TORONTO, ONTARIO--(Marketwired - Apr 29, 2015) - Teranga Gold Corporation (TSX:TGZ)(ASX:TGZ) -

Key organic growth and productivity enhancement initiatives underway

Reaffirms guidance based on strong performance to date and Gora development on schedule

Q1 2015 Financial and Operating Highlights

- Net profit more than tripled to $15.3 million or $0.04 per share
- Free cash flow was $7.3 million or $131 per ounce[1]
- Total cash costs improved by 13 percent to $609 per ounce[2]
- All in sustaining costs increased by 3 percent to $841 per ounce[2]
- 2015 operating and financial guidance affirmed - favourable currency exchange rates could lead to lower end of cost guidance
- Debt-free balance sheet following final payment on equipment finance facility
- Current growth initiatives move forward
  - Gora: permits received in first quarter - development is on schedule for production in fourth quarter
  - Mill optimization: placing orders for long lead items for mill optimization, which is expected to increase mill throughput by up to 10 percent and reduce processing costs by 5 percent
  - Heap leach: results from phase 2 are positive - pre-feasibility study expected in third quarter
  - Mine license: exploration continues with a near-term update pending
- Optimized three-year mine plan (2015-2017) to increase free cash flow significantly compared to the most recent 43-101 mine plan

Q1 2015 Financial Highlights

	Three months ended March 31		
(US$000's, except where indicated)	2015	2014	% Change
Revenue	68,491	69,802	(2%)
Average realized gold price ($/oz)	1,217	1,293	(6%)
Net profit attributable to shareholders of Teranga[3]	15,272	4,152	268%
Per share[3]	0.04	0.01	300%
Operating cash flow	16,631	14,303	16%
Free cash flow[1]	7,347	20,594	(64%)
Free cash flow per ounce sold[1]	131	383	(66%)
Gold production (ounces)	48,643	52,090	(7%)
Gold sold (ounces)	56,223	53,767	5%
Total cash costs per ounce sold[2]	609	696	(13%)
All-in sustaining costs per ounce sold[2]	841	813	3%
Note: Results include the consolidation of 100% of the OJVG's operating results, cash flows and net assets from January 15, 2014.			

Teranga Gold Corp. ("Teranga" or the "Company") is pleased to report its financial, operating and development results for the first quarter ended March 31, 2015. All financial information is in US dollars unless otherwise noted.

"We are off to a solid start to the year, reflecting Company-wide focus on increasing productivity and reducing costs," stated Richard Young, President and Chief Executive Officer of Teranga. "On the growth side, the development of our new high-grade Gora deposit is progressing well and is scheduled to be in production by the fourth quarter. On increasing processing capacity, the mill optimization project, which is expected to increase throughput by up to 10 percent and also lower unit costs by approximately 5 percent, is targeted for completion in the third quarter of 2016 and we continue to see positive results on the phase two testing of heap leaching. These organic growth initiatives, together with the high potential to convert resources to reserves and make discoveries on our large land package, are expected to lead to long-term growth in free cash flow."

"Our original mine plan reflected production volumes based on $1,250 pit shells and economics at $1,350 gold. With our six deposits and almost 300,000 ounces already in stockpiles, we have the flexibility to vary the volume of material moved in accordance with changes in gold price. Given where prices are currently, over the next few years we are maximizing free cash flow by moving less material, reducing operating and capital costs and relying more on low grade stockpiles to maximize free cash flow," added Navin Dyal, Vice President and CFO.

Q1 2015 Financial Results

(US$000's, except where indicated)	Three months ended March 31			
Financial Results	2015	2014	Change	% Change

Revenue	68,491	69,802	(1,311)	(2%)
Cost of sales[3]	(48,155)	(55,068)	6,913	(13%)
Gross Profit	20,336	14,734	5,602	38%
Exploration and evaluation expenditures	(809)	(1,144)	335	(29%)
Administration expenses	(4,083)	(3,988)	(95)	2%
Share based compensation	(327)	(311)	(16)	5%
Finance costs	(649)	(2,116)	1,467	(69%)
Net foreign exchange gains	1,291	47	1,244	2647%
Other income (expense)	1,783	(1,785)	3,568	-
Profit for the period	17,542	5,437	12,105	223%
Profit attributable to non-controlling interest	(2,270)	(1,285)	(985)	77%
Profit attributable to shareholders of Teranga	15,272	4,152	11,120	268%
Basic earnings per share	0.04	0.01	0.03	300%

Note: Results include the consolidation of 100% of the OJVG's operating results, cash flows and net assets from January 15, 2014.

