

Teranga Gold to Acquire High-Grade Massawa Gold Project, Accelerates Repositioning as Low-Cost, Mid-Tier Producer

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Massawa to transform neighbouring Sabodala into top tier complex, and extend mine life with higher grade⁽¹⁾

CDN\$140 million (US\$106 million) bought deal equity offering announced

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

TORONTO, Dec. 10, 2019 - [Teranga Gold Corp.](#) ("Teranga" or the "Company") (TSX:TGZ; OTCQX:TGCDF) has entered into a definitive agreement pursuant to which it will acquire a 90% interest in the Massawa Gold Project ("Massawa") from a subsidiary of [Barrick Gold Corp.](#) ("Barrick") (TSX:ABX; NYSE:GOLD) and its joint venture partner, Compagnie Sénégalaise des Transports Transatlantiques Afrique de l'Ouest SA ("CSTTAO") (collectively, the "Vendors") with the Government of Senegal, the remaining 10% interest in Massawa (the "Transaction").

Massawa is one of the highest-grade undeveloped open-pit gold reserves in Africa⁽²⁾. It is located within trucking distance of Teranga's flagship Sabodala Gold Mine ("Sabodala") in Senegal, creating the opportunity for significant capital and operational synergies⁽³⁾. The proximity of the projects and the combination of Sabodala's mill and Massawa's high-grade ore (the "Sabodala-Massawa Complex") are expected to scale Sabodala into a top tier asset.

"The Massawa acquisition is transformational for Teranga and – by creating a top tier gold complex – an important milestone for the gold mining industry in Senegal," said Richard Young, Teranga's President and Executive Officer. "We anticipate that production from the Sabodala-Massawa Complex, together with our Wahgnion Gold Mine ("Wahgnion") in Burkina Faso, will increase Teranga's targeted consolidated annual gold production and reposition Teranga as the next multi-asset, low-cost, mid-tier gold producer in West Africa, one of the world's premier gold mining regions."

Total aggregate consideration for the Transaction is \$380 million upfront (the "Upfront Consideration") plus a gold price contingent payment (the "Contingent Consideration" and together with the Upfront Consideration, the "Consideration"). Consideration will be in the form of cash and common shares of Teranga ("Teranga Shares"). See below for details on the Transaction.

Transaction Highlights

- Teranga to acquire one of the highest-grade undeveloped open-pit gold reserves in Africa⁽²⁾

The historical mineral reserves base of the Massawa project is 2.6Moz from 20.9Mt at 3.94 g/t Au and is one of the highest-grade undeveloped open-pit gold reserves in Africa. This will augment Sabodala's mineral reserves base from 55.7Mt at 1.35 g/t Au (see Appendix, Tables 1 and 2).

- Significant opportunity for capital and operating synergies⁽³⁾ and value creation

Massawa's reserves are located within 30 km of the Sabodala plant, thereby reducing initial phase 1 and phase 2 included in the Massawa Feasibility Study. Life of mine sustaining capital for Sabodala is expected to increase due to the mine and processing life, mainly for mine equipment and additional tailings storage facility capacity.

- Sabodala-Massawa Complex anticipated to create a top tier gold asset

Based on the historic Massawa reserves, with no changes to the existing mine and plant capacities at Sabodala, Sabodala-Massawa Complex offers significant anticipated benefits, including targeting higher annual gold production, an optimized mine schedule that combines the existing Sabodala ore with higher-grade ore from the Massawa project and improved cash margins and free cash flows⁽⁴⁾ are expected to increase commensurate with the increased production.

- Pro forma Teranga anticipated to transform into low-cost, mid-tier gold producer

The expected higher production and lower costs from the Sabodala-Massawa Complex – driven by Massawa's higher-grade ore and the anticipated synergies – together with Wahgnion's production are expected to enable Teranga to transform into a low-cost, mid-tier producer with higher annual production and reduced per ounce costs.

- Barrick to become Teranga's second largest shareholder

Following completion of the Transaction, Barrick will hold approximately 11.45% of Teranga Shares (calculated on a non-diluted basis) on a pro forma basis and be entitled to nominate one Board member so long as it retains at least a 10% ownership interest in Teranga (calculated on a non-diluted basis).

