

**CLEANSING STATEMENT UNDER CORPORATIONS ACT (Australia)****UPDATE ON OVERALLOTMENT OPTION****NOTIFICATION UNDER SUBSECTION 708A(5)(e) OF THE CORPORATIONS ACT**

November 23, 2016

The Manager  
Companies Announcement Office  
ASX Limited  
Level 10, 20 Bridge Street  
SYDNEY NSW 2000

On 21 November 2016, Teranga Gold Corporation ARBN 146 848 508 (**Company**) (ASX/TSX: TGZ) issued 64,155,000 fully paid common shares in the capital of the Company (**Shares**) (which may be converted into CHESS Depository Interests (**CDIs**) at any time at the election of the holder of the Shares) at an issue price of Cdn\$1.05 per Share, as detailed in the short form prospectus which was announced to the market on 16 November 2016.

The *Corporations Act 2001* (Cth) (**Act**) (Australia) restricts the offer for sale of securities without a disclosure document unless the relevant sale satisfies an exemption set out in section 708 or section 708A of the Act. Accordingly, the Company seeks to rely on an exemption in section 708A of the Act (as modified by ASIC Class Order [CO 14/827] (**Class Order**)) with respect to the sale of any CDIs which are issued on conversion of the Shares.

As required by subsection 708A(5)(e) of the Act (as modified by the Class Order), the Company gives notice that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this Notice, the Company has complied with the requirements of:
  - (i) section 601CK of the Act; and
  - (ii) section 674 of the Act; and
- (c) as at the date of this Notice there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (A) the rights and liabilities attaching to the Company's securities.

Yours faithfully



David Savarie  
General Counsel & Corporate Secretary

**WAIVER OF OVER-ALLOTMENT OPTION UNDER PUBLIC OFFERING**

Pursuant to the terms of underwriting agreement dated November 7, 2016 (**Underwriting Agreement**), between the Company and RBC Dominion Securities Inc. and Cormark Securities Inc., as co-lead underwriters, together with BMO Nesbitt Burns Inc. (collectively, **Underwriters**), the Underwriters were granted an over-allotment option to purchase an additional 4,875,00 common shares at the offering price of Cdn\$1.05 (**Over-Allotment Option**) under a Public Offering initially announced on November 1, 2016. Upon closing of the Public Offering on November 21, 2016 the Underwriters purchased an additional 2,1550,000 common shares of the Company under the Over-Allotment Option.

The Company now wishes to confirm that the Underwriters have given notice that they have waived the balance of the Over-Allotment Option and that such option is hereby terminated.