Revenue

Revenues declined slightly relative to the prior year quarter as lower realized gold prices during the current year were mostly offset by higher gold sales as a result of a draw down in gold-in-circuit inventory which had accumulated at the end of 2014.

Exploration and Evaluation

Lower exploration expenses in the current and the prior year, relative to historic spending, reflects the Company's systematic and disciplined approach to exploration, where the emphasis is on reserve development drilling on the mine license and a higher mix of lower cost trenching to delineate exploration targets on the regional land package. Higher cost drilling has been minimized in this lower gold price environment.

Administration and Corporate Social Responsibility Costs ("CSR")

CSR costs increased in the current quarter by $0.1 million over the prior year period reflecting higher social commitments related to the Company's advancement of its regional development strategy and incorporation of the OJVG commitments.

Share-based Compensation

During the quarter, 3,830,000 common share stock options were granted at an exercise price of C$0.64. 7,746,600 common share stock options related to the acquisition of Oromin expired during the first quarter, 328,611 common share stock options were forfeited and no stock options were exercised.

During the quarter, the Company granted 700,000 deferred share units, 2,912,500 restricted share units and 300,000 fixed bonus plan units, at a grant date price of C$0.64 per unit.

Finance Costs

Due to the repayment of borrowings and lower interest costs, the Company's finance costs decreased by 69 percent. The Company repaid its $60.0 million loan facility with Macquarie Bank Limited at the end of 2014 and retired the balance owing on the equipment facility during the three months ended March 31, 2015.

Net Foreign Exchange Gains

During the current year quarter, foreign exchange gains were realized on payments denominated in the local currency made during the period, due to an 11 percent depreciation in the Euro relative to the US dollar since the start of the year.

Other Income (Expense)

The income generated in the current year quarter relates to realized gains on 15,000 ounces of gold forward sales contracts put in place in January to take advantage of a spike in the price of gold. In 2014, expenses reflected the remaining costs to acquire the

OJVG.

Net Profit

The increase in net profit in the current year quarter were mainly due to lower cost of sales, lower finance costs and an increase in other income.

Review of Operating Results

		Three months ended March 31		
Operating Results		2015	2014	% Change
Ore mined	('000t)	2,246	1,262	78%
Waste mined - operating	('000t)	3,619	6,151	(41%)
Waste mined - capitalized	('000t)	2,841	497	472%
Total mined	('000t)	8,706	7,910	10%
Grade mined	(g/t)	1.17	1.61	(27%)
Ounces mined	(oz)	84,379	65,452	29%
Strip ratio	waste/ore	2.9	5.3	(45%)
Ore milled	('000t)	861	893	(4%)
Head grade	(g/t)	1.90	2.01	(6%)
Recovery rate	%	92.6	90.1	3%
Gold produced[5]	(oz)	48,643	52,090	(7%)
Gold sold	(oz)	56,223	53,767	5%
Average realized price	$/oz	1,217	1,293	(6%)
Total cash cost (incl. royalties)[2]	$/oz sold	609	696	(13%)
All-in sustaining costs[2]	$/oz sold	841	813	3%
Mining	($/t mined)	2.06	2.81	(27%)
Milling	($/t milled)	14.64	18.20	(20%)
G&A	($/t milled)	4.98	4.85	3%

Three months ended March 31, 2015		Masato	Sabodala	Total
Ore mined	('000t)	2,061	186	2,246
Waste mined - operating	('000t)	3,257	362	3,619
Waste mined - capitalized	('000t)	2,817	24	2,841
Total mined	('000t)	8,135	572	8,706
Grade mined	(g/t)	1.13	1.63	1.17
Ounces mined	(oz)	74,617	9,761	84,379

The Company is organizationally focused on reducing costs and improving productivity. Both the mine and mill departments continue to make significant strides towards improving unit costs. Areas of focus include load & haul and drill & blast efficiencies, reducing energy costs in mining and milling, optimizing the life of mill components, and lowering costs for reagents.

