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PRESS RELEASE
For Immediate Release

TSX Trading Symbol: TGZ
ASX Trading Symbol: TGZ

JUNE QUARTER REPORT

Toronto, Canada: July 30, 2014

For a full explanation of Financial, Operating, Exploration and Development results please see the Interim Condensed Consolidated Financial Statements as at and for the period ended June 30, 2014 and the associated Management's Discussion & Analysis at www.terangagold.com.

- Gold production for the three months ended June 30, 2014 totaled 39,857 ounces. Total cash costs were $815 per ounce sold[1] and all-in sustaining costs were $1,060 per ounce sold[1] for the three months ended June 30, 2014.

- Despite the weaker second quarter the Company remains on track to meet its full year production guidance of 220,000 to 240,000 ounces[2], but expects production at the lower end of the guidance range; total cash costs are expected at the higher end of the range of $650 to $700 per ounce sold[1], and all-in sustaining costs are now expected to average about $900 per ounce, $25 per ounce higher than the top end of the original guidance range $800 to $875 per ounce sold[1].

- The Company expects a strong second half of the year with higher production and lower costs resulting from higher grades mined at Sabodala and from high grade production from Masato.

- A non-cash inventory write-down to net realizable value of $13.4 million ($0.04 loss per share) resulted in a consolidated loss attributable to shareholders of $12.0 million ($0.04 loss per share) in second quarter 2014.

- Development of the Masato deposit, the first of the Oromin Joint Venture Group ("OJVG") deposits to be mined, is complete with mining expected to commence in third quarter 2014.

- Technical analysis on mill optimization is expected to be completed in the third quarter.

- Heap leach testing is underway, preliminary results are expected in the third quarter and a preliminary economic analysis by year end.

- Infill drilling of the Masato high grade zone is complete, assays expected shortly. Reserve development drilling of high grade deposits continues on the OJVG mine license.

- During the second quarter, the Company closed on its offering of 36,000,000 common shares at a price of C$0.83 per share for net proceeds of $25.4 million.

- Cash balance at June 30, 2014 was $28.4 million, including restricted cash. To date, the Company has made approximately $35.0 million of $80.0 million in one-time payments planned for 2014, including debt repayments, one-time costs related to its Global Agreement with the Republic of Senegal and acquisition-related costs to acquire the OJVG.

- The Company remains on track to retire the balance of the debt facility outstanding by December 31, 2014.

[1] Total cash costs per ounce, all-in sustaining costs per ounce and total depreciation and amortization per ounce are prior to an inventory write-down to net realizable value. Total cash costs per ounce, all-in sustaining costs per ounce and total depreciation and amortization per ounce non-IFRS financial measures and do not have a standard meaning under IFRS. Please refer to Non-IFRS Performance Measures at the end of this report.
[2] This production target is based on existing proven and probable reserves only from both the Sabodala mining license and OJVG mining license as disclosed in the Company's Management's Discussion and Analysis for the year ended December 31, 2013. The estimated ore reserves underpinning this production guidance have been prepared by a competent person in accordance with the requirements of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). This production guidance also assumes an amendment to OJVG mining license to reflect processing of OJVG ore through the Sabodala mill.

"Despite a weaker quarter at Sabodala we are on track to meet our production guidance but at the lower end of guidance. The integration of the OJVG and the growth initiatives announced at the beginning of the year are moving forward quickly. Development of Masato, the first OJVG deposit, is complete and mining is to begin in the third quarter, two quarters post-acquisition. Reserve development drilling, mill optimization and heap leach testing began in the second quarter. We expect to be announcing the results of these growth projects through the balance of the year. Higher grades at Sabodala and the addition of Masato should lead to a strong second half of the year with higher production and lower costs", said Richard Young, President and CEO.

OPERATIONAL HIGHLIGHTS (details on page 9)

- Gold production for the three months ended June 30, 2014 was 39,857 ounces, 20 percent lower than the same prior year period due to lower mined and processed grade partly offset by higher tonnes milled. Gold production for the quarter was weaker than expected due to lower mined grade during the second half of the quarter, and longer than planned downtime associated with scheduled maintenance of the crushing and milling circuits in May.
- Total cash costs for the three months ended June 30, 2014, excluding a non-cash inventory write-down to net realizable value ("NRV"), were $815 per ounce, compared to $642 per ounce in the same prior year period. While total mine production costs were 9 percent lower than the year earlier quarter, higher per ounce costs were due to lower production and lower capitalized deferred stripping costs compared to the year earlier period.
- All-in sustaining costs for the three months ended June 30, 2014, excluding a non-cash inventory write-down to NRV, were $1,060 per ounce, 11 percent lower than the same prior year period. All-in sustaining costs were lower due to lower capital expenditures in the current year period.
- Total tonnes mined for the three months ended June 30, 2014 were 18 percent lower compared to the same prior year period. Mining activities in the current year were solely focused on lowering the benches of phase 3 of the Sabodala pit which has an overall reduced stripping ratio. In the same prior year period, mining activities were focused on completing phase 2 near the bottom of the Sabodala pit combined with primarily waste stripping of the upper benches of phase 3.
- Total tonnes mined are expected to decline further in the second half of the year in line with the Company's plan to minimize material movement in the current gold price environment with a focus on maximizing free cash flows.
- Ore tonnes mined for the three months ended June 30, 2014 were 40 percent higher than the same prior year period as mining activities in the prior year period was mainly focused on waste stripping of phase 3.
- Ore tonnes and overall grade mined in the second half of the quarter were lower than planned as mining activity focused on a peripheral area of the Sabodala ore body on the upper benches of phase 3. This area of the ore body has shown less continuity than in other peripheral areas previously mined. Greater variation in grade and thickness and complexity in the geometry and continuity resulted in lower than expected grades and ore tonnage. Management changed its practices for ore recovery in these areas by increasing sampling, revising blast hole modeling and mining the ore zones at 5 metre benches from the previous 10 metre bench intervals.
- In addition, access to a high grade area of the deposit, scheduled for mining in the second quarter was deferred into the third quarter due to bench access constraints which required a small redesign of phase 3. This modification adds 1.3 million waste tonnes to the 2014 plan that was originally scheduled for mining in phase 4 of the Sabodala pit in 2016.
- Mining through the balance of the year is primarily taking place in the high grade area of the Main Flat Zone. This is expected to lead to higher ore grades mined and processed in the second half of 2014. Provided grades and ore tonnes mined are on plan, the Company remains on track to meet its 2014 production guidance of 220,000 to 240,000 ounces but expects production at the lower end of the range.
- Total mining costs for the three months ended June 30, 2014 were 10 percent lower than the same prior year period due to decreased material movement partly offset by higher costs for light fuel oil (LFO) and higher costs associated with the redesign of phase 3 and mining in 5 metre benches from the previous 10 metres. Unit mining costs for the three months ended June 30, 2014 were 10 percent higher than the same prior year period due to fewer tonnes mined. Mining is concentrated on the lower benches of phase 3 of the mine plan with limited space resulting in lower productivity.
- Total mining costs for the balance of the year are expected to be approximately $7.0 million higher than plan due to changes in the mine plan that will result in an additional 2.6 million tonnes mined, half of which, as noted previously, is related to the redesign of phase 3 and the balance is related to earlier than planned access to Masato.
- The development of Masato, the first deposit from the OJVG acquisition, is complete and ready for production in the third quarter.
- Ore tonnes milled for the three months ended June 30, 2014 were 15 percent higher than the same prior year period due to improvements made during

