Building a Multi-Asset Mid-Tier West African Gold Producer
Forward-Looking Statements

All information included in this presentation, including any information as to Teranga’s future financial or operating performance and other statements that express management’s expectations or estimates of future performance, other than statements of historical fact, constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date hereof. Forward-looking statements are included for the purpose of providing information about management’s current expectations and plans relating to the future. Wherever possible, words such as “plans”, “expects”, “scheduled”, “trends”, “indications”, “potential”, “estimates”, “predicts”, “anticipate”, “to establish”, “believe”, “intend”, “ability to”, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, or are “likely” to be taken, occur or be achieved, or the negative of these words or other variations thereof, have been used to identify such forward-looking information. Specific forward-looking statements include, without limitation, all disclosure regarding future results of operations, economic conditions and anticipated courses of action. Although the forward-looking statements contained herein reflect management’s current beliefs and reasonable assumptions based upon information available to management as of the date hereof, Teranga cannot be certain that actual results will be consistent with such forward-looking information. Such assumptions include, among others, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The risks and uncertainties that may affect forward-looking statements include, among others, the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga. For a more comprehensive discussion of the risks faced by Teranga, and which may cause the actual financial results, performance or achievements of Teranga to be materially different from estimated future results, performance or achievements expressed or implied by forward-looking information or forward-looking statements, please refer to Teranga’s latest Annual Information Form filed with Canadian securities regulatory authorities at www.sedar.com or on Teranga’s website at www.terangagold.com. The risks described in the Annual Information Form (filed and viewable on www.sedar.com and on Teranga’s website at www.terangagold.com) are hereby incorporated by reference herein. Teranga disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law. Nothing herein should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities.

All references to Teranga include its subsidiaries unless the context requires otherwise. This presentation contains references to Teranga using the words “we”, “us”, “our” and similar words and the reader is referred to using the words “you”, “your” and similar words. All dollar amounts stated are denominated in U.S. dollars unless specified otherwise.
Building a Multi-Asset Mid-Tier Gold Producer in Mining-Friendly West Africa

Sabodala Gold Operation
2P Reserves: 2.7Moz

Wahgnion Gold Development
2P Reserves: 1.6Moz

Miminvest and Afema Permits

Golden Hill Advanced Exploration Project

*Refer to Appendix – Endnotes (1) and (2)
Strong Organic Growth Pipeline

Sabodala Gold Mine (Senegal)
Wahgnion Gold Mine (Burkina Faso)
Golden Hill Project (Burkina Faso)
Miminvest & Afema JVs (Côte d'Ivoire)
Exploration & Resource Conversion

Mid-Tier Producer with Scale and Diversification
Leading with Our Social License

- United Nations Global Compact Network Canada Sustainability Award
- 4X Winner of Corporate Knights Future 40 Responsible Corporate Leaders in Canada
- Capital Finance International: Best ESG Responsible Mining Management West Africa
- Prospectors & Developers Association of Canada 2017 Environmental & Social Responsibility Award

Working hard with all of our stakeholders to be a partner of choice.
Sabodala
Senegal, West Africa
Sabodala: Largest Gold Producer in Senegal with Significant Resource Base & Long Mine Life

Strong 5-Year Profile with Potential to Increase Mine Life

<table>
<thead>
<tr>
<th>Life of Mine Summary</th>
<th>5 years (2018-2022)</th>
<th>13 years (2018-2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual production</td>
<td>213k oz</td>
<td>176k oz</td>
</tr>
<tr>
<td>All-in sustaining costs*</td>
<td>$885/oz</td>
<td>$893/oz</td>
</tr>
<tr>
<td>Total free cash flow*</td>
<td>$230M</td>
<td>$556M</td>
</tr>
</tbody>
</table>

*Refer to Appendix – Non-IFRS Performance Measures
Refer to Appendix – Endnotes (2),(3),(5) and (6)

Sabodala Gold Mine
Senegal, West Africa
Permitted mining license: 291 km²
2018 Production: 5% Year-over-year Increase and Third Consecutive Record Year