Mining

Over 90 percent of material mined during the quarter was from Masato. Shorter haul distances, in part due to optimizing mine operations during the quarter to improve productivity resulted in fewer truck hours required to move 10 percent more material than the same prior year period. As a result, the mine department incurred lower fuel and maintenance costs. In addition to lower fuel and favourable currency movements, the mine department also benefited from lower drill and blast costs due to the softer Masato material. On a per tonne basis, the mine reported its lowest unit cost in four years at $2.06 per tonne, a 27 percent decrease compared to the same prior year period.

Processing

Crusher rates were negatively impacted by soft, wet ore processed from Masato during the quarter. Part of the ore body at Masato encountered a near surface perched water table in the soft oxide ore, which created materials handling challenges that negatively impacted throughput rates. The mine expects to have completed mining through this area by the end of May.

Mill feed during the current quarter was sourced mainly from the upper benches of Masato and the lower benches of Sabodala. The remainder of mill feed included approximately 200,000 tonnes of lower grade stockpiled ore which was added to blend with the softer, wet ore from Masato to increase throughput rates.

Gold production was 7 percent lower than the prior year period, mainly due to lower processed grades and throughput, partly offset by higher mill recovery rates.

Total processing costs were 22 percent lower than the same prior year period, mainly due to lower power and reagent costs due to the processing of softer material, combined with favourable fuel and currency prices. Unit processing costs were 20 percent lower than the prior year period due to a reduction in total processing costs partially offset by lower throughput rates.

Costs per Ounce

Total cash costs improved by 13 percent to $609 per ounce compared to the prior year period. This improvement is mainly due to lower mining and processing costs. All-in sustaining costs totaled $841 per ounce, compared to $813 per ounce in the prior year. All-in sustaining costs increased due to higher capital expenditures related to deferred stripping and reserve development drilling during the current year quarter.

2015 Outlook

For the year ending December 31, 2015, the Company is maintaining its guidance, as originally published on January 29, 2015, with gold production between 200,000 to 230,000 ounces at total cash costs and all-in sustaining costs of $650 to $700 per ounce and $900 to $975 per ounce, respectively. If the US dollar/Euro exchange rate remains at current levels through the balance of the year, total cash costs and all in sustaining costs would likely come in at the lower end of our cost guidance range. The Company's capital guidance remains unchanged at $49.0 to $58.0 million, inclusive of development capital for the Gora deposit. For guidance on the Company's liquidity, please see the Liquidity and Capital Resources Outlook section.

Three Year Outlook (2015-2017)

The Company has a number of organic options for free cash flow maximization in different gold price environments, including the ability to optimize the processing of existing stockpile balances, the sequence of the pits and phases within the pits based on grade, strip ratio, ore hardness and capital required.

In the current gold price environment, and based only on existing proven and probable reserves, the mine plan that generates the highest free cash flow is a plan that limits material movement to about 40 million tonnes per year, which is the approximate maximum capacity of the existing mobile equipment fleet. Relative to the guidance in the Corporation's existing technical report pursuant to National Instrument - Standards of Disclosures for Mineral Projects ("NI 43-101") filed in 2014, the impact of a reduction in material movement of approximately 12.5 million tonnes per annum over the next three years and lower associated operating and capital costs in an optimized life of mine plan more than offsets the lower production rate from a free cash flow maximization perspective. Production is expected to average between 230,000 and 240,000 ounces per annum from 2015 through 2017, down from 254,000 in the 43-101 filed in 2014.[6] Additional upside to free cash flow is expected from the current productivity initiatives underway and favourable fuel and currency rates, as well as, resource to reserve conversions from planned drilling at Niakafiri, Masato, Golouma, and Kerekounda and the OJVG land lease.

Business and Project Development

Strategic Capital Allocation

During the first quarter of 2014, the Company filed a NI 43-101 which included an integrated life of mine ("LOM") plan for the combined operations of Sabodala and the OJVG. The integrated LOM plan had been designed to maximize free cash flow at $1,350 gold, management's best estimate of the long-term gold price as at December 31, 2013.

