



REVISED ANNUAL INFORMATION FORM
For the year ended December 31, 2013

March 31, 2014

(Revised April 24, 2014)

REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form (“AIF”) contains forward-looking information, within the meaning of applicable Canadian securities legislation, which reflects management’s expectations regarding Teranga Gold Corporation’s (“Teranga”) future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial), business prospects and opportunities (including the timing and development of new deposits and the success of exploration activities), the proposed plans with respect to mine plan and consolidation of the Sabodala gold project, Golouma gold project, the approval of the Gora ESIA and permitting, and the completion of construction related thereto and opportunities. Wherever possible, words such as “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify such forward-looking information. Although the forward-looking information contained in this AIF 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. A number of factors could cause actual results, performance or achievements to differ materially from the results expressed or implied in the forward-looking information, including those listed in the “Risk Factors” section of this AIF. The documents incorporated by reference herein also identify additional factors that could affect the operating results and performance of Teranga. These factors should be considered carefully and prospective or existing investors should not place undue reliance on the forward-looking information. Forward-looking information necessarily involves significant known and unknown risks, assumptions and uncertainties that may cause Teranga’s actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking information. Although Teranga has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective or existing investors should not place undue reliance on such forward-looking information. The forward-looking information is stated as of the date of this AIF and, except as required under applicable laws, Teranga assumes no obligation to update or revise such information to reflect new events or circumstances.

Forward-looking information and other information contained herein concerning, among other things, mineral exploration and management’s general expectations concerning the mineral exploration industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable, including, 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 and courses of action. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data presented herein, mineral exploration involves risks and uncertainties and industry data is subject to change based on various factors.

In addition, please note that statements relating to “reserves” or “resources” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably mined in the future.

All of the forward-looking statements made in this AIF and the documents incorporated by reference herein are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Teranga.

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PRELIMINARY NOTES

Date of Information

In this AIF, unless the content otherwise requires, references to “our”, “us”, “its”, “the Company” or “Teranga” mean Teranga Gold Corporation and its subsidiaries. All the information contained in this AIF is as at December 31, 2013, the last day of the Company’s recently completed financial year, unless otherwise indicated.

Currency Conversion

The metric system is used throughout this AIF with the exception of gold quantities which are reported in troy ounces, in each case unless otherwise stated.

Abbreviations

Au	the chemical symbol for gold
g	gram
g/t	grams per tonne
km	kilometre
km ²	square kilometre
m	metre
mm	millimetre
Mtpa	million tonnes per annum
Mt	million tonnes
oz	troy ounce (31.1 grams)
ppb	parts per billion
t	tonne

Units of Measure

In this AIF, references to “\$” or “US\$” are to United States dollars, “CDN\$” are to Canadian dollars, and “AUS\$” are to Australian dollars. The Company’s financial statements are expressed in United States dollars. The noon rates of exchange on March 24, 2014, as reported by the Bank of Canada were as follows:

	US\$	CDN\$	AUS\$
US\$	\$1.00	\$1.12	\$1.10
CDN\$	\$0.89	\$1.00	\$0.98
AUS\$	\$0.91	\$1.02	\$1.00

Technical Information

The disclosure in this AIF of a scientific or technical nature, including disclosure of mineral reserves and resources, is based on the technical report entitled the “Sabodala Gold Project” dated March 13, 2014 (the “**Sabodala Technical Report**”) prepared by AMC Mining Consultants (Canada) Ltd. (“**AMC Mining**”) prepared in accordance with National Instrument 43-101 (“**NI 43-101**”) and other information that has been prepared by or under the supervision of qualified persons (as such term is defined in NI 43-101) and included in this AIF with the consent of such persons. The technical report has been filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and may be accessed electronically at www.sedar.com.

Actual recoveries of mineral products may differ from reported mineral reserves and resources due to inherent uncertainties in acceptable estimating techniques. In particular, inferred mineral resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an “inferred” mineral resource will ever be upgraded to a higher category of resource. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into proven and probable reserve.

INFORMATION INCORPORATED BY REFERENCE

The audited consolidated financial statements of the Company for the year ended December 31, 2013, together with the notes thereto (the “**Consolidated Financial Statements**”), as well as the Management Discussion and Analysis for the year ended December 31, 2013 (the “**MD&A**”) are specifically incorporated herein by reference. Such Consolidated Financial Statements and MD&A are available for review on SEDAR at www.sedar.com and on the ASX website at www.asx.com.au.

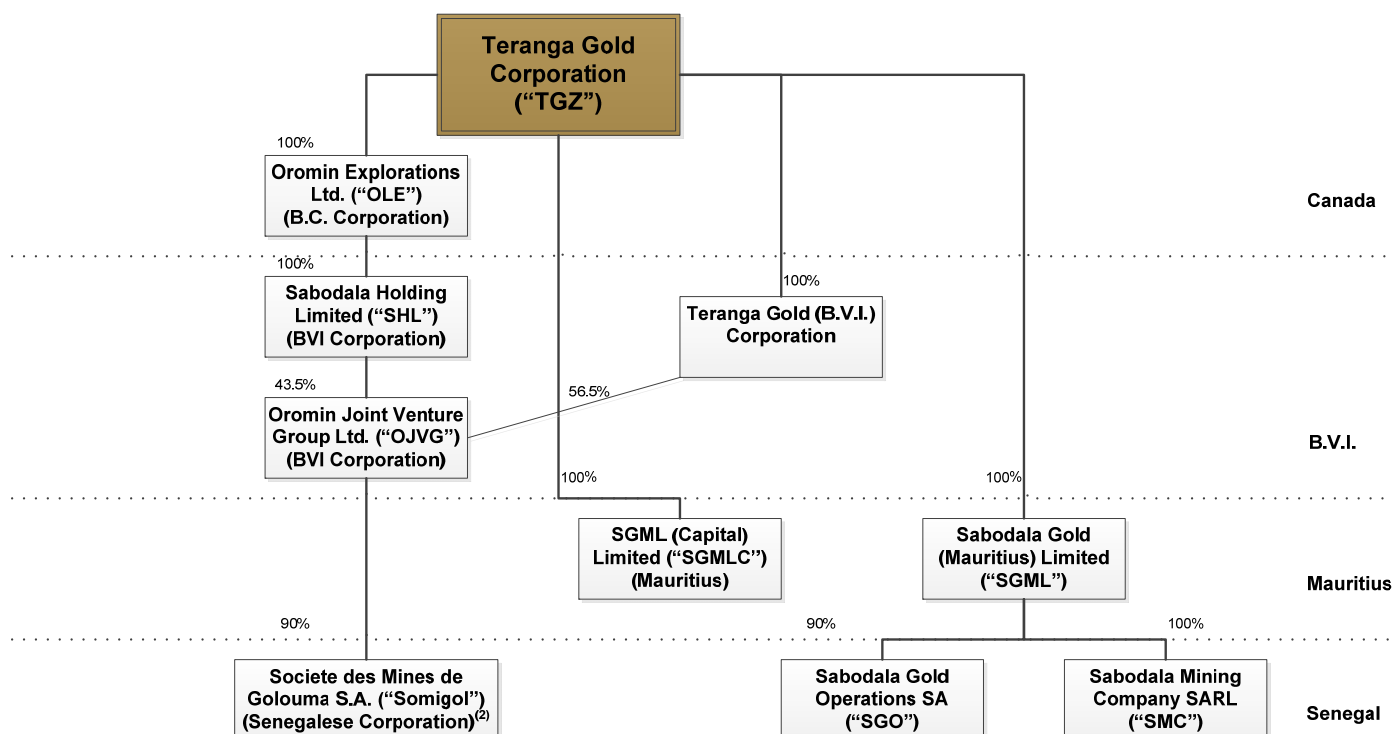
CORPORATE STRUCTURE

Name, Address and Incorporation

Teranga was incorporated on October 1, 2010 under the *Canada Business Corporations Act*. Teranga’s articles were subsequently amended on November 4, 2010 to, among other things, remove the private company transfer restrictions. Teranga’s head and registered office is at 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, Canada. Teranga’s website is www.terangagold.com, and its telephone number is (416) 594-0000.

Intercorporate Relationships

Teranga has nine material subsidiaries, including three key Senegalese operating companies: (1) Sabodala Gold Operations SA which holds the Sabodala Mining Concession and operates the Sabodala gold mine and mill; (2) Societe des Mines de Golouma SA which holds the Golouma Mining Concession (as defined herein); and (3) Sabodala Mining Company SARL which holds nine exploration leases. Set forth below is a chart reflecting the organizational structure of the Company and each of its material subsidiaries, as well as the percentage of ownership and jurisdiction of incorporation or continuance of each such subsidiary.



- (1) The Government of Senegal holds the remaining 10% of SGO, and of the 90% held by SGML, 0.5% is held by certain nominee directors thereof in accordance with the requirements of applicable Senegalese laws.
- (2) The Government of Senegal holds the remaining 10% of SOMIGOL, and of the 90% held by OJVG, 0.6% is held by certain nominee directors thereof in accordance with the requirements of applicable Senegalese laws.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Teranga is a Canadian based gold mining company committed to responsible mining and sustainable development in the communities in which it operates. Teranga was created to acquire the Sabodala Gold Project (including the producing Sabodala gold mine) as well as a large regional exploration package from Mineral Deposits Limited (“MDL”) pursuant to a demerger transaction (the “**Demerger**”) and subsequent initial public offering (together with the Demerger, the “**IPO**”). Teranga took over operational control of the Sabodala gold mine on November 23, 2010, the date of the Demerger, and the IPO was completed on December 7, 2010.

Over the last three years Teranga has focused exclusively on the development and growth of its Sabodala gold mine operation and regional exploration package in Senegal. Since the Demerger of the Sabodala Project from MDL in November 2010, Teranga has focused on creating shareholder value through increasing production, growing its resource base, extinguishing an inherited gold hedge position, establishing a new and truly mutually beneficial partnership with the State of Senegal and establishing an experienced management and corporate social responsibility team in Senegal.

With respect to operations, Teranga has completed three years of production at the Sabodala gold mine, exceeding 200,000 ounces of production in its last two years in line with guidance in terms of production and costs. In addition, Teranga has completed a mill expansion that increases the annual throughput rate from a design capacity of 2 Mtpa up to approximately a nominal capacity of 3.5 Mtpa of mainly hard ore with potential up to 4.0 Mtpa with a blend of oxidized ore.

With regards to the growth of its mineral reserve and resource base – through both exploration and acquisition – as of December 31, 2013 Teranga had a proven and probable reserve base of 2.8 million ounces, global measured and indicated resource base of 6.2 million ounces and global inferred resources of 2.6 million ounces.¹ As at the date of the IPO, Teranga estimated its proven and probable reserves at 1.46 million ounces, measured and indicated resources at 2.25 million ounces and 775,000 ounces of inferred resources. A material increase across all categories of mineralization has been achieved even before taking into account production over that same time period which has totaled over 550,000 ounces.

At the date of the IPO, Teranga inherited a gold forward sales (hedge) contract from MDL with Macquarie Bank Limited regarding 246,500 ounces of gold due to be delivered at prices between \$791 - \$846 per oz. The final delivery was due in August 2013. Teranga was able to close out this hedge contract four months ahead of schedule to allow Teranga shareholders full exposure to the gold price.

Throughout Teranga’s tenure it has worked diligently to develop trusting and transparent relationships amongst all levels of the Senegalese Government from the local to the national level. The Global Agreement and the subsequent Gold Stream Transaction with Franco-Nevada Corporation along with the OJVG Acquisition (all of which are discussed below) evidenced recent achievements in this regard.

Teranga has also established an experienced management team both at site and in its corporate office, which in 2013, oversaw not only a material acquisition of its neighbouring property (Oromin), described further below, but also successfully negotiated the Global Agreement with the State of Senegal which established the framework for the acquisition and integration of future mining properties in Senegal. Teranga has also added depth to its Board of Directors over the last year adding both Mr. Edward Goldenberg, Member of the Order of Canada and a former Chief of Staff to Former Prime Minister Chretien, and Dr. Jendayi Frazer who was the former U.S. Assistant Secretary of State for Africa Affairs (2005-2009) after having served as the first woman U.S. Ambassador to South Africa (2004). Both Mr. Goldenberg and Dr. Frazer join Teranga’s Board with tremendous credentials and add needed depth in government relations, corporate social responsibility and African experience in both investment and government affairs.

Finally, Teranga’s significant investment in corporate social responsibility has and is expected to continue to generate significant positive spin-offs for the local and regional population in terms agriculture and food security, youth education and training, health care and, of course, long term employment.

Given Teranga’s position as the operator of the only gold production facility in country, its ability to leverage existing infrastructure and a framework for future investment established with the State of Senegal, it is committed to Senegal

¹ For a detailed breakdown of these mineral resource and reserve estimates please see the tables on pages 47-51 of this AIF.

for the long term. Teranga's focus remains only in Senegal, only on gold and operating in a manner to maximize free cash flow generation.

Significant Acquisitions

On October 4, 2013, Teranga completed the acquisition of Oromin Explorations Ltd. ("**Oromin**"), a Canadian gold mining company listed on the TSX. Oromin held a 43.5% participating interest in a joint venture, the Oromin Joint Venture Group ("**OJVG**"). The OJVG held a 90 percent interest in Societe des Mines de Golouma SA ("**SOMIGOL**"), an operating company created under the laws of Senegal, in which the Government of Senegal owns the remaining 10%. SOMIGOL holds the Golouma Mining Concession, a 212.6km² landholding located in the Kedougou region of Senegal that is contiguous with the Sabodala Mining Concession.

On January 15, 2014, Teranga completed a \$135 million stream transaction with Franco-Nevada Corporation ("**Franco Nevada**") to fund its acquisition of the balance of the OJVG that it did not already own, and to, retire half of the Company's loan facility with Macquarie Bank Limited of \$30 million (the "**Gold Stream Transaction**"). Upon completion of the Gold Stream Transaction, Teranga acquired Bendon International Limited's ("**Bendon**") 43.5% participating interest in the OJVG for \$105 million and Badr Investment Ltd.'s ("**Badr**") 13% carried interest for \$7.5 million. The acquisition of Bendon and Badr's interests increased Teranga's ownership of the OJVG to 100%. Teranga's consolidation of its interest in the OJVG allows the Company to move forward in combining the Sabodala and Golouma Mining Concessions and leveraging the existing Sabodala mill and related infrastructure.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Sabodala and Golouma gold mining projects are located approximately 650 kilometers east of the capital of Senegal, Dakar within the West African Birimian geological belt in Senegal, and about 90km from major gold mines in Mali. The Sabodala mill was the first and remains the only large-scale gold mine to come into operation in Senegal. With Teranga's 100% ownership of OJVG, it has amalgamated its land package in the Sabodala region, increasing the size of Teranga's landholding from 33km² to 246km² with the proposed integration of the two permitted and adjacent mine licenses of Sabodala (33km²) and Golouma (213km²).

In addition to the Sabodala and Golouma mine licenses, the Company holds one of the largest gold exploration land positions in Senegal with a direct or majority controlling joint venture interest in nine exploration leases held by Sabodala Mining Company SARL ("**SMC**"), comprising a total land area of approximately 1,055km². For a summary of total proven and probable mineral reserves within the Sabodala and Golouma Mining Concessions as at December 31, 2013, see the table on page 51 under "Mineral Reserves" within the Mineral Resources section beginning on page 47.

Over the past several years more than 10 million ounces of measured and indicated resources have been identified within the south eastern Senegal region, including: the Massawa, Golouma, Makabingui and Mako projects, along with the Company's own Sabodala gold mine. Management believes that Senegal is emerging as a significant new gold district.

Sabodala Mining Concession

On March 23, 2005, the previous owner of the Sabodala project entered into a mining agreement with the Government of Senegal (the "**Sabodala Mining Convention**"). The Sabodala Mining Convention sets out the legal, financial, fiscal, administrative and specific corporate conditions under which MDL (and now SGO, as successor) would undertake its mining operations within the perimeter of the Sabodala Mining Concession. On June 9, 2005, the Government of Senegal issued an exploitation permit to MDL to conduct mining operations pursuant to the terms of the Sabodala Mining Convention and the Senegalese Mining Code ("**Mining Code**"). Under the Mining Code, rights conferred on the holder of an exploitation permit include, but are not limited to, the exclusive right of exploitation (within the boundaries of its perimeter and indefinitely at depth) and the free disposal of mineral substances for which the permit is issued. On January 22, 2007, a subsequent amendment to the Sabodala Mining Convention was concluded in order to grant MDL a ten year (renewable) mining concession (the "**Sabodala Mining Concession**") effective from the date of its formal approval by way of Presidential Decree. The Presidential Decree formally granting the Sabodala Mining Concession was signed on April 30, 2007, and the Ministerial Notification letter, authorizing the commencement of the investment and related mining phases of the project, was issued on May 2, 2007. In July 2008 the Sabodala Mining Convention was further amended to reflect the accession of SGO as the title holder of the Sabodala Mining Concession replacing MDL.

In November 2007, pursuant to the terms of a shareholders agreement establishing SGO, the Senegalese Government retained a 10% interest in SGO, to be activated following the repayment of initial capital plus interest. Prior to such repayment, the Government of Senegal is not entitled receive dividends. Similarly, upon the expiry of certain 8 year tax exemptions, in 2015 a tax rate of 25% is applicable to mining profits going forward.

On May 31, 2013, Teranga executed a series of definitive agreements with the Government of Senegal which included: amendments to the Company's 90% held Sabodala Mining Convention; amendments to certain exploration permits of the Company; a financial settlement agreement that addressed outstanding tax assessments; and a future royalty as well as other payments to the Government of Senegal. Collectively, the definitive documentation constitutes a global agreement that sets out a predictable and stable fiscal operating environment for the Company's future investment in exploration, acquisitions and development in Senegal (the "**Global Agreement**").

The Global Agreement provided, amongst other matters, the following key amendments to Teranga's SGO mineral tenure rights in Senegal:

- A price and formula to allow for the acquisition of the Government of Senegal's additional participation option on mineral deposits (not on the Sabodala Mine License) and to incorporate these into the existing Sabodala Mining Convention and fiscal regime;
- Extension of the term of the renewable Sabodala Mine License by five years to 2022;
- Extending five key exploration licenses by a further 18 months beyond current expiry periods; and
- Royalty rate increase, from 3 to 5%, effective January 1, 2013 and the prepayment of \$13.3 million in dividends (that is otherwise payable under the Sabodala Mining Convention), based on expected performance over the period 2013 to 2015.

Teranga has agreed to establish a social development fund payable at mine closure. The fund is targeted at \$15 million based on gold price performance over the next three years.

Gora Project

In December of 2013, the Sabodala Mining Convention was amended to include a second additional perimeter, the Gora Project to be included within the Sabodala Mine License as a satellite deposit, subject to pending environmental impact assessment approvals for the exploitation of the Gora Project.

The Gora deposit lies approximately 22km northeast of the Sabodala processing plant. Gora is situated within the Sounkounkou exploration permit, in which SMC holds an 80% interest in an earn-in joint venture. SMC's joint venture partner in the Sounkounkou exploration permit, Axmin Inc. ("**Axmin**") has elected to take a 1.5% net smelter royalty ("**NSR**") on the Gora Project in exchange for its fully participatory 20% interest. Based on the latest amendment to the Sabodala Mining Convention, it is anticipated that the perimeter of the Gora Project will be removed from the Sounkounkou exploration perimeter and included within the Sabodala Mining Concession pending governmental approvals.

Golouma Mining Concession

The Government of Senegal awarded an exploration concession to the OJVG through an international tender process concluded in October 2004, subsequent to which, a mining convention dated February 17, 2005 was entered into between Oromin and the Government of Senegal (the "**OJVG Mining Convention**"). On March 4, 2005, a ministerial decree granted an exploration permit to Oromin for gold and related substances. On February 7, 2007 and December 31, 2008, two additional ministerial decrees were issued to authorize the extension and transfer of all Oromin exploration to the OJVG. On January 26, 2010, the Government of Senegal issued a ministerial decree granting the OJVG a 15-year renewable mining concession, referred to as the "**Golouma Mining Concession**" or the "**Golouma gold project**". In March 2011 and again in September 2011, the OJVG Mining Convention was further amended in order to: issue licenses for the Golouma project; establish a Senegalese company (SOMIGOL) to hold the Golouma Mining Concession; and to confirm certain tax exemptions in favour of the OJVG. In January 2013, SOMIGOL, was formed to mine the Golouma project. At present, SOMIGOL is held 90% by the OJVG and 10% by the Government of Senegal as a free carried interest. The Government's 10% interest is entitled to a royalty equal to 3% on all net smelter returns. In December 2013, the OJVG Mining Convention was amended again in order to transfer the Golouma Mining Concession from the OJVG to SOMIGOL and to acknowledge the waiver of the Government's additional equity participation right (25%) in SOMIGOL.