Production (koz Au)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>17</td>
<td>131</td>
<td>214</td>
<td>207</td>
<td>212</td>
<td>182</td>
<td>217</td>
<td>233</td>
<td>245</td>
</tr>
</tbody>
</table>

1.66 Moz gold produced at Sabodala since December 2010
**Track** Record of Replacing Reserves at Sabodala

**Sabodala Proven and Probable Reserves**

<table>
<thead>
<tr>
<th>Year</th>
<th>Reserves (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.4</td>
</tr>
<tr>
<td>2011</td>
<td>1.7</td>
</tr>
<tr>
<td>2012</td>
<td>1.6</td>
</tr>
<tr>
<td>2013</td>
<td>2.8</td>
</tr>
<tr>
<td>2014</td>
<td>2.6</td>
</tr>
<tr>
<td>2015</td>
<td>2.6</td>
</tr>
<tr>
<td>2017</td>
<td>2.7</td>
</tr>
</tbody>
</table>

- **Significant Opportunity for Growth at Sabodala**
  - Sabodala village relocation provides opportunity to drill out Niakafiri, the largest deposit on the mine license, and to increase remaining mine life
  - Village relocation expected to be completed in 2020

Graph includes years for which there was a reserve update
Refer to Appendix – Endnote (2)
Wahgnion Project
Burkina Faso, West Africa
Wahgnion: On Track for First Pour by End of 2019

**Wahgnion Development Project**
Burkina Faso, West Africa
Permitted mining license: 89 km²

**1.6Moz**
2P Reserves\(^{(1)}\)

**2.4Moz**
M&I Resources\(^{(1)}\)

**13-Year**
Mine Life\(^{(4)}\)

---

**Strong 5-Year Profile with Potential to Increase Mine Life**

<table>
<thead>
<tr>
<th>Life of Mine Summary(^{(4)}(5)(7)}</th>
<th>Initial 5 years</th>
<th>LOM (13 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual production</td>
<td>132k oz</td>
<td>114k oz</td>
</tr>
<tr>
<td>All-in sustaining costs*</td>
<td>$761/oz</td>
<td>$904/oz</td>
</tr>
<tr>
<td>Total free cash flow*</td>
<td>$311M</td>
<td>$479M</td>
</tr>
<tr>
<td>Pre-production capital**</td>
<td>($240M)</td>
<td></td>
</tr>
<tr>
<td>Pre-production operating costs</td>
<td>($28M)</td>
<td></td>
</tr>
<tr>
<td>Net cash flow</td>
<td>$211M</td>
<td></td>
</tr>
</tbody>
</table>

*Refer to Appendix – Non-IFRS Performance Measures
**Pre-production capital costs of $240 million excludes $16 million in construction readiness activities spent prior to major construction
Refer to Appendix – Endnotes (1), (4), (5) and (7)
Significant Mid to Long-Term Upside Potential

Regional Exploration Includes ~12 Drill-Ready Targets

- Targets have potential to become resources and are within trucking distance of proposed plant site
- Konatvogo: 2,000-metre NW-trending anomaly between Fourkoura and Nogbele deposits. Up to 21.6 g/t Au from altered shear-hosted quartz vein outcrops
- Bassongoro: 1,500-metre NNE-trending soil and auger anomaly (up to 15g/t Au). Intersection of regional Nianka and Fourkoura structures undrilled
Update: Thickener Assembly
Wahgnion Gold Operations, Burkina Faso, January 2019
Golden Hill: Advanced Exploration Project
Situated in the Heart of the Houndé Belt