- Cornerstone shareholder supports transaction, increases share position

Tablo Corporation ("Tablo"), controlled by Teranga director David Mimran, supports the Transaction. Tablo is investing \$45 million with this Transaction to retain an approximately 21.2% ownership in Teranga (calculated on a non-diluted basis).

"Since my initial investment in Teranga four years ago, I saw the opportunity to create a top tier gold producer in West Africa," said Mr. Mimran. "I expect Teranga's management team to quickly unlock the significant potential of Massawa's high-grade ore and deliver value to shareholders and our Senegalese stakeholders for years to come. This acquisition represents an opportunity to expand Senegal's gold mining industry and contribute further to the development of the country and the communities within its borders."

Barrick president and chief executive Mark Bristow said the group had been pursuing the best means of bringing Massawa to market, discovered by its legacy company Randgold Resources 10 years ago – to account for the full benefit of all stakeholders. "The agreement with Teranga, which will realise the full value of this asset and create a substantial new West African gold mining company with significant African ownership, is the outcome of this process."

"Teranga has the appropriate infrastructure and processing facilities approximately 25 kilometres away from Massawa, combining the orebodies and the geological prospectivity will add further benefits," Bristow said.

The Transaction is expected to close in the first quarter of 2020 and is subject to receipt of the Massawa exploitation license and residual exploration license from the Government of Senegal, as well as certain other acknowledgments and approvals from the Government of Senegal including Teranga's integration plans for the Sabodala-Massawa Complex. The Transaction is also conditional upon the closing of Teranga's concurrent debt financing, prospectus financing and private placement financing, which are also inter-conditional, as well as other customary closing conditions for a transaction of this kind.

Massawa

Massawa was discovered by [Randgold Resources Ltd.](#), which merged with Barrick effective January 1, 2019. On July 2, 2018, Barrick voluntarily filed a technical report under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") on the Feasibility Study of the Massawa Gold Project, Senegal (the "Massawa Feasibility Study"). The Massawa Feasibility Study disclosed mineral resource statements as well as mineral reserve estimates as of December 31, 2018, which remain current for Barrick as of the date hereof. As the mineral resource and mineral reserve estimates pre-date Teranga's acquisition of Massawa, they are not subject to audit or verification by an independent qualified person.

agreement to acquire Massawa, Teranga is treating them as "historical estimates" under NI 43-101, but they remain relevant for the most recent mineral resource and reserves estimates for Massawa. Further drilling and resource modelling would be required to upgrade or verify these historical estimates as current mineral resources or reserves for the combined Sabodala-Massawa Complex and accordingly, they should be relied upon only as a historical resource and reserve estimate of Barrick, which pre-dates the agreement to acquire Massawa. A Teranga "Qualified Person" under 43-101 has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves for the combined Sabodala-Massawa Complex and Teranga is treating the historical estimate as current mineral resources or mineral reserves.

Massawa contains 2.6 million ounces of proven and probable historical mineral gold reserves calculated at a gold price of \$1,200/ounce. Approximately 80% of the ore is expected to be processed through whole-ore leach carbon-in-leach ("CIL") with the balance processed through a BIOX® circuit.

The Massawa Feasibility Study envisioned building all phase 1 and phase 2 infrastructure for approximately \$333 million, including adding a BIOX® circuit to process refractory ores in the later stages of the mine life for an additional \$80 million, for a total cost of \$413 million.

The Massawa standalone operation was expected to produce an average of approximately 200,000 ounces of gold per year over the first 10 years⁽⁵⁾.

Sabodala-Massawa Complex

Massawa's permits and the Sabodala mine license are contiguous with each other (see Appendix, Figure 1). Massawa has historical mineral reserves of 2.6Moz from 20.9Mt at 3.94 g/t Au⁽⁶⁾ and Sabodala's mineral reserves are 2.4Moz from 5.1Mt at 4.7 g/t Au⁽⁷⁾.

Sabodala currently mines between 35 and 40 million tonnes of material and processes over 4 million tonnes of ore per year. The Company plans to integrate the high-grade ore from the Massawa deposits into an optimized combined mine plan for Sabodala, leveraging existing infrastructure, plant, mobile equipment and personnel.