Between the months of October 2013 and January 2014, Teranga acquired the balance of the OJVG that it did not already own. Teranga acquired Bendon's 43.5% participating interest and Badr's 13% carried interest, in the OJVG. By consolidating the Company's 100% ownership of the OJVG, Teranga secured its 90% interest in SOMIGOL. The purpose of Teranga's acquisition of the OJVG as agreed to with the Government of Senegal, is to combine the Golouma Mine License and the Sabodala Mine License under the ownership of SGO and to exploit the combined mine license under the terms of the SGO Sabodala Mining Convention, as amended. Amendments to the Sabodala Mining Convention in May of 2013 provided the framework and consideration mechanisms to allow the State to monetize their additional participation rights in Senegalese incorporated entities holding mining rights. The waiver of the State's equity participation right in SOMIGOL followed an earlier acceptance by the State of a Teranga proposal to incorporate the Golouma Mining Concession as a satellite deposit pursuant to the terms set out in the Global Agreement.

Debt Instruments

During the third quarter of 2013, Teranga amended its existing \$60.0 million loan facility agreement with Macquarie Bank Limited ("**Loan Facility**"). The amended agreement extended the final repayment date of the existing loan facility by one year to June 30, 2015 and required Teranga to maintain a restricted cash balance of up to \$20.0 million. \$40.0 million of the \$60.0 million loan was to be repaid in five equal quarterly installments beginning on June 30, 2014 and the remaining \$20.0 million is scheduled to be repaid with the final installment on June 30, 2015.

Subsequent to year end on January 15, 2014, the Company further amended the Loan Facility and retired half of the balance for \$30 million with the funds it received from Franco Nevada upon completion of the Gold Stream Transaction. The remaining balance of \$30 million is scheduled to be repaid in three quarterly instalments of \$5 million beginning March 31, 2014, and the final \$15 million will be repaid on December 31, 2014. The amended Loan Facility agreement replaced the restricted cash requirement with a minimum liquidity threshold of \$15 million and removed the Project Life Ratio financial covenant.

During the first quarter of 2013, Teranga entered into a new \$50 million finance lease facility with Macquarie Bank Limited ("**Equipment Facility**"). The Equipment Facility replaces the finance lease facility previously in place with Société Generale Bank, which was assigned and novated to Macquarie. The proceeds have been put towards additional equipment for the Sabodala mine pit. During the fourth quarter of 2013, the Company cancelled the undrawn commitment from the Equipment Facility leaving a balance to be repaid of approximately \$17 million as at December 31, 2013. The Equipment Facility has a remaining lease term of fifteen months expiring March 2015. Minimum future lease payments consist of five payments over the term of the loan. Interest is calculated at LIBOR plus a margin paid quarterly in arrears.

Prior to its acquisition by Teranga, Oromin entered into a \$5 million credit agreement with Sprott Resource Lending Partnership ("**Sprott Facility**"). Under the Sprott Facility, the amounts outstanding as at August 6, 2013 of \$3.7 million became payable upon the acquisition and was repaid by the Company during the third quarter of 2013.

Mission and Vision

Our mission is to share the benefits with all of our stakeholders through responsible mining. We strive to act as a responsible corporate citizen by building projects together with the communities near our planned operations and by committing to using best available technologies as we carry out our actions. We aim to achieve benefits for all parties involved, and to contribute to the sustainability and improved livelihoods for the communities in which we operate.

Our vision is to become a pre-eminent gold producer in Senegal while setting the benchmark for responsible mining.

Growth Strategy

The Company has outlined a two-stage growth plan.

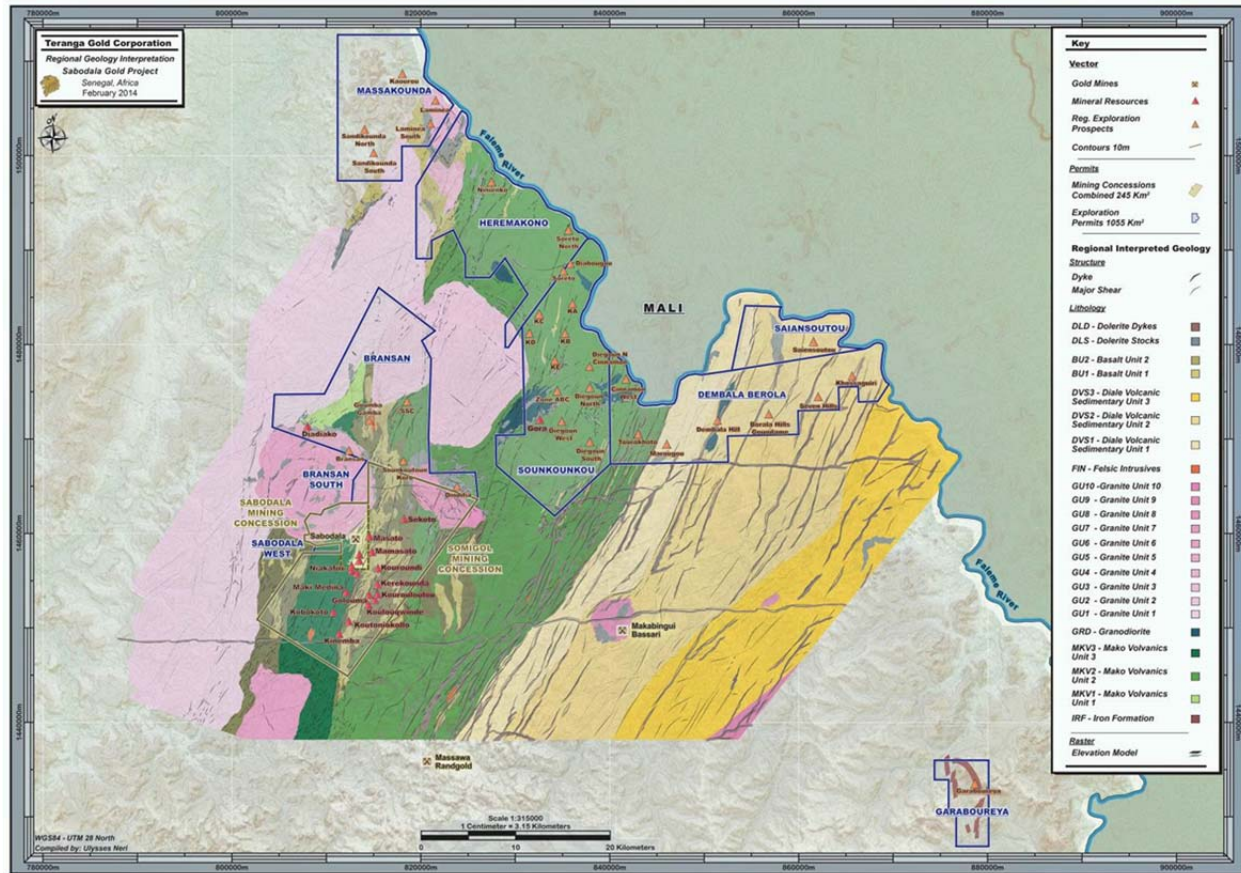
Phase 1: Become a mid-tier gold producer in Senegal with 250,000 to 350,000 ounces of annual gold production leveraging off the Company's existing mill and infrastructure.

Phase 2: Increase annual gold production to 400,000 to 500,000 ounces.

With a plant expansion commissioned in 2013, the Company believes that the combination of the Sabodala gold mine and mill combined with the integration of the Golouma Project and its regional exploration land package, all within

trucking distance to the Sabodala mill, provides the basis for annual production of approximately 250,000 ounces at low all-in sustaining costs that will enable Teranga to generate positive free cash flows. Gold production for 2013 totaled 207,204 ounces and Teranga expects to produce between 220,000 - 240,000 in 2014.²

Overview of Sabodala and Golouma Mine Licenses and Regional Land Package



In addition to the exploration program on the Sabodala Mining Concession, the Company has interests in nine exploration permits, collectively referred to as the Regional Land Package (the “RLP”), in which programs are underway on targets located on these exploration permits that management believes have potential for at least smaller high-grade or oxide deposits as well as the potential for world-class discoveries similar to the deposits (+5 million ounces) that have been found on the same geographical gold belt in Mali (the West African Birimian geological gold belt), which is approximately 90km from the Sabodala mine. Therefore management is pursuing an extensive multi-year exploration program designed to test anomalies, targets and prospects that have already been identified as requiring additional analysis, to identify new targets for testing. The exploration strategy for 2014 is focused on the systematic identification and evaluation of targets on the combined 246km² Sabodala and Golouma mine concessions and the 1,055km² RLP.

With the OJVG acquisition now complete and the Golouma Mining Concession in the process of being integrated into the Sabodala Mining Concession, the Company can clearly outline its short, medium and long-term objectives:

In the short-term (2014-2015): (i) integrate Golouma and Sabodala operations; (ii) seek to increase free cash flow through higher production and lower material movement, in part to retire the balance of the debt facility outstanding; and (iii) seek to increase reserves through the conversion of Measured, Indicated and Inferred Resources.

² This production guidance is based on existing proven and probable reserves only from both the Sabodala Mining Concession and Golouma Mining Concession as disclosed on page 51 of this AIF. The estimated ore reserves underpinning this production guidance have been prepared by a competent person in accordance with the requirements of the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”) with respect to the Gora and Sabodala deposits and in accordance with the requirements of the 2012 JORC Code with respect to all other deposits included within the reserve estimate table included on page 51 of this AIF. This production guidance also assumes an amendment to the Golouma Mining Concession to reflect processing of OJVG ore through the Sabodala mill.

In the medium-term (2014-2016): (i) evaluate the heap leach processing option (permit and build if the returns meet Teranga's hurdle rate); (ii) continue to look for ways to improve mill throughput; and (iii) optimize mine planning and grade.

In the long-term (2015 onward): (i) remain disciplined about investments in exploration with commitment to a modest, multi-year exploration program; and (ii) look to make exploration discoveries on the RLP by continuing to systematically work through the many targets and prospects.

The Company seeks to create value for shareholders by maximizing free cash flows in the short-term by integrating the OJVG allowing for annual production of approximately 250,000 ounces at lower all-in sustaining costs than both the industry average and our West African peers.

Strengths and Competitive Advantages

The Board believes that Teranga has the following strengths to assist with the execution of its growth strategy.

Experienced Management Team

Teranga has an experienced management team who benefit from the strong leadership and oversight of the Company's Non-Executive Chairman, Alan Hill, a former senior executive with Barrick Gold Corporation ("Barrick"). During his 20 years at Barrick, Mr. Hill oversaw the evaluation, acquisition and development of many of Barrick's mines. Most of the senior management team at Teranga worked with Mr. Hill at Barrick, and more recently at Gabriel Resources Ltd. redesigning, for environmental permitting purposes, a large scale gold project in Europe. The senior management team, along with many of the technical experts who assist in the evaluation, acquisition, exploration, development and operations of the Company's properties have worked together for almost 20 years. The team has a proven track record of identification and acquisition of gold assets, as well as permitting and developing mines around the world.

The members of the Teranga senior management team are as follows: Richard Young, President and Chief Executive Officer; Navin Dyal, Vice President and Chief Financial Officer; Kathy Sipos, Vice President, Investor and Stakeholder Relations; David Savarie, Vice-President and General Counsel; Paul Chawrun, Vice President, Technical Services; Mark English, Vice President, Sabodala Operations; Aziz Sy, Vice President, Development, Senegal, and Macoumba Diop, General Manager and Government Relations Manager.

Experienced Operating Team

The operating team at the Sabodala gold mine is experienced and bring a broad base of African gold mining experience.

Strong Regional Reputation

The success of the Sabodala gold mine has given the Company a solid reputation in Senegal, and a sound basis for future development within the country. In particular, the Company's strong relationship with the Government of Senegal has provided Teranga with political good will and access to all levels of government.

Access to Infrastructure

The Company owns the only large-scale gold processing plant within the West African Birimian geological belt in Senegal. In 2012, Teranga completed the Sabodala mill expansion. In 2013, it began and in early 2014 completed, a significant consolidation of an adjacent property containing several already identified gold deposits. Land, water and power access have been established and in place since operations commenced in March 2009.

Landholdings and Exploration Potential

In addition to the Sabodala mine concession and the Golouma mine concession, the Company owns interests in nine exploration permits that together equate to a RLP in south eastern Senegal of approximately 1,055km². Management of Teranga believes that the RLP and the newly acquired Golouma Project are all underexplored and is therefore focused on a systematic exploration program for all these areas. Teranga's management is committed to a significant exploration program that will seek to identify additional gold, which can be processed using the additional mill capacity, to extend mine life.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. Teranga competes with a number of other entities in the search for and acquisition of mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than Teranga, Teranga may be unable to acquire attractive properties in the future on terms it considers acceptable. Teranga also competes for financing with other resource companies, many of whom have larger operations, and there can be no assurance that additional capital will be available to fund the growth of Teranga's business other than the free cash flows provided by the existing assets.

The ability of Teranga to grow its business also depends on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of Teranga may affect the marketability of minerals discovered by Teranga.

Employees

Teranga along with SGO have approximately 934 full time employees, including expatriates and Senegalese nationals, as well as 153 contract workers. In addition, the OJVG, which was acquired earlier this year, has a total of 140 employees. In total, there are approximately 1,250 workers which represents the current required workforce for Teranga's Senegalese operations. Approximately 90 percent of Teranga's workforce is Senegalese.

Foreign Operations

All of Teranga's active interests are currently located in Senegal, West Africa and, as such, its operations are exposed to various levels of regulatory, economic and other risks and uncertainties associated with foreign operations. See "Risk Factors".

Community and Social Programs

Teranga's efforts to maximize the long-term benefits of its mining operation to the communities in the region around its mine generally fall into one of four main categories: Health and Safety; Water and Sanitation; Education and Food Security. The Company's annual program for health promotion continued with the anti-malaria spray programs in the villages around the mine site as well as a vaccination program for the local community of Khossanto. In addition, the Company financed the construction of a pediatric facility for the hospital in the regional capital of Kedougou approximately 96km from the mine, expected to be operational in 2014. The Company also participated in the extension and rehabilitation of water infrastructure in and around the operations. Another major initiative in 2013 was the completion of a water supply system providing potable water to the two villages closest to the Sabodala mine. With respect to education, during 2013, the Company supported various projects including the funding of a bursary program for students in the regional capital of Kedougou to attend international schools in addition to supporting Kedougou students studying in the Country's capital, Dakar. At the local level, the Company refurbished and improved school facilities in three villages and provided uniforms to the Sabodala High School. As part of the 2013 food security and livelihood program, Teranga focused on financing income generating activities. The Company extended its local poultry farming program established in 2012 and supported several regional women associations working on the development of income generating activities and food security. The Company also hired an agronomist to help with the development and implementation of four market gardens, four fruit tree orchards and four pilot farms as part of a compensation framework for resettlement. These were the first "market gardens" ever privately funded in Senegal that not only provided local food service but also produced a profit for the local women volunteering to run them. This will serve as a platform for future growth in creating sustainable local agricultural production and employment.

A significant investment was also being made in the creation of a Regional Development Strategy which was completed in 2013 through close collaboration with a third party consultant and key stakeholders (local, regional and national) in order to enable the people of the Sabodala area to create a sustainable community in accordance with their vision.

Health and Safety

The Company has a strong health and safety record. The intensive training and rigorous application of the Company's Operational Health and Safety ("OHS") program was pivotal to the yearly results. The operations as a whole recorded in excess of 2.8 million exposure hours in 2013 incurring 2 lost time injuries for the calendar year.

The operations continue to maintain a lost time injury frequency rate well below acknowledged industry benchmarking standards with a LTIFR of 0.69 for 2013 versus 4.31 as per the mining profile of ANZSIC 2006, 2011/12 for metal ore mining. To date, there have been 12 lost time injuries at the Sabodala gold project since the commencement of operations and all employees have made full recoveries and returned to work. The focus of the OHS program is placed on proactive, people-based safety management which uses a documented systematic approach. It will continue to concentrate on management of change and vertical integration of prevention tools.

Emerging Market Disclosure

Ownership of Property Interests and Assets

Information regarding Teranga's ownership of its property interests is contained in the Sabodala Technical Report. With respect to Teranga's exploration activities, the mining conventions and exploration permits described in this AIF, as well as other customary and routine permits obtained from time to time in the ordinary course, are required for Teranga to be able to carry on business in Senegal. With respect to exploitation and mine development, the mining conventions, mining licenses and the environmental and social impact statements and approvals described in this AIF, as well as a tree clearing authorization by the Minister of Environment and certain other customary and routine permits obtained and held from time to time in the ordinary course, are required by Teranga for the permitting process and the assessment of the suitability of the proposed mining project.

In order to satisfy itself of its ownership of its property interests in Senegal, Teranga has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Senegal; (ii) obtained and reviewed certificates of compliance issued by the appropriate governmental officials in Senegal, including the Trade and Personal Property Credit Register, Ministry of Economy and Finance, Ministry of Mines and Industry, Ministry of Environmental and Sustainable Development; (iii) conducted searches through the Directorate of Mines and Geology, as well as with the Bureau de la Conservation de la Propriété et des Droits Fonciers (Office of the Conservation of Property and Land Rights) in Senegal; and (iv) reviewed, negotiated and executed various agreements with the Government of Senegal relating to the acquisition and/or transfer of certain mining titles and concessions, including, the Global Agreement.

Teranga also relies on the oversight by qualified persons (as such term is defined in NI 43-101), who have done a review of the Sabodala gold project and the Golouma gold project, and through consultants who are engaged by Teranga (both in Canada and in Senegal) in connection with Teranga's permitting, licensing and regulatory approval application process, to confirm it has all material permits, business licenses and other regulatory approvals needed to carry on business in Senegal. Teranga also consults regularly with legal advisors in the B.V.I., Mauritius and Senegal, including to confirm that all applicable permitting requirements for its operations have been obtained and, from time to time, retains local legal advisors to provide updated title opinions, as appropriate.

Laws and Customs of B.V.I., Mauritius, and Senegal

As noted from the Corporate Structure chart on page 2, Teranga has subsidiaries outside of Canada in the British Virgin Islands ("B.V.I."), Mauritius and Senegal (together with B.V.I., the "**Foreign Subsidiaries**"). The Foreign Subsidiaries domiciled in B.V.I. and Mauritius are located in such jurisdictions primarily for tax planning purposes, including tax plan structuring that was undertaken prior to or in connection with Teranga's initial public offering in 2010, and also subsequently in connection with Teranga's acquisition of Oromin in 2013 and the remaining interests in the OJVG in 2014.

Senegal is a civil law jurisdiction following in the French regulatory system of laws. It is a mature democracy with relatively modern mining, fiscal and environmental codes drafted with World Bank guidance in the early 2000s. Senegal is also a signatory to the founding treaty of the West African Economic and Monetary Union ("**WAEMU**"), which is intended to create a collective market and harmonization of regulations and tariffs. According to that treaty, the WAEMU's Counsel of Ministers can make regulations that are then directly applicable in all the member states, notwithstanding any national legislation to the contrary. The WAEMU Mining Regulation affirms key rights for an investor such as Teranga, notably fiscal stability during the term of its mining license. In Teranga's opinion, the laws of Senegal do not impose any undue or material restrictions on Teranga's operations or the ownership by it of property or assets in Senegal. Local laws and customs of the B.V.I. and Mauritius do not in the opinion of Teranga have a significant impact on Teranga's ownership of its property interests and assets, primarily because Teranga does not currently have operations in such jurisdictions.

Except as described elsewhere in this AIF, Teranga is not aware of any material restrictions against foreign investment in Senegalese mining companies, nor any material legal requirements imposed on foreign ownership of Senegalese mining companies. See in particular "History" on page [16].

Control by Teranga over its Foreign Subsidiaries

In order to ensure that Teranga has appropriate control and direction over its Foreign Subsidiaries, there are common directors on the Teranga Board and on the board of directors of the Foreign Subsidiaries, as well as common management between Teranga and its Foreign Subsidiaries. The Teranga Board also regularly receives management and technical updates and progress reports in connection with its Foreign Subsidiaries.