<table>
<thead>
<tr>
<th>Prospect</th>
<th># DD Holes</th>
<th>DD Metres Drilled</th>
<th># RC Holes</th>
<th>RC Metres Drilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ma Main</td>
<td>177</td>
<td>18,920</td>
<td>57</td>
<td>5,588</td>
</tr>
<tr>
<td>Ma North</td>
<td>94</td>
<td>11,363</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Jackhammer Hill</td>
<td>89</td>
<td>12,125</td>
<td>15</td>
<td>1,175</td>
</tr>
<tr>
<td>Peksou</td>
<td>47</td>
<td>5,488</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Peksou North</td>
<td>11</td>
<td>1,491</td>
<td>2</td>
<td>160</td>
</tr>
<tr>
<td>A-Zone</td>
<td>11</td>
<td>1,474</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>B-Zone</td>
<td>6</td>
<td>799</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C-Zone</td>
<td>59</td>
<td>6,306</td>
<td>7</td>
<td>564</td>
</tr>
<tr>
<td>Nahiri</td>
<td>18</td>
<td>1,646</td>
<td>20</td>
<td>1,640</td>
</tr>
<tr>
<td>Other Drilling</td>
<td>2</td>
<td>198</td>
<td>31</td>
<td>2,469</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>514</strong></td>
<td><strong>59,810</strong></td>
<td><strong>132</strong></td>
<td><strong>11,596</strong></td>
</tr>
</tbody>
</table>

Interpreted Geology:
- Andesite
- Basalt
- Basin
- Batholith
- Chert
- Granitoid
- Tarkwaian

Sources:
1. Capital IQ (December 2017)
2. Capital IQ (November 2017)
3. Capital IQ (December 2017)
4. Capital IQ (February 2016)
5. Capital IQ (October 2017)
6. Capital IQ (February 2009)

M&I Resources are inclusive of P&P Reserves
Potentially Teranga’s Third Mine

Rapidly Advancing Project

• On track to release an initial resource estimate in Q1 2019 based on available drilling results at Golden Hill’s most advanced prospects

• $25 million financing secured for the future advancement of Golden Hill through to feasibility study

• Teranga owns 100% of Golden Hill following acquisition of remaining interest from joint venture partner in October 2018

• Entered into ACC joint venture relating to property situated to the north of Golden Hill
Côte d’Ivoire: Future Value Resides with Miminvest and Afema Opportunities

Miminvest Exploration Properties
- Guitry complex (includes Sangaredougou): Highly prospective and potential district
- Dianra: Initial phase of exploration outlines favourable follow-up targets

Afema Mine Joint Venture
- Two well mineralized greenstone belts underlie mine license and regional land package
- Five major shear structures crossing the regional land package with a combined strike length exceeding 140 km

Côte d’Ivoire represents more than one-third of the West African Birimian Greenstone Belt

Operating Gold Mine/ Development Project
**High Priority Guitry District (including Sangaredougou)**

- First-ever drilling program at Guitry consisted of a 68-hole, 3,320 metre air-core drilling program
- This program included a series of shallow, widely spaced, multi-hole drill profiles designed to evaluate the central 1,000-metre strike extent within an extensive gold-in-soil geochemical anomaly covering approximately a 3 x 7 km area
- The most favourable results were:
  - 24 metres grading 2.02 g/t Au (GUAC008)
  - 20 metres grading 6.37 g/t Au (GUAC018)
  - 4 metres grading 5.80 g/t Au (GUAC015)
  - an additional +10 holes intersected 1.0-1.5 g/t over lengths up to 10 metres
- Results are currently being compiled and assessed towards designing a follow-up exploration program consisting of ground geophysics, mechanical trenching and further drilling (Q4 2018 and into Q1 2019)
- Awaiting Guitry West permit
Afema: Located on Prolific Gold Belts Trending from Ghana

High Profile Target Located at the Confluence of Two Major Gold Belts

- Geological potential for large discoveries
- 2018 exploration program included:
  - drilling at the Afema mine license
  - property-wide airborne geophysics and stream sediment (BLEG) programs
- Drilling to continue in 2019

Afema Joint Venture (51%, earning 70%)

- Teranga can earn a 70% interest in the Afema mining license and exploration permits
- Joint venture partner is Sodim Limited, a private company
- Teranga will fund and manage
Unique Cornerstone Shareholder – Tablo Corporation – Currently Owns ~22% of Teranga

