, South Africa.
   - 15 years in base metals exploration South Africa, Zambia, Botswana and Democratic Republic of Congo.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.


6. I am responsible for the preparation of Sections 4, 5, 6, 7, 8, 9, and 10 and contributed to Sections 1, 25, 26, and 27 of the Technical Report.

7. I am not independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have had prior involvement with the property that is the subject of the Technical Report.


10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Sections 4, 5, 6, 7, 8, 9, and 10 and portions of Sections 1, 25, 26, and 27 for which I am responsible in the Technical Report contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of August, 2017

(Signed and Sealed) “Peter L. Mann”

Peter L. Mann, FAusIMM
KATHLEEN ANN ALTMAN

I Kathleen Ann Altman, Ph.D., P.E., as an author of this report entitled “Technical Report on the Sabodala Project, Senegal, West Africa” prepared for Teranga Gold Corporation and dated August 30, 2017, do hereby certify that:

1. I am Principal Metallurgist and Director, Mineral Processing and Metallurgy with RPA (USA) Ltd. of Suite 505, 143 Union Boulevard, Lakewood, Co., USA  80228.

2. I am a graduate of the Colorado School of Mines in 1980 with a B.S. in Metallurgical Engineering. I am a graduate of the University of Nevada, Reno Mackay School of Mines with an M.S. in Metallurgical Engineering in 1994 and a Ph.D. in Metallurgical Engineering in 1999.

3. I am registered as a Professional Engineer in the State of Colorado (Reg. #37556) and a Qualified Professional Member of the Mining and Metallurgical Society of America (Member #01321QP). I have worked as a metallurgical engineer for a total of 35 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   • Review and report as a metallurgical consultant on numerous mining operations and projects around the world for due diligence and regulatory requirements.
   • I have worked for operating companies, including the Climax Molybdenum Company, Barrick Goldstrike, and FMC Gold in a series of positions of increasing responsibility.
   • I have worked as a consulting engineer on mining projects for approximately 15 years in roles such a process engineer, process manager, project engineer, area manager, study manager, and project manager. Projects have included scoping, prefeasibility and feasibility studies, basic engineering, detailed engineering and start-up and commissioning of new projects.
   • I was the Newmont Professor for Extractive Mineral Process Engineering in the Mining Engineering Department of the Mackay School of Earth Sciences and Engineering at the University of Nevada, Reno from 2005 to 2009.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I did not visit the Sabodala Gold Project.

6. I am responsible for Sections 13 and 17 and contributed to Sections 1, 25, 26, and 27 of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.


10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Section 13 and 17 and portions of Sections 1, 25, 26, and 27 for which I am responsible in the Technical Report contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of August, 2017

(Signed and Sealed) “Kathleen Ann Altman”

Kathleen Ann Altman, Ph.D., P.E.
JEFF SEPP


1. I am Senior Mining Engineer with Roscoe Postle Associates Inc. of Suite 501, 55 University Ave Toronto, ON, M5J 2H7.

2. I am a graduate of Laurentian University, Sudbury, Ontario in 1997 with a B.Eng. degree in mining.

3. I am registered as a Professional Engineer in the Province of Ontario (Reg. #100139899). I have worked as a mining engineer for a total of 18 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Mine planning, open pit and underground mine design and scheduling, ventilation design and implementation for numerous projects in Canada, USA, Turkey, Saudi Arabia, United Kingdom, Mali, Tanzania, Ghana, and Sweden.
   - Senior mining consultant at MineRP Canada Limited.
   - Mining engineer/ventilation specialist for a number of Canadian mining companies, including CVRD Inco (now Vale) and Cameco Corp.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I did not visit the Sabodala Gold Project.

6. I am responsible for portions of Sections 15 (Underground Mineral Reserves) and 16 (Underground Mining) and contributed to Sections 1, 25, 26, and 27 of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.


10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the portions of Sections 15 and 16 and portions of Sections 1, 25, 26, and 27 for which I am responsible in the Technical Report contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of August, 2017

(Signed and Sealed) “Jeff Sepp”

Jeff Sepp, P.Eng.