the first and second quarters of 2013 to reduce the frequency and duration of unscheduled operational downtime and increase throughput in the crushing circuit to better match mill capacity. During the second quarter of 2014, scheduled maintenance of the crushing and milling circuits resulted in a net 10 days of planned and unplanned downtime in May, due to repairs to the secondary cone crusher, replacement of high wear components in the SAG mill and repairs to the primary crusher. No major downtime is scheduled for the balance of the year.

- Processed grade for the quarter ended June 30, 2014 was 28 percent lower than the same prior year period, mainly due to lower ore grades.
- Total processing costs for the three months ended June 30, 2014 were 3 percent higher than the same prior year period, mainly due to higher mill throughput. Unit processing costs for the three months ended June 30, 2014 were 10 percent lower than the prior year period due to higher tonnes milled.
- Total mine site general and administrative costs for the three months ended June 30, 2014 were 7 percent lower than the prior year mainly due to lower insurance costs. Unit general and administration costs for the three months ended June 30, 2014 were 21 percent lower than the same prior year period due to lower general and administrative costs and higher tonnes milled.

FINANCIAL HIGHLIGHTS (details on page 9)

- Gold revenue for the three months ended June 30, 2014 was $57.5 million, 24 percent lower than the same prior year period. The decrease in gold revenue was due to 20 percent lower production and 6 percent lower realized gold prices during the second quarter of 2014.
- During the second quarter 2014, the Company recorded a loss attributable to shareholders of $12.0 million ($0.04 loss per share), compared to a profit attributable to shareholders of $7.2 million ($0.03 per share) in the same prior year period. The decrease in profit and earnings per share over the prior year quarter were primarily due to a non-cash inventory write-down to NRV totaling $13.4 million and lower revenues.
- During the three months ended June 30, 2014, the Company recognized a non-cash write-down on long-term low-grade ore stockpile inventory of $13.4 million, as a result of an increase in costs added to low-grade ore stockpiles during the quarter. Fewer ounces mined during the quarter resulted in an increase in the per ounce cost of inventory (including applicable overhead, depreciation and amortization). Higher per ounce inventory costs have a greater impact on low-grade stockpile values because of the higher future processing costs required to produce an ounce of gold.
- The non-cash write-down represents the portion of historic costs that would not be recoverable based on the Company's long-term forecasts of future processing and overhead costs at a gold price of $1,237 per ounce (including the impact of the Franco-Nevada gold stream). Fluctuations in the mine plan result in wide fluctuations in the per ounce cost of our long-term ore stockpiles. During periods where fewer ounces are mined, per ounce costs rise, while during those periods when mining takes place in higher grade areas, per ounce costs fall. As mining takes place in higher grade areas of Sabodala and Masato, a portion of this non-cash write-off is expected to reverse over the course of the balance of the year. Conversely, should long-term gold prices decline or future costs rise, there is a potential for further NRV adjustments.
- Cash flow used in operations was $9.8 million for the three months ended June 30, 2014, compared to cash flow provided by operations of $20.8 million in the same prior year period. The decrease in operating cash flow compared to the prior year quarter was due to lower revenues and higher net working capital outflows.
- Capital expenditures for the three months ended June 30, 2014 were $6.8 million compared to $26.0 million in the same prior year period. The decrease in capital expenditures was mainly due to lower sustaining and development expenditures and lower capitalized deferred stripping in the second quarter of 2014.
- During the second quarter of 2014, 44,285 ounces were sold at an average realized gold price of $1,295 per ounce. During the second quarter of 2013, 54,513 ounces were sold at an average realized price of $1,379 per ounce.
- On May 1, 2014, the Company closed on its offering of 36,000,000 common shares at a price of C$0.83 per share for gross proceeds of C$29.9 million, with a syndicate of underwriters. Net proceeds were $25.4 million after consideration of underwriter fees and expenses totaling approximately $1.9 million.
- The Company's cash balance at June 30, 2014 was $28.4 million, including restricted cash. Cash and cash equivalents were similar to the balance reported at March 31, 2014, as the increase in cash from the proceeds of the share offering was offset by cash flow used in operations of $9.8 million, debt and interest repayments totaling $9.2 million and capital expenditures of $6.8 million.
- For the year to date ended June 30, 2014, the Company has made a total of $35.0 million in one-time payments. This includes $16.4 million in debt repayments, $2.1 million in payments to the Republic of Senegal and one-time payments related to the acquisition of the OJVG, including $9.0 million for transaction, legal and office closure costs and $7.5 million to acquire Badr's share of the OJVG.

OUTLOOK 2014

- Despite the weaker second quarter, the Company remains on track to meet its 2014 annual production guidance range of 220,000 to 240,000 ounces but expects production at the lower end of the range. Total production costs, including mining, processing and site general and administrative expenditures are expected to be at the higher end of guidance of $155 to $165 million due to changes in the mine plan that result in more material moved than planned.[1] As a result, total cash costs are expected to be at the higher end of the original guidance range of $650 to $700 per ounce.
- Total exploration and evaluation expenditures for the Sabodala and OJVG mine licenses as well as the Regional Land Package were originally expected to total approximately $10 million for 2014. However, the expenditures may increase to $12 million, for additional drilling, to expedite the conversion of resources to reserves on the mine licenses.
- Administrative and Corporate Social Responsibility ("CSR") expenses are expected to be $15 to $16 million, in line with guidance. These include corporate office costs, Dakar and regional office costs and CSR costs, but exclude corporate depreciation, transaction costs and other non-recurring costs.
- Sustaining capitalized expenditures, including sustaining mine site expenditures, project development expenditures, capitalized deferred stripping, reserve development expenditures and payments to the Republic of Senegal were originally expected to be $28 to $33 million. In the first half of 2014, Management identified further growth opportunities (please see Business and Project Development section for additional information) including opportunities to convert resources to reserves on the mine licenses; mill optimization opportunities to increase the milling rate; and opportunities to accelerate heap leach testing and related activities. Including planned expenditures for these growth opportunities, and through optimization of existing capital projects, total capital expenditures are now expected to be approximately $33 million in 2014.
- As a result of production at the lower end of guidance and cash cost at the higher end of guidance, the Company now expects all-in sustaining costs of about $900 per ounce, $25 per ounce higher than the top end of the original guidance range of $800 to $875 per ounce.
- Total depreciation and amortization for the year is expected to be between $285 and $315 per ounce sold in line with guidance, comprised of $125 to $140 per ounce sold related to depreciation on Sabodala plant, equipment and mine development assets, $40 to $45 per ounce sold related to assets acquired with the OJVG and $120 to $130 per ounce sold for depreciation of deferred stripping assets. At the end of 2014, the balance of the deferred stripping asset related to Sabodala is expected to be approximately $30 million, which will be amortized over the mining of phase 4 of the Sabodala pit.