Teranga is either a direct or indirect majority shareholder in each of its Foreign Subsidiaries. As a result, the operations and business objectives of Teranga and the Foreign Subsidiaries are effectively aligned and controlled. As the direct or indirect majority shareholder of its Foreign Subsidiaries, Teranga can also remove and replace any of the directors and officers of its Foreign Subsidiaries at anytime, or from time to time, by director or shareholder resolution, as appropriate.

Teranga also maintains and uses a corporate approval matrix which is regularly reviewed and approved by the Teranga Board, to ensure that a process and mechanism of approvals is maintained and followed for the disbursement of corporate funds and operating capital and to ensure that investment decisions are reviewed and approved by the Teranga Board or its designees.

All of the minute books, corporate seal and corporate records of the Foreign Subsidiaries are kept at the offices of Teranga's local counsel or with a local corporate advisory services firm. Copies of such materials are also kept and maintained at Teranga's head office in Toronto.

Based on the foregoing and the disclosure elsewhere in this AIF, Teranga is of the view that any risks associated with its corporate structure are minimal and that such risks are effectively managed based on the controls described above and elsewhere in this AIF.

Banking Matters in Senegal

Teranga conducts its banking in the Foreign Jurisdictions through banks of international repute, which are subject to international standards.

Teranga maintains only a very small cash balance in bank accounts in Senegal. Teranga manages the credit risk of the Senegalese banks by centralizing custody, control and management of its surplus cash resources in Canada at the corporate office via bank accounts domesticated in Canada, Australia and France.

Teranga sells gold in the form of dore bars. The process of production and transfer to the refinery in Switzerland and ultimate sale is under strict control. The gold is sold through Macquarie Bank and the proceeds are deposited in Teranga's proceeds account in Australia. Funds are then transferred to a Teranga controlled bank account in France.

Payments for salaries to the executives of Teranga, director fees, legal fees, audit fees and other costs related to matters undertaken by or at the direction of the Teranga Board or Audit Committee are made from time to time as needed from the aforementioned bank accounts controlled by Teranga. All material disbursements of corporate funds and operating capital to the Foreign Subsidiaries are reviewed and approved by the Teranga Board or its designees, and are based upon pre-approved budget expenditures. Teranga maintains all material sums in US Dollars, other than non-material amounts held in local currencies for minor ordinary course expenditures and emergency purposes. Cash funds for payments made to local suppliers or for other operational needs in Senegal are transferred to Teranga's subsidiaries in Senegal based on immediate cash requirements only via periodic 'cash calls', thereby mitigating exposure to Senegal banks. As a result, any money transferred to bank accounts in Senegal remains in the account for short periods of time.

Teranga adheres to Canadian and Senegalese laws, as well as World Bank/IFC Principles. Teranga has a Business Code of Conduct that specifically addresses the *Corruption of Foreign Public Officials Act (Canada)* that is required to be followed by all directors, employees, consultants and contractors. Educational and compliance training sessions and sign off involving all directors, employees, consultants and contractors is undertaken by Teranga's corporate staff annually. Teranga also has a whistle blower policy in place which provides employees with the opportunity to report matters directly to the Chair of Teranga's Audit Committee. The Senegalese operation of Teranga is led by senior Canadian, Australian, European and American employees who are fully versed on Teranga's corporate policies, as well as the disclosure requirements of a Canadian publicly listed company.

Board and Management Experience in Emerging Markets and Teranga Board and Management Visits to Senegal

A number of members of the Teranga Board and management have experience in emerging markets in general, and in doing business and operating in Africa specifically. Five out of the seven current members of the Teranga Board have been on the Teranga Board since October 2010 and, as such, have had a minimum of approximately four years of experience in conducting business in Senegal. All directors of Teranga have visited Teranga's mining operations in Senegal other than one director of Teranga who is planning to attend the mining operations later this year. In addition, Mr. Goldenberg, who was appointed to the Teranga Board in July 2013, has considerable experience with emerging markets, having worked with the Government of Canada, as the Senior Policy Advisor to the Prime Minister of Canada and the Prime Minister's Chief of Staff. Further Dr. Fraser, appointed to the Teranga Board in March 2014, has considerable experience with emerging markets and Africa as the President and CEO of 50 Ventures, LLC, a strategic consulting and investment firm focused on Africa and who is also a Managing Partner of Africa Exchange Holdings, Ltd., a private sector initiative to build Africa's equity and commodity markets. Dr. Fraser also serves as Chairman of the Board of the East Africa Exchange, Ltd, that is based in Kigali, Rwanda. Senior executives of Teranga, including Messrs. Hill, Young, Savarie, Sipos, English, and Dyal, have had a number of years' experience in emerging markets and routinely visit Teranga's Senegalese mining operations and corporate office to meet with local management. In particular, there were over 30 visits to Teranga's Dakar office and mine site in Senegal by Teranga's Canadian based senior executives and directors in the last 12 months.

The majority of the Teranga directors and executive officers have some familiarity with the legal and regulatory requirements of Senegal through their history with Teranga and certain of the directors and officers have previous experience working and conducting business in Senegal or other emerging market jurisdictions (including in Africa specifically), all as described above. Moreover, Teranga's officers and directors are advised by Teranga's legal counsel in the jurisdictions of the Foreign Subsidiaries, with a particular focus on Senegal, of new developments in the legal regime and new requirements that come into force from time to time, such that management is kept aware of relevant material legal developments in such jurisdictions as they pertain to and affect Teranga's business and operations. Any material developments are then discussed by Teranga senior management and at the Teranga board level.

Language Considerations

In the majority of cases, business discussions with the Senegalese Government are conducted in English. Many of the senior members of the Senegalese Government speak English and French. In instances where French is preferred in dealing with the Senegalese Government, Teranga directors or management who speak English and French are engaged to act as interpreters and assist, as required.

Local business in Senegal is conducted largely in French and the members of the Teranga management team located in Senegal who deal directly with the operating staff and outside consultants communicate in French with such individuals.

Teranga's Communication Strategy in Senegal

Kathy Sipos is the Vice President, Investor & Stakeholder Relations of Teranga and has day to day responsibility for Teranga's communication planning, including coordination with local stakeholders in Senegal. Among other aspects of Teranga's communication strategy for Senegal, representatives of Teranga formally meet with the community and other local stakeholders in Senegal on a regular basis and also more frequently as needed when potential issues arise.

Teranga has also developed a "Teranga Regional Development Strategy" ("TDS") setting out its long-term vision for its presence in Senegal. Pursuant to the TDS, a multi-stakeholder Regional Roundtable was created in 2012 to serve as the principal forum for discussing and presenting ideas and for seeking and obtaining feedback from state technical services, regional and local governments, and a range of non-government stakeholders and members of the communities with the objective of developing a regional long-term (20+years) strategic plan for Teranga in collaboration with interested stakeholders. The end of 2013 marked the culmination of an 18-month process of collaborative planning between Teranga and the communities. Over 100 meetings were conducted with eight formal roundtables within 12 months. The TDS resulted in 78 recommendations for Teranga to promote regional development and to deliver outcomes on the three priority areas as defined in the TDS report - all 78 recommendations are posted in the TDS document which can be found on Teranga's website.

THE COMBINED SABODALA AND GOLOUMA GOLD PROJECT

For an explanation of certain technical terms used in this AIF, see "Glossary of Mining Terms".

Technical Report

Unless otherwise stated, the information that follows relating to the proposed combined Sabodala and Golouma gold project is derived from, and in some instances is an extract from the Sabodala Technical Report.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Unless otherwise set out herein, reference should be made to the full text of the Sabodala Technical Report which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR and may be accessed at www.sedar.com, or Teranga's profile page on the Australian Stock Exchange website at www.asx.com.au.

Project Description and Location

The combined Sabodala and Golouma gold project is located in southeast Senegal, approximately 650km east-southeast of the capital city of Dakar and 96km north of the town of Kedougou within the West African Birimian geological belt in Senegal, and about 90km from major gold mines and discoveries in Mali.

Location of the Sabodala and Golouma gold project within Senegal



Mining Rights

Teranga's mining rights include both full exploitation rights pursuant to the Sabodala Mining Concession and the Golouma Mining Concession, as well as exploration rights as permit holder or joint venture partner in nine exploration permits all within trucking distance of the SGO mill in eastern Senegal.

Sabodala Mining Concession

The Sabodala Mining Concession covers an area of 33km². The license is renewable for one or several periods of not more than 10 years each until the depletion of the deposit subject to the condition that Teranga has satisfied in all material respects its legal and regulatory obligations as set out in the Sabodala Mining Convention and all supplementary deeds subsequently entered into (eight in total). The current 10 year period would normally have expired on April 30, 2017 however the Global Agreement signed with the Government of Senegal on May 31, 2013 extended the term by five years to 2022. The Sabodala Mining Concession will remain renewable thereafter based on anticipated mine life and ongoing regulatory compliance.

Pursuant to the mining concession, SGO is required to pay a gross production royalty to the Government of Senegal; invest \$425,000 per annum in social development programs within the region; contribute \$200,000 per annum for training of Directorate of Mines and Geology officers; and contribute \$30,000 per annum to district administration support.

Gora Project

In December of 2013, the SGO Sabodala Mining Convention was amended to include a second additional perimeter, the Gora Project to be included within the Sabodala Mine License as a satellite deposit, subject to pending environmental impact assessment approvals for the exploitation of the Gora Project under the terms of the SGO Sabodala Mining Convention.

The Gora deposit lies approximately 22km northeast of the Sabodala processing plant. Gora is situated within the Sonkounkou exploration permit, in which SMC holds an 80% interest in an earn-in joint venture with Axmin. As previously indicated, Axmin has elected to take a 1.5% NSR on the Gora Project in exchange for its 20% fully participatory interest.

Golouma Mining Concession

The Golouma Mine License is a renewable 15 year license currently held by SOMIGOL. The SOMIGOL mining concession covers an area of 212.6km² and is subject to a 3% royalty payable to the Government of Senegal. The OJVG Mining Convention for the Golouma Mining Concession has been amended three times, notably to issue the mining license for its perimeters to address and confirm tax exoneration periods, to transfer the permit from OJVG into the name of SOMIGOL and to acknowledge the waiver of the Government of Senegal's additional equity participation right in SOMIGOL.

It is the intention of Teranga, and as agreed to with the Government of Senegal to combine the Golouma Mine License and the Sabodala Mine License under the ownership of SGO and to exploit the combined mine license under the terms of the SGO Sabodala Mining Convention as amended. Teranga anticipates that the agreed royalty rate of 5%, and income tax exoneration period ending on April 30, 2015 will be applied to the combined Sabodala and Golouma gold project once they are integrated into an expanded Sabodala Mining Concession. In addition, Teranga anticipates that existing annual social, technical and logistical support payments committed to by SOMIGOL (\$950,000 per year) will be included, and in addition to the \$655,000 annual contributions Sabodala already is committed to, within the amended Sabodala Mining Convention following the integration of the two projects.

Regional Land Package

The nine (9) exploration permits which comprised the RLP are grouped into five different project areas: Near Mine Project, which contains the three permits of Bransan, Bransan South and Sabodala West; Faleme, which contains the two permits of Heremakono and Sounkounkou; Dembala, which contains the two permits of Dembala Berola and Saiensoutou; Massakounda, which contains only one permit of the same name, and Garaboureyia which contains only one permit, Garaboureyia North West.

Of the nine (9) exploration permits, five are held solely by SMC, a wholly-owned indirect subsidiary of Teranga, and four are held by joint venture partners with SMC holding a majority interest in each permit. See table below for further detail.

Permit	Holder/SMC Interest/Terms
Bransan Permit	Holder: SMC – 70% Interest held. <ul style="list-style-type: none">Sabodala Mining Convention signed between the State of Senegal and SMC on 30 June

Permit	Holder/SMC Interest/Terms
	<p>2006;</p> <ul style="list-style-type: none"> Ministerial Order n°6933 MEM-DMG dated 13 October 2006 granting to SMC a mining exploration permit for gold and associated substances within the "Bransan" area; Joint Venture agreement between Senegal Nominees SURL and SMC dated 4 June 2007; and Ministerial Order n°2326 MMITPME-DMG dated 15 March 2010 granting to SMC a first renewal of the Bransan Permit.
Bransan South Permit	<p>Holder: SMC 100% Interest held.</p> <ul style="list-style-type: none"> Sabodala Mining Convention concluded between the State of Senegal and SMC on 7 September 2010; and Ministerial Order n°10281 MMIAPME-DMG dated 29 November 2010 granting to SMC an exploration permit for gold and associated substances within the Bransan South area.
Sabodala West Permit	<p>Holder: SMC 100% Interest held.</p> <ul style="list-style-type: none"> Sabodala Mining Convention concluded between the State of Senegal and SMC on 7 September 2010; and Ministerial Order n°10282 MMIAPME-DMG dated 29 November 2010 granting to SMC an exploration permit for gold.
Sounkounkou Permit	<p>Holder: Axmin* SMC 80% Interest held.</p> <ul style="list-style-type: none"> Sabodala Mining Convention signed between the State of Senegal and Axmin on 4 August 2006; Ministerial Order n°6229 MEM-DMG dated 13 September 2006 granting to Axmin a mining exploration permit for gold and associated substances within the Sounkounkou area; Amended and Restated Joint Venture Agreement between Axmin and SMC dated 20 January 2012; and Ministerial Order n°1535 MMITPME-DMG dated 18 February 2010 related to the renewal of the Sounkounkou Permit. <p><i>* Axmin held permits are to be transferred to SMC pursuant to terms of Amended and Restated Axmin JV</i></p>
Heremakono Permit	<p>Holder: Axmin* SMC 80% Interest held.</p> <ul style="list-style-type: none"> Sabodala Mining Convention signed between the State of Senegal and Axmin on 17 December 2004; Ministerial Order n°5921 MEM-DMG dated 25 October 2005 granting to Axmin a mining exploration permit for gold and associated substances within the Heremakono area; Amended and Restated Joint Venture Agreement between Axmin and SMC dated January 20, 2012; Ministerial Order n°07068 MMITPME-DMG dated 20 July 2009 relating to the renewal the Heremakono Permit; and An extension request has been filed with the State of Senegal, dated 21 October, 2011, which remains pending as of the date hereof. <p><i>* Axmin held permits are to be transferred to SMC pursuant to terms of Amended and Restated Axmin JV</i></p>
Dembala Berola Permit	<p>Holder: SMC 100% Interest held.</p> <ul style="list-style-type: none"> Sabodala Mining Convention signed between the State of Senegal and "ROKAMCO S.A." on 17 December 2004; Ministerial Order n°197 MEM-DMG dated 31 January 2005 granting to "ROKAMKO S.A." a mining exploration permit for gold and associated substances within the Dembala-Berola; Joint Venture Agreement concluded on 21 July 2005 between ROKAMCO SA and SMC; Ministerial Order n°4426 MMIPME-DMG dated 2 April 2009 granting to "ROKAMCO S.A." relating to the renewal of the Dembala-Berola Permit; and Ministerial Order n°7420 MMIAPME-DMG dated 19 August 2010 granting a transfer to SMC of the mining exploration permit.
Saiensoutou Permit	<p>Holder: SMC 100% Interest held.</p> <ul style="list-style-type: none"> Sabodala Mining Convention signed between the State of Senegal and SMC on 7 September 2010; and Ministerial Order n°10283 MMIAPME-DMG dated 29 November 2010 granting to SMC a mining exploration permit.

Permit	Holder/SMC Interest/Terms
Massakounda Permit	Holder: SMC 100% Interest held. <ul style="list-style-type: none"> Sabodala Mining Convention signed between the State of Senegal and "Rokamco S.A." dated 17 December 2004; Ministerial Order n°201 MEM-DMG dated 31 January 2005 granting an exploration permit to ROKAMKO SA for gold and associated substances within the Massakounda area; Joint Venture Agreement between SMC and Rokamco SA dated 21 July 2005; Ministerial Order n°4427 MMITPME-DMG dated 2 April 2009 related to the renewal the Massakounda Permit; and Ministerial Order n°1032 MMIAPME-DMG dated 12 October 2010 granting a transfer to SMC of the mining exploration permit.
Garaboureyia NW Permit	Holder: Mining Research Company ("MRC") SMC 75% Interest held. <ul style="list-style-type: none"> Sabodala Mining Convention signed between the State of Senegal and MRC dated August 12, 2009; Ministerial Order No. 07786 MMITPME – OMG dated 13 August 2009 granting an exploration permit to MRC for gold and associated substances within the Garaboureyia NW permit area; Joint Venture Agreement dated 23 December 2011 between MRC, Afrigold S.L. and SMC; and SMC obtains a 75% interest in all mineral rights within the permit area subject to MRC/Afrigold maintaining a 100% right to all mineralization within the first 15M of an alluvial mining operation within the permit boundary and which is conducted under a separate small scale mining permit.

All exploration permits are granted by ministerial decree and are subject to a mining convention signed between SMC and the Government of Senegal. The gold exploration permits are held in a combination of full SMC ownership and earn-in joint ventures where SMC is the funding and managing party as outlined in below.

Equity and Funding Arrangements for Permits

Project	Permit	SMC Equity (%)	Holder	Comments
Near Mine	Bransan	70	SMC	Partnership with local syndicate
	Bransan South	N/A	SMC	100% SMC
	Sabodala West	N/A	SMC	100% SMC
Faleme	Sounkounkou	80	Axmin	Earn in JV
	Heremakono	80	Axmin	Earn in JV
Dembala	Dembala Berola	100	SMC	100% SMC
	Saiensoutou	100	SMC	100% SMC
Garaboureyia	Garaboureyia NW	75	Afrigold	Earn in JV
Massakounda	Massakounda Permit	100	SMC	100% SMC

Note that given the Global Agreement and its provisions extending to SMC exploration permits, it is anticipated that permits that move into production will be merged into the SGO Sabodala Mining Convention and be bound by its revised fiscal terms regarding royalty rate and tax exoneration periods.

Summary of Joint-Venture Agreements in Place over SMC's Exploration Permits

There are currently three joint venture agreements over SMC's exploration permits:

- Axmin Joint Venture – over the permits of Heremakono and Sounkounkou.
- Bransan Agreement – although this permit is fully held by SMC, there is a 30% ownership right assigned to a Senegalese company, Senegal Nominees Limited.
- Garaboureyia North Joint Venture Agreement – the agreement gives SMC a 75% interest in the permit.

Axmin Joint-Venture Agreement

The joint venture agreement with AXMIN was amended and restated in January 2012. Pursuant to clause 3 of the original joint venture agreement, dated September 30, 2008, (the "**Original AXMIN JV**"), SMC has earned an eighty percent (80%) interest in all of the Joint Venture Property (being Heremakono Permit, Sounkounkou Permit and

Sabodala North West Permit, the latter of which has expired) and AXMIN has retained a twenty percent (20%) interest in all of the joint venture property, in each case pursuant to the Original AXMIN JV. The renegotiated AXMIN Joint Venture Agreement (the “**Amended and Restated AXMIN JV**”) reflects the following:

- AXMIN and SMC amended and restated the terms of the Original AXMIN JV, to provide that, among other things: (i) the Joint Venture’s interest in the Permits (as defined in the Original AXMIN JV) and the Permit Areas (as defined in the Original AXMIN JV) be broken into Target Areas (as defined in the Amended and Restated AXMIN JV); and (ii) the Manager (as defined in the Amended and Restated AXMIN JV) will specify certain Target Areas for Prospecting Operations (as defined in the Amended and Restated AXMIN JV) and certain budgeted Target Area Work Cost (as defined in the Amended and Restated AXMIN JV) associated therewith, and from time to time AXMIN will elect, or be deemed to have elected, as applicable, on a Target Area by Target Area basis, whether: (a) to maintain its 20% Participation Interest (as defined in the Amended and Restated AXMIN JV) in a Target Area by funding twenty percent (20%) of all Target Area Work Cost for such Target Area; or (b) to convert its 20% Participation Interest in a Target Area into a Royalty (as defined in the Amended and Restated AXMIN JV) from any future Production (as defined in the Amended and Restated AXMIN JV) from such Target Area.
- AXMIN agreed to transfer title to the Permits to (i) SMC, as Manager, who shall hold and deal with the Permits for and on behalf of the parties, in accordance with the terms of the Amended and Restated AXMIN JV, as part of the Joint Venture Property or (ii) to SMC, in its own capacity, if such Permits are in respect of a Royalty Target Area (as defined in the Amended and Restated AXMIN JV) in respect of which AXMIN has made a Royalty Election (as defined in the Amended and Restated AXMIN JV), as applicable.

