

Teranga Gold Announces Filing of Final Prospectus as Part of \$65 Million Equity Offering

NOT FOR DISTRIBUTION TO U.S. NEWS SERVICES OR DISSEMINATION IN THE UNITED STATES

(All amounts are in Canadian dollars unless otherwise stated)

Toronto, Ontario – November 15, 2016 – Teranga Gold Corporation ("Teranga" or the "Company") (TSX: TGZ) (ASX: TGZ) announced today that it has filed its final prospectus with the securities regulatory authorities in each of the provinces of Canada, other than the Province of Québec, in regards to an issuance of 32,500,000 common shares of the Company on a bought deal basis at a price of \$1.05 per common share through a syndicate of underwriters co-led by RBC Capital Markets and Cormark Securities Inc. and including BMO Capital Markets for gross proceeds of approximately \$34 million (the "Public Offering").

As previously announced, an additional 29,500,000 common shares will be issued on a non-brokered private placement basis at the same price of \$1.05 per common share to Tablo Corporation for gross proceeds of approximately \$31 million (the "Concurrent Private Placement"). Following completion of the Concurrent Private Placement, Tablo Corporation, controlled by David Mimran, will hold a total of 92,929,260 common shares, or 17.4%, of Teranga's issued and outstanding common shares (calculated on a non-diluted basis and not including exercise of the over-allotment option).

The Public Offering and the Concurrent Private Placement (collectively, the "Offering") is scheduled to close on or about November 21, 2016, and is subject to customary conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the Australian Securities Exchange.

The Company plans to direct approximately \$40.5 million of the net proceeds of the Offering to construction readiness activities for its newly acquired Banfora gold project in Burkina Faso, West Africa. Such activities are expected to include additional development drilling, updating technical reports, engineering design optimization studies, front end engineering and securing an owners team to support a technical report prepared in accordance with NI 43-101 on the Banfora gold project, as well as commencement of village relocation activities, and site construction works and project administration. Such activities are anticipated to begin in the weeks following the closing of the Offering and continue to August 2017. The Company intends to allocate a further \$13.5 million of the net proceeds of the Offering to fund exploration activities associated with its Banfora, Golden Hill and Gourma gold projects in Burkina Faso, with the balance of the net proceeds of the Offering to be used for working capital and general corporate purposes.

Although the Company intends to use the net proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments in the Company's mineral properties or unforeseen events.

The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor in any other jurisdiction.

Retraction of Banfora Gold Project Resource and Reserve Estimate Disclosure

On June 19, 2016 the Company issued a press releases related to an agreement to acquire Gryphon Mineral Limited and reported that the Banfora gold project currently has mineral resources and mineral reserves and the Company's proven and probable reserve base increased by 35% to 3.7 million ounces. On October 26, 2016 the

Company issued a press release on exploration activities on the newly acquired Gryphon Mineral Limited assets stating that drill results confirmed the Banfora reserve model and potential for reserve expansion.

After further review of the source information, the Company is unable to re-state the estimate in compliance with NI 43-101 requirements; consequently, the Company retracts the estimate described therein in its entirety. The Company advises and cautions readers that the retracted disclosure may continue to be found in the public domain.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Teranga's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Wherever possible, words such as "plans", "expects", "does not expect", "budget", "scheduled", "trends", "indications", "potential", "estimates", "predicts", "forecasts", "anticipate" or "does not anticipate", "believe", "intend", "ability to" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, have been used to identify such forward looking information. Forward-looking statements include, without limitation, all disclosure regarding possible events, conditions or results of operations, future economic conditions and anticipated courses of action. Specific forward-looking statements in this press release include the development and construction readiness activities associated with the Banfora gold project, as well as exploration activities associated the Banfora, Golden Hill and Gourma exploration projects.as well as the anticipated costs and results of such activities including the timing and the completion of technical reports for the Banfora gold project. Although the forward-looking statements contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Teranga cannot be certain that actual results will be consistent with such forward looking statements. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga, as well as other risks and uncertainties which are more fully described in Teranga's Amended and Restated Annual Information Form dated November 15, 2016, and in other filings of Teranga with securities and regulatory authorities which are available at www.sedar.com. Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities. All references to Teranga include its subsidiaries unless the context requires otherwise.



About Teranga Gold

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of more than 5,000km² of land located on prospective gold belts.

Since its initial public offering in 2010, Teranga has produced more than 1.2 million ounces of gold from its operations in Senegal where it is uniquely positioned with the only commercial gold mill in country. Concurrent with its production and development activities, exploration programs are underway to increase its reserve base through resource conversion and making major new discoveries. Teranga has a strong balance sheet and the financial flexibility to continue to grow its business.

Steadfast in its commitment to set the benchmark for responsible mining, Teranga operates in accordance with the highest international standards and aims to act as a catalyst for sustainable economic, environmental, and community development as it strives to create value for all of its stakeholders. For more information, please go to www.terangagold.com.

Contact Information

Richard Young
President & CEO

T: +1 416-594-0000 | E: ryoung@terangagold.com

Trish Moran

Head of Investor Relations

T: +1 416-607-4507 | E: tmoran@terangagold.com