BUSINESS AND PROJECT DEVELOPMENT

Franco-Nevada Gold Stream

- On January 15, 2014, the Company completed a gold stream transaction with Franco-Nevada Corporation ("Franco-Nevada"). The Company is required to deliver to Franco-Nevada 22,500 ounces annually over the first six years followed by 6 percent of production from the Company's existing properties, including those of the OJVG, thereafter, in exchange for a deposit of $135.0 million. Franco-Nevada's purchase price per ounce is set at 20 percent of the prevailing spot price of gold.
- The deposit of $135.0 million has been treated as deferred revenue within the statement of financial position.
- During the three months ended June 30, 2014, the Company delivered 5,625 ounces of gold, to Franco-Nevada. During the three months ended June 30, 2014, the Company recorded revenue of $7.3 million, consisting of $1.5 million received in cash proceeds and $5.8 million recorded as a reduction of deferred revenue.

Acquisition of the OJVG

- During the third and fourth quarters of 2013, the Company issued 71,183,091 Teranga shares to acquire all of the Oromin shares (Oromin being one of the three joint venture partners holding 43.5 percent of the OJVG) for total consideration of $37.8 million.
- On January 15, 2014, the Company acquired the balance of the OJVG that it did not already own from Bendon International Ltd. ("Bendon") and Badr Investment Ltd. ("Badr").
- The Company acquired Bendon's 43.5 percent participating interest in the OJVG for cash consideration of $105.0 million. Badr's 13 percent carried interest in the OJVG was acquired for cash consideration of $7.5 million and further contingent consideration based on higher realized gold prices and increases to OJVG reserves through 2020. For the three months ended June 30, 2014, $3.8 million of contingent consideration has been accrued based on targeted additions to OJVG reserves. The acquisitions of Bendon's and Badr's interest in the OJVG were funded by the gold stream agreement with Franco-Nevada and from the Company's existing cash balance.

[1] Key Assumptions: gold spot price/ounce – US$1,250, light fuel oil – US$1.15/litre, heavy fuel oil – US$0.98/litre, US/euro exchange rate - $1.325

- The acquisition of Bendon's and Badr's interests in the OJVG increased the Company's ownership to 100 percent and consolidated the Sabodala region, increasing the size of the Company's interests in mine license from $33km^2$ to $246km^2$, more than doubling the Company's reserve base and providing the Company with the flexibility to integrate the OJVG satellite deposits into its existing operations. The contribution of 100 percent of the OJVG has been reflected into Teranga's results from January 15, 2014.
- Acquisition related costs of approximately $0.3 million have been expensed during the three months ended June 30, 2014, and are presented within Other expenses in the consolidated statements of comprehensive income.

Golouma Mine License and Extension of Sabodala Mine License

- During the second quarter of 2014, the integration of the Golouma mine license into an expanded Sabodala mine concession was agreed to in principle with the Senegalese Ministry of Mines and a revised expanded Sabodala mining convention is anticipated to be executed during the third quarter. The Company has all approvals required to process Golouma ore in the Sabodala mill. The Sabodala mine license was also extended until 2022 as part of the integration of the two license areas during the second quarter of 2014.

Municipal and Provincial Election in Senegal

- In June 2014, Senegal held municipal and provincial elections. Following the elections, the President re-constituted his cabinet with the appointment of a new Prime Minister and a number of new ministers in various portfolios. The Ministers of Mines and Finance, key points of contact for the Company, remained unchanged. Overall, the Company believes the new Prime Minister and new cabinet members will continue with the President's pro foreign investment and mining mandate. In fact, the new Prime Minister was previously in charge of the Emerging Senegal Plan, and visited Sabodala with the President in April of this year.

Base-Case Life of Mine Plan

- During the first quarter 2014, the Company filed a National Instrument – Standards of Disclosures for Mineral Projects ("NI 43-101") technical report which include an integrated life of mine ("LOM") plan for the combined operations of Sabodala and the OJVG. The integrated LOM plan has been designed to maximize free cash flow in the current gold price environment. The sequence of the pits can be optimized, as well as the sequencing of phases within the pits, based not only on grade, but also on strip ratio, ore hardness, and the capital required to maximize free cash flows in different gold price environments. As a result, the integrated LOM annual production profile represents an optimized cash flow for 2014 and a balance of gold production and cash flow generated in the subsequent five years. There are opportunities to increase gold production in years 2015-2018 based on current reserves. With expectations for additional reserves, including infill drilling of the high grade zone at Masato, further mine plan optimization work is required. As a result, the integrated LOM production schedule represents a "base case" scenario with flexibility to improve gold production and/or cash flows in subsequent years. During the second quarter 2014, the Company's technical team commenced a review of the 2015 mine plan to identify opportunities, which may result in lower material movement, lower capital expenditures and higher free cash flows.

Mill Enhancements

- The average hourly mill throughput rate estimated when the crusher is in operation is approximately 430 tonnes per operating hour (tpoh) or 3.5 million tonnes per annum (mtpa). However, the mill has experienced periods of sustained operation where the mill throughput has exceeded 480 tpoh. These occurrences have typically been when the mill was operating when the primary and secondary crushed ore stockpile levels have been full. Analysis of plant data shows that there is a correlation between the crusher downtime and mill throughput, which in turn is directly related to the inventory level of the crushed stockpiles.
- Several engineering studies have been initiated to determine potential throughput enhancements to the current plant design, including:
    - The design and cost to install a second crushing system that would provide redundancy and near 100% availability to the crusher stockpiles.
    - The quantification of the relationship between an increase in crusher availability to the SAG and Ball mill system (SABC), as well as other design enhancements within the crush and grinding system.
- Key milestones for the project are as follows:
    - Quantify SAG mill critical sizing relationships and throughput potential through test work and simulation;
    - Determine the maximum sustained production rate and required design changes to the SABC and crushing circuit;
    - Develop a cost estimate and construction schedule; and
    - Technical analysis supporting a development decision (targeted for completion in third quarter 2014).
    - The Company is targeting an overall 5 to 10 percent increase in throughput.

