Appendix 4D

Half year report

Expressed in ***United States dollars*** *unless otherwise stated*

ASX Listing Rule 4.2A.3

Name of entity

TERANGA GOLD CORPORATION

ABN or equivalent company reference	Financial half year ended ('current period')
766452-4	**30 JUNE 2016**

Results for announcement to the market

		Six months ended June 30	
	Percentage Change	**2016 $'000**	**2015 $'000**
Revenues from ordinary activities	19%	152,760	128,555
Profit from ordinary activities before tax attributable to equity holders of the parent	(7%)	23,551	25,434
Profit for the period attributable to equity holders of the parent	(29%)	13,958	19,714

OVERVIEW OF THE BUSINESS

Teranga is a Canadian-based gold company listed on both the Toronto and Australian stock exchanges (TSX/ASX: TGZ) and engaged in the production, sale, exploration and development of gold. As of June 30, 2016, Teranga operated one multi-deposit mine in Senegal, West Africa where it has produced more than 1.2 million ounces since 2010. At December 31, 2015, Sabodala had 2.6 million ounces of proven and probable reserves.

As part of its strategy to create a multi-jurisdictional gold producer, with diversified production and cash flow, Teranga entered into two transactions during the second quarter 2016.

In June, Teranga announced that it had entered into an agreement to acquire Gryphon Minerals Limited ("Gryphon") for $63 million in an all share transaction. Gryphon's key asset is the 90 percent-owned Banfora gold project ("Banfora"), a fully permitted, high grade, open pit gold project located in Burkina Faso, West Africa. Banfora currently has a measured and indicated gold mineral resource of 2.98 million ounces (67.1Mt at 1.39g/t) and an inferred gold mineral resource of 0.66 million ounces (15.9Mt at 1.30g/t) (0.5 g/t lower cut off)[(a)].

In January 2013 Gryphon announced a proven and probable reserve of 1.05 million ounces (16.7 Mt at 1.95g/t) contained within a series of open pit deposits as part of a Feasibility Study on a 2Mtpa CIL operation. The reserve estimate is inclusive of the January 2013 resource of 39.7 Mt @ 2.1 g/t (0.9 g/t lower cut off)[(b)]. There is potential to add reserves in each of these deposits, and through a number of exploration targets located on Gryphon's highly prospective land package, each of which is within trucking distance of the proposed mill.

In conjunction with this acquisition, Teranga also announced that Tablo Corporation, a privately-held investment company controlled by Mr. David Mimran, a director of Teranga, intends to exercise its antidilution right that will result in an equity placement to preserve its 13 percent ownership (on a non-dilutive basis).

Additionally, Teranga entered into a joint venture with Miminvest SA (“Miminvest), a privately-held company also controlled by Mr. Mimran, relating to the exploration, development and production of minerals in the Côte d'Ivoire, including permits owned by Miminvest. Groupe Mimran, a company controlled by the Mimran family, has been operating in the Côte d'Ivoire since 1963 and own the largest flour producer in the country.

Like Senegal, both Burkina Faso and Côte d'Ivoire have proven to be mining-friendly jurisdictions.