In accordance with the integrated LOM plan, our Phase 1 growth strategy is focused on leveraging our existing infrastructure and social license to maximize free cash flows. In deciding on how best to allocate our capital, we evaluate the free cash flow, NAV, IRR, capital and operating risks of each option before committing capital towards its advancement. We apply a minimum 20 percent IRR threshold in conjunction with a rigorous assessment of capital and operating risks towards investment decisions.

Gora Development

The high-grade Gora deposit will be operated as a satellite to the Sabodala operation, requiring limited local infrastructure and development. Ore will be hauled to the Sabodala processing plant by a dedicated fleet of trucks and processed on a priority basis, displacing lower grade feed as required.

Technical approval of the Gora ESIA was completed in the fall of 2014 and the public enquiry process was completed in late

January 2015. As a result, the Company received approval to begin access road construction in mid-February 2015. On March 15, 2015, the Company received both the environmental approval and the occupational haul road permit required to proceed with development.

Capitalizing on the excess equipment available from the changes to the 2015 mine plan to lower material movement rates, the mine department has completed construction of the centre line of the haul road with a complement of contractors presently established at site to complete the road and site construction. Infrastructure development to support mine operations is underway and on schedule including the construction of a small water retention structure and pit development. Ore delivery to the plant is scheduled for the fourth quarter 2015.

Mill Optimization

The mill optimization will substantially consist of adding a second primary jaw crusher and screen to operate in parallel with the existing crusher. This will (i) increase availability to the live storage for the mill circuit, and (ii) provide the flexibility to reduce the top size primary crusher product. Basic engineering for the mill optimization was completed in the first quarter of 2015 to finalize the design, layout, material quantities, procurement packages and an execution plan for construction. During this process, additional capital was allocated for a second double deck screen to tie into the existing system, as well as a replacement for the current screen required as sustaining capital in 2016. Based on a project capital cost of approximately $20 million for construction of a new crusher, screen and conveyor assembly to tie into the existing facility, the project is expected to have an IRR in excess of 50 percent at $1,200 per ounce gold.[4]

Long lead items and construction materials are being ordered in second quarter for delivery to site in fourth quarter 2015, with pre-construction initiated thereafter. Civils and structural construction will commence in first quarter 2016 with mechanical completion expected in third quarter 2016. The Company has budgeted approximately $6.0 million for capital in 2015, with the remainder of construction costs expected to be incurred in 2016.

The mill optimization is expected to increase throughput by up to 10 percent with similar ore hardness, however there may be potential to increase throughput further based on simulations on the new design configurations. In addition to higher production, unit processing costs are expected to decrease by approximately 5 percent.

Heap Leach Project

The potential benefit to accelerating value from low grade stockpiled ore earlier through construction of a heap leach facility was evaluated in 2014. The initial phase of the test work targeted various stages of the saprolite and soft and hard oxidized transition zones and was completed in the first quarter 2015. The test work delivered positive results showing a range of recoveries from 75 to 82 percent in column tests.

The second phase of the test work is designed to test the heap leach amenability of the mix of sulphide and oxide ore in the ROM stockpile and has exhibited recoveries in column tests ranging between 60 and 72 percent after 40 days of leaching. Test work will continue, however, these preliminary result provide an indication for the amenability of this material.

The Company is encouraged by the progression of the metallurgical test results and pre-feasibility study ("PFS") work to date. The engineering is well advanced using the metallurgical test work results to establish the design criteria concepts, a pad location near the current plant facility and integration with existing facilities. Initial economic analyses based on preliminary capital and operating criteria show favourable economics, with additional optimization to continue. The Company expects to complete the PFS design concepts during the third quarter 2015, with follow-up trade off studies and optimization to continue for the remainder of 2015. A decision to proceed with construction is expected at year end at the earliest, contingent on progress with access to Niakafiri drilling and finalized project economics. We would expect that it would take approximately 24 months to permit and construct the heap leach facility. At this point, the Company anticipates that heap leach could account for an incremental 10 to 20 percent of annual production once fully operational.

