

FORM 51-102F3
MATERIAL CHANGE REPORT
FILED PURSUANT TO NATIONAL INSTRUMENT 51-102

Item 1 Name and Address of Company

Teranga Gold Corporation ("Teranga" or the "Company")
121 King Street West, Suite 2600
Toronto, Ontario
M5H 3T9

Item 2 Date of Material Change

November 21, 2016.

Item 3 News Release

The news release attached hereto as Appendix "A" was issued by Teranga through Marketwired and also filed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com on November 21, 2016.

Item 4 Summary of Material Change

On November 21, 2016, Teranga completed its previously announced offering of a total of 62,000,000 common shares (the "**Common Shares**") at a price of \$1.05 per Common Share (the "**Issue Price**"), for aggregate proceeds to the Company of approximately \$65.1 million (the "**Offering**"). Under the Offering, 32,500,000 Common Shares were issued to a syndicate of underwriters co-led by RBC Dominion Securities Inc. ("**RBC**") and Cormark Securities Inc. ("**Cormark**") and including BMO Nesbitt Burns Inc. (together with RBC and Cormark, the "**Underwriters**") at the Issue Price for gross proceeds to the Company of approximately \$34.1 million. At the closing of the Public Offering, the Underwriter also partially exercised their over-allotment option and purchased an additional 2,155,000 Common Shares from Teranga at the same price of \$1.05 per Common Share for additional gross proceeds of approximately \$2.3 million.

An additional 29,500,000 Common Shares were also issued on a non-brokered private placement basis at the Issue Price to Tablo Corporation ("**Tablo**") for gross proceeds to the Company of approximately \$31 million.

See also the news release attached hereto as Appendix "A".

Item 5 Full Description of Material Change

On November 21, 2016, Teranga completed its previously announced offering of a total of 62,000,000 Common Shares at a price of \$1.05 per Common Share, for aggregate proceeds to the Company of approximately \$65.1 million. Under the Offering, 32,500,000 Common Shares were issued to the Underwriters at the Issue Price for gross proceeds to the Company of approximately \$34.1 million (the "**Public Offering**"). In connection with the Public Offering, the Underwriters were granted an option,

exercisable in whole or in part, at any time up to 30 days following the closing of the Public Offering, to purchase up to an additional 4,875,000 Common Shares at the Issue Price to cover over-allotments, if any (the “**Over-Allotment Option**”). At the closing of the Public Offering, the Underwriter also partially exercised the Over-Allotment Option and purchased an additional 2,155,000 Common Shares from Teranga at the same price of \$1.05 per Common Share for additional gross proceeds of approximately \$2.3 million.

An additional 29,500,000 Common Shares (the “**Concurrent Private Placement Common Shares**”) were also issued on a non-brokered private placement basis at the Issue Price to Tablo for gross proceeds to the Company of approximately \$31 million (the “**Concurrent Private Placement**”) pursuant to the terms of a subscription agreement between the Company and Tablo dated November 1, 2016 (the “**Subscription Agreement**”).

Following the completion of the Offering, Tablo now holds a total of 97,981,960 Common Shares, or 18.26%, of Teranga’s issued and outstanding Common Shares (calculated on a non-diluted basis and not including exercise of the Over-Allotment Option).

Pursuant to the terms of the Subscription Agreement, each of Teranga and Tablo made customary representations and warranties, including as to their incorporation and existence, having all necessary corporate authority to execute and deliver the Subscription Agreement, the due execution and delivery of the Subscription Agreement and compliance with applicable securities laws. Tablo also made other customary representations and warranties to Teranga in the Subscription Agreement, including as to its eligibility to purchase the Concurrent Private Placement Shares and as to the source of the funds used to subscribe for the Concurrent Private Placement Shares. Each of Teranga and Tablo also made customary covenants in the Subscription Agreement, including regarding the compliance with applicable securities laws in connection with the issuance, purchase, holding and resale of the Concurrent Private Placement Shares, and the delivery and filing of all required reports, undertakings and other documents required under applicable securities laws in connection with the offer, sale and issuance of the Concurrent Private Placement Shares, as applicable. A copy of the Subscription Agreement has been filed and is available on SEDAR.

The purpose of the Concurrent Private Placement is to provide Teranga with additional funds to be used as set forth in the “Use of Proceeds” section of Teranga’s final short form prospectus dated and filed on SEDAR November 15, 2016. The Concurrent Private Placement was approved by the board of directors of Teranga (the “**Board**”), on the recommendation of the Finance Committee of the Board. At the meeting of the Board where the Public Offering and Concurrent Private Placement were considered, as an interested party, Mr. David Mimran, who holds a controlling interest in Tablo, disclosed his interest in such transactions and did not vote on resolutions of the Board approving the same, which resolutions were approved unanimously by all other directors of the Company.

The Issue Price was determined by negotiation between the Company, RBC and Cormark. The Concurrent Private Placement Common Shares were priced at the same price as the Common Shares sold under the Public Offering, after the Issue Price was

determined. No formal valuation of Teranga was required or undertaken in connection with the Concurrent Private Placement and no prior valuation of Teranga has been done in the last 24 months and no such valuation is known, after reasonable inquiry, to Teranga or to any director or senior officer of the Company. In proceeding with the Concurrent Private Placement, Teranga has relied on the exemptions from the valuation and minority approval requirements contained in Sections 5.5 (a) and 5.7(a), respectively (i.e. "Fair Market Value Not More than 25 Per Cent of Market Capitalization") of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*. The Company had not filed a material change report 21 days prior to the closing of the Concurrent Private Placement as the details of the participation of Tablo had not been confirmed at that time.

See also the news release attached hereto as Appendix "A".

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This material change report is not being filed on a confidential basis.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Further information regarding the matters described in this report may be obtained from Trish Moran, Head of Investor Relations, who is knowledgeable about the details of the material change and may be contacted at 416-607-4507 or tmoran@terangagold.com.

Item 9 Date of Report

November 21, 2016.

APPENDIX "A"



News Release

Teranga Gold Completes \$67.4 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 21, 2016 – Teranga Gold Corporation ("**Teranga**" or the "**Company**") (TSX: TGZ) (ASX: TGZ) announced today that it has completed the previously announced offering of 32,500,000 common shares ("**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 \$34.1 million (the "**Public Offering**"). At the closing of the Public Offering, the Underwriters also partially exercised their over-allotment option and purchased an additional 2,155,000 Common Shares from Teranga at the same price of \$1.05 per Common Share for additional gross proceeds of approximately \$2.3 million.

As previously announced, an additional 29,500,000 Common Shares were also 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, holds a total of 97,981,960 Common Shares, or 18.26%, of the issued and outstanding Common Shares (calculated on a non-diluted basis and not including the exercise of the balance of the over-allotment option).

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.

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. 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.

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