Commentary on the results for the reporting period

Review of Operating Results

Operating Results		Three months ended June 30, 2016	2015	Change	Six months ended June 30, 2016	2015	Change
Ore mined	('000t)	363	1,893	(81%)	1,268	4,139	(69%)
Waste mined - operating	('000t)	6,307	5,192	21%	13,307	8,811	51%
Waste mined - capitalized	('000t)	2,787	1,221	128%	3,448	4,062	(15%)
Total mined	('000t)	9,457	8,306	14%	18,023	17,012	6%
Grade mined	(g/t)	3.53	1.18	199%	2.55	1.17	118%
Ounces mined	(oz)	41,272	71,781	(43%)	104,085	156,160	(33%)
Strip ratio	waste/ore	25.0	3.4	635%	13.2	3.1	326%
Ore milled	('000t)	1,006	951	6%	2,058	1,812	14%
Head grade	(g/t)	1.76	1.77	(1%)	2.00	1.83	9%
Recovery rate	%	92.1	91.4	1%	93.0	92.0	1%
Gold produced[1]	(oz)	52,540	49,392	6%	123,267	98,034	26%
Gold sold	(oz)	58,297	50,074	16%	125,968	106,297	19%
Average realized price	$/oz	1,261	1,198	5%	1,212	1,208	0%
Total cash costs (incl. royalties)[2]	$/oz sold	619	602	3%	591	606	(2%)
All-in sustaining costs[2]	$/oz sold	968	948	2%	891	891	0%
Mining	($/t mined)	2.25	2.40	(6%)	2.20	2.22	(1%)
Mining long haul	($/t hauled)	4.00	-	NA	4.47	-	NA
Milling	($/t milled)	10.46	12.37	(15%)	10.62	13.45	(21%)
G&A	($/t milled)	4.68	3.89	20%	4.34	4.41	(2%)

[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 that do not have a standard meaning under IFRS. Please refer to Non-IFRS Performance Measures in the Company's in the Company's Second Quarter 2016 Management's Discussion and Analysis.

Mining

Total tonnes mined for the six months were 6 percent higher than the prior year period due to an increase in the utilization of the mobile equipment fleet to meet the 2016 mine plan. Mining activities in the current year have been mainly focused on the lower benches of the Masato deposit completed during the first quarter and the Gora and Golouma deposits which have been active throughout the first half of the year. In the prior year period, mining was focused on the upper benches of Masato and completion of Phase 3 of the Sabodala pit. Total tonnes mined for the second half of 2016 are expected to be similar to the first half. Golouma and Gora will continue to be mined through the remainder of the year while stripping will begin at the Kerekounda deposit in the third quarter.

Ore tonnes mined for the six months were 69 percent lower compared to the prior year period, while ore grades mined were 118 percent higher, as mining has shifted to the higher grade deposits at Gora and Golouma, supplemented with oxide ore stockpiled in 2015 from Masato. While in line with the 2016 plan, total ounces mined during the six months decreased by 33 percent compared to the prior year period. For 2016, the plan is to mine about 200,000 ounces of high grade ore and stockpile a portion of that and to supplement mill feed with lower grade stockpiled ore to meet the Company's production guidance for the year.

Processing

Ore tonnes milled for the six months were 14 percent higher than the prior year period and represents the highest half year throughput in the Company's history. The higher throughput rates are a result of a favourable mill feed blend and improved productivity with certain elements of the mill optimization now complete. Mill feed for the second half will be sourced from the Gora and Golouma deposits, as well as, lower grade stockpiles.

Head grade for the six months was 9 percent higher than the prior year period mainly due ore feed from the high grade Golouma and Gora deposits. In the prior year period, lower grade Masato and Sabodala were the only contributors to mill feed and average head grade was lower than the first half of 2016.

Gold production for the six months was a Company record 123,267 ounces, 26 percent higher than the prior year period, mainly due to higher mill throughput and higher head grades.

Costs – site operations

Total mining costs for the six months were $39.7 million, 5 percent higher than the prior year period due to a 9 percent increase in material movement. On a unit basis, mining costs for the six months were slightly lower than the prior period due to lower fuel prices.

Total processing costs for the six months were $21.9 million, 10 percent lower than the prior year period, despite a 14 percent increase in mill throughput due in large part to lower fuel prices. As a result, unit processing costs decreased by 21 percent compared to the prior year period.

Total mine site general and administrative costs for the six months were $8.9 million, 12 percent higher than the prior year period mainly due to timing of expenditures. On a unit basis, mine site general and administrative costs decreased by 2 percent over the prior year period due to an increase in tonnes milled offset by higher costs.

Total cash costs decreased by 2 percent to $591 per ounce for the six months, compared to the prior year period, mainly due to lower processing costs and higher production.