Branson Joint-Venture Agreement

The Branson joint venture agreement was signed on July 4, 2007 and provides SMC with an initial ownership interest of 70%, with the remaining 30% held by Senegal nominees. SMC will however be responsible for 100% funding to the exploration work and will be the manager. According to the agreement, once a discovery is made and a development decision is made, the Senegalese nominees have the right after 120 days to either: (i) convert to a contributing interest, in which case the Senegalese nominees will have to fund their share of the development costs; or (ii) not convert to a contributing interest, in which case Senegalese nominees will dilute to a 10% equity holding in the mine development with SMC’s shareholding increasing to 90%. The Senegalese nominees will only be entitled to receive their benefits from production after Teranga has recovered all its joint venture and development costs. The start of the mining process will require the formation of a special purpose company, which will allow Senegal to take its 10% equity stake, and the equity ratios will be diluted proportionally to accommodate Senegal’s equity as follows: (i) in the case where the Senegalese nominees have become a contributing party and maintained their original holding, SMC will hold a 63% interest and the Senegalese nominees will hold a 27% interest; or, in the case where the Senegalese nominees have diluted their original holding, SMC will hold a 81% interest and the Senegalese nominees will hold a 9% interest.

Garaboureyia North Joint-Venture Agreement

These is a joint venture agreement in place between SMC and the title holder, MRC along with its sub-licensee Afrigold S.L. (“**Afrigold**”), for a majority stake in the Garaboureyia North West exploration permit. The principal terms of the joint venture are as follows:

- SMC to acquire a 75% percent interest in the exploration permit (50km²) upon a commitment to conduct an agreed upon exploration program at its cost;
- the permit holder shall retain a 100% interest in the first 15m (in terms of depth from surface) of defined area of the permit which hosts an alluvial deposit until such time as SMC makes a development decision at which point the alluvial ore will be moved to a stockpile at the cost of MRC/Afrigold; and
- SMC to contribute \$400,000 directly to title holder over a 6 month term to fund certain construction activities, which have now been fully paid.

Environmental Liabilities

An Environmental and Social Impact Statement for the Sabodala gold project was completed in July 2006 by Tropica Environmental Consultants, and an Environmental and Social Management and Monitoring Plan (“**ESMMP**”) was

developed by Earth Systems in September 2007. The ESMMP committed the Company to preparation of a stand-alone Rehabilitation and Mine Closure Plan (“**RMCP**”) which was completed in the first year of operations. The RMCP provides a comprehensive discussion of the implementation, management and monitoring of rehabilitation activities that are to be undertaken during both the operational and closure phases of the Sabodala gold project. The RMCP also provides SGO with an indication of anticipated rehabilitation and closure costs throughout the life of the Sabodala gold project. This plan satisfies the requirements of the Government of Senegal as well as relevant international standards specifically Australian, Canadian and those of the International Finance Corporation (“**IFC**”).

The RCMP was updated in 2012 to reflect changes in mine set-up and to include TSF2. In mid-2008, estimated closure costs for the Sabodala Project were \$18.1 million. Teranga has internally estimated and escalated the closure costs to \$25 million. The Company has agreed to establish a social development fund payable at mine closure. The fund is targeted at \$15 million based on gold price performance over the next three years.

SOMIGOL ESIA

OJVG received approval for the Golouma operation, which adjoins SGO, based on the 2010 Feasibility Study project plan and environmental and social impact assessment (“**ESIA**”) through Attestation of Conformance, as issued by the Government of Senegal on May 24th, 2012. The ESIA was prepared to be Equator Principle compliant and to meet the requirements of the IFC.

ESIA Amendment Process

Senegal does not have a formal mechanism for amending the Certificate of Conformance issued for an ESIA. There is, however, a “Good Practice Guideline” that requires the proponent to submit in writing, a description of the proposed changes to DEEC, the Government group responsible for evaluating ESIA's. A new ESIA will not be required for the proposed amendments to the mine plan, due to the significantly lower impact associated with removal of major OJVG mineral processing components. OJVG has a comprehensive and approved ESIA for the site that was based on extensive baseline work, assessment and development of thorough management and monitoring plans and a new summary assessment can easily be made with an associated environmental management plan and costing.

A written submission to DEEC detailing the proposed changes along with an updated management and monitoring plan, and risk assessment for the various amended mine components is in progress. The changes associated with mineral processing at Teranga's existing plant significantly reduce impacts by eliminating major Golouma gold project components in the ESIA such as:

- Ore processing plant;
- Raw water reservoir;
- Power Plant;
- Tailings Management Facility; and
- Accommodation complex including associated infrastructure.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The combined Sabodala and Golouma gold project is located in southeast Senegal, approximately 650km east-southeast of the capital city of Dakar. Access to the Sabodala and Golouma gold projects from Dakar is by sealed road, Highway N1, to the regional centre of Tambacounda and then via a good all-weather sealed road, Highway N7, 230km southeast to Kédougou, then 96km of sealed and laterite-surfaced roads which access the villages of Faloumbo and Sabodala. A 1,250 metre sealed, public airstrip, capable of handling light to medium sized aircraft, lies at the north end of the mining concession.

There are three villages on the Sabodala Mining Concession. Sabodala village is approximately two (2) km south of the Sabodala mine pit and is very close to the Niakafiri deposit. Faloumbo village is to the north-northeast of the Sabodala mine pit and the Dinkokhono village is occupied by just a few families formerly from Faloumbo. On the Golouma Mining Concession, there are six small villages, Bransan, Dendifa, Mankana, Bambaraya and Maki Medina.

Climate

In the region of Kedougou where the Sabodala and Golouma gold projects are located, the highest monthly average temperatures are between March and May, 31°C to 40°C. The lowest monthly average minimum temperatures are between December and January, 17°C to 26°C. The annual Harmattan is a dry wind which blows from the north, usually from December to February, resulting in dusty and hazy skies. There is a distinct tropical wet season from June to October, with the most rain falling from storms between August and September, and a dry season from December to April. Mean annual rainfall within the Sabodala area is estimated to be 1,130 mm.

It is possible to operate in Senegal on a year-round basis, but the schedule allows for a reduced mining rate and for predominantly fresh ore to be processed during the height of the wet season, mainly the third quarter.

Local Resources, Personnel and Infrastructure

The main mining camp is located approximately 3km from the mine and 2km from the plant and is designed to house up to 960 employees. Sufficient capacity exists in the fuel farm to accommodate the expanding mining fleet. A separate camp has been constructed at Bransan for exploration personnel and is designed to accommodate 50 persons.

Teranga provides for the majority of its own infrastructure needs. Power is generated at the site using low speed, heavy fuel oil generators. A 30MW 5 unit engine heavy fuel oil power plant was originally constructed, and subsequently expanded to 36MW with the mill expansion by SGO in 2012. Water supply to service the processing plant and mine comprises two surface water storage dams from local catchment areas. These dams are designed to store adequate water from seasonal rainfall events to provide for all production needs on a year-round basis. For emergency purposes, the site has a water pipe, including water access rights, to pump water from the Faleme river, if required. There are sufficient waste disposal areas and tailings storage areas. The Company constructed a plant and supporting facilities at the site including offices, shops and warehouses. Existing port facilities at Dakar are utilized for unloading of all equipment, spares and consumables for the mine. A significant proportion of the personnel involved in the mining operations have been sourced from the local villages, surrounding regions and Dakar.

Land Tenure and Mining Rights

There are three major levels of permitting required in Senegal to carry out mineral exploration and development. The first permit, an Exploration Permit (Permis de Recherche), allows exploration to be undertaken. The second, an Exploitation Permit (Permis d'exploitation), allows resource estimates, feasibility studies, and small-scale mining. The third, a Mining Concession License (Concession Minière), allows the company to mine the property with significant tax incentives from the government. In each case, a "Mining Convention" or "Mining Agreement" is the initial agreement entered into between the investor and the State. The Sabodala Mining Convention and Golouma Mining Convention sets out the legal, fiscal, administrative and specific corporate conditions under which the permit holder shall undertake its operations.

The Mining Code confers rights and obligations on mining permit holders for the occupation of land inside and outside the lease perimeter. The right of occupation entails the authorization to conduct exploitation works and related activities, including all infrastructure works and operations for mine development.

Physiography

Topography in the area covering both the Sabodala and Golouma gold projects is generally undulating with a gentle gradient to the north and west towards the major river courses in the area. The elevation varies from approximately 150m to 350m above sea level. In the east of the area and abutting onto the eastern side of the concession is a north-south aligned ridge rising at least 100m above the surroundings. Vegetation ranges from savannah to thick bushes and large trees on hillsides. Watercourses are marked by palms. After each wet season villagers burn off a majority of the tall grass.

History

Sabodala Mining Concession

The Sabodala deposit was discovered by Bureau de Recherches Géologiques et Minières ("**BRGM**") in 1961. Subsequently, from 1961 to 1998, BRGM, a Soviet-Senegal joint venture, a Société Minière de Sabodala / Paget

Mining Ltd. joint venture, and Eximcor-Afrique SA conducted exploration programs including geological mapping, geochemical sampling, metallurgical studies and limited exploitation.

In 2004, the Government of Senegal announced that the Sabodala area was available for international open tender. Encouraged by the new Mining Code and MDL's established interest in Senegal, a competitive bid on the Sabodala gold project was submitted by MDL on June 7, 2004. On October 25, 2004, the Government of Senegal awarded the Sabodala gold project to a consortium comprised of MDL (as to 70%) and private Senegalese interests (as to 30%). On August 16, 2005, MDL agreed to purchase the 30% minority interest in the Sabodala gold project which it did not own to assume a 100% interest in the project for a total consideration of 9,000,000 ordinary shares in MDL issued at a price of AUD\$0.73 per ordinary share plus \$5 million payable over a period ended March 1, 2006. This 100% interest was subject to the requirement that MDL form an exploitation company, SGO in which its interest in the Sabodala gold project would be transferred and in which the Government of Senegal would hold a 10% free carried interest, as well as an option, which has since expired, for the Government of Senegal or a national private sector person or registered company to purchase at market value a further 30% contributory interest in the Sabodala gold project. The Sabodala Mining Convention in respect of the Sabodala gold project was executed on March 23, 2005 and exploration drilling commenced on June 29, 2005. Subsequently, a supplementary deed to the Sabodala Mining Convention for the Sabodala gold project was executed by MDL and the Government of Senegal on January 23, 2007.

On 2 May 2007, MDL received Mining Concession status for Sabodala by decree of the President of Senegal. The decree includes the following key provisions:

- Ten year mine lease.
- Exemption from all property, company and value added taxes for a period of eight years.
- Exemption from import and export duties for a period of four years starting from date production commenced (March 2009).
- A royalty (termed a 'mining tax') equivalent to 3% of gold sales is payable to the Senegalese government.
- The Government of Senegal retains a 10% free carried interest after project capital is recovered with interest.

As noted previously, Teranga agreed to increase the royalty rate for its Sabodala gold project and all satellite deposits incorporated therein to 5% as part of its Global Agreement signed with the Government of Senegal.

SMC continues to explore the RLP.

On 23 November 2010, Teranga completed the indirect acquisition of the Sabodala gold mine and the regional exploration package by way of a restructuring and demerger from MDL (the Demerger).

The Sabodala Mining Convention includes a commitment to invest \$425,000 per annum in social development programs within the region, \$200,000 per annum towards training and logistical support, as well as \$30,000 per annum to district administration support. As part of the Global Agreement Teranga also agreed to a \$3.7 million payment for all additional reserves identified within the Sabodala Mining Concession up to December 31, 2012, such amount payable in four (4) installments over 2013, 2014, 2015 and 2016. In addition, SGO is required to pay an amount equal to 1% of the gold spot price (calculated as the average spot price over prior 12 months) for each additional ounce of reserves independently confirmed within the original perimeter of the Sabodala Mining Concession (33km²).

Construction and development of the Sabodala gold mine and plant occurred throughout 2008 with full commissioning occurring in early 2009. First gold was poured in March 2009, from that date until December 31, 2013, 860,863 oz of gold have been produced from the Sabodala gold mine.

Golouma Mining Concession

Oromin, with its OJVG partners, secured rights to the OJVG exploration concession through an open tender process completed in 2004. Initial exploration work programs focused on testing prospects defined by historic exploration and defining new targets. Work began in early 2005, and by year-end 2006, \$11 million was spent to methodically explore the property on a district scale and outline several high priority gold targets.

Upon completion of the original Exploration License in February 2007, the OJVG petitioned the Senegalese government for an extension as allowed within the Mining Code. A twenty-month extension was granted until December 22, 2008, during which time the OJVG was required to spend \$12 million. These expenditures led to the

undertaking of a prefeasibility study (PFS) to provide information to help determine the best path forward for the project. Concurrent with the extension in December 2008, OJVG was required to relinquish a portion of the concession, reducing the original concession from 231.3km² to its current size of 212.6km².

In September 2009, the OJVG submitted a PFS to the Government of Senegal. Although the study concluded negative project economics, the on-going resource expansion and exploration drilling programs continued to expand the Project resource base beyond the PFS drill data cut-off date of May 2009. The OJVG elected to complete the drill program and produce an updated PFS in 2010.

In December 2009, the OJVG submitted a Strategic Environmental Evaluation (“**SEE**”) report to the Senegalese government as support for OJVG’s application for a project mining license.

In January 2010, the OJVG announced that it would upgrade the scope of the updated study to a full Feasibility Study, scheduled for completion at the end of June 2010. Additionally in January 2010, OJVG received government approval for the SEE report submitted in 2009. In February 2010, the Senegalese government granted the OJVG the Golouma Mining License for a term of 15 years, at which time the license can be renewed.

The ESIA was presented to the Senegalese government in March 2011. The government identified some issues that needed clarification and the ESIA was re-submitted in September 2011. A technical review committee validated the ESIA document on November 2011 and a subsequent and final public hearing approved the ESIA in March 2012.

The only known production from the Golouma gold project has been from local small-scale artisanal mining and a small mechanically excavated open cut at Kerekounda. Accurate records of the tonnage and grade from Kerekounda are not available.

Geology

Regional Geology Overview

The Sabodala and Golouma Mining Concessions and the surrounding exploration permits are located in the 2,213 Ma to 2,198 Ma age Kedougou-Kenieba Inlier (see schematic below), which lies within the Paleoproterozoic age Birimian Terrane of the West African Craton. The permits straddle two major divisions of the Inlier – the volcanic-dominated Mako Supergroup to the west, and the sediment-dominated Diale-Dalema Supergroup to the east. The Sabodala deposit and western portions of the company’s concessions in the Faleme and Near Mine projects are hosted in the Mako belt. To the east, underlying the company’s Dembala Berola project, the Diale-Dalema metasedimentary sequence is composed dominantly of a folded, sandy turbidite succession that is intruded by small stocks and dykes of various compositions.

Regional Structural Setting

Major crustal shear zones regionally bound and influence the overall north-northeast lithologic grain in the region. These include a north-northeast trending shear zone which is interpreted to form a boundary between the Mako and Diale-Dalema groups which lies east of the Sabodala property area, and which is termed the Senegal-Tombo Shear Zone or Main Transcurrent Shear Zone (MTZ) by different authors. This structure has been previously interpreted to pass through the western portions of the Diale-Dalema sequence based on magnetic patterns, but fieldwork suggests that the linear magnetic features are instead related to sets of late mafic dykes. Zones of highly sheared rocks have been mapped in the western part of the Dembala Berola project area confirming the presence of a major shear zone.

The MTZ converges with, and may join to the north in Mali with the major northerly trending Senegal-Mali Shear Zone, which is spatially associated with several major gold deposits, including Sadiola and Loulo in Mali. Intense zones of high strain are also present in the eastern portions of the Mako Supergroup on the Sabodala and Golouma gold projects, confirming the presence of a major structural corridor referred to as the Sabodala Structural Corridor (“**SSC**”).

Highly strained zones and apparent truncations of lithologic features on the Sabodala and Sounkounkou permits suggest the presence of second and third order shear zones at the property scale, which may control the localization of gold mineralization.

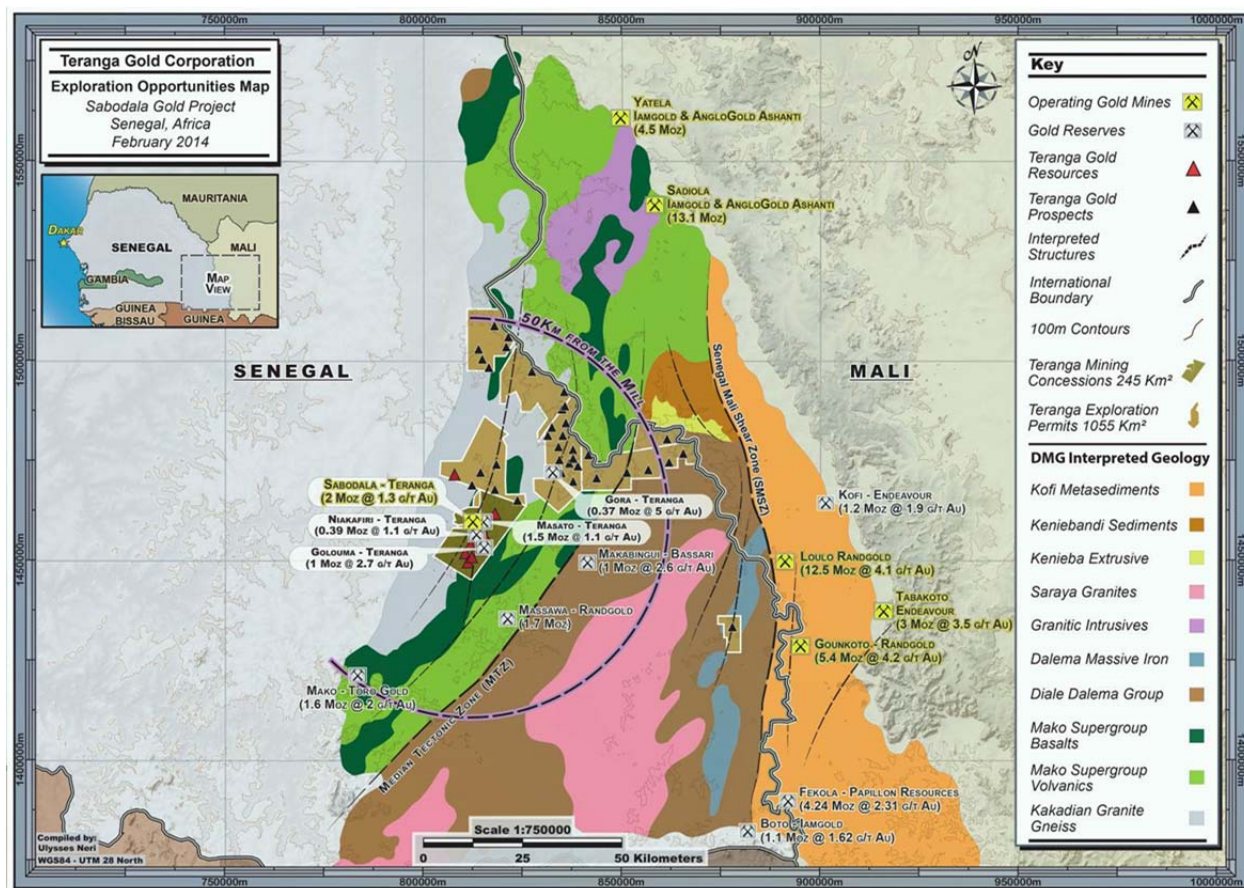
The structures wrap around major intrusions and northwest trending linking structures between major shear zones, all of which form potentially prospective sites for gold deposit formation. Field relationships suggest that gold

mineralization at Sabodala and other deposits in the region are likely coeval with latter stages of shear zone development.

Regional Surficial Geology

Lateritic weathering combined with duricrust formation is still active in the region. Apart from local hills and resistant lithologies, much of the terrain is covered by laterite and ferricrete, so outcrop is sparse. Hills which occur in east and southeastern portions of the Sabodala property, around the Goumbougamba prospect on the central Bransan property and surrounding the Gora prospect to the east, form some of the best exposed outcrop areas on the projects. Oxidation depth in the region is highly variable, but is generally in the order of tens of metres. Towards the northwest, thick soils and colluvial materials cover large tracts of land. Close to the Faleme River, small lenses of lateritized alluvial deposits are observed.