Sabodala Mine License Reserve Development

Golouma NW Extension

Infill drilling was undertaken for potential conversion of inferred resources outside of the existing pit limits to the northwest of the current Golouma orebody to evaluate the mineralization potential of structural features along strike to the existing reserves in fourth quarter 2014. The presence of two gold mineralized shear structures has been identified, a north south trending or "red" shear and the northwest shear. These occur within metavolcanic units located to the north and northwest of the existing reserves, with continued mineralization to the north where these features intersect to be followed up in second quarter 2015.

Infill drilling to the east successfully identified shear zones and anomalous values within the northwest shear, modeling is in progress to determine the extent of addition to the Golouma resources. To the north of the Golouma orebody, mineralization was intersected within a wide sheared and altered zone with potential for extending to the north and at depth. A second phase 8 hole diamond drill hole ("DDH") 1130 meter program and 6 surface trenches is currently ongoing in second quarter 2015 to test mineralization potential to the north and infill gaps within the red shear.

An updated resource model and subsequent reserves evaluation is in progress pending results from the second phase of drilling.

Masato Northeast

Detailed mapping and trenching (4,461 metres) were completed in 2014 on the Masato Northeast prospect which is situated 1km northeast along strike of the Masato deposit. The prospect overlies a sequence of mafic volcanics within which there is a 2.5 km long structural splay off the main Masato structural trend. Trenching has defined a north-northeast trending shear zone with distinctive quartz-carbonate-sericite alteration features. Assay results received to date indicate elevated gold values are developed along the length of the shear structure. A 27-hole 4,600 metre diamond drilling program was completed in first quarter 2015. Core logging to date has identified sheared and altered volcanics with quartz-carbonate-tourmaline veins located within 60 metres below surface, down dip to the west from oxidized shear zones intersected in surface trenches.

Assay results are currently being evaluated including data interpretation and modeling, which will determine the extent of follow up areas for further trenching and drilling.

Other Mine License Drill Targets

Drilling is expected to continue on other mine license targets including Niakafiri, Niakafiri SE and Maki Medina.

Sabodala Mining Convention

On April 7, 2015 the Senegalese Minister of Mines and Industry executed a new mining convention with SGO which merged two existing and contiguous mining licenses into one expanded mine license area of approximately 246km^2 (the "2015 Sabodala Mining Convention"). Prior to the completion of the 2015 Sabodala Mining Convention the former mining licenses were held by SGO (Sabodala - approximately 33km^2) and the OJVG (Golouma - approximately 213km^2). The new convention extends the mine license to 2025, with the option of five-year renewals thereafter.

Regional Exploration

The Company is focused on five regional targets in 2015, including Nienienko, Soreto, Gora Northeast Extension and Zone ABC, KD and KC prospects. Results will be released as received through the course of the year.

Liquidity Position

Cash

The Company's cash balance at March 31, 2015 was $38.9 million, $3.1 million higher than the start of the year, as cash flow provided by operations of $16.6 million was partly offset by debt and interest repayments totaling $4.2 million and capital expenditures of $9.3 million.

Borrowings

During first quarter 2015, the Company retired the outstanding balance under the equipment facility and is completely bank debt free.

Deferred Revenue

During the three months ended March 31, 2015, the Company delivered 7,500 ounces of gold to Franco-Nevada and recorded revenue of $9.1 million, consisting of $1.8 million received in cash proceeds and $7.3 million recorded as a reduction of deferred revenue. Due to the timing of shipment schedules near year end, the delivery of 1,875 ounces of gold for the month of December 2014 was not received by Franco-Nevada until early January 2015. As a result, this delivery was recognized for accounting purposes during the three months ended March 31, 2015.

Q1 2015 Cash Flow

(US$000's)	Three months ended March 31	
Cash Flow	2015	2014
Operating	16,631	14,303
Investing	(9,284)	(110,210)
Financing	(4,235)	94,650
Effect on exchange rates on holdings in foreign currencies	1	2
Change in cash and cash equivalents during the period	3,113	(1,255)
Cash and cash equivalents - beginning of period	35,810	14,961
Cash and cash equivalents - end of period	38,923	13,706
Free cash flow[1]	7,347	20,593
Free cash flow per ounce sold[1]	131	383

For the three months ended March 31, 2015, operating cash provided $16.6 million compared to $14.3 million in the prior year period. The increase was primarily due to lower mine production costs, partly offset by a decrease in trade and other payables during the current year quarter.