Heap Leach Project

- The LOM plan shows a significant amount of both oxide and sulphide low grade reserves that are mined during the operating period but not processed until the end of the mine life. There also exists significant potential along an 8km mineralized structural trend covering both mine leases to increase the known reserves with near surface, oxidized ore.
- The potential benefit to accelerating value from this ore earlier by feeding it through a heap leach process is being evaluated. A comprehensive testwork program is in progress that will evaluate the heap leach potential for:

  Phase 1

  - Saprolite, near surface ore
  - Various stages of the soft and hard oxidized transition zones

  Phase 2

  - Sulphide ore on the ROM stockpile
- Previous testwork has shown that there are higher capital and operating costs to heap leaching ore as depth increases and the level of oxidation decreases. Phase 1 of the testwork will form the basis to determine the optimum economics for three geological zones within the oxide: saprolite, soft transition and hard transition. Phase 2 of the analysis will examine the leachability for the sulphide ore. However, since this is likely to include much higher capital and operating costs, the decision to proceed in this phase will be contingent on the results of the testwork carried out for Phase 1.
- The testwork is being completed by Klappes, Cassidy and Associates (KCA) at their facilities in Reno, Nevada, who are experienced in testing and designing heap leach facilities throughout the world, including West Africa. Phase 1 of the program is expected to be completed in third quarter 2014, at which point engineering design can commence to determine capital costs and operating parameters as a basis for economic analysis.
- The decision to initiate testwork for Phase 2 of the program will be based on the results of Phase 1.
- Key milestones for the project are as follows:
  - Complete Phase 1 testwork, economic analysis and if warranted, initiate engineering design to pre-feasibility study ("PFS") level – third quarter 2014;
  - Complete additional follow up optimization testwork and, if warranted, initiate Phase 2 testwork – third/fourth quarters 2014;
  - Commence preliminary economic analysis and make development decision – fourth quarter 2014; and
  - Initiate feasibility study ("FS") level engineering design, initiate targeted resource drilling and environmental studies to support an environmental and social impact assessment ("ESIA") submission – 2015
- The Company is targeting potential annual heap leach production between 30,000 and 50,000 ounces commencing 2017.

Gora Development

- The Gora deposit which hosts 0.29 million ounces of proven and probable reserves at 4.74 g/t will be operated as a satellite deposit to the Sabodala mine 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.
- A revised environmental and social impact assessment ("ESIA") for the Gora project was filed with the Senegalese authorities on April 1, 2014. The revised EISA is required to be validated by a technical committee and once approved it is then presented by that authority to a public hearing. Following the public hearing it is anticipated that the Ministry of Environment ("MOE") will issue an environmental approval for the Gora project. The technical committee meeting to validate the revised Gora EISA is scheduled for August. Assuming a successful validation hearing, Management anticipates the final approval to be received by the MOE within 30 to 60 days.
- Management expects the permit process to be completed in third quarter 2014 and construction to be initiated based on the new integrated LOM plan with the OJVG by fourth quarter 2014. Initial engineering is ongoing and site surveys were conducted during the second quarter 2014 to allow for initiation of the access road construction in late 2014.

Sabodala Mine License Reserve Development

- The Sabodala Mine License covers 33km^2 and, in addition to the mine related infrastructure, contains the Sabodala, Masato, Niakafiri, Niakafiri West, Soukhoto and Dinkokhono deposits.

Niakafiri

- In 2013, additional surface mapping was completed at Niakafiri in conjunction with the re-logging of several diamond drill holes which were incorporated into the geological model for the Niakafiri deposit. Further exploration work, including additional drilling, is targeted for the fourth quarter of this year following discussions with Sabodala village.
- In addition to the potential expansion of hard ore reserves at Niakafiri, the Company is exploring for potential softer ore that may be conducive to heap

leach, with emphasis on the mineralized trend to the north and south of the current reserves at Niakafiri.

OJVG Mine License Reserve Development

- The OJVG mine license covers 213km^2. As we have integrated the OJVG geological database into a combined LOM plan, a number of areas have been revealed as potential sources for reserve additions within the mining lease. These targets have been selected based on potential for discovery and inclusion into open pit reserves.

Masato

- Development of the Masato deposit is complete and is ready for mining once the geological drilling programs have been completed and analyzed. The access road construction, waste dump preparation, mine infrastructure and bench access development have been completed.

Masato Geology Programs

- A significant amount of geological field work occurred on the Masato orebody during the second quarter 2014 to increase understanding in preparation for mining in the second half of 2014. These programs include infill Diamond Drill Hole ("DDH") drilling of the high grade zones, a gridded pattern Reverse Circulation ("RC") grade control program, surface trenching and a condemnation drilling program for the waste dump areas.

1. *Infill DDH Drilling*

   During the second quarter 2014, 22 diamond drill holes totaling approximately 2,800 metres were completed to confirm the existing interpretation and grades of the mineralization domains, upgrade resource classification of Inferred Resource blocks, "twin" previously drilled holes and delineate high grade zones. Sampling and dispatch of core samples to ALS Chemex in South Africa is ongoing. Assay results are expected in third quarter 2014 and will be incorporated into an updated resource model.

   A total of 4 diamond drill holes were drilled for geotechnical data and testing. Logging is ongoing and will be completed in third quarter 2014.

2. *Surface Mapping, Trenching and RC Grade Control*

   A gridded RC drill program has been planned to delineate mineralization at 10 metre spacing to determine the optimal spacing of RC holes for the mine operations grade control program. A total of 98 holes totaling 6,100 metres are planned in two separate test blocks in the Masato north and south pit areas. The program was 50 percent complete at the end of second quarter 2014, and is expected to be completed during third quarter 2014. Assay results from the first 28 holes have been received and confirm the existing mineralization model trends and grades.

   A total of 16 trenches have been planned to confirm the location and grades of near surface mineralization. Approximately 85 percent of the trenches in the North Pit area have been excavated with 50 percent of these having been mapped and sampled. The remaining trenching and sampling programs with the receipt of assay results is expected to be completed in third quarter 2014. Four additional trenches were excavated for heap leach sampling program. Assay results returned to date confirm the surface location of mineralization and gold grades from adjacent drill holes.

3. *Condemnation RAB drilling*

   A Rotary Air Blast ("RAB") drilling sterilization program over the planned dumps and lay down footprint areas was completed during second quarter 2014. Approximately 80 percent of the assay results have been received to date of which the maximum gold value reported was 0.6 g/t. There is no indication at present of economic concentrations of gold occurring in these areas.

   Data from the RAB drilling program was used in conjunction with surface mapping data to produce soil isopach plans (for stripping and stock piling of topsoil) and soil characteristics for geotechnical investigations.