Schematic Geology and Endowment of the Kedougou-Kenieba Inlier



Local Geology

The largest and best understood deposit in the company's properties is Sabodala due to its production status and size, so this deposit is described in most detail. The Sabodala deposit comprises a network of mineralized shear zones and associated surrounding sets of quartz breccia veins and vein arrays which are discordant to, and cut across the hosting volcanic stratigraphy. Mineralization is most intensely focused in and west of where the shear zone network intersects, and crosscuts the mylonitic chert unit.

Two primary styles of gold mineralization are recognized within the Sabodala and Golouma Mining Concession area and adjoining permits, a high grade Golouma style and lower grade bulk tonnage Masato style deposit. All are

comprised primarily of shear vein systems with the mineralization occurring in carbonate altered ultramafic rocks along shear zones. The Garabourea style of gold mineralization is slightly different with high grade gold mineralization associated with shears, breccias and hematite-magnetite alteration systems.

Teranga's properties are subdivided into six areas: the Sabodala Mine Concession, the Golouma Mine Concession and four exploration permit areas, referred to as the Near Mine, Dembala Berola, Faleme and Garabourea. Each project area is composed of one to three exploration permits, each containing a number of prospects as illustrated in the map included on page 7 above.

EXPLORATION

Teranga has been using a phased approach to the exploration of the Sabodala Mining Concession and its RLP and continues to screen targets in a methodical manner. A similar approach has been taken on the Golouma Mining Concession. Airborne geophysical targets are followed up on the ground by geological mapping where possible, as well as surface geochemistry and termite mound sampling to delineate gold-bearing corridors and targets. Rotary air blast (RAB) drilling is employed on prospective structures where extensive transported materials render surface sampling of low effectiveness in the target generation phase. Target testing utilizes trenching in areas of shallow soil cover to map the gold bearing zones and provide a first pass evaluation of their potential. Where significant mineralization is identified this is followed by reverse circulation (RC) and diamond drilling (DD) to systematically test the defined targets.

There is a phased approach used to explore the exploration permits.

Phase 1: Target Generation

The following data types are collected and compiled.

- Airborne geophysics are interpreted and integrated with field geology (regolith and outcrop mapping) to identify major prospective structures, lithologies and alteration zones and provide a project scale regolith framework in which the context of any surface geochemistry can be evaluated.
- Surface geochemistry to delineate gold-bearing corridors and targets.
- RAB drilling and trenching of prospective structures where extensive transported materials render surface sampling of low effectiveness.

Phase 2: Prioritization and Ranking

Based on the compiled data from Phase 1 and the knowledge base of the SMC exploration team, targets are ordered by best chance of hosting economic mineralization.

Phase 3: Target Testing

- Trenching is carried out in areas of shallow soil cover to map the gold bearing zones and provide a first pass evaluation of their potential.
- RC and diamond drilling are used to systematically test the defined targets.

Where significant mineralization has been identified, systematic RC and diamond drilling is employed to ascertain dimension and quality of the target area.

The exploration strategy for 2014 is focused on the systematic identification and evaluation of targets on the proposed expanded 246km² Sabodala Mining Concession and 1,055km² RLP.

On the expanded Sabodala Mining Concession 3,000m of DD drilling has been planned for the Masato deposit to outline possible high grade gold zones within the ore bodies. This will commence in the second quarter. A 2000m RC grade control test study is also planned for the Masato deposit. 7,000m of DD drilling has been allocated to drill programmes which will identify mineralized strike extensions to the Niakafiri, Masato, Golouma and Kerekounda Au deposits and convert inferred resources into indicated resources. This drilling will follow on from the Masato "High Grade Delineation" drilling programme.

Within the RLP a 1500m trenching programme is underway on the Sounkounkou Permit KC prospect. A further 2,000m of trenching is planned for the Zone ABC-KE area within the Sounkounkou Permit. 3,000m of trenching is planned for the Soreto and Nienienko prospects on the Heremakono Permit. In the second quarter 1000m of DD drilling will be undertaken at Soreto as part of the follow-up to the 2013 DD programme which identified three high grade gold zones (21.2g/t Au over 0.5m at 70m depth). Dependent on the trenching results an additional 3,000m of DD drilling is planned for KC, Soreto and Nienienko. The re-assessment of the Heremakono "Doughnut" may also warrant additional DD drilling being undertaken in the last quarter. 1,000m of DD drilling has been allocated to the Garabourea Permit where mapping and historical borehole re-sampling programmes may justify further DD drilling.

Sabodala & RLP Exploration

Work Conducted - Geophysical Surveys and Investigations

Various sets of Landsat, Aster and Quickbird images are available for most of the permit areas. These have been used in remote sensing interpretations by J Kaisin of GESS (Geology Exploration Support Services) to produce project wide, consistent regolith maps.

In October 2005, Worley Parsons GPX conducted an airborne survey on 100m line spacing, acquiring magnetic, radiometric and digital terrain data. This survey covered 100% of the Near Mine, Faleme Projects and 60% of the Dembala Berola Project.

From May to November 2007 Fugro Airborne Surveys (Pty) Limited flew a 133,817 line km aeromagnetic and radiometric survey over eastern Senegal on behalf of the Ministry of Finance and Economy. The survey was flown on 250m spaced lines on a 135 azimuth, at a survey height of 80 m. This survey provided coverage over the remaining parts of the exploration permits and allowed SMC to improve its understanding of the regional structures and geology.

A dipole-dipole IP survey was completed over the mine lease during 2008.

Several phases of interpretation of the above geophysical data set have been completed:

- In 2006 a regional interpretation of the Mako Belt by Dave Isles, at 100,000 scale.
- In 2007 a regional interpretation of the 2005 SMC survey by Rankin at 100,000 scale.
- In 2007 Nick Lockett and Associates completed a Quickbird, remote sensing interpretation of outcrop and regolith geology of the Dembala Berola Project the interpretation was integrated with the available aeromagnetics.
- In 2009 and 2010 consultant Jean Kaisin was engaged for several project scale interpretations of SMC and government flown geophysical datasets. The interpretation was produced at 1:25000 scale. The interpretation integrated the aeromagnetics, existing geological knowledge, DTM, radiometric and satellite imagery. The resultant fully attributed GIS map contains interpreted basement geology, regolith and structure. The exception is the Massakounda permit, which remains to be integrated into this map.
- During 2011 IP surveys were completed over the Majiva prospect at Makana (Near Mine Project), KC, Jam and Gora (Faleme Project). The surveys were completed by crews of SAGAX Africa Limited, based in Ouagadougou, Burkina Faso.

Work Conducted - Soil, Termite Mound and Rock Chip Geochemistry

Surface geochemical sampling is an integral part of SMC's early exploration strategy. Prior to 2008, the general approach was to obtain a first pass coverage of 400m x 100m spaced soil samples for gold analysis. In areas of positive responses infill sampling to 200m x 50m may be carried out. Large surveys have been completed on virtually all projects.

Since 2008 SMC has adopted cathedral termite mound sampling as the preferred regional geochemical sampling medium. These termites are known to bring material to surface from as deep as the water table potentially exposing buried mineralization in areas of shallow surface cover. There is also a great advantage in terms of the speed that the surveys can be completed.

Large termite mound surveys have been completed on the Faleme, Near Mine and Dembala Berola Projects. Regional termite mound sampling campaigns have been conducted on a nominal 200m x 50m spacing.

SMC's geochemical data base contains gold analysis from over 42,000 soil samples, 113,000 termite samples and over 11,000 rock chip samples from the exploration programs. Large surface geochemical datasets have also been received from Axmin for the joint venture permits of Sounkounkou, Heremakono and Sabodala NW. Geochemical anomalies are illustrated in the table below.

SMC Sample Summary

Permit	Soil Samples	Termite Soil Samples	Rock Chip Samples
Bransan	8,662	16,512	2,567
Dembala Berola	9,981	16,538	3,290
Garaboureira		5,101	82
Heremakono	5,930	24,456	2,226
Sabodala West	73	1,201	
Bransan South	422	383	
Massakounda	3,952	7,815	48
Sainsoutou		13,746	
Sounkounkou	9,433	23,699	2,673
Total	38,453	109,451	10,886

Work conducted - Geological Mapping

Geological mapping has been conducted largely by SMC staff geologists on selected prospects in all project areas.

Extensive and detailed mapping has been completed over the prospects of Goumbou Gamba, Goumbou Gamba South and North, Diadiako, the SSC and Dindifa prospect areas at Bransan. Surface mapping has also been conducted over the Niakafiri prospects on the Mining Lease.

On the Faleme Project prospect scale geological mapping has been completed on the Gora, all the Diegoun prospects, KA, KB, KC, KD, KE, Soreto, Soreto North, Nienienko, Soreto SW Corridor and Diabougou prospects. The Diakhalién and Dantoumangoto prospects were also mapped.

On the Dembala Berola Project, prospect scale mapping has been completed on Goundamekho and its north extension, Dembala Hill, Seven Hills, Saiensoutou, Saiensoutou Extension, Berola Hill, Some, Bondala and Gora by SMC geologists. The Tourokhoto and Tourokhoto Marougou prospect mapping was conducted by J Kaisin (GESS).

Regional scale mapping over the Massakounda permit was completed by Geoter, as part of 400m x 100m soil geochemical grid covering 90% of the property.

Based on the above and the recently acquired Golouma Mining Concession, SMC currently has over 24 targets to consider for follow-up work on the RLP and 17 targets on the Golouma Mining Concession. The key targets that were followed up with additional drilling since the October 2010 technical report are on the RLP and include; Gora Tourokhoto, Dembala Hill, Goundamekho, Diegoun North, Diegoun South, Diadiako, Toumboumba, Majiva, Soreto, Goumba Gamba and Tourokhoto Marougou.

Targets selected for follow-up drilling in 2014 include Nienienko, Soreto and Soreto North from the Heremakono Permit, KC, KE and Zone ABC from the Sounkounkou Permit and the Garaboureira Breccia Zones. The "Doughnut Prospects" which include Diegoun North and South, Cinnamon and Cinnamon West will also be re-evaluated and results re-interpreted. On the Golouma Mining Concession the Masato High Grade Ore Shoots, Masato East Northeast Shear Zone, Maki Medina Extension, Golouma Northwest Shear Structures, Kerekounda Southwest Extension and the Kouroundi Northwest-Southeast Extension will be further drill tested.

Bransan Permit

Exploration work carried out by Teranga includes: aeromagnetic and radiometric survey, remote sensing data acquisition, surface mapping, soil sample collection, termitaria geochemical sample collection as well as rock chip sample collection.

Comparison of anomalous regional soil/termitaria geochemistry (>30 ppb Au) with structural interpretation of aeromagnetism and regional geology has yielded several additional targets for follow-up exploration. RAB, RC and DD drilling programmes formed part of this follow-up programme. Several of the targets are related to the contact zones of Kakadian Granite with Mako Supergroup rocks, as well as in areas of shear deformation and cross faulting.

Dembala Berola Permit

Exploration work on this permit was conducted by the previous operator MDL who investigated anomalies with RAB, RC and DD drill programmes. At Tourokhoto and Cinnamon West MDL identified an extensive zone of surface gold anomaly coincident with the Main Trans-current shear zone, a major structure marking the boundary of the more mafic Mako Group to the west and the sediment dominated Diale-Dalema Group to the east.

Teranga explored the Tourokhoto, Cinnamon West, Dembala Hill, Seven Hills, Goundamekho and Tourokhoto Marougou Prospects and completed additional RC drilling programmes on the Tourokhoto, Cinnamon West, Dembala Hill and Tourokhoto Marougou Prospects, 2012 and 2013.

At Goundamekho trenching revealed quartz-sulphide stock works in greywacke (1m to 2m thick), short strike length quartz veins, and stringer zones of quartz over widths of 2m to 3 m.

Sounkounkou Permit

Exploration work focused on the Gora, the Diegoun prospects, KA, KB, KC, KD, KE, and Diabougou prospects. Gold anomalies identified by the regional geochemical sampling and rock chip sampling programmes as well as by earlier RAB and RC drilling programmes were investigated with further detailed mapping and drilling programmes.

Heremakono Permit

Exploration carried out by Teranga on the Heremakono Permit included additional surface mapping, further termite geochemical soil sampling programmes, trenching and rock chip sampling. Anomalous gold bearing zones were evaluated by means of trenching and drill programmes. The Soreto, Soreto North, Soreto Corridor Ninienko Prospects were the main area of focus in 2012-2013, with a limited diamond drill core programme being conducted at Soreto.

Massakounda Permit

Exploration on the Massakounda Permit entailed limited reconnaissance mapping, termite and soil geochemical sampling programmes as well as rock chip sampling on a limited scale.

Garaboureyia Permit

Teranga has undertaken limited exploration programmes entailing termite mound sampling and mapping.

Teranga is not aware of any issues that give it concern as to the reliability of the work undertaken to date.

SOMIGOL Exploration

During the initial twenty-two month period, February 2005 to December 2006, the OJVG was required to spend at least \$8 million on exploration. Up to December 31, 2006, the OJVG had met and exceeded that commitment by spending at least \$11 million.

In 2005, exploration started in March, after Oromin signed the Mining Convention on behalf of the OJVG. The OJVG undertook a multifaceted exploration program with several objectives, to outline and define the dimensions of the gold

mineralization discovered at Golouma, Masato and the Niakafiri / Sabodala trends and to evaluate the property as a whole through soil geochemistry, Induced Polarization (IP) geophysics and trenching.

Initially Pacific Geomatics Ltd. of Surrey, British Columbia, Canada obtained Quick-bird high-resolution satellite imagery of the concession area in October and November 2004. In April and May of 2005, they completed a topographic base covering the entire concession.

In early May 2005, Fugro Airborne Surveys (PTY) Ltd. (Fugro) of Perth / Sydney, Australia completed a 6,242km ultra-high resolution Midas II helicopter-borne magnetic and radiometric survey. The entire exploration concession area was surveyed at 50m line separations and several of the more interesting areas were surveyed at 25m line spacing. An Australian firm, Encom Technology (PTY) Ltd. (Encom) analyzed the Fugro airborne magnetic data to produce a geological and structural interpretation for the OJVG concession.

The field program started in May 2005. It comprised 3,895 soil samples, 139 rock assays and 707.5m of hand trenching in 31 trenches. Excavator trenching completed linear meters of 2,956m in 32 trenches distributed amongst the Golouma West (6 trenches; 571m), Golouma South (6 trenches; 459m), Golouma Northeast (Kourouloulou) (7 trenches; 528m), Kerekounda (4 trenches; 263m), Niakafiri Southeast (4 trenches; 642m) and Niakafiri Southwest (5 trenches; 493m) areas. Sigma Geophysics of St. Bruno, Quebec, Canada was contracted to provide geophysical services completing 119km of IP and 66km of ground magnetic surveying.

Exploration continued in 2006 from a newly constructed camp centrally located near the village of Maki Medina. Given its success in locating gold mineralization, geochemical soil sampling was expanded to cover the entire concession while close-spaced follow-up sampling was used to further define anomalous areas. A total of 22,696 soils and 508 rocks were collected. Thirty-four hand trenches, totaling 770m, were completed at a number of new areas prior to excavator trenching or drilling. One hundred-twenty excavator trenches totaling 15,657m were completed, testing seven areas at Golouma and seven additional targets. Geophysical surveys included 116km of additional IP surveying at Masato, Golouma, Niakafiri and on the Mineral Deposits Ltd. (Teranga) condemnation area required for their mine operation. Core drilling began in 2006 with 70 core holes totaling 11,732m completed. Drilling focused mainly on three target areas, Masato (8 holes; 1,302m), Golouma West (31 holes; 5,467m) and Golouma South (22 holes; 3,514m). The initial ten reverse circulation holes totaling 1,146m were all completed at Golouma South.

Results from the 2005-2006 exploration program include initial positive drill assays from Masato, Golouma West and Golouma South. Trenching and drilling traced the mineral zone at Golouma West for 750m along an east-west strike and 150m down-dip while at Golouma South gold mineralization was traced for 300m along strike and 150m down-dip. A 1,500m long, gold-in-soil geochemical anomaly was outlined at Maki Medina and confirmed by excavator trenching (Trx 99-131). Golouma Northwest mineral zone was discovered in excavator trenches (Trx 111-113) and drill holes (Sab06-62, 65 and 66). Golouma Northeast (Kourouloulou) was discovered in drill holes Sab06-67, 68, and 70. New mineralization was discovered in trenches at Sabodala North and Masato North. IP geophysics outlined new areas of interest at Sekoto, Maki Medina, Golouma West and Niakafiri.

SOMIGOL Exploration Summary

From 2005 to the end of 2012, OJVG's exploration of the Golouma gold project has employed the techniques and technologies outlined in table below.

2005-2012 SOMIGOL Exploration Summary

Exploration	Completed
aeromagnetic geophysical survey	6,242 line kilometres
ground magnetics	66 line kilometres
induced potential (IP) geophysics	272 line kilometres
soil geochemical sampling	67,040 samples
rock sampling	2,467 samples
hand trenching	91 (2,496m)
excavator trenching	406 (65,498m)
RAB drilling	630 holes (22,435m)

Exploration	Completed
RC drilling	958 holes 157,171m)
geotechnical RC drilling	30 holes (1,808m)
engineering drilling	54 holes (1,848m)
water wells	26 (1,377m)
diamond core drilling	1,094 holes (240,813m)
RC extensions	28 (4,157m)
geotechnical core drilling	51 holes (10,703m)

The initial soil geochemical sample results, along with the previous exploration results from BRGM, identified sixteen target areas for follow-up exploration as discussed in the Local Geology section. Exploration uses lithological, alteration and structural data from outcrop, trench, RC chips and drill core to characterize the various mineralized areas and integrate the results with geological interpretations of the aeromagnetic survey data.

As of 31 January 2013, OJVG had successfully advanced a total of fourteen deposits to the stage of resource estimation. In addition to these successes, OJVG has received encouraging results from gold-in-soil geochemistry, trenching and scout drilling from nine additional exploration targets, prospects and deposits (Maleko, Dendifa, Mamakono, Sabodala North, Korolo, Saboraya, Mankana, Goumbati, and Torosita).

The Golouma Mining Concession still has a number of gold-in-soil geochemical anomalies located during the project-wide geochemical survey that remain to be evaluated.

Masato

Exploration deep drilling at Masato continued during 2011, with 3,168m in ten core holes and 547m in four RC holes completed. There were two goals for the drill program at Masato. The first was to continue and complete the infill drilling program started in the fall of 2010, which was initiated to delineate higher grade, underground resources below the 2010 resource pit. The second goal of the drill program was to extend zones of mineralization down plunge and down-dip by drilling step-out holes starting at 100m spacing below the 2010 resource shells.

Results of the infill drill program were positive and the tightened drill spacing assisted with the delineation and continuity of higher-grade potential underground resources. Results of the deep drilling program were generally positive as well, with the main Masato Zone intersected in these broad step-out drill holes. Gold values and widths were typical of Masato style mineralization (1.5-3 g/t Au over 5-10m) and extended the Masato zone 600m down-dip from surface.

Golouma West

Deep drilling exploration at Golouma West continued during 2011 (10,248m of core drilling in thirteen core holes). The primary goal of the work program was to test the down plunge portions of the 1300, and 1200 Zones (Golouma West), as well as the down plunge extension of the 1200 Zone in Golouma West to depths of 1,000m from surface. Diamond core holes were targeted to intersect the down plunge portions of each zone, starting at 150m to 200m down plunge from the bottom of the existing 2010 resource shells. Subsequent holes were targeted to intersect the main gold zones 150m to 200m down plunge.

Overall the drill program was very successful, as most drill-holes intersected zones of gold mineralization that appear to correlate well with either the 1200 or 1300 Zones. Only one hole failed to reach the main gold zone due to technical problems with the drill rig, and was abandoned at approximately 1100 m. Gold values within the latest drilling were very good, with values well in excess of the minimum mining grade (4g/t Au) and mining width (2m) used to define potential underground resources. Golouma West has been tested to a depth of 900m and is open to expansion. New sub-parallel zones of mineralization were discovered adjacent to Golouma West during deep drilling and include the 950 Zone and Golouma West extension.

Golouma South

Deep drilling exploration at Golouma South continued during 2011 with 4,415m of core drilling completed in seven holes. The primary goal of the work program was to test the down plunge portions of the main Golouma South zones

at depth. Initial diamond core holes were designed to intersect the main ore shoots starting from 150m to 200m down plunge from the current resource shells. Subsequent holes were designed to hit the main gold zones 150m to 200m down plunge from previous holes.