David Mimran, Director of Teranga, Controls Tablo Corporation

- Mr. Mimran is CEO of Grands Moulins d'Abidjan and Grands Moulins de Dakar, one of the largest producers of flour and agri-food in West Africa
- He is Special Advisor to the government of the Republic of Côte d'Ivoire where he has led negotiations with the International Monetary Fund, the World Bank, the European Union, and the Government of the Republic of France

Strong Cornerstone Investor with In-Depth Local Knowledge

- Long history of operating responsibly in Africa
- Mimran Group is the largest private sector employer in both Senegal and Côte d'Ivoire

Committed to Teranga’s Long-Term Growth

- Last November, Tablo announced its intention to add to its holdings by acquiring up to 5% of Teranga’s issued and outstanding common shares in the open market

Tablo Corporation Owns 23.5 Million Shares of Teranga at an Average Price of C$3.93

One-third of Tablo’s shares were purchased through exercise of anti-dilution right relating to acquisition of Gryphon Minerals in October 2016 and November 2016 secondary offering. Initial private placement was made in October 2015.
**Strong** Organic Growth Pipeline

- **PRODUCTION**
  - Sabodala Gold Mine (Senegal)
- **DEVELOPMENT**
  - Wahgnion Gold Mine (Burkina Faso)
- **ADVANCED EXPLORATION**
  - Golden Hill Project (Burkina Faso)
- **EARLY EXPLORATION**
  - Miminvest & Afema JVs (Côte d’Ivoire)
- **REPLACING RESERVES**
  - Exploration & Resource Conversion

Mid-Tier Producer with Scale and Diversification
## Capital Structure and Recent Share Price Performance

### Teranga Gold Capital Structure (as at Jan. 25, 2019)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares outstanding</td>
<td>107.6M</td>
</tr>
<tr>
<td>Stock options granted</td>
<td>5.4M</td>
</tr>
<tr>
<td>Warrants (Taurus debt facility)</td>
<td>2.0M</td>
</tr>
<tr>
<td>Fully diluted</td>
<td>115.0M</td>
</tr>
<tr>
<td>Number of shares owned by insiders</td>
<td>24.2M</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>US$313M</td>
</tr>
</tbody>
</table>

### Top 20 Shareholders

<table>
<thead>
<tr>
<th>Rank</th>
<th>Shareholder</th>
<th>% of o/s shares</th>
<th># of shares (as at Jan. 25, 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tablo Corporation</td>
<td>21.8</td>
<td>23,477,250</td>
</tr>
<tr>
<td>2</td>
<td>Van Eck Associates Corporation</td>
<td>6.4</td>
<td>6,833,022</td>
</tr>
<tr>
<td>3</td>
<td>Ruffer LLP</td>
<td>4.3</td>
<td>4,659,393</td>
</tr>
<tr>
<td>4</td>
<td>Dimensional Fund Advisors</td>
<td>3.8</td>
<td>4,117,999</td>
</tr>
<tr>
<td>5</td>
<td>Heartland Advisors</td>
<td>2.8</td>
<td>3,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Konwave AG</td>
<td>1.9</td>
<td>2,128,000</td>
</tr>
<tr>
<td>7</td>
<td>Franklin Advisers</td>
<td>1.3</td>
<td>1,404,533</td>
</tr>
<tr>
<td>8</td>
<td>Stabilitas GmbH</td>
<td>1.0</td>
<td>1,100,000</td>
</tr>
<tr>
<td>9</td>
<td>Earth Resource Investment Group</td>
<td>0.9</td>
<td>1,000,000</td>
</tr>
<tr>
<td>10</td>
<td>Fidelity Management &amp; Research Company</td>
<td>0.9</td>
<td>975,814</td>
</tr>
<tr>
<td>11</td>
<td>BMO Asset Management</td>
<td>0.8</td>
<td>891,467</td>
</tr>
<tr>
<td>12</td>
<td>AgaNola AG</td>
<td>0.7</td>
<td>800,000</td>
</tr>
<tr>
<td>13</td>
<td>O’Shaughnessy Asset Management</td>
<td>0.7</td>
<td>787,542</td>
</tr>
<tr>
<td>14</td>
<td>U.S. Global Investors, Inc.</td>
<td>0.7</td>
<td>696,300</td>
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<tr>
<td>15</td>
<td>MD Financial Management Inc.</td>
<td>0.6</td>
<td>667,700</td>
</tr>
<tr>
<td>16</td>
<td>Mackenzie Financial Corporation</td>
<td>0.6</td>
<td>657,706</td>
</tr>
<tr>
<td>17</td>
<td>LSV Asset Management</td>
<td>0.5</td>
<td>505,450</td>
</tr>
<tr>
<td>18</td>
<td>azValor Asset Management</td>
<td>0.5</td>
<td>502,986</td>
</tr>
<tr>
<td>19</td>
<td>Ethenea Independent Investors S.A.</td>
<td>0.5</td>
<td>500,000</td>
</tr>
<tr>
<td>20</td>
<td>Alan Hill</td>
<td>0.4</td>
<td>431,200</td>
</tr>
</tbody>
</table>