Golouma

- Infill drilling is planned for potential conversion of inferred resources and evaluating the mineralization potential of structural features along strike to the existing reserves. Since access has been established, drilling is expected to commence in third quarter 2014.

Kerekounda

- Both RC and DDH drilling is planned to determine the extent of mineralization further along strike of the existing reserves. This program is expected to commence in fourth quarter 2014.

Niakafiri SE and Maki Medina

- Both RC and DDH drilling is planned for potential conversion of inferred resources, geotechnical holes for pit wall determination and exploratory holes to the north toward the Niakafiri deposit to evaluate extension along strike. Pending results of the heap leach test work, additional drilling to determine near surface oxide resources may also be evaluated. Work in these areas is expected to commence in late third quarter 2014 and continue through to the end of the year.

Regional Exploration

- The Company currently has 9 exploration permits encompassing approximately 1,055km^2 of land surrounding the Sabodala and OJVG mine licenses (246km^2 exploitation permits). Over the past 3 years, with the initiation of a regional exploration program on this significant land package, a tremendous amount of exploration data has been collected and systematically interpreted to prudently implement follow-up programs. Targets are therefore in various stages of advancement and are then prioritized for follow-up work and drilling. Early geophysical and geochemical analysis of these areas has led to the demarcation of at least 50 anomalies, targets and prospects and the Company expects that several of these areas will ultimately be developed into mineable deposits. The Company has identified some key targets that despite being early stage, display significant potential. However, due to the sheer size of the land position, the process of advancing an anomaly through to a mineable deposit takes time and the Company is using a systematic, disciplined approach to maximize potential for success.

Ninienko

- An extensive mapping and a trenching program, over 1,500 metres, was conducted during second quarter 2014 at the Ninienko prospect. This work outlined a 500 metre-plus wide zone with gold mineralization occurring in flat lying, near surface (0-2 metres) quartz vein and felsic breccia units developed over a strike length of 1,500 metres.
- Highlights of the elevated gold values reported from these trenches include:

  0.5m @ 3.96 g/t, Quartz feldspar breccia
  1.5m @ 7.24 g/t, Broken quartz feldspar breccia
  0.9m @ 7.38 g/t, Quartz vein
  0.4m @ 9.65 g/t, Quartz feldspar breccia and quartz vein
  1.0m @ 2.53 g/t, Quartz feldspar breccia and quartz vein
  1.0m @ 2.70 g/t, Quartz feldspar breccia and quartz vein
  0.4m @ 2.48 g/t, Quartz vein
  1.2m @ 2.45 g/t, Quartz feldspar breccia and quartz vein
  0.8m @ 3.27 g/t, Quartz vein
  1.0m @ 8.89 g/t, Quartz vein

- An isopach plan of the mineralized quartz vein and felsic breccia systems is in progress, this will be used to develop a plan for DDH and a possible RC drill program in fourth quarter 2014. Additional trenching and mapping will also be undertaken in the second half of 2014.

Soreto

- Following up on a small 5 DDH program at the Soreto prospect in 2013, a program totaling 15 DDH for 2014 has commenced, with 7 DDH totaling 1,500 metres completed during the second quarter 2014 with assay results pending. These were located along two fence lines placed 150 metres on either side of the 2013 fence that intersected gold values including 3 metres at 2.1 g/t, 7 metres at 1.38 g/t and 1 metre at 12.2 g/t. Several of these holes intersected shallow dipping (25 - 35º) altered shear zones with felsic dyke, sheared and brecciated silicified metasediments containing quartz-carbonate veins with disseminated pyrite and visible gold in places. The shear zones coincide with the major NNE regional shear structure with an associated 6km long geochemical soil anomaly. Sampling and dispatch of split core samples to ALS Chemex in South Africa is ongoing.
- A further 8 DDH totaling 2,000 metres are planned to be drilled along the current fence lines. It is expected that all the DDH will be sampled and assay results received by the end of third quarter 2014.

KC Prospect

- Approximately 3,200 metres of trenching was completed across a mineralized structural trend with intense quartz veining and brecciated felsic intrusives developed over a strike length of approximately 1,800 metres. Sampling of the trenches yielded elevated gold values in the overburden of up to 18.45 g/t over 0.4 metres and 6.27 g/t over 0.6 metres. The quartz vein and breccia zone yielded elevated gold values in the range of 1.95 g/t over 0.3 metres true width and 1.41 g/t over 0.2 metres true width with limited continuity along strike. Due to limited mineralization in the in situ rock, it was determined that follow up drilling was not likely to produce results and resources were best allocated to higher prospective targets.
- A follow-up soil sampling and trenching program is planned in fourth quarter 2014 to evaluate a large soil anomaly (peak values of 2.64 g/t and 2.38 g/t) located 800 metres to the west of workings which may account for the elevated gold anomalies identified in over burden in the trenches.

Garaboureya

- Evaluation of the Garaboureya prospect which shows promise through high soil geochemical anomalies and mineralization in outcropping rock is planned later in the year. The Company is working to obtain drill core from over 200 DDH holes previously drilled which were exploring for iron ore deposits on the property. The drill core was not assayed for gold. Access to the drill core could help accelerate the understanding of the geology.

Review of Second Quarter Financial Results

(US$000's, except where indicated)	Three months ended March 31		Six months ended June 30	
Financial Data	2014	2013	2014	2013
Revenue	57,522	75,246	127,324	189,061
Profit attributable to shareholders of Teranga	(12,018)	7,196	(8,061)	52,179
Per share	(0.04)	0.03	(0.02)	0.21
Operating cash flow	(9,793)	20,838	4,510	44,478
Capital expenditures	6,846	25,990	9,555	48,166
Free cash flow [1]	(16,639)	(5,152)	(5,045)	(3,688)
Cash and cash equivalents (including bullion receivables and restricted cash)	28,381	53,536	28,381	53,536
Net debt[2]	280	28,925	280	28,925
Total assets	706,182	583,937	706,182	583,937
Total non-current financial liabilities	128,069	20,484	128,069	20,484

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

[1] Free cash flow is defined as operating cash flow less capital expenditures.

[2] Net debt is defined as total borrowings and financial derivative liabilities less cash and cash equivalents, bullion receivables and restricted cash.