Minimal changes are required to Sabodala's existing CIL plant and infrastructure to process free-milling ore from the Massawa project. This reduces the initial phases of capital costs included in the Massawa Feasibility Study. Teranga is targeting to start processing free-milling ore from the Massawa deposits at its existing CIL plant in the second half of 2020.

Teranga intends to mine and process Massawa's high-grade reserves on a priority basis and it is anticipated that by 2020, half of the ore processed through the Sabodala plant could potentially be sourced from the Massawa deposits. Based on the Massawa Feasibility Study and Sabodala's current mine plan, the Sabodala-Massawa Complex is expected to increase the Company's existing gold production profile.

Teranga and Barrick have invested significant resources in due diligence to gain a better understanding of the technical characteristics of the Massawa orebodies to help Teranga develop an optimized, integrated mine plan for the two properties. This includes detailed resource modelling for the mineralogical characterization, the chronology of metallurgical test work to determine BIOX® as the process of choice for the refractory ore in a retrofitted Sabodala plant and a revised life of mine plan that optimizes the combined Sabodala and Massawa orebodies for processing as well as annual operating and capital costs.

This detailed due diligence work will form a basis for initiating a pre-feasibility study (the "Combined PFS") that the Company aims to complete for the integrated Sabodala-Massawa Complex within six months of closing of the Transaction. The Company targets the mining of the Massawa deposits beginning in the second half of 2020 as currently targeted by Teranga. In addition to the integrated definitive feasibility study, the Company will embark on a drill program to expand the resource base of the Massawa project. The definitive feasibility study, which is expected to be completed in 2021, will assess the optimal size of the refractory component and the timing of implementation for processing of the refractory components of the Massawa ore.

The streaming agreement in place with Franco-Nevada (Barbados) Corporation ("Franco-Nevada") dated December 12, 2017, as amended (the "FN Stream"), entitles Franco-Nevada to 6% of Sabodala's future gold production. The FN Stream does not apply to the Massawa gold project area. However, pursuant to the FN Stream, Teranga must ensure Franco-Nevada is not displaced as a result of the displacement of Sabodala ore and therefore Teranga will continue to deliver the anticipated ounces based on Sabodala's most current standalone life of mine operating plan.

Financing the Transaction

Funding the Upfront Consideration

The Upfront Consideration totals \$380 million and consists of approximately \$300 million in cash and an aggregate of approximately \$80 million in Teranga Shares issued to Barrick and CSTTAO.

In total, \$225 million of the Upfront Consideration will be funded under an acquisition facility agreement (the "Acquisition Facility") with Teranga's existing lender, Taurus Funds Management Pty Ltd. ("Taurus"), which has agreed to lend \$200 million, and \$125 million will be provided by Barrick as a part of the lending syndicate under the Acquisition Facility. The balance of the Upfront Consideration will be funded by Teranga through the Offering and Private Placement to Tablo Corporation, each as outlined below.

In respect of the share component of the Upfront Consideration, approximately 19.2 million Teranga Shares will be issued to Tablo Corporation and approximately 1.6 million Teranga Shares will be issued to CSTTAO at an indicative price of CDN\$5.10 per Teranga Share, being the same price per Teranga Share as underlying the Subscription Receipts sold in the concurrent Offering outlined below. The Teranga Shares sold to Tablo Corporation in the concurrent Private Placement outlined below (and based on a US to Canadian dollar exchange rate of \$1.00 = CDN\$1.3235).

The completion of the Acquisition Facility, the Offering and the Private Placement are all inter-conditional with the completion of the Transaction.

Debt Financing

Details of the Taurus Acquisition Facility are as follows:

- interest rate of 7.85% per annum on drawn amount, paid quarterly in arrears;
- early repayment of the Acquisition Facility is permitted at any time without penalty;
- the Company will enter into an offtake agreement for Massawa's life of mine gold production – the offtake agreement contains a buyout provision; and
- upon execution of the Acquisition Facility agreement, Taurus will be granted 4,000,000 four-year call rights over Teranga Shares (settled with cash) at a strike price equal to 120% of the 5-day volume weighted average price of Teranga Shares at the announcement of the Transaction.