Results of the deep drilling program were very positive, with all drill-holes intersecting Golouma-style mineralization. All of the new intercepts from the deep drilling program correlate well with previously defined mineralization, and have extended the gold zones down to a depth of 560 m. Results from the deep drilling were generally moderate to high-grade (5-20 g/t Au) to locally very high-grade (>100 g/t Au), well in excess of the minimum underground mining grade of 4 g/t Au and minimum mining width of two metres.

Golouma Northwest

At Golouma Northwest zone, located 200m north of Golouma West, initial drilling targeted a zone that was interpreted to be trending northeasterly and dipping steeply westerly. Results from the initial holes were sporadic and indicated a zone of discontinuous mineralization. Reinterpretation of the data in 2011 indicated that the mineral zone could be trending west-northwest, sub-parallel to the main Golouma West zone. Drilling in 2011 included, 655m in eight core holes and 319m in four RC holes. Drilling has confirmed the interpretation and defined a fairly continuous zone of gold mineralization that has been traced for approximately 400m along strike and 120m down-dip.

Kerekounda

Deep drilling exploration continued in 2011 at Kerekounda with eight core holes completed in 3,695m of drilling. The main goal of the program was to test the continuity of Kerekounda style mineralization to depths in excess of 500 m, down-dip, from surface.

Mineralization at Kerekounda has been drill-defined over a strike length of 370m and down-dip for approximately 490 m; it remains open to expansion.

Results of the drill program were largely disappointing, with only one drill hole (DH-956, 2m @ 10 g/t Au) and one Geotech hole (KKG-T-01, 14m @ 8 g/t Au) intersecting Kerekounda-type grades, which has extended the main zone approximately 125m below the current defined resource shell. The remaining drill holes failed to intersect Kerekounda-type grades and gold values are generally only anomalous (<500 ppb Au).

Niakafiri Southeast & Niakafiri Southwest

Exploration drilling continued in 2011 at Niakafiri Southeast with seven core (1,235m) and five reverse circulation (562m) drill holes completed. There were two goals for the drill program. The first goal was to confirm the existence of an inferred east-west, gold bearing structure that could host significant gold resources in the footwall of the main Niakafiri zone. The second goal was to test for the on strike extension of the main deposit, adjacent to a strong gold-in-soil geochemical anomaly, located 500m to the south of the current resource.

Results for the first goal were generally disappointing, with diamond drilling failing to confirm the existence of an east-west trending, gold bearing structure in the footwall of the main Niakafiri gold zone as only spotty, anomalous results were reported. An adjacent drill hole DH-1061 did intersect the main zone returning 24m @ 1.4 g/t Au and 10m @ 1.27 g/t Au.

Drill results from the southern extension of Niakafiri Southeast were generally positive as indicated by RC-956 which intersected 1.7 g/t Au over 28m and extended the area of mineralization.

Niakafiri Southwest, located one kilometre west of and parallel to Niakafiri Southeast, is interpreted to be a north-northeast trending, steeply west dipping, 200 to 300m wide zone of strongly sheared and altered mafic and ultramafic metavolcanic rocks. The mineralization has been traced in drilling for 400m along strike and to a depth of 140m and remains open to expansion. Locally, as at Niakafiri Southeast, the north-northeast trending mineral zone appears to be offset by several late, brittle, east-west cross-faults.

The southern extent was drill tested by five RC holes totaling 921 m.

Kourouloulou

Several new geochemical anomalies and the main mineral zone were tested at Kourouloulou in 2011. The drill program targeted three areas. The first tested for the extension of the main ore zones at depth and along strike. The second tested a new geochemical anomaly, Kourouloulou East, located approximately 150m to the northeast of the main Kourouloulou deposit. The third tested a geochemical anomaly located 100 to 150m south of the main zone near some historic artisanal workings.

Results for the drill holes targeting the main Kourouloulou zone were mixed, with one drill hole successfully intersecting the main zone at depth, while the second drill hole failed to extend the zone to the east.

The Kourouloulou East geochemical anomaly, located 150m northeast, was tested by two drill holes and four trenches. Drill hole and trench results were disappointing intersecting only weakly anomalous gold values. The Kourouloulou South geochemical anomaly located 100 to 150m south of the main zone was tested by five reverse circulation drill holes totaling 754 m. Drilling discovered a new sub-parallel zone of shear hosted vein mineralization.

Saboraya

The Saboraya exploration target, located mid-way between the Kerekounda and Kourouloulou deposits is related to dilational shear hosted quartz veining. Drilling has tested the mineralization for 150m along strike and to 100m below surface. It was tested by three core (485m) and nine RC (1,308m) holes.

Kobokoto

Kobokoto is located 2km southwest of Maki Medina along the same steeply west dipping north-northeast trending structural zone that hosts Niakafiri Southwest. The main mineralized zone consists of a shallow west dipping, variably sheared zone of quartz-carbonate alteration and quartz-carbonate-tourmaline veining. The current resource is drilled to a depth of 100m and over a strike length of 1km. Deep oxidation has affected the mineral zone and near-surface, lower-grade mineralization may be amenable to heap leach recovery.

During 2011, three reverse circulation holes totaling 366m were drilled to test the Kobokoto South geochemical anomaly.

Mamasato

The Mamasato deposit, a recent discovery located 2km southeast of the Masato deposit was identified by soil geochemistry and prospecting. The anomaly was tested by eight trenches (1,538m), eight reverse circulation drill holes (1,446m) and forty-two core holes (7,586m) along an 800m east-west strike length and down dip to 250 m. The gold-in-soil geochemical anomaly is coincident with a series of east-west to north-northeast oriented quartz vein systems hosted by sheared and altered mafic metavolcanics and minor felsic intrusives. Near surface mineralization is locally deeply oxidized to sixty metres and may have soft ore or heap leach potential.

Sekoto

The Sekoto deposit is located approximately 9km to the northeast of the Golouma deposit and 4km east of the Masato deposit. To date, ten trenches (3,280m), fourteen reverse circulation (1,761m) and nine core holes (661.6m) have been completed at Sekoto.

The geology consists of a central granodiorite intrusive, which has intruded deformed to highly strained mafic metavolcanics and sediments. Oxidation at Sekoto commonly extends 30m to 40m below surface, however, oxidation is found to be deeper along structures or where laterite is present. Deeply oxidized mineralization at Sekoto may be amenable to heap leach recovery.

Drilling in 2011, nine core (661m) and ten RC holes (844m), focused on mineralization intersected in RC-363 (16m @ 1.15 g/t Au) that has been traced on surface by trenching. Drilling has outlined a relatively continuous body of low-grade gold mineralization that has been traced along strike for 350m and down-dip 150 m. This zone remains open to the northeast and down-dip. Additional untested zones are present mainly to the west and in the hanging wall to the main zone.

Kinemba

There are three geochemical targets in the Kinemba, Mankana, and Kinemba West area. The Kinemba deposit was tested by 20 RC holes (3,456m) and three core holes (640m); Mankana by four RC holes (623m); and Kinemba West by five RC holes (685m). The best results were from the Kinemba deposit area. The Kinemba deposit, located 3km south-southwest of the Maki Medina deposit, is defined by a 1.4km by 0.6km north-northeast trending gold-in-soil geochemical anomaly.

The Kinemba area consists of massive to locally strongly sheared mafic metavolcanics intruded by a prominent magnetic mafic dyke and minor intermediate to felsic dykes. The shear zones and dykes commonly strike northeast and dip moderate to steeply westward, parallel to the regional trend. Oxidation at Kinemba can reach depths of up to 70m making it a potential target for heap leach processing.

Gold mineralization is hosted by multiple zones of strongly sheared, weakly to moderately carbonate-albite-silica-sericite-pyrite altered, mafic metavolcanics that are 5m to 30m wide. The north-northeast trending steep west dipping mineralization has been traced over a strike length of 600m and to a depth of 200 m. A prominent north-northeast trending, 20m to 40m thick, massive mafic dyke intrudes and subdivides the zones of shearing and alteration into east and west parts. Zones of shearing and alteration on the west side of the dyke (hanging wall) exhibit stronger gold values and better continuity along strike and down-dip. Gold assays at Kinemba are generally low, with individual values ranging from 0.3 g/t Au to 10 g/t Au and composite grades ranging from 0.5 to 2.0 g/t Au over widths of 2m to 10m. The zone remains open in all directions.

Koutouniokolla

The Koutouniokolla deposit is located approximately 3.5km southwest of the Golouma deposit. To date, eleven trenches (1,952m), twenty-eight core holes (4,423m) and nine reverse circulations drill-holes (1,255m) have been completed at Koutouniokolla.

Mafic metavolcanics at Koutouniokolla have been strongly deformed by two separate shear zones and intruded locally by fine-grained pink felsic dykes. One structure strikes north-northeast and dips steeply west-northwest. Two separate, parallel zones of mineralization have been encountered along this trend for approximately 230m of strike length and down-dip for 150m.

The second zone of mineralization is hosted by a west-northwest striking moderate to steeply dipping shear zone. Gold mineralization along this structure is more sporadic, except in the vicinity of the intersection with the north-northeast structure.

The differences in grade between the two zones can be explained by the quantity of quartz-tourmaline veining, with higher grades following higher percent veining. In zones where gold is hosted by altered shear zones, higher grades typically follow pervasive silicification.

Nine reverse circulation holes (1,255m) and ten core holes (1,409m) were drilled during 2011.

Kouroundi

Another recent soil geochemical discovery was made at the Kouroundi deposit located one kilometre north of and across the valley from Kerekounda. Initial excavator trench results were positive intercepting 3.5 g/t gold over nine metres within a broad zone grading 2 g/t Au over 20 m. Mineralization at Kouroundi occurs in a broad zone of north-northwest trending shear hosted quartz veining. The mineralization abuts a thick laterite plateau that covers any extension to the north. It was tested by two trenches (352m) and fourteen core holes (2,005m) over a 100m strike length and 100m down-dip.

Sabodala North

The Sabodala North prospect is located approximately 1.7km to the north of Masato. Exploration consists of six trenches spaced 100m to 200m apart and 16 core and RC holes drilled on three sections spaced 300m apart, with three to five holes per section.

Gold mineralization is hosted within moderately to steeply west dipping, northeasterly trending, carbonate-dolomite-silica-albite-fuchsite altered shear zones, and in local quartz-tourmaline veins. Gold values are generally low with

sporadic one-metre intervals of higher grade. Due to the wide drill spacing and sporadic nature of gold values, it is difficult to know how continuous gold mineralization is along strike and down-dip. Significant infill and step-out drilling is needed in order to upgrade this zone. Three RC holes totaling 366m tested for a southern extension with poor results.

Goumbati West

Goumbati West is a low-grade heap leach prospect located approximately 1.2km to the southwest of the Kobokoto deposit and 1.5km west of the Kinemba deposit. The Goumbati West prospect is defined by a 1km by 0.4km, >50 ppb gold-in-soil geochemical anomaly, that trends towards the northeast. Two trenches (164m) were completed in late 2011 to test an extension to the geochemical anomaly exposing sheared mafic metavolcanics intruded by a narrow, pink, felsic dyke.

Torosita

Torosita is the newest geochemical discovery. It is located 6km west of Golouma and 1km to 2km west of the Maki Medina and Kobokoto deposits. Torosita comprises a series of localized gold-in-soil geochemical anomalies (TZ 1 to TZ 5) found within an extensive flat area covered by a variable thickness of laterite. These geochemical anomalies are coincident with a series of northeast trending altered shear zones and have over a kilometre of strike extent. In addition to the regional structural target, there are a series of northwest and east-west oriented, higher-grade, dilational shear-hosted quartz veins identified by prospecting and trenching.

The Torosita gold-in-soil geochemical anomalies were tested by thirty-one trenches (5245m), seven reverse circulation drill holes (842m) and eight core holes (798m). Drill results were encouraging but locally spotty.

MINERALIZATION

Sabodala Mining Concession

Gold deposits and prospects on the Sabodala Mining Concession occur in the following styles:

- The Sabodala deposit itself, which comprises a network of extension vein arrays, breccia mineralization and a network of controlling shallow to moderate dipping shear veins which are developed adjacent to a northeast trending shear zone. Ninienko has a similar style of gold mineralization.
- Gold mineralization within shear zones in carbonate altered ultramafic and mafic units that are associated with networks of quartz shear veins, slip surfaces and extension veins, which include the Niakafiri deposit, Niakafiri West and Dinkonkono prospects.
- Mineralization in northwest or northeast-trending, generally steeply-dipping banded quartz veins which occur in areas of elevated strain and hosting mineralized shear zones such as the Gora deposit and the Toumboumba, Faloumba, Soreto and Soukhoto prospects.
- Quartz vein arrays developed in competent units within the sedimentary sequence of the Diale-Dalema sequence, particularly sandstone horizons and in small intrusions (a sedimentary hosted example is Gora).

Sabodala Deposit - Overview

The Sabodala deposit comprises a network of mineralized shear zones and associated surrounding sets of quartz breccia veins and vein arrays which are discordant to, and cut across the hosting volcanic stratigraphy. Mineralization is most intensely focused in and west of where the shear zone network intersects, and crosscuts the mylonitic chert unit. Best developed mineralization extends from the chert unit westward to the ultramafic-hosted Ayoub's Thrust, in the steeply west-northwest dipping host sequence comprising the volcanoclastic unit, mafic volcanic units and gabbro which lie between the chert and the shear zone. The deposit is developed over a strike length of at least 600m from the Sutuba prospect southwest of the current open pit, northward to several hundred metres north of the open pit, where it is open at depth. Within and northward from the current open pit, the deposit plunges moderately to the north, while at the south end of the deposit the plunge is shallow to the south. The mineralization plunges vary with the orientation of, and intersections between the principal mineralized structures, which host and are surrounded, by gold mineralization.

Sabodala Deposit - Controlling Structures

Several shear zone orientations control the position and morphology of gold mineralization in the Sabodala deposit. The largest and most continuous is the Ayoub's Thrust, which, although containing only a small proportion of mineralization itself, likely has a major structural control on the position of adjacent mineralization and subsidiary mineralized shear zones. This structure is a 50m to 100m wide, largely ultramafic sill hosted, north-northeast trending and steeply dipping high strain zone which lies immediately west of the orebody, (see schematic outlining structural patterns and mineralization controls). Within it, areas of intense oxide alteration with relict fuchsite and locally abundant quartz veining define oxidized upper parts of the carbonate alteration zones, which, below depths of oxidation, comprise of inner dolomitic, fuchsite-bearing carbonate and outer talc-chlorite-serpentine alteration. While this alteration and veining does not usually carry gold mineralization, it defines a significant fluid channelway and controlling shear zone along the ultramafic unit adjacent to which gold mineralization is developed. A second stratabound shear zone to the east occurs along the deformed chert-siltstone unit in eastern parts of the orebody, representing an area of high strain which has been termed the Mylonite Shear zone.

Within the Sabodala orebody, principal ore hosting and controlling structures extend between the stratabound Ayoub's Thrust, and Mylonite shear zones, forming a network of shear zones that host and are surrounded by gold mineralization, and from which subsidiary mineralized structures splay off. The most significant of these are the Main Flat and Northwest Shear. These host and are surrounded by the most continuous and through-going areas of mineralization in the deposit along central quartz-carbonate-albite-pyrite shear vein systems developed along them, and in broad surrounding zones of alteration and veining which are best developed where the two structures intersect (see plan view schematic of the bench scale geology).

The Main Flat Zone is the more laterally extensive of these two principal ore hosting structures, and is traceable over a strike length of more than 600m from north-northeast to south-southwest across the deposit. It dips shallowly to the west in southern parts of the deposit, rolling to flat and ultimately shallow to moderate north dips in the northern part of the deposit, creating an overall domal geometry. The structure accommodates more than 100m of reverse displacement (top to the east) of marker units in southern parts of the deposit.

The displacement on the Main Flat diminishes northward as the vein/shear zone system becomes more complex, and splits into subsidiary shear vein structures at depth, some of which potentially define new downward en echelon steps of the shear vein system to the north that host continuing gold mineralization.

The Northwest Shear trends west-northwest and dips moderately to the northeast, running through central parts of the deposit. It is best developed immediately above the Main Flat and veining and mineralization within it thicken downward as they approach that structure. Although it is a significant and laterally traceable ore-producing structure, apparent displacement of lithologies across the Northwest Shear is only minor.

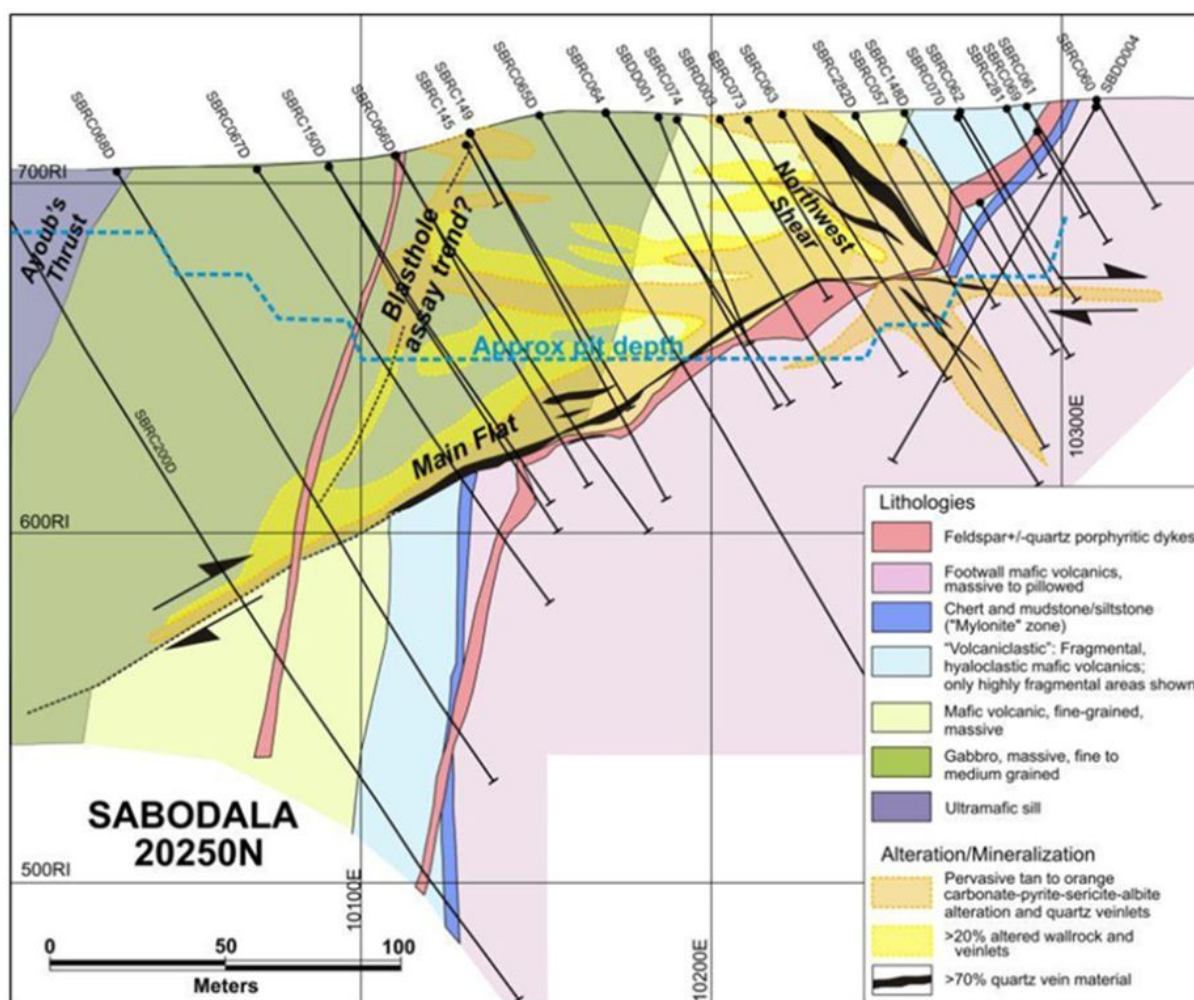
The Main Flat – Northwest Shear intersection and the abundant veining and alteration surrounding and extending between the junction of these structures together form the highest grade, north-northwest plunging core to the Sabodala orebody. The similarities in style, alteration and veining history along the Main Flat and Northwest Shear suggest that they are probably coeval and potentially conjugate shear zones.