Review of Second Quarter Operating Results

		Three months ended June 30		Six months ended June 30	
Operating Results		2014	2013	2014	2013
Ore mined	('000t)	974	698	2,236	2,011
Waste mined - operating	('000t)	5,233	2,683	11,384	5,197
Waste mined - capitalized	('000t)	458	4,770	955	9,792
Total mined	('000t)	6,665	8,151	14,575	17,000
Grade mined	(g/t)	1.39	1.59	1.51	1.77
Ounces mined	(oz)	43,601	35,728	109,053	114,657
Strip ratio	waste/ore	5.8	10.7	5.5	7.5
Ore milled	('000t)	817	709	1,710	1,405
Head grade	(g/t)	1.69	2.36	1.86	2.83
Recovery rate	%	89.8	92.3	89.9	92.2
Gold produced[1]	(oz)	39,857	49,661	91,947	117,962
Gold sold	(oz)	44,285	54,513	98,052	124,180
Average realized price	$/oz	1,295	1,379	1,294	1,217
Total cash cost (incl. royalties)[2]	$/oz sold	815	642	750	582
All-in sustaining costs[2]	$/oz sold	1,060	1,185	925	1,024
Mining	($/t mined)	2.90	2.64	2.85	2.62
Milling	($/t milled)	21.29	23.77	19.68	23.13
G&A	($/t milled)	4.92	6.25	4.88	6.21

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

[2] Total cash costs per ounce and all-in sustaining costs per ounce are prior to a non-cash inventory write-down to net realizable value and 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.

Review of Second Quarter Cost of Sales

(US$000's)	Three months ended June 30		Six months ended June 30	
Cost of Sales	2014	2013	2014	2013
Mine production costs - gross	40,988	44,901	84,057	87,932
Capitalized deferred stripping	(1,543)	(13,802)	(2,961)	(28,493)
	39,445	31,099	81,096	59,439
Depreciation and amortization - deferred stripping assets	5,038	1,627	12,470	3,814
Depreciation and amortization - property, plant & equipment and mine development expenditures	8,529	15,692	19,307	33,824
Royalties	2,422	3,748	5,903	9,358
Rehabilitation	-	1	-	2
Inventory movements	(5,518)	2,303	(12,997)	5,640
Inventory movements - non-cash	(1,103)	(1,834)	(1,681)	(3,470)
Total cost of sales before writedown to net realizable value	**48,813**	**52,636**	**104,098**	**108,607**
Writedown to net realizable value	9,111	-	9,111	-
Writedown to net realizable value - depreciation	4,312	-	4,312	-
	13,423	-	13,423	-
Total cost of sales	**62,236**	**52,636**	**117,521**	**108,607**

Quarterly Operating and Financial Results

(US$000's, except where indicated)	2014		2013				2012	
	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Revenue	57,522	69,802	58,302	50,564	75,246	113,815	122,970	105,014
Average realized gold price ($/oz)	1,295	1,293	1,249	1,339	1,379	1,090	1,296	1,290
Cost of sales	62,236	55,285	50,527	37,371	52,636	55,971	57,250	45,814
Net earnings (loss)	(12,018)	3,957	(4,220)	(442)	7,196	44,983	54,228	26,033
Net earnings (loss) per share ($)	(0.04)	0.01	(0.01)	(0.00)	0.03	0.18	0.22	0.11
Operating cash flow	(9,793)	14,303	13,137	16,692	20,838	23,640	59,670	13,976
Ore mined ('000t)	974	1,262	1,993	537	698	1,312	2,038	655
Waste mined - operating ('000t)	5,233	6,151	6,655	3,321	2,683	2,513	4,362	1,786
Waste mined - capitalized ('000t)	458	497	420	4,853	4,770	5,023	912	4,456
Total mined ('000t)	6,665	7,910	9,068	8,711	8,151	8,848	7,312	6,897
Grade Mined (g/t)	1.39	1.61	1.61	1.08	1.59	1.87	2.04	1.92
Ounces Mined (oz)	43,601	65,452	103,340	18,721	35,728	78,929	133,549	40,516
Strip ratio (waste/ore)	5.8	5.3	3.6	15.2	10.7	5.7	2.6	9.5
Ore processed ('000t)	817	893	860	887	709	696	725	650
Head grade (g/t)	1.69	2.01	2.11	1.41	2.36	3.31	3.40	3.11
Gold recovery (%)	89.8	90.1	89.7	91.6	92.3	92.1	90.7	84.6
Gold produced[1] (oz)	39,857	52,090	52,368	36,874	49,661	68,301	71,804	55,107
Gold sold (oz)	44,285	53,767	46,561	37,665	54,513	69,667	71,604	62,439
Total cash costs per ounce sold[2] (including Royalties)	815	696	711	748	642	535	532	509
All-in sustaining costs per ounce sold[2] (including Royalties)	1,060	813	850	1,289	1,185	898	1,004	1,025
Mining ($/t mined)	2.9	2.8	2.6	2.5	2.6	2.6	3.1	2.7
Milling ($/t mined)	21.3	18.2	18.0	17.6	23.8	22.5	19.9	21.9
G&A ($/t mined)	4.9	4.8	4.8	4.6	6.3	6.2	6.4	5.7

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

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

Non-IFRS Financial 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. Refer to the Company's Management's Discussion and Analysis for further details.

(US$000's, except where indicated)	Three months ended June 30		Six months ended June 30	
Cash costs per ounce sold	2014	2013	2014	2013
Gold produced[1]	39,857	49,661	91,947	117,962
Gold sold	44,285	54,513	98,052	124,180
Cash costs per ounce sold				
Cost of sales	62,236	52,636	117,521	108,607
Less: depreciation and amortization	(13,567)	(17,319)	(31,777)	(37,638)
Less: realized oil hedge gain	-	-	-	(487)
Add: non-cash inventory movement	1,103	1,834	1,681	3,470
Less: inventory writedown to net realizable value	(13,423)	-	(13,423)	-
Less: other adjustments	(246)	(2,135)	(497)	(1,645)
Total cash costs	**36,103**	**35,016**	**73,505**	**72,307**
Total cash costs per ounce sold	**815**	**642**	**750**	**582**
All-in sustaining costs				
Total cash costs	36,103	35,016	73,505	72,307
Administration expenses[2]	4,009	3,566	7,621	6,689
Capitalized deferred stripping	1,543	13,802	2,961	28,493
Capitalized reserve development	110	509	231	2,837
Mine site capital	5,191	11,679	6,361	16,836
All-in sustaining costs	**46,956**	**64,572**	**90,680**	**127,162**
All-in sustaining costs per ounce sold	**1,060**	**1,185**	**925**	**1,024**
All-in costs				
All-in sustaining costs	46,956	64,572	90,680	127,162
Social community costs not related to current operations	493	368	902	708
Exploration and evaluation expenditures	583	1,486	1,727	3,513
All-in costs	**48,032**	**66,426**	**93,310**	**131,383**
All-in costs per ounce sold	**1,085**	**1,219**	**952**	**1,058**
Depreciation and amortization	13,567	17,319	31,777	37,638
Non - cash inventory movement	(1,103)	(1,834)	(1,681)	(3,470)
Total depreciation and amortization	**12,464**	**15,485**	**30,096**	**34,168**
Total depreciation and amortization per ounce sold	**281**	**284**	**307**	**275**

