

Teranga Gold Reports Q4 and Full Year 2017 Results; Strong Organic Growth Pipeline Provides Clear Path Towards Mid-Tier Production Status

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

TORONTO, Feb. 23, 2018 (GLOBE NEWSWIRE) -- [Teranga Gold Corp.](#) ("Teranga" or the "Company") (TSX:TGZ) (OTCQX:TGCDF) today reported its financial and operating results for the three and twelve months ended December 31, 2017.

"2017 was a pivotal year for Teranga. We realized a number of key operating and development milestones in our path towards achieving diversified mid-tier production status," said Richard Young, President and Chief Executive Officer. "Last year we achieved record gold production at our flagship Sabodala mine and advanced the Wahgnion Gold Project through feasibility study and construction readiness, putting Wahgnion on track for first pour by the end of 2019. At Golden Hill, located on the prospective Houndé Belt in Burkina Faso, our rapidly advancing program continues to yield very positive results and new discoveries with three in the first year."

Added Mr. Young, "Overall, we have an achievable organic growth pipeline supported by strong free cash flows from current operations."

2017 Financial Highlights

- 38% increase in net income attributable to shareholders to \$31.9 million
- 8% increase in per share net income attributable to shareholders to \$0.30
- 4% decrease in EBITDA⁽¹⁾ to \$95.3 million
- 60% increase in cash provided by operating activities to \$71.4 million
- Strong balance sheet maintained with cash and cash equivalents of \$87.7 million

Operating Highlights

- Record gold production of 233,267 ounces
- Per ounce metrics were well within 2017 guidance ranges, including cost of sales of \$961, total cash costs⁽¹⁾ of \$721 and all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs)⁽¹⁾ of \$943
- Positive reconciliation to ore reserve estimates

Organic Growth Highlights

- **Sabodala Gold Operation:** With an increase in reserves of more than 400,000 ounces to a total of 2.7 million ounces⁽²⁾, Sabodala is expected to produce a minimum of 200,000 ounces annually through to at least 2022 and generating over \$230 million⁽³⁾ in free cash flows.
- **Wahgnion (formerly Banfora) Gold Project:** The Company delivered a positive feasibility study for its Wahgnion development project, adding 1.2 million ounces in reserves and bringing Teranga's total reserve base to nearly 4 million ounces⁽⁴⁾⁽⁵⁾. Following commencement of construction readiness / early works in 2017, plant construction is set to begin in the second quarter of 2018⁽⁶⁾.
- **Golden Hill Advanced Exploration:** Very positive drill results throughout 2017, including three new gold discoveries. Golden Hill now has five centrally-located, advanced exploration prospects and is moving towards an initial resource estimate in 2018.

- *Côte d'Ivoire*: Teranga entered into a joint venture to acquire a 51% (earning to 70%) interest in the exploration and development of the Afema land package, which is situated within an area hosting multiple gold mineralized structures on extensions of several prolific Ghanaian gold belts. Beyond Afema, the Company is advancing a number of earlier stage exploration projects in Côte d'Ivoire.
- Commenced trading on the OTCQX market under the symbol "TGCD" in order to broaden the Company's exposure to U.S. retail and institutional shareholders. Teranga completed its planned delisting from the Australian Securities Exchange in mid-December.

"Sabodala continues to run well, and we have a very strong team and foundation in place to build Wahgnion, which is very similar to our flagship Sabodala operation. In 2018 we are focusing on another year of strong operational performance at Sabodala, and flawless project execution at Wahgnion while also actively advancing Golden Hill and a number of other organic growth projects in our pipeline," said Paul Chawrun, Chief Operating Officer.

2018 News Flow and Milestones

- Wahgnion Gold Project
 - Announce and close project financing
 - Update reserves by mid-year
 - Updated National Instrument 43-101 ("NI 43-101") technical report and mine plan
- Golden Hill Advanced Exploration
 - Regular updates on ongoing exploration progress
 - Initial resource estimation by year end
- Côte d'Ivoire Exploration
 - At Afema, confirm historic resource and commence drilling on the mine license and initiate exploration programs on the regional land package
 - Initial drill results from Guitry
- Continued Strong Operational Performance at Sabodala Gold Operation
 - Outlook for Sabodala's production in 2018 is 210,000-225,000 ounces of gold, which is expected to exceed production detailed in Sabodala's current NI 43-101 technical report (filed on August 30, 2017) and generate strong free cash flows⁽³⁾

Financial & Operating Summary Highlights

Financial Data

Revenue	(\$000's)
Cost of sales	(\$000's)
Profit / (loss) attributable to shareholders of Teranga	(\$000's)
Per share	(\$)
EBITDA ¹	(\$000's)
Operating cash flow excluding changes in working capital other than inventories	(\$000's)
Operating cash flow	(\$000's)
Sustaining capital expenditures (before deferred stripping)	(\$000's)
Capitalized deferred stripping & sustaining	(\$000's)
Growth capital expenditures	(\$000's)

Operating Data

Gold Produced	(oz)
Gold Sold	(oz)
Average realized gold price ¹	(\$/ oz)
Cost of sales per ounce	(\$/oz sold)
Total cash costs ¹	(\$/oz sold)
All-in sustaining costs ¹	(\$/oz sold)
All-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) ¹	(\$/r oz sold)

¹ Please refer to Endnote (1).

