

Teranga Gold's Corporate Update in Advance of Precious Metals Summit Reflects Solid Execution Year-to-Date

Affirms 2016 Production and Cost Guidance

Completes Mill Optimization Ahead of Schedule and Below Budget

(All amounts are in U.S. dollars unless otherwise stated)

Toronto, Ontario – September 14, 2016 - Richard Young, President and CEO of Teranga Gold Corporation ("Teranga" or the "Company") (TSX: TGZ) (ASX: TGZ) will present at the Precious Metals Summit in Beaver Creek, Colorado tomorrow, Thursday, September 15, 2016, at 11:40 a.m. MDT / 1:40 p.m. EDT. A live webcast of Mr. Young's presentation and slides for simultaneous viewing will be available on Teranga's website at www.terangagold.com/events. The focus of the presentation will be on the Company's record year-to-date operating results and strategic growth initiatives, including its proposed acquisition of Gryphon Minerals Limited ("Gryphon") (ASX:GRY), as outlined in more detail in the corporate update below.

On Track to Achieve 2016 Production and Cost Guidance

Following record production of 123,267 ounces in the first half of the year, and together with third quarter production and costs on plan, the Company's Sabodala operation is on track to meet its 2016 guidance for production of between 200,000 and 215,000 ounces and all-in sustaining costs in the range of \$900 to \$975 per ounce for 2016.

Teranga achieved another company best for the first six months of 2016 with free cash flow per ounce of \$123⁽¹⁾. Teranga's pro forma June 30, 2016 cash balance was \$70 million⁽²⁾ and the Company expects to finish the year with a solid cash balance after the close of its proposed acquisition of Gryphon.

Completes Mill Optimization

The mill optimization, which was launched at Sabodala in mid-2015, is complete. The project was successfully commissioned in August 2016, coming in one quarter ahead of schedule and approximately 10 percent below the \$20 million budget. As outlined at the time the project was launched, expectations are for mill throughput rates to increase by 15 percent and costs to improve by 5 percent.

The mill achieved record high throughput rates in the first half of the year, due in part to certain elements of the mill optimization project having been completed.

Growing and Diversifying with Proposed Acquisition of Gryphon

As part of its proposed acquisition of Gryphon, a Scheme Meeting will be held by Gryphon at 10:00 a.m. (Perth time) on Friday, September 23, 2016 at 38 Station Street, Subiaco WA 6008. At the Scheme Meeting, Gryphon shareholders will consider and, if thought fit, agree to the proposal by Teranga to acquire all the ordinary shares in Gryphon by way of a scheme of arrangement in consideration for 0.169 Teranga CHES Depositary Interests or 0.169 common shares of Teranga.

"The proposed acquisition of Gryphon diversifies our asset base into mining-friendly Burkina Faso and lays the foundation for Teranga to become a multi-jurisdictional West African growth company," stated Richard Young, President and Chief Executive Officer of Teranga. "Gryphon's Board of Directors and management team remain unanimously in favour of the acquisition and we look forward to closing the transaction and working with the Gryphon team to advance the Banfora project and exploration on the regional properties."

Endnotes

(1) Free cash flow and free cash flow per ounce are defined as operating cash flow less capital expenditures.

(2) Pro forma cash balance at June 30, 2016 includes \$12.1 million of Value Added Tax which can be used to offset taxes and royalties owing to the Government of Senegal.

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 Gold Corporation’s (“Teranga” or the “Company”) 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. Specific forward-looking statements in this press release include anticipated 2016 results, Teranga’s estimated full year production total, anticipated future life of mine cash flows the timing of completion of the Arrangement and the Acquisition, the anticipated conversion of resources into reserves at the Banfora project, the timing and the completion of the updated 2Mtpa Feasibility Study for the Banfora project, the timing of completion of construction of the Banfora project including first gold pour, and anticipated future interest in joint venture projects. Although the forward-looking information 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 information. 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 Senegalese 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 Annual Information Form dated March 30, 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.

This press release contains references to Teranga using the words “we”, “us”, “our” and similar words and the reader is referred to using the words “you”, “your” and similar words.



About Teranga Gold

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 in West Africa.

Teranga's mission is to create value for all of its stakeholders as it pursues its vision to be a pre-eminent mid-tier gold producer in West Africa. Operating in accordance with the highest international standards and using the best available techniques, Teranga strives to set the benchmark for responsible mining and to be a catalyst for sustainable economic, environmental and community development. For more information, please refer to www.terangagold.com.

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