Equity Financing

Concurrent with the announcement of the Transaction, Teranga has entered into an underwriting agreement with a syndicate of underwriters (the "Underwriters") led by Cormark Securities Inc. and Canaccord Genuity Corp., as co-lead underwriters and book-runners, to issue, on a bought deal basis, CDN\$140 million (\$106 million) of subscription receipts of Teranga (the "Subscription Receipts") at a price of CDN\$5.10 per Subscription Receipt (the "Offering"). A portion of the net proceeds will be used to fund a portion of the Upfront Consideration with the balance of proceeds being used for exploration drilling across Teranga's projects and Transaction-related costs and for working capital purposes.

Each Subscription Receipt shall represent the right of the holder to receive, upon satisfaction or waiver of certain release conditions (including closing of the Transaction) (the "Release Conditions"), without payment of additional consideration, one Teranga Share, subject to adjustments and in accordance with a subscription receipt agreement to be entered into upon closing of the Transaction ("Subscription Receipt Agreement").

On December 10, 2019, Teranga expects to file with the securities commissions or other similar regulatory authorities in the provinces and territories of Canada other than Quebec, a prospectus supplement to Teranga's base shelf prospectus dated December 8, 2019 relating to the issuance of the Subscription Receipts.

The gross proceeds from the sale of the Subscription Receipts, less 50% of the Underwriters' fee and the expenses of the Underwriters incurred in connection with the Offering, will be deposited and held in escrow pending the satisfaction or

Release Conditions by Computershare Trust Company of Canada, as subscription receipt and escrow agent under the Receipt Agreement. If the Release Conditions are not satisfied or waived prior to May 31, 2020 (subject to extensions in certain circumstances), the escrowed proceeds of the Offering will be returned on a pro rata basis to the holders of Subscription Receipts together with the interest earned thereon, and the Subscription Receipts will be cancelled and have no further force and effect in accordance with the terms of the Subscription Receipt Agreement.

Teranga has applied to have the Subscription Receipts listed for trading on the TSX. The Closing of the Offering is expected to occur on or about December 18, 2019 and is subject to TSX and other necessary regulatory approvals.

The securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Act"), or under any state securities laws, and may not be offered, sold, directly or indirectly, or delivered within the United States of America and its territories and possessions or to, or for the account or benefit of, United States persons except in certain transactions exempt from the registration requirements of such Act. This release does not constitute an offer to sell or a solicitation to buy such securities in the United States, Canada or in any other jurisdiction where such offer is unlawful.

Concurrent Tablo Corporation Private Placement

In order to fund a portion of the Upfront Consideration, and in connection with the exercise by Tablo Corporation of its pre-emptive rights, Tablo Corporation has also entered into a subscription agreement with Teranga to purchase approximately 1.6 million Teranga Shares from Teranga at the same price as the Subscription Receipts sold in the Offering, for gross proceeds of approximately 1.6 million (the "Private Placement"), concurrent with, and conditional on, the closing of the Transaction.

The Closing of the Private Placement is subject to TSX and other necessary regulatory approvals.

Barrick, CSTTAO and Tablo Corporation Teranga Share Ownership

Following the completion of the Transaction, the Offering and the Private Placement, Tablo Corporation, having exercised its pro-rata participation rights, will hold a total of approximately 35.5 million Teranga Shares, representing approximately 20.5% of the issued and outstanding Teranga Shares (calculated on a non-diluted basis), Barrick will hold a total of approximately 19.5 million Teranga Shares, representing approximately 11.45% of the issued and outstanding Teranga Shares (calculated on a non-diluted basis), and CSTTAO will hold a total of approximately 1.6 million Teranga Shares, representing approximately 1% of the issued and outstanding Teranga Shares (calculated on a non-diluted basis).

Investor Agreement

In connection with the Transaction, at the completion of the Transaction, Barrick and Teranga will enter into an investor agreement (the "Investor Agreement"), pursuant to which, among other things, so long as Barrick retains at least a 10% equity ownership in Teranga, it will be entitled to nominate one member to the Company's board of directors, and will also be entitled to exercise its pre-emptive, anti-dilution and piggyback registration rights. The Investor Agreement will also provide that Barrick may not change its pro rata equity ownership position in Teranga for 18 months from the effective date of the Investor Agreement and that Barrick may only increase its pro rata equity ownership position in Teranga by an incremental 5% from month 18 to month 24 of the expiry of the full 24-month standstill commitment period.