In addition to the Main Flat and Northwest Shear, several subsidiary shear zones splay off, or link, between these mineralized structures. These locally control significant areas of gold mineralization in the deposit, and include (i) the New Fault, a potential hanging wall splay off the Main Flat which occurs in southern portions of the deposit, and (ii) a structure defined by blasthole assay patterns along the western parts of the central orebody, which is defined on its margins by a steeply dipping shear zone that is several metres wide. The New Fault accommodates significant top to the southeast displacement of lithologic units based on map patterns, and south of its junction with the Main Flat may accommodate as much as half of the displacement that is taken up on the Main Flat to the north.

Collectively, the Main Flat, Northwest Shear, New Fault, structure associated with the blast hole assay trend, and networks of dominantly shallow southerly dipping extension veins form a complex intersecting set of structures that plunges shallowly to the north-northwest.

A typical cross section showing the features is shown below.

Sabodala Deposit - Typical Geological Cross Section



Sabodala Deposit - Veining and Alteration Associated with Mineralization

Gold mineralization at the Sabodala deposit occurs in a combination of continuous grey quartz shear veins along shear zone surfaces in the Main Flat and Northwest shear zones; and in sets of quartz-carbonate-albite-pyrite extension veins. These are in coalescing extension and in shear vein domains which form zones of quartz-carbonate matrix breccia, and in areas of pervasive tan to pink coloured carbonate-albite-sericite-pyrite alteration which surround and link between veins, shear zones and breccias. Multiple generations of veins are evident, but the most voluminous veining and alteration forms are the youngest generation.

The most continuous mineralization occurs along and surrounding the Main Flat and Northwest Shear. In the central parts of the deposit, these two structures are cored by quartz shear vein systems comprising mottled grey, variably brecciated, and banded quartz veining which is locally host to high gold grades.

Within the Sabodala deposit, the extension veins commonly coalesce in, or join areas of vein-like or diffuse breccias, especially in or adjacent to the Northwest Shear and Main Flat where breccias can occur over intervals of several metres, and are often very high grade.

The Main Flat is the more laterally extensive of these two principal ore hosting structures, and is traceable over a strike length of more than 600m from north-northeast to south-southwest across the deposit. It dips shallowly to the west in southern parts of the deposit, rolling to flat and ultimately shallow to moderate north dips in northern part of the deposit, creating an overall domal geometry. The structure accommodates more than 100m of reverse displacement (top to the east) of marker units in southern parts of the deposit.

The displacement on the Main Flat diminishes northward as the vein/shear zone system becomes more complex, and splits into subsidiary shear vein structures at depth, some of which may define new downward en echelon steps of the shear vein system to the north that host continuing gold mineralization.

The Northwest Shear trends west-northwest and dips moderately to the northeast, running through central parts of the deposit. It is best developed immediately above the Main Flat and veining and mineralization within it thicken downward as they approach that structure. Although it is a significant and laterally traceable ore-producing structure, apparent displacement of lithologies across the Northwest Shear is only minor.

The Main Flat – Northwest Shear intersection and the abundant veining and alteration surrounding and extending between the junction of these structures together form the highest grade, north-northwest plunging core to the Sabodala orebody. The similarities in style, alteration and veining history along the Main Flat and Northwest Shear suggest that they are probably coeval and potentially conjugate shear zones.

In addition to the Main Flat and Northwest Shear, several subsidiary shear zones splay off, or link, between these mineralized structures. These locally control significant areas of gold mineralization in the deposit, and include (i) the New Fault, a potential hanging wall splay off the Main Flat which occurs in southern portions of the deposit, and (ii) a structure defined by blasthole assay patterns along the western parts of the central orebody, which is defined on its margins by a steeply dipping shear zone that is several metres wide. The New Fault accommodates significant top to the southeast displacement of lithologic units based on map patterns, and south of its junction with the Main Flat may accommodate as much as half of the displacement that is taken up on the Main Flat to the north.

Collectively, the Main Flat, Northwest Shear, New Fault, structure associated with the blast hole assay trend, and networks of dominantly shallow southerly dipping extension veins form a complex intersecting set of structures that plunges shallowly to the north-northwest.

Other Prospects within the Sabodala Mining Concession

Outside of the Sabodala deposit on other parts of the Sabodala property, significant areas of mineralization are hosted by north-northeast trending, steep west-northwest dipping carbonate altered shear zones along the Niakafiri Shear Zone, shear zones which splay off this structure to the west, and along the Masato shear zone which lies 400 to 500m east of and parallel to the Niakafiri Shear zone. Similar styles of mineralization are also present on continuations of these shear zones on the adjacent Oromin properties, including the Masato deposit, which lies along the Masato Shear Zone to the northeast of the Sabodala property, and in the Maki Medina deposit, which forms an additional zone of mineralization along the Niakafiri Shear Zone to the south.

On the Sabodala property, the Niakafiri Shear Zone is traceable from the Niakafiri deposit northward through the Dinkonkono, Sambaya and Masato prospects before passing out of the property to the northeast. Alteration associated with mineralization in the Niakafiri, Masato and other shear zones on the Sabodala property is associated with coincident positive IP resistivity and chargeability responses with form outlines of known areas of carbonate-muscovite-pyrite alteration that are developed along them.

Niakafiri Deposit

The most extensive areas of mineralization along carbonate altered shear zones occurs at the Niakafiri deposit in southern parts of the Sabodala property, extending from the southern parts of the property boundary to the Dinkonkono prospect. Here, the Niakafiri deposit occurs along an approximately 750m strike length of the Niakafiri shear zone. The deposit has been drilled to a depth of 150m and parts are still open. The mineralization style in the Niakafiri deposit, and spatially associated shear zones developed in the Niakafiri West area, comprises sets of quartz veins, shear veins and disseminated pyrite developed in the ultramafic-hosted carbonate altered shear zones along, and splaying off the main Niakafiri Shear Zone

Drilling suggests that the shear zones and their hosting ultramafic units dip steeply to the west and may be locally discordant to the volcanic stratigraphy. The dominant alteration mineral in the Niakafiri Shear Zone in the deposit area is dolomite with variable muscovite (sericite) content, and quartz, albite and pyrite as other common alteration minerals.

Pink felsic dykes of various ages occur along the Niakafiri shear zone in the Niakafiri deposit within areas of carbonate alteration and gold mineralization, as they do at the Sabodala deposit.

Gold mineralization in the Niakafiri deposit is generally concentrated in areas of both most intense strain, and most pervasive dolomite-sericite alteration within the Niakafiri Shear zone where networks of quartz extension and shear veins are developed, often spatially associated with felsic dykes. The intersection of north-northeast and north-northwest trending shear vein sets and associated fringing sets of steeply dipping, east-west trending extension veins around them defines steep northerly plunging shoots.

The sequence of veining from oldest most deformed to least deformed, young extension veins suggests that veining associated with gold mineralization in the shear zone was coeval with deformation.

The mainly steeply dipping extension and shear veins at Niakafiri that are associated with areas of gold mineralization are generally more highly strained than those at the Sabodala deposit, and may form an older set of veins than the main stage shallow dipping Sabodala vein arrays. Like the older, steeply dipping veins in the Sabodala deposit, late shallow dipping extension veins that may be coeval with main stage veining at the Sabodala deposit cut the Niakafiri vein systems, suggesting the Niakafiri mineralization may have been mainly coeval with early phases of mineralization there.

Niakafiri West Deposit

Diamond drilling and IP patterns west of the Niakafiri deposit indicate that a network of carbonate altered shear zones extends west and northwest from the Niakafiri deposit beneath and west of the Sabodala town site. These shear zones extend north-northeast beneath overburden and ferricrete through the western Sutuba and Soukhoto areas and may link up with the Ayoub's Thrust at the Sabodala deposit. Drilling and geophysical patterns suggest that these structures include north-northwest trending shear zone strands which link northwest in the area of the Niakafiri West deposit into a north-northeast trending shear zone corridor. In drill core, the style of mineralization at Niakafiri West is closely comparable to the Niakafiri deposit, comprising sets of variably deformed quartz extension veins and quartz-carbonate-sericite-tourmaline-pyrite shear veins developed in tan to pale green carbonate alteration in areas of high strain.

Soukhoto and Faloumbo Areas

The Soukhoto and Faloumbo areas contain widely spaced east-northeast trending and steeply dipping quartz veins which vary from 5 cm to 50 cm thick, and which have strike lengths of at least several tens of metres. The veins comprise white quartz with local prismatic fill, and have thin foliated envelopes suggesting that they are developed in minor shear zones. They are hosted in foliated mafic volcanic rocks. These veins occur in areas of high strain between the more intense shear zones such as the nearby Niakafiri shear zone and associated subsidiary structures, potentially linking between the larger shear zones or occurring in areas of strain accommodation at bends and terminations of individual shear zone strands. Potential occurs in these areas for defining individual higher grade shear veins, or for areas of lower grade, bulk tonnage mineralization where the shear veins are closely spaced or are associated with sets of quartz extension veins.

Golouma Mining Concession

Orogenic gold mineralization found on the Golouma Mining Concession has been subdivided into two types; higher grade "Golouma type" and lower grade bulk tonnage "Masato type". Golouma type deposits including the Kerekounda, Kourouloulou, Golouma (West, South and Northwest), Kouroundi, Koutouniokolla, Mamasato, and Koulouqwinde deposits are found in the central to eastern parts of the concession. Golouma type deposits are covered by relatively thin, poorly developed laterite and saprolite where uplift has caused the commonly thick laterite and saprolite to be locally eroded and occasionally exposing the underlying mafic metavolcanic bedrock. Masato type deposits include Masato, Niakafiri Southwest, Niakafiri Southeast, Maki Medina, Kobokoto, Kinemba, and Sekoto. Masato type deposits are generally located within an extensive northeast trending structural zone lying to the west of the Golouma deposits. The Masato type deposits are generally comprised of multiple closely-spaced, parallel, moderate to steep dipping shear zones and largely covered by variable thickness of laterite. The deposits are commonly deeply weathered often in excess of 50m.

Mako volcanics along the center of the concession are represented by a deformed north-northeast trending belt of strongly magnetic units, approximately 2km wide, which form the spine of the project area and corresponds to a range of low hills in the otherwise flat landscape.

These are tectonically interleaved with slivers of mafic to intermediate composition metasedimentary material, including tuffaceous units which have a less pronounced magnetic signature. A significant part of the central concession area comprises basaltic and andesitic metavolcanics including lithologies identifiable as flows and pillows.

Metavolcanics are commonly weakly altered to a buff-brown or light green colour by carbonate alteration; some are weakly brecciated. All of the rocks are characterised by varying degrees of ductile (quasi-plastic) deformation and, to a lesser extent, affected by brittle faulting and jointing. Most rocks contain one or more ductile deformation fabrics, usually exhibiting a weak to moderate slaty or spaced cleavage. More massive basaltic units and some mafic dykes are less deformed, appearing blocky at outcrop.

The area to the northwest of the Sabodala deposit and Kobokoto is characterised by a high-amplitude response in the magnetic survey data. This corresponds to a large granitic body, interpreted to be part of the regional-scale Kakadian Batholith, which stretches 120km to the north. The batholith is a composite body, consisting of granites, granodiorites, monzogranites and gabbros, some arranged in layered complexes, containing a variety of mafic enclaves and dykes (Gueye et al. 2008).

Eburnean syn-tectonic granites are interpreted as occurring in the northeast part of the concession. These form a number of discrete intrusives similar to those at Mamakono and Sekoto. The Mamakono intrusive has been studied by Gueye et al. (2008), who describe it as a small, relatively equant pluton of homogeneous biotite-amphibole granodiorite, intruded into volcanic and volcanosedimentary rocks. Partial alteration by chlorite and carbonate has been noted. Gueye et al. (2008) consider this pluton, and other weakly deformed or undeformed granites like it, to be late kinematic intrusives associated with the Eburnean Orogenic event.

Steeply dipping felsic dykes, up to 5m wide, occur throughout the concession area in close proximity to areas of gold mineralization in Golouma South, Masato and Kerekounda. Their weak deformation characteristics suggest that they were emplaced as late-kinematic intrusives, with respect to transcurrent displacements along the MTSZ, and therefore may be of a similar age to the late kinematic intrusives of Gueye et al (2008).

Relatively discontinuous magnetic lineaments with straight to sinuous traces are relatively ubiquitous throughout the Golouma gold project area. Linear anomalies of this set have a mutually cross-cutting relationship with north-northeast-south-southwest to north-south trending discrete lineaments, described below. However, on the balance of their relationships, the former appear to pre-date the latter. The east-northeast-west-southwest set of magnetic structures are parallel or sub-parallel to several discrete through-going linear anomalies of regional extent. These are not obviously affected by the north-northeast trending structures and therefore may represent deep-seated structures.

Outcrop and trench exposures within areas with east-west linear anomalies contain greenschist facies, fine-grained metavolcanic rocks which are weakly to moderately deformed, containing an east-west or west-northwest oriented slaty cleavage or schistosity. Typically, the fabric dips steeply to subvertically towards the south.

The most striking structures on the magnetic survey data of Golouma Mining Concession are an array of north-northeast-south-southwest to north-south oriented discrete lineaments. A concentration of these lineaments runs along the entire spine of the concession and another concentration occurs along the south-western margin of the magnetic survey area. These lineaments commonly cause small offsets or deflections of east-northeast-west-southwest trending anomalies, with apparent left-lateral (sinistral) displacements and clearly represent shear zones. Several of the shear zones have strong continuous magnetic signatures owing to the presence of gabbroic dykes along their axes. Although the most obvious structures consist of concentrations of shear zones, away from these clusters, weaker, less continuous shear zones are distributed throughout the lower strain areas of the concession.

At outcrop, the north-northeast trending structures are manifest as zones of north-northeast trending ductile-deformed rocks, a few metres to several hundreds of metres wide. Outside of the main shear zones, the east-west fabric is crenulated by millimetre to centimetre-scale north-northeast trending shear zones, indicating that they post-date the formation of the east-west fabric. In higher strain zones, the crenulations grade into zones of crenulation cleavage. Where this has been mapped, the crenulation planes and north-northeast-cleavage orientation generally dip steeply to subvertically to the east-southeast.

SOMIGOL Deposits Overview

Fourteen mineral deposits have been identified on the Golouma Mining Concession to date (see figure on next page).

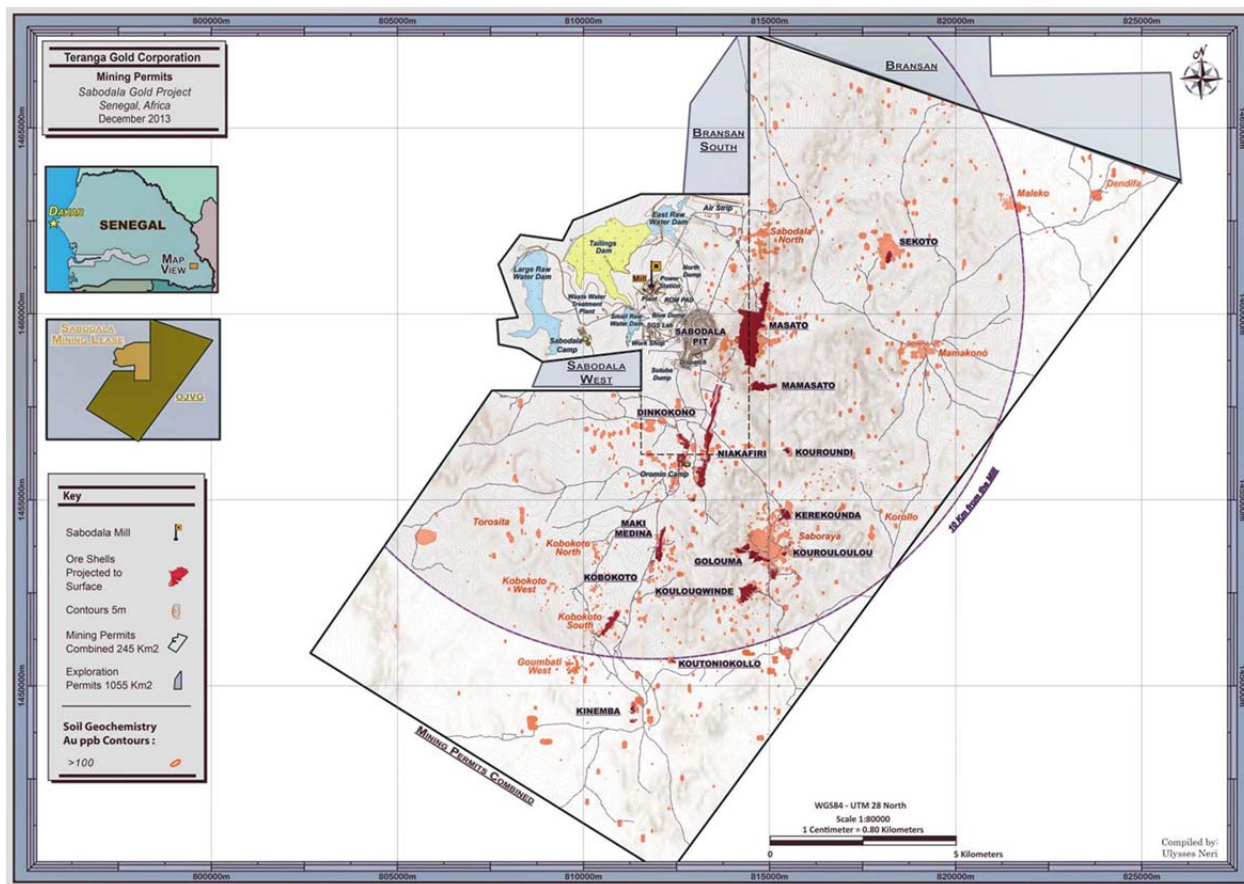
Masato

The Masato deposit occurs in the north central portion of the concession, several kilometres to the north of Golouma West, within a zone of highly magnetic mafic and ultramafic volcanics. The geology of Masato is dominated by a north-northeast-south-southwest (~020°) trending ductile shear zone several tens of metres in width. The

mineralization is hosted within multiple shear fabric-parallel zones with the broader shear zone. This shear zone can be traced to the north and particularly to the south, where it appears to host further mineralization at Niakafiri Southeast.

The shear zone fabric dips about 70° west and locally areas of intense metre-scale folding can be recognized in trench outcrops, although the mineralization does not appear to be affected (folded) on a large scale. Some ultramafic rocks, recognized in drill core, are affected by the shearing and commonly appear "greasy", possibly resulting from alteration by talc and serpentine. Carbonate dominated alteration is relatively widespread. However; at Masato, fuchsite is present in addition to the carbonate-quartz-sericite assemblage, particularly within ultramafic units. As at Golouma South, pink felsic dykes occur in close proximity to the mineralized shear zone at Masato.

Golouma Concession Deposit Map



In total, ten brittle fault zones and one discrete high strain shear zone have been modelled at the Masato deposit. The interpreted faults fall into two orientation trends. Eight faults are oriented east-northeast-west-southwest and follow prominent linear magnetic breaks. With the exception of one subvertical fault, these faults dip moderately or steeply towards the northwest. Two other faults have been modelled broadly paralleling the axis of the deposit, striking north-south to north-northeast-south-southwest and dipping steeply towards the west. None of the faults can be correlated with resolvable displacements of the modelled resource or other modelled geological elements. However, several corrugations in the wireframes do occur and may represent displacements below the scale resolvable by the current drilling.

Golouma West, Golouma South, Golouma Northwest, and Kourouloulou

Golouma West, Golouma South, and Golouma Northwest deposits, collectively the Golouma area, occur in mafic volcanic rocks in the central part of the Golouma gold project. The geology of the area is dominated by moderately deformed massive flows and pillowed basaltic rocks. The rocks are moderately chloritised, which in some instances is accompanied by the development of epidote replacement. Hydrothermal carbonate-dominated alteration overprints the rocks where deformed by ductile shear. In areas of low strain, the alteration yields a wispy appearance, but in

more highly deformed zones, it imparts a buff or salmon-pink colouration and is associated with anomalous gold concentrations. Several felsic dykes, up to 5m in width, occur throughout the Golouma area and appear to be intimately associated with the gold mineralization, particularly in Golouma South. A small number of mafic dykes have been recognized in drill core, including one thick gabbroic dyke.