**Total shares held by top 20 shareholders**: 51% of 55,136,382 shares

Source: IR Insight
In connection with Teranga’s transformational acquisition of Oromin Joint Venture Group in 2014, Franco-Nevada invested $135 million in exchange for a fixed and floating stream on Teranga’s future production:

- Fixed gold deliveries of 22,500 ounces per year from 2014 to 2019 with trailing 6% gold stream once fixed deliveries completed in 2019*
- Franco-Nevada to pay 20% of spot gold price per ounce delivered (6% stream is equivalent to a 4.8% NSR royalty)
- Streaming agreement covers Teranga’s current mine license and land package

*Effective Cost of Franco-Nevada Stream on All-in Sustaining Costs per Ounce (based on $1,200/ounce gold price)
Executive Team

Richard Young, CPA
President & CEO
25+ years experience in gold mining including 13 years at Barrick Gold including finance and corporate development

Paul Chawrun, P.Eng, MBA
Chief Operating Officer
25+ years experience in mining including serving as Director, Technical Services at Detour Gold

Navin Dyal, CPA
Chief Financial Officer
13 years experience in mining including 7 years at Barrick Gold as Head of Finance in copper business unit

David Savarie, LL.B
General Counsel & Corporate Secretary
11 years of Corporate Counsel experience in mining including his role as Deputy General Counsel and Corporate Secretary of Gabriel Resources

David Mallo, B.Sc. Geology
VP, Exploration
35+ years of mineral exploration in project evaluation and program management, playing an integral role in acquisition, discovery, and exploration of world-class deposits including Eskay Creek and Cobre Panama

Aziz Sy, P.Eng, M.Sc., MBA
General Manager, SGO
17+ years experience in managing gold exploration projects, including his work as Vice President Senegal Operations for the Oromin Joint Venture Group until its acquisition in 2014 by Teranga Gold
**Board of Directors**

- **Alan Hill, M.Eng**  
  Chairman  
  35+ years experience in mining including 20 years at Barrick Gold in project evaluation and development

- **Richard Young, CPA**  
  President & CEO  
  25+ years experience in gold mining including 13 years at Barrick Gold in finance and corporate development

- **Christopher Lattanzi, B.Eng**  
  Director  
  30 years experience in mining property valuation, scoping, feasibility studies and project monitoring on a global basis. Founder of Micon International

- **David Mimran**  
  Director & Teranga’s Largest Shareholder  
  CEO of Grands Moulins d’Abidjan and Grands Moulins de Dakar, among the largest producers of agri-food in West Africa. Special Advisor to the Government of the Republic of Côte d’Ivoire

- **Edward Goldenberg, MA, BCI**  
  Director  
  Distinguished career in policy including 10 years as Senior Policy Advisor to the Prime Minister of Canada and the Prime Minister’s Chief of Staff in 2003. Honourary Doctorate of Laws from McGill University