Contingent Consideration

The gold price-linked Contingent Consideration is as follows:

- a) if the average gold price for the three-year period immediately following closing of the Transaction (the "three-year average gold price") is equal to or less than \$1,450 per ounce, nil;
- b) if the three-year average gold price is greater than \$1,450 per ounce and up to, but not more than, \$1,500 per ounce, \$25 million; or
- c) if the three-year average gold price is greater than \$1,500 per ounce and up to, but not more than, \$1,600 per ounce, \$35 million; or
- d) if the three-year average gold price is greater than \$1,600 per ounce, \$50 million.

The Contingent Consideration is due the later of three years following the completion of the Transaction and January 31, 2023. The Contingent Consideration is expected to be funded through cash flow.

Advisors

Canaccord Genuity Corp., Cormark Securities Inc., and Cutfield Freeman acted as Teranga's financial advisors.

Stikeman Elliott LLP acted as the Company's legal advisor and Cassels Brock & Blackwell LLP acted as the Underwriters' legal advisor.

RBC Capital Markets has provided an independent fairness opinion to the Board of Directors of Teranga stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be paid under the Transaction is fair, from a financial point of view, to Teranga.

Stanhope Capital LLP acted as financial advisor to Tablo Corporation.

Barrick's financial advisor is Scotiabank and its legal advisors are Davies Ward, Phillips & Vineberg LLP and Norton Rose Fulbright LLP.

Indicative Timeline

The indicative timeline for implementation of the Acquisition is anticipated to be as follows:

Event	Target Date
Closing of bought deal equity offering	December 18, 2019
Closing of transaction	Q1 2020

Conference Call and Webcast

Management will host a live conference call and audio webcast to discuss the highlights of the Transaction as follows:

Date & Time: December 10, 2019 at 8:00 a.m. ET

Telephone: Toll-free +1-877-291-4570

Local or International +1-647-788-4919

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

Webcast: Available on Teranga's website at www.terangagold.com or by clicking here.

Replay: The conference call replay will be accessible for two weeks by dialing +1-416-621-4642 or toll-free at +1-800-585-8367 and entering the conference ID 7584517.

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

Teranga Competent and Qualified Persons ("QPs") Statement

The scientific and technical information contained in this document relating to Sabodala's 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. 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 scientific and technical information contained in this document relating to Sabodala's 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 mineralization and type of deposit under consideration and to the activity which she is undertaking to qualify as a "Qualified Person" under NI 43-101. Ms. Nakai-Lajoie has consented to and approved 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 press release 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. Mr. Sepp has consented to the inclusion in this press release of the matters based on his compiled information in the form and context in which it appears in this press release.

Teranga has prepared a current NI 43-101 compliant technical report for the Sabodala Project, which is available under the Company's SEDAR profile at www.sedar.com. This technical report titled Technical Report on the Sabodala Project, Senegal, West Africa, and dated August 30, 2017, was prepared by QPs and includes relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource and reserve estimates cited in this press release, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this press release in respect of the Sabodala Project.

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.

Barrick Qualified Persons Statement

A technical report to support the feasibility study for the Massawa gold project has been prepared in accordance with NI 43-101. The report is dated as of 23 July 2019 and is filed on SEDAR and available at www.barrick.com. Refer to the Massawa Feasibility Study for further information with respect to the key assumptions, parameters and risks associated with the results of the feasibility study, the mineral reserve estimates included therein and other technical information. The Massawa Feasibility Study was filed by Barrick on a voluntary basis, and not as a result of a requirement of National Instrument 43-101.

The following QPs, as that term is defined in NI 43-101, have prepared or supervised the preparation of their relevant portions of the technical information described above and the related Massawa Feasibility Study on file, and have consented to the inclusion of such information in this document:

Rodney Quick, MSc, Pr Sci Nat; Mineral Resource Management and Evaluation Executive of Barrick;

Simon Bottoms, MGeol, FGS CGeol, FAusIMM; Senior Vice President, Africa & Middle East Mineral Resource Manager of Barrick;

Richard Quarmby, BSc (Chemical Engineering), Pr Eng, CEng, MSAiChE, MIMMM; Africa & Middle East Capital Projects Metallurgist of Barrick; and

Graham E. Trusler, MSc, Pr Eng, MIChE, MSAiChE; CEO Digby Wells Environmental (Jersey) Limited.