Total capital expenditures for the three months ended March 31, 2015 were $9.3 million, $6.6 million higher than the prior year period, mainly due to higher capitalized deferred stripping. In the prior year period, cash flow used in investing activities included $112.5 million to acquire the OJVG, partially offset by a $5.0 million decrease in the restricted cash balance.

Net cash used in financing activities for the three months ended March 31, 2015 was $4.2 million compared to net cash provided by financing activities of $94.7 million in the prior year period. Financing cash flows during the current quarter included repayment of borrowings under the equipment facility. Financing cash flows in the prior year period include proceeds of $135.0 million received from the Franco-Nevada gold stream transaction, partially offset by the repayment of borrowings of $38.2 million and interest and finance costs paid on borrowings of $2.2 million

Free cash flow and free cash flow per ounce were lower mainly due to higher capital expenditures, lower realized gold prices, and higher net working capital balances.

Liquidity and Capital Resources Outlook

On April 2, 2015, the Company signed a commitment letter with Société Générale for a $30.0 million Senior Secured Revolving Credit Facility ("Revolver Facility"). Once in place, the Revolver Facility will be drawn down as required for general corporate purposes and working capital needs. Closing of the Revolver Facility is subject to the negotiation and execution of final documentation and satisfaction of conditions precedent with closing costs expected to be approximately $1.4 million.

Our primary sources of liquidity are the Company's cash position at March 31, 2015, which was $38.9 million, cash flow from operations and now the Revolver Facility.

The key factors impacting our financial position and the Company's liquidity include the following:

- The Company's ability to generate free cash flow from operating activities; and
- The gold price.

Using a $1,200 per ounce gold price, the Company expects to generate free cash flow in 2015. Notwithstanding, the Company's cash position is highly dependent on the key factors noted above, and while the Company expects it will generate sufficient free cash flow from operations combined with its new Revolver Facility to fund its current growth initiatives, the Company may explore other value preservation alternatives, that provide additional financial flexibility, to ensure sufficient liquidity is maintained by the Company. Such alternatives may include hedging strategies for fuel and currencies.

Corporate Update

Teranga is pleased to announce that Sepanta Dorri recently joined the Company as Vice President, Corporate & Stakeholder Development. Ms. Dorri will play an integral role in the advancement of the Company's strategic direction, as well as the Company's Corporate Social Responsibility program and its multi-stakeholder regional development strategy within Senegal. She strengthens the management team with her extensive expertise in strategic business planning and mergers and acquisitions within the mining sector after most recently serving as General Manager, Business Development at Xstrata Nickel and, prior to that, Vice President, Investment Banking at Merrill Lynch Canada. In 2012, she was the winner of WXN Top 100 Canada's Most Powerful Women award in the Trailblazers and Trendsetters Category.

Financial Statements and Management's Discussion & Analysis

Teranga's financial statements and management's discussion and analysis for the first quarter ended March 31, 2015 are available on SEDAR at www.sedar.com/terangagold or on Teranga's investor relations website at www.terangagold.com/investors.

Conference Call and Webcast Information

A conference call and audio webcast will be held later this morning at 8:30 a.m. (ET). Richard Young, President and Chief Executive Officer, and Navin Dyal, Chief Financial Officer, will review Teranga's results and discuss the quarter's highlights. Those wishing to listen can access the live conference call and webcast as follows:

Date & Time:	Toronto, Ontario - Wednesday, April 29, 2015 at 8:30 a.m. ET London, UK - Wednesday, April 29, 2015 at 1:30 p.m. BST Sydney, Australia - Wednesday, April 29, 2015 at 10:30 p.m. AEST Perth, Australia - Wednesday, April 29, 2015 at 8:30 p.m. AWST
Telephone:	Toronto +1-647-788-4919 Toll-free 1-877-291-4570 International +1-647-788-4919
Webcast:	The webcast can be accessed directly at www.gowebcasting.com/6466 and on Teranga's website at http://www.terangagold.com/
Replay:	The conference call replay will be available for two weeks after the call by dialing +1-416-621-4642 or toll-free at 1-800-585-8367 and entering the conference ID 1161118
Note:	Following the conference call and webcast, the slide presentation will be available for download at http://www.teranga

Notes

[1] Free cash flow and free cash flow per ounce are defined as operating cash flow (excluding one-time transaction costs related to the acquisition of the OJVG) less capital expenditures.