All-in sustaining costs per ounce for the six months were in line with the prior year period as higher growth capital expenditures related to the mill optimization project and higher development capital were offset by lower cash costs.

Review of Financial Results

	Three months ended June 30,			Six months ended June 30,		
(US$000's, except where indicated)	**2016**	**2015**	**% Change**	**2016**	**2015**	**% Change**
Revenue	73,562	60,064	22%	152,760	128,555	19%
Cost of sales[1]	(48,227)	(43,827)	10%	(100,758)	(92,600)	9%
Gross profit	**25,335**	**16,237**	**56%**	**52,002**	**35,955**	**45%**
Exploration and evaluation expenditures	(1,511)	(925)	63%	(2,924)	(1,734)	69%
Administration expense[1]	(1,976)	(2,802)	(29%)	(3,549)	(5,793)	(39%)
Corporate social responsibility expenses[1]	(1,065)	(736)	45%	(2,032)	(1,210)	68%
Share-based compensation	(2,601)	(1,041)	150%	(3,549)	(1,368)	159%
Finance costs	(1,266)	(748)	69%	(2,337)	(1,397)	67%
Net foreign exchange gains (losses)	(366)	391	N/A	(1,849)	1,682	N/A
Other income (expense)	(2,937)	247	N/A	(7,897)	2,030	N/A
Profit before income tax	**13,613**	**10,623**	**28%**	**27,865**	**28,165**	**(1%)**
Income tax expense	(5,750)	(3,584)	60%	(10,659)	(6,356)	68%
Profit for the period	**7,863**	**7,039**	**12%**	**17,206**	**21,809**	**(21%)**
Profit attributable to non-controlling interests	(1,717)	(313)	449%	(3,248)	(2,095)	55%
Profit attributable to shareholders of Teranga	**6,146**	**6,726**	**(9%)**	**13,958**	**19,714**	**(29%)**
Basic earnings per share	0.02	0.02	0%	0.04	0.06	(33%)

[1] In 2016 in order to better align costs with industry peers, the Company has reclassified regional administration costs directly relating to cost of sales activities from administration expenses to cost of sales and corporate social responsibility costs to a separate line in the financial statements for the current and prior period.

Net profit

Consolidated net profit attributable to shareholders for the six months ended June 30, 2016 was $14.0 million ($0.04 per share), compared to consolidated net profit of $19.7 million ($0.06 per share) in the prior year period. The decrease in profit in the current year is due to higher income taxes and non-controlling interest expense.

Revenue

Revenue for the six months ended June 30, 2016 increased by 19 percent over the prior year period due to increased sales volume. Gains and losses on gold derivative contracts have been classified within other income (expense).

	Six months ended June 30,		
Spot price per ounce of gold	**2016**	**2015**	**% Change**
Average	$1,221	$1,206	1%
Low	$1,077	$1,147	(6%)
High	$1,325	$1,296	2%

Cost of Sales

(US$000's)	Six months ended June 30,		
Cost of Sales	**2016**	**2015**	**% Change**
Mine production costs - gross	72,597	70,350	3%
Capitalized deferred stripping	(10,604)	(9,785)	8%
Capitalized deferred stripping - non-cash	(865)	(989)	-13%
	61,128	59,576	3%
Depreciation and amortization - deferred stripping assets	964	4,609	(79%)
Depreciation and amortization - property, plant & equipment and mine development expenditures	19,512	18,774	4%
Royalties	8,254	6,373	30%
Amortization of advanced royalties	1,682	756	122%
Regional administration costs[1]	1,051	1,286	(18%)
Inventory movements	2,682	(3,122)	N/A
Inventory movements - non-cash	5,485	4,348	26%
	8,167	1,226	566%
Total cost of sales	**100,758**	**92,600**	**9%**

[1]In 2016 in order to better align costs with industry peers, the Company has reclassified regional administration costs from administration expense to cost of sales for the current and prior period.