Endnotes

(1)	The anticipated extended mine life is based on the current 13-year mine life for the standalone Sabodala Gold Project and the 10.5-year mine life of standalone Massawa project, both based on current proven and probable reserve estimates. For more information on Sabodala's Mineral Reserves and Resources and related notes, please refer to the Company's amended and restated annual information form for the year ended December 31, 2018 dated July 31, 2019 ("Teranga's AIF") available on the Company's website at www.terangagold.com and on SEDAR at www.sedar.com . For more information on Massawa's ore reserves and resources and related notes, please refer to Barrick Gold's NI 43-101 technical report on the Feasibility Study of the Massawa Gold Project dated July 23, 2019 (the "Massawa Feasibility Study") at www.barrick.com and on SEDAR at www.sedar.com . Teranga proposes to process the Massawa deposits at its existing Sabodala Project, the economic analysis presented in the Massawa Feasibility Study should not be considered as representing the economic outcome stemming from an integrated Sabodala-Massawa mining complex.
(2)	The highest-grade undeveloped open-pit gold reserve in Africa statement is based on publicly filed data available on S&P Capital IQ as at November 15, 2019, and includes the following projects: Sanbrado project (Burkina Faso), Tulu Kapi project (Ethiopia), Passendro project (Central African Republic), Yaoure, (Côte d'Ivoire), Wa-Lawra project (Ghana), Baomahun (Sierra Leone), (Block 14) Sudan, (Bombole) Burkina Faso. Other companies may calculate their respective reserves base differently.
(3)	Anticipated significant capital and operating synergies include capital expenditures, mining costs, processing costs, general & administrative expenses, and timing are based on the Massawa Feasibility Study, and Teranga's NI 43-101 technical report for the standalone Sabodala Gold Project dated August 30, 2017 (the "Sabodala Technical Report"). Teranga believes that in a combined Sabodala-Massawa operating complex, the Massawa project phase 1 and phase 2 capital expenditures are reduced. We believe the Sabodala mill and infrastructure is capable of processing free-milling ore from the Massawa project with minimal modifications for gravity, arsenic stabilization, and oxygen addition. The Company is targeting first production of ore from the Massawa project in H2 2020, a significant improvement over the Massawa project standalone scenario where first production is scheduled for 2022 at the earliest. Sabodala's operating costs (mining, processing and general & administrative) are lower than those outlined in the Massawa Feasibility Study. The Massawa project is expected to be operated as satellite deposits. Subject to integrated technical studies.
(4)	The Company provides some non-IFRS financial measures as supplementary information that management believes may be useful to investors to explain the Company's financial results.
	"Free cash flow" is a non-IFRS financial measure that has no standard meaning under IFRS. The Company calculates free cash flow 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. Other companies may calculate this measure differently. For more information and the reconciliation of these measures, please refer to the Company's latest management's discussion and analysis accessible on the Company's website at www.terangagold.com .
(5)	Based on the Massawa Feasibility Study available at www.barrick.com and on SEDAR at www.sedar.com .
(6)	The Massawa project's standalone historical mineral reserve estimate as at December 31, 2018 at a \$1,200 gold price pit shell ore reserves. For more information regarding the Massawa project's mineral reserve and mineral resource estimates and related notes, please refer to the Massawa Feasibility Study available at www.barrick.com and on SEDAR at www.sedar.com .
(7)	Sabodala's mineral reserve estimate as at December 31, 2018. For more information regarding Sabodala's mineral reserves and resources and related notes, please refer to the Company's amended and restated annual information form for the year ended December 31, 2018 dated July 31, 2019 available on the Company's website at www.terangagold.com and SEDAR at www.sedar.com .

Forward-Looking Statements

All information included in this press release, including any information as to the future financial or operating

performance and other statements of Teranga 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, courses of action, the anticipated impact of combining the two assets, including anticipated synergies, and the potential for the combined Sabodala-Massawa complex to become a top tier asset. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The economic analysis presented in the Massawa Feasibility Study was prepared by Barrick in respect of its feasibility study for a standalone development plan and proposed mining operation at Massawa. Readers are advised that the economic outcomes disclosed by Barrick are presented in order to provide the reader with context regarding the Massawa project as proposed to be developed by Barrick. However, readers are cautioned that as Teranga proposes to process the Massawa deposits at its existing Sabodala Project, the economic analysis presented in the Massawa Feasibility Study should not be considered as representing the economic outcome stemming from an integrated Sabodala-Massawa mining complex.