Consolidated Financial Statements

A copy of Teranga's audited annual consolidated financial statements and management's discussion & analysis for the year ended December 31, 2017 are available on the Company's website at www.terangagold.com, SEDAR at www.sedar.com and on the OTC Markets' website at www.otcmarkets.com/terangagold.

2017 Year-End Conference Call & Webcast

Teranga will host a conference call/audio webcast today at 8:30 a.m. ET, during which management will review the quarter and years highlights. Those wishing to listen can access the live conference call and webcast as follows:

Date & Time: Friday February 23, 2018 at 8:30 a.m. ET

Toll-free (877) 291-4570 / local or international (647) 788-4919

Telephone:

Please allow 10 minutes to be connected to the conference call.

Webcast: The webcast can be accessed on Teranga's website at www.terangagold.com.

Replay: The conference call replay will be available for two weeks after the call by dialing (416) 621-4642 or toll-at (800) 585-8367 and entering the conference ID 7089809.

Note: The slide presentation will be available for download at www.terangagold.com for simultaneous viewing during the call.

Endnotes

- This is a non-IFRS financial measure and does not have a standard meaning under IFRS. Please see the
- (1) Non-IFRS Performance Measures section in Management's Discussion & Analysis for the years ended December 31, 2017 and 2016 available on the Company's website at www.terangagold.com.
- This production guidance is based on existing proven and probable reserves only from the Sabodala mining
- (2) license as disclosed in the NI 43-101 technical report on the Sabodala Project, Senegal as filed on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com.
- The free cash flow estimates are based on the updated life of mine plan and reserve estimate for the
- (3) Sabodala project as set out in the technical report of Teranga for the Sabodala Project, Senegal, West Africa dated August 30, 2017 (see in particular section 21 - Capital and Operating Costs).
- Teranga's Wahgnion Mineral Reserves and Mineral Resources estimates as at September 7, 2017.
- (4) For more information regarding Wahgnion's Mineral Reserves and Resources and related notes, please refer to the NI 43-101 compliant technical report for the Wahgnion Project dated October 20, 2017 accessible on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com.
- Teranga's Sabodala Mineral Reserves and Mineral Resources estimates as at June 30, 2017. For
- (5) more information regarding Sabodala'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 accessible on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com.
- See the NI 43-101 technical report for the Wahgnion Project. This LOM production plan assumes that the
- (6) Wahgnion project plant construction will commence in Q1 2018. If the Wahgnion plant construction commences in Q2 2018 instead, the LOM production plan is expected to shift by several months.

Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Teranga's future growth opportunities, results of operations, performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and other opportunities. Wherever possible, words such as "plans", "expects", "does not expect", "scheduled", "trends", "indications", "potential", "estimates", "predicts",

"anticipate" "to establish" or "does not anticipate", "believe", "intend", "ability to" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, have been used to identify such forward looking information. Specific forward-looking statements in this presentation include forecasting gold production of between 210,000 and 225,000 ounces of gold in 2018. Although the forward-looking information contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Teranga cannot be certain that actual results will be consistent with such forward-looking information. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the closing and timing of financing, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga, as well as other risks and uncertainties which are more fully described in Teranga's Annual Information Form dated March 29, 2017, and in other filings of Teranga with securities and regulatory authorities which are available at www.sedar.com. Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this document should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities. All references to Teranga include its subsidiaries unless the context requires otherwise.

About Teranga

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of more than 5,000 km² of land located on prospective gold belts. Since its initial public offering in 2010, Teranga has produced more than 1.4 million ounces of gold from its operations in Senegal, which as of June 30, 2017 had a reserve base of 2.7 million ounces of gold. Focused on diversification and growth, the Company is advancing its Wahgnion Gold Project, with a recently released positive feasibility study, and conducting extensive exploration programs in three countries: Burkina Faso, Senegal and Côte d'Ivoire. Teranga has a strong balance sheet and the financial flexibility to execute on its growth strategy. The Company has nearly 4.0 million ounces of gold reserves from its combined Sabodala Gold operations and Wahgnion Gold Project.

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

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