For the six months ended June 30, 2016, total cost of sales increased by $8.2 million over the prior year period to $100.8 million primarily due to higher inventory movement expense and higher royalties, partly offset by lower depreciation expense in the current period.

Mine production costs (before capitalized deferred stripping) of $72.6 million were $2.2 million higher than the prior year period. See Review of Operating Results section for additional information.

In the six months ended June 30, 2016, $11.5 million of deferred stripping costs were capitalized relating to Gora which is amortized as the deposit is mined. The prior year period amount of $10.8 million relates to the capitalization of stripping costs at the Masato deposit.

Depreciation and amortization expense for the six months ended June 30, 2016 was $20.5 million, $2.9 million lower than the prior year period. Depreciation expense in 2016 reflects reductions in the carrying value of property, plant and equipment and mine development expenditures as a result of non-cash impairment charges recorded in December 2015.

For the six months ended June 30, 2016, $9.9 million of royalties were expensed compared to $7.1 million in the prior year period. The increase was primarily due to higher revenue in the current period, higher amortization of advanced royalties related to production from the former OJVG deposits and royalties related to Gora.

Inventory movements in the six months ended June 30, 2016 resulted in an increase to cost of sales of $8.2 million compared to an increase of $1.2 million in the prior year period. The increase to cost of sales in the current period is primarily due to the processing of approximately 38,000 ounces of stockpiled ore.

Exploration and Evaluation

Exploration and evaluation expenditures for the six months ended June 30, 2016 were $2.9 million, $1.2 million higher than the prior year period. The Company continues to take a systematic and disciplined approach to exploration.

Administration and Corporate Social Responsibility Costs

Administration expense for the six months ended June 30, 2016 was $3.5 million, $2.2 million lower than the adjusted prior year period. Lower administration expense in the current period is mainly due to lower corporate office costs and the impact of a 7 percent appreciation of the US dollar against the Canadian dollar, compared to the prior period.

Corporate social responsibility expense

CSR expense for the six months ended June 30, 2016 was $2.0 million, $0.8 million higher than the prior year period mainly due to timing of spend related to social commitments.

Share based Compensation

Share-based compensation expense for the six months ended June 30, 2016 was $3.5 million, $2.2 million higher than the prior year period due to expenses related to new grants of share-based awards issued during 2015 and first quarter 2016, and an increase in the Company's share price during the current year period.

The following table reconciles the number of stock options outstanding at the beginning of the year and as at June 30, 2016:

	Number of options	Weighted average exercise price
Balance as at January 1, 2016	**15,539,165**	**C$2.42**
Granted during the period	4,027,686	C$0.67
Forfeited during the period	(355,018)	C$0.77
Exercised during the period	(105,721)	C$0.64
Balance as at June 30, 2016	**19,106,112**	**C$2.09**
Number of options exercisable - December 31, 2015	12,670,177	
Number of options exercisable - June 30, 2016	13,649,611	

Of the 19,106,112 common share stock options issued and outstanding as at June 30, 2016, 13,649,611 are vested, 5,419,001 vest over a three-year period and 37,500 vest based on achievement of certain milestones. The fair value of options that vest upon achievement of milestones will be recognized based on management's best estimate of outcome of achieving desired results.

During the six months ended June 30, 2016, 150,000 DSUs were vested, 675,000 DSUs were issued and none were cancelled. Of the 1,920,000 DSUs outstanding at June 30, 2016, 1,395,000 were vested.

During the six months ended June, 2016, 6,025,183 RSUs were granted at an average price of C$0.67 per unit and 194,250 RSUs were forfeited. As of June 30, 2016 a total of 8,209,859 RSUs were outstanding of which 2,358,609 units were vested.

During the six months ended June 30, 2016, 137,500 fixed bonus plan units were granted to one employee and no units were forfeited or exercised. As at June 30, 2016, there were 1,797,500 Units outstanding that were granted on August 8, 2012, March 31, 2015 and March 31, 2016 with expiry dates ranging from March 31, 2020 through to February 24, 2022. Of the 1,797,500 Units outstanding as at June 30, 2016, 1,360,000 Units have an exercise price of C$3.00, 300,000 Units have exercise price of C$0.64 and 137,500 Units have an exercise price of C$0.67.