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.

This press release is dated as of December 10, 2019. 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.

About Teranga

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of approximately 5,500 km² of land located on prospective gold belts. Since its initial public offering in 2010, Teranga has produced more than 1.8 million ounces of gold at its Sabodala operation in Senegal. Focused on diversification and growth towards its vision of becoming a mid-tier producer, the Company recently announced commercial production at its second gold mine, Wahgnion, which is located in Burkina Faso, and is carrying out exploration programs in three West African countries: Burkina Faso, Côte d'Ivoire and Senegal. Teranga applies a rigorous capital allocation framework for its investment decisions.

Steadfast in its commitment to set the benchmark for responsible mining, Teranga operates in accordance with 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 participant 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.

APPENDIX

Table 1 – Massawa (Central Zone and North Zone), Sofia and Delya Historical Mineral Reserve Estimates as of December 31, 2018 – Based on \$1,200/oz pit shells (100% basis)

Mineral Reserve	Tonnes (Mt)	Grade (g/t Au)	Au (Moz)	Contained Gold (Moz)
CZ Probable (Central Zone)	7.8	4.59	1.15	1.15
NZ Probable (North Zone)	5.2	4.67	0.79	0.79
Sofia Probable	7.1	2.66	0.61	0.61
Delya Probable	0.81	4.21	0.11	0.11
Total OP Probable	20.9	3.94	2.6	2.6

Notes:

• Open pit Mineral Reserves are reported at a gold price of \$1,200/oz and include dilution and ore loss factors.

• Open pit Mineral Reserves were generated by Shaun Gillespie, an employee of Barrick, under the supervision of Rodney Quick, MSc, Pr Sci Nat, an officer of Barrick and Qualified Person.

Table 2 – Sabodala Mineral Reserve Estimates as of December 31, 2018

Deposits	Proven			Probable			Proven and Probable		
	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)
Masato				18.48	1.10	0.65	18.48	1.10	0.65
Niakafiri East	4.57	1.32	0.19	9.74	1.12	0.35	14.30	1.18	0.54
Sabodala	1.98	1.60	0.10	3.05	1.37	0.13	5.03	1.46	0.24
Golouma West				3.53	2.01	0.23	3.53	2.01	0.23
Goumbati West and Kobokoto				1.42	1.31	0.06	1.42	1.31	0.06
Maki Medina				0.87	1.30	0.04	0.87	1.30	0.04
Niakafiri West				1.17	1.07	0.04	1.17	1.07	0.04
Kerekounda				0.15	4.41	0.02	0.15	4.41	0.02
Subtotal Open Pit (OP)	6.55	1.41	0.30	38.40	1.23	1.52	44.95	1.26	1.82
Stockpiles	8.56	0.88	0.24	0.00	0.00	0.00	8.56	0.88	0.24
Total Open Pit with Stockpiles (OP)	15.11	1.11	0.54	38.40	1.23	1.52	53.51	1.20	2.06
Golouma West 1				0.62	6.07	0.12	0.62	6.07	0.12
Kerekounda				0.61	4.95	0.10	0.61	4.95	0.10
Golouma West 2				0.45	4.39	0.06	0.45	4.39	0.06
Golouma South				0.47	4.28	0.06	0.47	4.28	0.06
Subtotal Underground (UG)				2.15	5.01	0.35	2.15	5.01	0.35
TOTAL OP/UG	15.11	1.11	0.54	40.55	1.43	1.87	55.66	1.35	2.41

Notes:

1. CIM definitions were followed for Mineral Reserves.
2. Mineral Reserve cut-off grades range from 0.39 g/t to 0.46 g/t Au for oxide and 0.45 g/t to 0.51 g/t Au for fresh rock based on a \$1,250/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.
4. Mineral Reserves account for mining dilution and mining ore loss.
4. Proven Mineral Reserves are based on Measured Mineral Resources only.
5. Probable Mineral Reserves are based on Indicated Mineral Resources only.
6. Sum of individual amounts may not equal due to rounding.
7. 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.

SOURCE [Teranga Gold Corp.](#)

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