[2] Total cash costs per ounce, all-in sustaining costs per ounce and total depreciation and amortization per ounce are non-IFRS financial measures that do not have a standard meaning under IFRS. Please refer to Non-IFRS Performance Measures at the end of this report.

[3] In 2014, the Company reassessed the accounting for deferred stripping assets to include amortization of equipment directly related to deferred stripping activity. The impact of this adjustment has been applied retrospectively from January 1, 2012.

[4] This forecast financial information is based on the following material assumptions: gold price: $1,200 per ounce; average annual gold production of approximately 235,000 ounces; LFO: $0.85 per litre and HFO: $0.76 per litre.

[5] Gold produced represents change in gold in circuit inventory plus gold recovered during the period.

[6] The production guidance is based on existing proven and probable reserves only from both the Sabodala mining license and Golouma mining license as disclosed in the Company's December 31, 2014 Annual MD&A.

Forward Looking Statements

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teranga, or developments in Teranga's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include, without limitation, all disclosure regarding possible events, conditions or results of operations, future economic conditions and courses of action, the proposed plans with respect to mine plan, anticipated 2015 results and consolidation of the Sabodala Gold Project and OJVG Golouma Gold Project, mineral reserve and mineral resource estimates, anticipated life of mine operating and financial results, the approval of the Gora ESIA and permitting and the completion of construction related thereto. Such statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant. These assumptions include, among other things, the ability to obtain any requisite Senegalese 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 flows, and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga, as well as other risks and uncertainties which are more fully described in the Company's Annual Information Form dated March 31, 2015, and in other company filings with securities and regulatory authorities which are available at www.sedar.com. Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities.

Non-IFRS Financial Performance Measures

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results.

Beginning in the second quarter of 2013, we adopted an "all-in sustaining costs" measure and an "all-in costs" measure consistent with the guidance issued by the World Gold Council ("WGC") on June 27, 2013. The Company believes that the use of all-in sustaining costs and all-in costs will be helpful to analysts, investors and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value. These new measures will also be helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" is an extension of existing "cash cost" metrics and incorporate costs related to sustaining production. The "all-in costs" includes additional costs which reflect the varying costs of producing gold over the life-cycle of a mine.

"Total cash cost 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. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is 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. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations.

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 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. The WGC definition of all-in costs adds to all-in sustaining costs including capital expenditures attributable to projects or mine expansions, exploration and study costs attributable to growth projects, and community and permitting costs not related to current operations. Both all-in sustaining and all- in costs exclude 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 all-in sustaining costs and all-in 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 Company's overall profitability.

"Total cash costs", "all-in sustaining costs" and "all-in costs" 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. The following tables reconcile these non-GAAP measures to the most directly comparable IFRS measure.

"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 excludes from revenues unrealized gains and losses on non-hedge derivative contracts. 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.

"Total depreciation and amortization per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. It is 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.

About Teranga

Teranga is a Canadian-based gold company listed on the Toronto Stock Exchange (TSX:TGZ) and Australian Securities Exchange (ASX:TGZ). Teranga is principally engaged in the production and sale of gold as well as related activities such as exploration and mine development in Senegal, West Africa.

Teranga's mission is to create value for all of its stakeholders through responsible mining. Its vision is to explore, discover and develop gold mines in Senegal in accordance with the highest international standards, and to be a catalyst for sustainable economic, environmental and community development. All of its actions from exploration, through development, operations and closure will be based on the best available techniques.

Senegal, which is located in West Africa, has a stable democracy, a progressive mining code and is a member of the West African Economic and Monetary Union. The Senegalese government views mining as a pillar of growth and supports mining companies by offering attractive royalty and ownership structures. Teranga operates the only gold mine and mill in Senegal.

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