Finance Costs

Finance costs for the six months ended June 30, 2016 was $2.3 million, $0.9 million higher than the prior year period mainly due to higher interest expense on borrowings.

Net Foreign Exchange Gains

Net foreign exchange losses of $1.8 million were realized by the Company in the six months ended June 30, 2016 primarily due to realized and unrealized foreign exchange losses recorded primarily during the first quarter 2016 as the Euro appreciated relative to the US dollar.

Other Income (expense)

Other expense for the six months ended June 30, 2016 was $7.9 million compared with other income of $2.0 million in the prior year. Other expense in the current period included $2.9 million in losses on gold derivative contracts, $2.5 million for business taxes, $1.0 million related to registration fees to merge the Sabodala and Golouma mining concessions as part of the acquisition of the Oromin Joint Venture Group ("OJVG"), as well as, miscellaneous non-recurring costs incurred during the period. Other income in the prior year period relates to realized gains on gold forward contracts.

Income tax expense

For the six months ended June 30, 2016, the Company recorded income tax expense of $10.7 million, comprised of current income tax expense of $10 million and deferred income tax expense of $0.7 million. In the prior year period, an income tax expense of $6.4 million was comprised of current income tax of $2.4 million and deferred income tax of $4.0 million. The Company became subject to a 25 percent corporate income tax rate calculated on profits in Senegal effective May 2, 2015.

Dividends (distributions)

	Amount per security	Franked amount per security
Interim dividend	–	–
Previous corresponding period	–	–
Record date for determining entitlements to the dividend	–	–

During the reporting period, no dividends were paid. The directors have not recommended the payment of a dividend.

Net tangible assets per common share

	2016	2015
Net tangible asset backing per common share	$1.23	$1.36

Details of entities over which control has been acquired or disposed of

In the six months ended June 30, 2016, no entities were acquired or disposed of.

Dividends

During the reporting period, no dividends were paid. The directors have not recommended the payment of a dividend.

Dividends per share

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:	Current year	–	–	–
	Previous year	–	–	–
Interim dividend:	Current year	–	–	–
	Previous year	–	–	–

Total dividend per share

		Current Period	Previous period
Final dividend:	Paid/payable on	–	–
Interim dividend:	Paid/payable on	–	–

Dividend reinvestment plans

Teranga does not have a dividend reinvestment plan.

Details of aggregate share of profits (losses) of associates and joint venture entities
Teranga has exploration licences and is a venturer in the following jointly controlled operations and assets:

Name of venture	Principal activity	2016 Interest %
Dembala Berola	Gold exploration	100
Massakounda	Gold exploration	100
Bransan	Gold exploration	70
Heremakono	Gold exploration	100 (i)
Sounkounkou	Gold exploration	100 (i)
Bransan Sud	Gold exploration	100
Sabodala Ouest	Gold exploration	100
Saiansoutou	Gold exploration	100

(i) As of June 18, 2015 Axmin elected to convert its 20% participating interest in all known exploration target areas across the two remaining permits under its Joint Venture Agreement into a 1.5% NSR interest. Axmin retains the right to elect a 20% participatory interest or a 1.5% NSR for any future exploration targets identified across these permits.

Compliance Statement

1 This report, and the accounts upon which this report is based, have been prepared in accordance with International Financial Reporting Standards (IFRS), specifically in accordance with IAS 34 “Interim financial reporting”, and Interpretations as issued by the International Accounting Standards Board (IASB).

2 This report, and the accounts upon which the report is based, use the same accounting policies.

3 This report gives a true and fair view of the matters disclosed.

4 This report is based on accounts to which one of the following applies.

- ☐ The accounts have been audited.
- ☑ The accounts have been subject to review.
- ☐ The accounts are in the process of being audited or subject to review.
- ☐ The accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately if they are available.