- **Jendayi Frazer, Ph.D.**  
  Director  
  17 years experience in key roles supporting initiatives and policies to build Africa’s equity and commodity markets. First woman U.S. Ambassador to South Africa

- **Frank Wheatley, LL.B**  
  Director  
  28 years mining industry experience as director, senior officer and legal counsel. Extensive experience in public financing, project debt financing, permitting of large-scale mining projects and strategic M&A

- **Alan Thomas, CPA**  
  Director  
  30+ years mining and energy industry experience in senior financial and director roles including 6 years as VP and CFO of ShawCor and 11 years as CFO of Noranda

- **David Mimran**  
  Director & Teranga’s Largest Shareholder  
  CEO of Grands Moulins d’Abidjan and Grands Moulins de Dakar, among the largest producers of agri-food in West Africa. Special Advisor to the Government of the Republic of Côte d’Ivoire
Qualified Persons Statement

The technical information contained in this document relating to the Sabodala and Wahgnion open pit mineral reserve estimates is based on, and fairly represents, information compiled by Mr. Stephen Ling, P. Eng who is a member of the Professional Engineers Ontario. Mr. Ling is a full time employee of Teranga and is not “independent” within the meaning of NI 43-101. Mr. Ling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a “Qualified Person” under NI 43-101 Standards of Disclosure for Mineral Projects. Mr. Ling has consented to the inclusion in this document of the matters based on his compiled information in the form and context in which it appears in this document.

The technical information contained in this document relating to mineral resource estimates is based on, and fairly represents, information compiled by Ms. Patti Nakai-Lajoie. Ms. Nakai-Lajoie, P. Geo., is a Member of the Association of Professional Geoscientists of Ontario. Ms. Nakai-Lajoie is a full time employee of Teranga and is not “independent” within the meaning of NI 43-101. Ms. Nakai-Lajoie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a “Qualified Person” under NI 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has consented to the inclusion in this document of the matters based on her compiled information in the form and context in which it appears in this document.

The technical information contained in this document relating to the Sabodala underground ore reserves estimates is based on, and fairly represents, information compiled by Jeff Sepp, P. Eng., of Roscoe Postle Associates Inc. (“RPA”), who is a member of the Professional Engineers Ontario. Mr. Sepp is “independent” within the meaning of NI 43-101. Mr. Sepp has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a “Qualified Person” under NI 43-101 Standards of Disclosure for Mineral Projects. Mr. Sepp has consented to the inclusion in this document of the matters based on his compiled information in the form and context in which it appears in this document.

Teranga’s exploration programs are being managed by Peter Mann, F AusIMM. Mr. Mann was a full time employee of Teranga during the period of this resource update and is not “independent” within the meaning of NI 43-101. Mr. Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a “Qualified Person” as under NI 43-101 Standards of Disclosure for Mineral Projects. The technical information contained in this document relating to exploration results are based on, and fairly represents, information compiled by Mr. Mann. Mr. Mann has verified and approved the data disclosed in this release, including the sampling, analytical and test data underlying the information. The samples are prepared at site and assayed in the SGS laboratory located at the site. Analysis for diamond drilling is sent for fire assay analysis at ALS Johannesburg, South Africa. Mr. Mann has consented to the inclusion in this document of the matters based on his compiled information in the form and context in which it appears in this document.

Teranga’s disclosure of mineral reserve and mineral resource information is governed by NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). There can be no assurance that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves.

Teranga confirms that it is not aware of any new information or data that materially affects the information included in the technical reports for the Sabodala Project (August 30, 2017) and the Wahgnion Project (October 20, 2017) pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects (the “Technical Reports”), or year end results, market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements concerning the Technical Reports continue to apply and have not materially changed.
Performance Measures

Non-IFRS Performance Measures

The Company has included non-IFRS measures in this document, including “total cash costs”, “total cash costs per ounce sold”, “all-in sustaining costs” (“AISC”), “AISC (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs)” (“AISC per ounce”), “AISC (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) per ounce”, “average realized gold price”, “earnings before interest, taxes, depreciation and amortization” (“EBITDA”), “free cash flow”, “adjusted net profit attributable to shareholders” and “adjusted basic earnings per share”. These measures are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently.