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

[2] Administration expenses include share based compensation and exclude Corporate depreciation expense and social community costs not related to current operations.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME / LOSS

(Unaudited and in US$000's except per share amounts)

	Three months ended June 30		Six months ended June 30	
	2014	**2013**	**2014**	**2013**
Revenue	57,522	75,246	127,324	189,061
Cost of sales	(62,236)	(52,636)	(117,521)	(108,607)
Gross profit	**(4,714)**	**22,610**	**9,803**	**80,454**
Exploration and evaluation expenditures	(583)	(1,486)	(1,727)	(3,513)
Administration expenses	(4,039)	(3,857)	(8,027)	(7,687)
Share-based compensation	(350)	(356)	(661)	(283)
Finance costs	(2,648)	(2,861)	(4,764)	(5,557)
Gains on gold hedge contracts	-	3,115	-	5,308
Gains on oil hedge contracts	-	-	-	31
Net foreign exchange losses	(47)	(423)	-	(484)
Loss on available for sale financial asset	-	(3,493)	-	(4,455)
Other expenses	(248)	(3,691)	(2,033)	(3,682)
	(7,915)	**(13,052)**	**(17,212)**	**(20,322)**
Net (Loss)/profit	**(12,629)**	**9,558**	**(7,409)**	**60,132**
(Loss)/profit attributable to:				
Shareholders	(12,018)	7,196	(8,061)	52,179
Non-controlling interests	(611)	2,362	652	7,953
(Loss)/profit for the period	**(12,629)**	**9,558**	**(7,409)**	**60,132**
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit/loss for the period				
Change in fair value of available for sale financial asset, net of tax	(6)	-	4	(6,418)
Reclassification to income, net of tax	-	-	-	962
Other comprehensive income/(loss) for the period	**(6)**	**-**	**4**	**(5,456)**
Total comprehensive (loss)/income for the period	**(12,635)**	**9,558**	**(7,405)**	**54,676**
Total comprehensive (loss)/ income attributable to:				
Shareholders	(12,024)	7,196	(8,057)	46,723
Non-controlling interests	(611)	2,362	652	7,953
Total comprehensive (loss)/income for the period	**(12,635)**	**9,558**	**(7,405)**	**54,676**
Earnings (loss) per share from operations attributable to the shareholders of the Company during the period				
- basic (loss)/earnings per share	(0.04)	0.03	(0.02)	0.21
- diluted (loss)/earnings per share	(0.04)	0.03	(0.02)	0.21

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF FINANCIAL POSITION

(Unaudited and in US$000's)

	As at June 30, 2014	As at December 31, 2013
Current assets		
Cash and cash equivalents	13,381	14,961
Restricted cash	15,000	20,000
Trade and other receivables	2,164	7,999
Inventories	59,448	67,432
Other assets	6,471	5,756
Available for sale financial assets	9	6
Total current assets	**96,473**	**116,154**
Non-current assets		
Inventories	73,021	63,740
Equity investment	-	47,627
Property, plant and equipment	211,510	222,487
Mine development expenditures	269,451	173,444
Intangible assets	536	947
Goodwill	55,191	-
Total non-current assets	**609,709**	**508,245**
Total assets	**706,182**	**624,399**
Current liabilities		
Trade and other payables	39,972	56,891
Borrowings	28,661	70,423
Deferred Revenue	23,838	-
Provisions	2,516	1,751
Total current liabilities	**94,987**	**129,065**
Non-current liabilities		
Borrowings	-	3,946
Deferred Revenue	99,492	-
Provisions	14,549	14,336
Other non-current liabilities	14,028	10,959
Total non-current liabilities	**128,069**	**29,241**
Total liabilities	**223,056**	**158,306**
Equity		
Issued capital	367,851	342,470
Foreign currency translation reserve	(998)	(998)
Other components of equity	16,100	15,776
Investment revaluation reserve	4	-
Retained earnings	88,680	96,741
Equity attributable to shareholders	**471,637**	**453,989**
Non-controlling interests	11,489	12,104
Total equity	**483,126**	**466,093**
Total equity and liabilities	**706,182**	**624,399**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF CHANGES IN EQUITY

(Unaudited and in US$000's)

	Six months ended June 30	
	2014	**2013**
Issued capital		
Beginning of period	342,470	305,412
Shares issued from public offerings	27,274	-
Less: Share issue costs	(1,893)	-
End of period	367,851	305,412
Foreign currency translation reserve		
Beginning of period	(998)	(998)
End of period	(998)	(998)
Other components of equity		
Beginning of period	15,776	16,358
Equity-settled share-based compensation reserve	324	1,059
End of period	16,100	17,417
Investment revaluation reserve		
Beginning of period	-	5,456
Change in fair value of available for sale financial asset, net of tax	4	(5,456)
End of period	4	-
Retained earnings		
Beginning of period	96,741	49,225
Profit attributable to shareholders	(8,061)	52,179
End of period	88,680	101,404
Non-controlling interest		
Beginning of period	12,104	11,857
Non-controlling interest - portion of profit for the period	652	7,953
Dividends accrued	(1,267)	(6,664)
End of period	11,489	13,146
Total shareholders' equity at June 30	**483,126**	**436,381**

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF

TERANGA GOLD CORPORATION

STATEMENTS OF CASH FLOW

(Unaudited and in US$000's)