6 This Half-year report was reviewed by the audit committee of Teranga.

Sign here: .... Date: July 28, 2016
Chief Financial Officer

Print name: Navin Dyal

TERANGA GOLD 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 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 exploration programs are being managed by Peter Mann, FAusIMM. Mr. Mann is a full time employee of Teranga and is not "independent" within the meaning of National Instrument 43-101. Mr. Mann has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which 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. Mann is a "Qualified Person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. The technical information contained in this news release relating exploration results are based on, and fairly represents, information compiled by Mr. Mann. Mr. Mann has verified and approved the data disclosed in this release, including the sampling, analytical and test data underlying the information. The RC samples are prepared at site and assayed in the SGS laboratory located at the site. Analysis for diamond drilling is sent for fire assay analysis at ALS Johannesburg, South Africa. Mr. Mann has consented to the inclusion in this news release of the matters based on his compiled information in the form and context in which it appears herein.

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.

GRYPHON MINERALS COMPETENT AND QUALIFIED PERSONS STATEMENT

Resource Estimates

(a) As per August 4, 2014 Gryphon Minerals press release for 2Mtpa Heap Leach Feasibility Study.

The current Banfora Gold Project resource updated with the Heap Leach feasibility study and reported at the 0.5 g/t lower cutoff was released on August 4th 2014. The Nogbele and Fourkoura Deposits, are based on information compiled by Mr Sam Brooks who is a member of the Australian Institute of Geoscientists . Mr Brooks has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are 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 Brooks is a full time employee of Gryphon Minerals and has consented to the inclusion of the matters in this document based on his information in the form and context in which it appears. This information was prepared under the JORC 2012 code of reporting. The information in this document that relates to the Mineral Resources at the Stinger and Samavogo Deposits, is based on information compiled by Mr Dmitry Pertel who is a member of the Australian Institute of Geoscientists . Mr Pertel has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are 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 Pertel is a full time employee of CSA Global Pty Ltd and has consented to the inclusion of the matters in this document based on his information in the form and context in which it appears. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012.

(b) As per January 2013 2 Mt CIL Bankable Feasibility Study.

The information in this document that relates to the Mineral Resources forming the basis of the reserve estimate for the CIL study January 2013 is based on information compiled by Mr Dmitry Pertel who is a member of the Australian Institute of Geoscientists . Mr Pertel has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are 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 Pertel is a full time employee of CSA Global Pty Ltd and has consented to the inclusion of the matters in this document based on his information in the form and context in which it appears. This information was prepared and first disclosed under JORC Code 2004. It has not been updated since to comply with the JORC Code 2012.

Reserve Estimates

(as per January 31, 2013 Gryphon Minerals press release for 2Mtpa CIL Bankable Feasibility Study ("BFS"))

The maiden Ore Reserves for the Banfora Gold Project have been derived by Cube Consulting under the direction of Quinton de Klerk to a standard reportable in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources (JORC Code 2004 & NI43-101) and Ore Reserves" (JORC Code 2004) and are based on the Mineral Resource Models estimated by CSA Global in this announcement. The Ore Reserve estimate is based on the Mineral Resources classified as "Measured" and "Indicated" after consideration of all mining, metallurgical, social, environmental and financial aspects of the operation. The Proved Ore Reserve has been derived from the Measured Mineral Resource, and the Probable Ore Reserve has been derived from the Indicated Mineral Resource. The cut-off grades used in the estimation of the Banfora Ore Reserves are the non-mining, break-even gold grade taking into account mining recovery and dilution, metallurgical recovery, site operating costs, royalties and revenues. For reporting of Ore Reserves the calculated cut-off grades were rounded to the first decimal gram per tonne of gold. The cut-off grades vary depending on the material type and the pit location. The grades and metal stated in the Ore Reserves Estimate include mining recovery and dilution estimates. The Ore Reserve Estimate is reported within the open pit designs prepared as part of the BFS.