“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. “Total cash costs per ounce sold” is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. The World Gold Council (“WGC”) definition of AISC 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 expense), capitalized stripping costs and sustaining capital expenditures and represents the total costs of producing gold from current operations. AISC 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 the Company’s cash expenditures. In addition, the calculation of AISC 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 Company’s overall profitability. The Company also expands upon the WGC definition of AISC by presenting an additional measure of “AISC (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs)”. This measure excludes cash and non-cash inventory movements and amortized advanced royalty costs which management does not believe to be true cash costs and are not fully indicative of performance for the period. For Sabodala and Wañgnion, life of mine total cash costs and AISC figures used in this presentation are before cash/non-cash inventory movements and exclude any allocation of corporate overheads. Consolidated total cash costs and all-in sustaining cost figures add corporate overhead costs.

“Average realized price” is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold and silver sales. Average realized price is calculated on revenue and ounces sold to all customers, except Franco-Nevada, as gold ounces sold to Franco-Nevada is recognized in revenue at 20 percent of the prevailing gold spot price on the date of delivery and 80 percent at $1,250 per ounce. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

“EBITDA” excludes income tax, finance costs (before accretion expense), interest income, depreciation and amortization, and non-cash impairment charges from net profits. EBITDA is intended to provide additional information to investors and analysts and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management believes that EBITDA is a valuable indicator of our ability to generate liquidity by producing operating cash flow to: fund working capital needs, service debt obligations, and fund capital expenditures.

“Free cash flow” is calculated as net cash flow provided by operating activities less sustaining capital expenditures. The Company believes this to be a useful indicator of our ability generate cash for growth initiatives.

Starting in 2018, the Company adopted “adjusted net profit attributable to shareholders” and “adjusted basic earnings per share” as new non-IFRS financial measures. These non-IFRS financial measures are used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period is expected to help management and investors evaluate earnings trends more readily in comparison with results from prior periods. The Company calculates “adjusted net profit attributable to shareholders” as net profit attributable to shareholders adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including: the impact of unrealized and realized foreign exchange gains and losses, gains and losses on derivative instruments, accretion expense on long-term obligations, impairment provisions and reversals thereof, and other unusual or non-recurring items. During the second quarter of 2018, the Company also excluded the impact of foreign exchange movements on deferred taxes and other non-cash fair value changes from adjusted net profit attributable to shareholders as management does not believe these factors to be reflective of the underlying performance of the Company.

For more information regarding these measures, please refer to the Company’s management’s discussion and analysis accessible on the Company’s website at www.terangagold.com.
Endnotes


3. This production target is based on proven and probable reserves only from Teranga’s Sabodala Project as of June 30, 2017. For more information regarding Teranga Gold’s Mineral Reserves and Resources and related notes, please refer to the NI 43-101 compliant technical report for the Sabodala Project dated August 30, 2017 available on the Company’s website at www.terangagold.com and on SEDAR at www.sedar.com.

4. This production target is based on proven and probable ore reserves only for Teranga’s Wahgnion Project as at May 31, 2018. For more information regarding the Wahgnion’s Mineral Reserves and Resources and related notes, please refer to the NI 43-101 compliant technical report for the Wahgnion Gold Operations dated October 31, 2018 available on the Company’s website at www.terangagold.com and SEDAR at www.sedar.com.

5. LOM assumptions include:
   - Gold Price $1,250 per ounce
   - Heavy Fuel Oil (HFO): Wahgnion - $0.59 per litre; Sabodala - $0.46 per litre
   - Light Fuel Oil (LFO): Wahgnion - $1.04 per litre ($0.88 per litre during construction period); Sabodala - $0.81 per litre
   - Euro to USD Exchange Rate: $1.10