	Three months ended June 30		Six months ended June 30	
	2014	**2013**	**2014**	**2013**
Cash flows related to operating activities				
(Loss) / Profit for the period	(12,629)	9,558	(7,409)	60,132
Depreciation of property, plant and equipment	5,423	10,880	12,404	26,234
Depreciation of capitalized mine development costs	8,144	6,528	19,373	11,524
Inventory movements - non-cash	(1,103)	(1,834)	(1,681)	(3,470)
Inventory write-down to net realizable value - depreciation	4,312	-	4,312	-
Amortization of intangibles	160	252	405	521
Amortization of deferred financing costs	861	518	1,604	868
Inventory write-down to net realizable value	9,111	-	9,111	-
Unwinding of discount on mine restoration and rehabilitation provision	238	25	207	49
Share-based compensation	350	356	661	283
Deferred gold revenue recognized	(5,830)	-	(11,670)	-
Net change in gains on gold forward sales contracts	-	(3,116)	-	(42,955)
Net change in losses on oil contracts	-	-	-	456
Buyback of gold forward sales contracts	-	(8,593)	-	(8,593)
Loss on available for sale financial asset	-	3,493	-	4,455
Loss on disposal of property, plant and equipment	-	-	-	99
(Increase) / decrease in inventories	(4,971)	4,247	(13,342)	4,526
Changes in working capital other than inventory	(13,859)	(1,476)	(9,465)	(9,651)
Net cash provided by (used in) operating activities	**(9,793)**	**20,838**	**4,510**	**44,478**
Cash flows related to investing activities				
Decrease in restricted cash	-	-	5,000	-
Acquisition of Oromin Joint Venture Group ("OJVG")	-	-	(112,500)	-
Expenditures for property, plant and equipment	(840)	(7,733)	(1,283)	(12,357)
Expenditures for mine development	(6,006)	(18,257)	(8,273)	(35,736)
Acquisition of intangibles	-	-	-	(73)
Proceeds on disposal of property, plant and equipment	-	-	-	35
Net cash used in investing activities	**(6,846)**	**(25,990)**	**(117,056)**	**(48,131)**
Cash flows related to financing activities				
Net proceeds from equity offering	25,485	-	25,485	-
Proceeds from Franco-Nevada gold stream	-	-	135,000	-
Repayment of borrowings	(8,194)	-	(46,388)	-
Drawdown from equipment finance lease facility, net of financing costs paid	-	2,697	-	13,843
Financing costs paid	-	-	(1,000)	-
Interest paid on borrowings	(976)	(1,543)	(2,132)	(3,213)
Dividend payment to government of Senegal	-	(2,700)	-	(2,700)
Net cash provided by (used in) financing activities	**16,315**	**(1,546)**	**110,965**	**7,930**
Effect of exchange rates on cash holdings in foreign currencies	(1)	156	1	475
Net increase (decrease) in cash and cash equivalents	**(325)**	**(6,542)**	**(1,580)**	**4,752**
Cash and cash equivalents at the beginning of period	**13,706**	**51,016**	**14,961**	**39,722**
Cash and cash equivalents at the end of period	**13,381**	**44,474**	**13,381**	**44,474**

CORPORATE DIRECTORY

Directors
Alan Hill, Chairman
Richard Young, President and CEO
Jendayi Frazer, Non-Executive Director
Edward Goldenberg, Non-Executive Director
Christopher Lattanzi, Non-Executive Director
Alan Thomas, Non-Executive Director
Frank Wheatley, Non-Executive Director

Senior Management
Richard Young, President and CEO
Mark English, Vice President, Sabodala Operations
Paul Chawrun, Vice President, Technical Services
Navin Dyal, Vice President and CFO
David Savarie, Vice President, General Counsel & Corporate Secretary
Kathy Sipos, Vice President, Investor & Stakeholder Relations
Aziz Sy, Vice President, Development Senegal
Macoumba Diop, General Manager and Government Relations Manager, SGO

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Ernst & Young LLP

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Australia: Computershare Investor Services Pty Ltd
T: +1 300 850 505

Stock Exchange Listings
Toronto Stock Exchange, TSX symbol: TGZ
Australian Securities Exchange, ASX symbol: TGZ

Issued Capital

As of July 30, 2014	
Issued shares	352,801,091
Stock options	23,159,933
Exercise Price (C$)	**Options**
$3.00	15,368,333
$1.09 - $2.17	7,791,600

FORWARD LOOKING STATEMENTS

June Quarter 2014 – Press Release (All amounts are in US$000's unless otherwise stated) Page 16

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 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, targeted date for a NI 43-101 compliant technical report, amendment to the OJVG mining license, 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 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, 2014, 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.

COMPETENT PERSONS STATEMENT

The technical information contained in this document relating to the mineral reserve estimates for Sabodala, the stockpiles, Masato, Golouma and Kerekounda is based on, and fairly represents, information compiled by Mr. William Paul Chawrun, P. Eng who is a member of the Professional Engineers Ontario, which is currently included as a "Recognized Overseas Professional Organization" in a list promulgated by the ASX from time to time. Mr. Chawrun is a full-time employee of Teranga and is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Chawrun has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Chawrun has consented to the inclusion in this Report of the matters based on his compiled information in the form and context in which it appears in this Report.

The technical information contained in this document relating to the mineral reserve estimates for Gora and Niakafiri is based on, and fairly represents, information and supporting documentation prepared by Julia Martin, P.Eng. who is a member of the Professional Engineers of Ontario and a Member of AusIMM (CP). Ms. Martin is a full time employee with AMC Mining Consultants (Canada) Ltd., is independent of Teranga, is a “qualified person” as defined in NI 43-101 and a “competent person” as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Ms. Martin has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Ms. Martin is a “Qualified Person” under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Martin has reviewed and accepts responsibility for the Mineral Reserve estimates for Gora and Niakafiri disclosed in this document and has consented to the inclusion of the matters based on her information in the form and context in which it appears in this Report

The technical information contained in this Report relating to mineral resource estimates for Niakafiri, Gora, Niakafiri West, Soukhoto, and Diadiako is based on, and fairly represents, information compiled by Ms. Nakai-Lajoie. Ms. Patti Nakai-Lajoie, P. Geo., is a Member of the Association of Professional Geoscientists of Ontario, which is currently included as a "Recognized Overseas Professional Organization" in a list promulgated by the ASX from time to time. Ms. Nakai-Lajoie is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 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 Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Nakai-Lajoie is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has consented to the inclusion in this Report of the matters based on her compiled information in the form and context in which it appears in this Report.

The technical information contained in this Report relating to mineral resource estimates for Sabodala, Masato, Golouma, Kerekounda, and Somigol Other are based on, and fairly represents, information compiled by Ms. Nakai-Lajoie. Ms. Patti Nakai-Lajoie, P. Geo., is a Member of the Association of Professional Geoscientists of Ontario, which is currently included as a "Recognized Overseas Professional Organization" in a list promulgated by the ASX from time to time. Ms. Nakai-Lajoie is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 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 Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Nakai-Lajoie is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has consented to the inclusion in this Report of the matters based on her compiled information in the form and context in which it appears in this Report.

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"). CIM definitions of the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", are substantially similar to the JORC Code corresponding definitions of the terms "ore reserve", "proved ore reserve", "probable ore reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101. There can be no assurance that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves.

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.

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 West Africa, 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.

For further information please contact:
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SECOND QUARTER CONFERENCE CALL & WEBCAST

The Company will host a conference call and webcast on July 30, 2014 at 5:30 p.m. EDT Toronto (Sydney 7:30 a.m. AEST).

Telephone
Toronto: 416-340-2216
North America toll-free: 1-866-223-7781
International: 1-416-340-2216

Live Webcast
The webcast can be accessed directly at:
www.gowebcasting.com/5674 and on Teranga's website at www.terangagold.com

The conference call replay will be available for two weeks after the call by dialing 1-905-694-9451 or toll-free 1-800-408-3053 and entering the Passcode: 9093856.