The Golouma area is bound by two north-northeast trending zones of ductile shear which dip steeply to sub vertically towards the west-northwest. The western shear zone is continuous to the north and south for several kilometres and hosts part of the Golouma West mineralization (referred to as Golouma Northwest), as well as a thick gabbroic dyke. The eastern shear zone appears to converge with the western shear zone towards the south and hosts the Golouma South deposit within northeast trending anastomosing shear zones. The two northeast trending shear zones are linked by an east-west trending belt of intensely sheared and altered mafic volcanic rocks, approximately 1km in length. This zone dips steeply towards the south and hosts the main mineralized bodies of the Golouma West deposit. Outcrops and trench exposures indicate that the east-west trending shear fabric is locally overprinted by northeast oriented shear fabrics, giving rise to crenulations, crenulation cleavage and differentiated foliations. Fabric asymmetries indicate the northeast oriented shear zones accommodated a sinistral-oblique-normal movement sense.

The Golouma West deposit is affected by a significant fault, referred to as the Golouma West Fault. The fault strikes 061-241° and has a subvertical dip, which displaces the east-west trending mineralization by approximately 140m in an apparent dextral sense. Other structures of this orientation are visible on magnetic survey maps of the Golouma area, three of which have been modelled using drill hole data. A shallow north-northwest dipping thrust fault has also been located in the south of the deposit.

The Kourouloulou deposit is situated directly west of the northern continuation of the Golouma South shear zone. The deposit consists of four broadly east-southeast striking mineralized veins arranged parallel to each other within a zone that dips steeply towards the south. Three cross-cutting, subvertical northwest dipping brittle faults have been modelled for the deposit using drill hole data.

Kerekounda

The Kerekounda deposit is located approximately 1.5km to the north of the Golouma South deposit, within the same east-northeast-west-southwest structural trend that hosts the mineralization of the Golouma area. The deposit is hosted by weakly to moderately deformed mafic volcanics, similar to the host rocks at Golouma. The main ductile foliation orientation is 060-240°, consistent with the east-northeast trending regional structure.

However, mineralization at Kerekounda is localized within three relatively discrete north-northwest trending shear zones which have only a very subtle expression on the magnetic survey maps. The mineralized bodies are planar and dip moderately to steeply (50°-70°) towards the west-southwest. As in the Golouma deposits, the ductile deformation at Kerekounda, correlates with an intensification of carbonate-quartz-sericite alteration and carbonate-quartz veining, both of which contain anomalous gold. Approximately 100m to the west of the main mineralization, a unit of tuffaceous sediments occurs structurally below the mafic volcanics, and dips sub-parallel to the main mineralized zones.

The deposit is cut by a relatively thick north-northeast trending mafic dyke which is not mineralized and several smaller mafic dykes which do not cross-cut the mineralization. Additionally, felsic dykes occur in the hangingwall and along the contact between the mafic volcanics and tuffaceous sediments, within the footwall to the mineralization.

Four brittle fault structures have been identified from drill core logs and modelled. Two features strike between east-west and west-southwest, with an intermediate north-northwest dip. One additional structure dips at 67° towards the west-northwest and is described in core with a significant amount of breccia. The final structure strikes northwest with a shallow northeast dip.

Niakafiri Southeast and Niakafiri Southwest

The Niakafiri Southeast and Niakafiri Southwest deposits occur within a zone of highly magnetic mafic and ultramafic metavolcanics. The geology is dominated by a north-northeast trending, west dipping ductile shear zone, several tens of metres wide. The structural zone appears to continue from Masato southwards through Niakafiri, Maki Medina and Kobokoto to Kinemba. At Niakafiri Southeast, the carbonate dominated hydrothermal alteration is relatively widespread and as at Masato fuchsite (Cr-mica) is present in addition to the carbonate-silica-sericite alteration assemblage, particularly within ultramafic units. As with many of the deposits, fine-grained pink felsic dykes occur in close proximity to the mineralized shears. As at Masato, deep oxidation has affected the mineral zones and preliminary testing has shown the lower grade oxide material to be amenable to heap leach recovery.

Niakafiri Southwest is parallel to and west of Niakafiri Southeast. Niakafiri Southwest is interpreted to be a 200m to 300m wide structural zone consisting of north-northeast trending, steeply west dipping, strongly sheared and altered mafic and ultramafic metavolcanic rocks. Alteration is similar to that at Niakafiri Southeast and dominated by carbonate-silica-sericite and locally fuchsite. As at Niakafiri Southeast, fine-grained pink felsic dykes occur in close proximity to the mineralized shears.

Maki Medina

The Maki Medina deposit is situated along the same steeply west dipping, north-northeast trending structural zone that hosts Masato and Niakafiri Southeast to the north, and Kobokoto and Kinemba to the south. At Maki Medina, the host mafic metavolcanics and tuffaceous volcanoclastic sediments are strongly sheared and carbonate dominated alteration is widespread. The main mineralized zone consists of several west dipping, variably sheared zones of quartz-carbonate alteration and quartz-carbonate-tourmaline veining. Several shear parallel, fine-grained, pink felsic dykes occur in close proximity to the mineralized shears. Deep oxidation has affected the mineral zones at Maki Medina and portions are amenable to heap leach recovery.

Kobokoto

The Kobokoto deposit is located along the same steeply west dipping north-northeast trending structural zone that hosts Masato. At Kobokoto, the host mafic metavolcanics and tuffaceous volcanoclastic sediments are strongly sheared and carbonate dominated alteration is widespread. Deep oxidation has affected the mineral zone and lower-grade oxide mineralization may be amenable to heap leach recovery.

Mamasato

The Mamasato deposit geology consists of mafic metavolcanics that have been strongly deformed and sheared by an east-west striking, moderately north dipping, 30m to 50m wide shear zone. Several prominent, narrow, fine-grained, pink, felsic dykes occur proximal to the gold mineralization, and minor intermediate dykes occur in both the hanging wall and footwall of the main shear. Oxidation at Mamasato extends to depths of 30m to 50m and portions of the mineralization may be amenable to heap leaching.

Koulouqwinde

The Koulouqwinde deposit is situated within the southwest extension of the main structure that hosts the Golouma South deposit. The principal rock type is massive to sheared mafic metavolcanic, with minor felsic and mafic dykes. The felsic dykes are massive, fine grained, pink/carbonate altered, approximately 5-10m in width, and are hosted within northeasterly trending shear zones. The southeastern most felsic dyke has been interpreted to be an extension of the main felsic dyke (northeast trending) that is located in the hanging wall of the Golouma South deposit. A narrow mafic dyke- interpreted to be the south extension of the Kerekounda mafic dyke- cross-cuts the northeast trending felsic dykes and shear zones near the eastern end of the deposit.

Sekoto

The Sekoto area geology consists of a central granodiorite stock, which has intruded adjacent, deformed to highly-strained mafic metavolcanics and sediments. Late, massive, fine grained, narrow, intermediate-mafic dykes intrude all of the units. Oxidation at Sekoto commonly extends 30m to 40m below surface (vertical). Locally, deeper oxidation is present along structures or where laterite is present. Deeply oxidized mineralization may be amenable to heap leach recovery.

Kinemba

The geology of the Kinemba deposit consists of massive to locally strongly sheared mafic metavolcanics intruded by a prominent magnetic mafic (gabbro) dyke, and minor intermediate to felsic dykes. The shear zones and dykes commonly strike towards the northeast and dip moderately to steeply westward, parallel to the regional trend. Oxidation at Kinemba can reach depths of up to 70m (vertical), making it an ideal target for heap leach operations.

Koutouniokolla

The geology at the Koutouniokolla deposit consists of strongly deformed mafic metavolcanics and minor volcanoclastic sediments, which are locally intruded by fine-grained pink felsic dykes. The mafic metavolcanics have been strongly deformed by two separate shear zones, with shearing oriented either west-northwest or north-northeast.

Kouroundi

The geology of the Kouroundi deposit consists of mafic metavolcanics, which have been locally strongly deformed by two major shear zones. The main gold bearing shear zone strikes to the northwest and dips approximately 40° to the southwest, and is generally 10m to 40m wide. The second major shear zone is located at the southern end of the prospect and is perpendicular to the main gold bearing shear zone. The second shear zone strikes westerly, dips steeply to the north, is approximately 25m to 35m in width and appears to interrupt/cut-off gold mineralization where it intersects the main gold bearing shear. Prominent and minor intermediate dykes intrude both shear zones, and are oriented generally sub-parallel to the strike of both shears. The most prominent intermediate dyke is located in the footwall of the gold bearing shear and is approximately 10m in width and strikes towards the north.

Oxidation at Kouroundi is quite variable; with oxidation in the hanging wall commonly extending down 30m to 50 m. Oxidation within the footwall is more intermittent with oxidation locally extending to depths of over 100 m, especially towards the north, where the mineralized zone extends beneath a very thick laterite plateau.

DRILLING

Sabodala Mining Concession

Teranga and its predecessors drilled approximately 2,066 drillholes, (395,954m) of diamond, RC and combined diamond/RC holes on the Sabodala Mining Concession from 2005 to April 2013.

On the RLP, Teranga, its predecessors and joint venture partners have drilled a total of 104,220m of RC and diamond core from 2005 to 2011. This includes 68,013m on the Gora project. From October 2010 to December 2011, Teranga drilled a total of 85,919m of RC and diamond core, including 61,722m drilled on the Gora project. Between January 2012 and March 2013 34,698m of RC and 3,257m of diamond core drilling were completed by Teranga on the RLP.

The regional exploration database also contains 267,729m of RAB drilling, of which 150,884m was completed by Teranga from October 2010 to December 2011 and 40,494m completed by Teranga from January 2012 to March 2013.

Management of the drilling programs, including logging, sampling, and data verification, was contracted to RSG Global through to 2007. Since 2008, drilling supervision has been undertaken by SGO on the Sabodala Mining Concession and SMC on the RLP. Teranga has established and followed standard operating procedures for RAB, RC and core drilling.

RC and DD drillhole collars are surveyed using either a total station or differential GPS, both of which are capable of providing three-dimensional collar co-ordinates to sub-meter accuracy. Downhole surveys were undertaken using a multishot-type instrument. A gyroscope was used for additional accuracy when holes were drilled in magnetic rocks.

Reverse Circulation Drilling

RC drilling is used for shallow exploration drillholes (<250m) and pre-collars of deeper diamond tailed drillholes. RC cuttings are collected through a cyclone into a collector bag. The cuttings are sampled on 1m intervals for each meter drilled. The 1m interval cuttings are passed through a three-tier, one-eighth splitter resulting in an approximately 2.0 kg to 2.5 kg subsample.

Diamond Drilling

All DD drillholes are collared and finalized using standard sized equipment. When larger diameter holes were required for geotechnical studies, PQ sized holes were drilled. Drillholes are typically drilled approximately perpendicular to the target mineralization from the hanging wall to or into the footwall. A geologist is at attendance at

the rig when it is in operation during day shift. The driller will take the downhole survey as the hole advances at regular 30m intervals.

Rotary Air Blast Drilling

The RAB drill is used for reconnaissance exploration drilling. RAB holes are typically drilled to blade refusal, which in most cases coincides with the top of the unoxidized bedrock. The maximum, practical drill depth for most rigs is around 60m to 80m where the oxidation and overburden profile is very well developed. Holes are angled 60° to 70° degrees to surface. Collar surveys are picked up using hand held GPS units. No downhole surveys are performed.

Regional Exploration Data Management

The SMC drilling and surface geochemical geological database is centralized, and held in an SQL database which resides on the Sabodala server. The SGO mining operation implemented a site-wide Centric platform in 2009 to manage its various drilling, mining and production dataflow. Following this roll out the exploration team transferred its MS Access database onto the same platform. This product is managed by NCS technologies of Canada. The exploration component is a customized module based on the borehole manager in use for the grade control drilling.

User interface is via the web based Centric platform format and monitored by a dedicated Data Manager. The database has built in validation features. The geologist completes hand written entries either at the rig or in the core yard on a standard drill core logging form. Data entry personnel then enter the field logs into the data base. Field data from some large outsourced campaigns are received in MS Excel format that can be directly imported into the database. The database and data entry are supervised by a dedicated Database and GIS manager.

Assays from all laboratories are received in digital format via e-mail and are automatically loaded into the database upon simple quality assurance and quality control protocols ("QA/QC") data plotting and checking. The hand written logs, down hole surveys, driller sheets and safety forms are in an organized fashion within the same data room. Electronic files are kept under the control of the Data Manager.

Mine Drilling

RC holes were drilled to a maximum depth of approximately 100 m. Below this depth, water inflow makes RC inefficient and diamond drilling is used. Diamond drilling incorporates both NQ (47.6 mm diameter) and HQ (63.5 mm diameter) core.

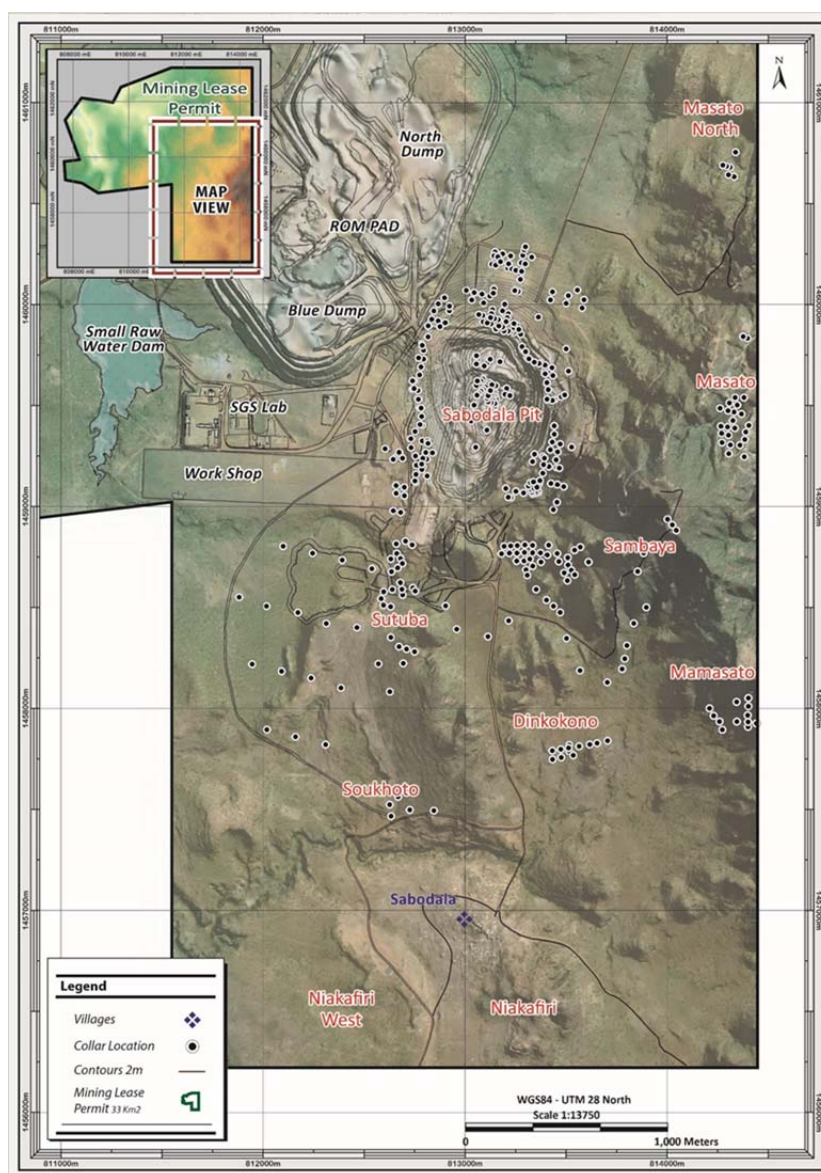
Drillhole collars are surveyed using a theodolite or Topcon differential GPS based on survey points triangulated from established monuments. All holes are downhole surveyed using a Reflex Easy-Shot single shot tool. Frequency of measurement is dictated by the target of the hole. Holes drilled on a predetermined grid are surveyed at 30m intervals after the hole is completed. Holes targeted specifically at a certain geologic feature are downhole surveyed as the hole progresses. Ezy-Mark or ACE Tool TM is used for oriented core. To provide adequate coverage, orientation marks are inserted every 3m down the hole.

The geologist logs wet diamond drill core and RC chips consistent coding system for lithology, alteration, mineralization and base of oxidation. Core logging also includes structural geology, geotechnical features including core recovery, rock quality designation (RQD), fracture frequency and infill, and hardness. DD drill core recovery averages 95% for fresh rock and approximately 80% to 90% for oxide. RC recovery averages approximately 85%.

The logging data is recorded by a geologist on handwritten logging forms, entered into Excel spreadsheets and then stored in a SQL MS Access database. MS Access to the database is restricted as much as possible to maintain accuracy. MapInfo or Vulcan is available and used for on-site data validation by the responsible geologist and geological for geological interpretation.

All drill core is photographed before it is sampled or disturbed during logging. For geotechnical purposes, core photographs are taken dry, as soon as possible after recovery to minimize the effects of breakage during handling or decomposition from exposure to air and water. The core is re-photographed wet for easier recognition of colours, geological features and textures. Each core tray is photographed with a name board listing project location, drillhole number, tray number, start and end depths of tray, date and colour bar.

Sabodala Mining Concession Exploration Drilling Programs – 2012 to 2013



Regional Exploration Drilling

Trenching and RAB drilling are primarily used to evaluate surface geochemical anomalies and more accurately locate the bedrock gold bearing structures that give rise to the surface gold anomalies in an area. Both are quick and cost effective methods. Trenching is largely deployed in areas where the surface cover is generally <2m thick. It has the added advantage of exposing great widths of bedrock geology that is generally only available in rare and scattered outcrops. For safety reasons, trenches are restricted to a maximum depth of 2.5 m.

RAB drilling is conducted where the surface cover exceeds 2m of overburden. RAB holes are drilled to blade refusal with the aim of sampling the top of the un-oxidized bedrock as well as the profile of saprolite. The use of trenches has diminished since 2010 for safety and environmental reasons and because of the greater availability of RAB rigs in Senegal over the last two to three years.

RC and DD drilling are used to test and evaluate areas with well-defined gold-bearing structures defined in outcrop, trenches or RAB holes. In many cases RC pre-collars are used to evaluate or drill the top 100m to 150m of a hole and a diamond tail is used to capture geological information from greater depths.

Drillholes were oriented at various trends and were not always drilled perpendicular to the specific targets, therefore sample lengths may not be representative of the true thicknesses of the target mineralization.

Golouma Mining Concession

The Golouma gold project has undergone significant core and reverse circulation drilling campaigns since 2006.

Reverse Circulation Drilling

In late 2006, Drillcorp Sahara provided a reverse circulation drill with an auxiliary boost air compressor capable of drilling to 300m depth. The reverse circulation drilling and sampling procedures start by drilling an open hole, nine metres deep. PVC casing is then inserted into the open hole and then the hole is capped with a blow-by valve. This seals the hole and enables it to be pressurized. The 152 mm casing bit is removed and either a 130 mm or 133 mm face discharge bit is used to drill the hole. Chip samples are collected for each metre drilled from the collar to the end of each hole. Each sample for assay is collected; in total, approximately 35 kg. The sample was then either split at the drill site or shipped to the onsite TSL sample prep lab for splitting.

The on-site drill geologist examines the rock chips and records all geological and location information from each hole on computer logging forms. Initially in 2006, no down-hole surveys were performed, as Sahara Drillcorp was not equipped for down-hole surveys. In May 2007, Falcon Drilling used a single-shot Flexit survey tool to survey all unsurveyed holes that were still accessible. Beginning in June 2007, each hole was surveyed upon completion. Contractor Lakehead Geological completes final collar x, y and z location surveys approximately every other month.

RC Drill Summary 2006-2011

In total, 157,171m have been drilled in 958 reverse circulation holes, 1,808m in 30 geotechnical holes, and 3,225m in 80 engineering and water well holes.

RC Drill Summary 2006 – 2011

Deposit/Showing	RC Holes Drilled	RC Metreage Drilled
Golouma South	75	11,003
Golouma West	151	27,849
Kerekounda	103	18,612
Kinemba	25	4,141
Kobokoto	55	7,701
Koulouqwinde	26	4,294
Kourouloulou	48	7,356
Koutouniokolla	9	1,255
Korolo	6	886
Maki Medina	73	9,665
Mamasato	8	1,446
Mankana	4	623
Masato	253	43,607
Niakafiri Southeast	44	6,961
Niakafiri Southwest	31	4,200
Niak-orst	4	634
Sabodala North	9	2,086
Saboraya	13	2,249
Sekoto	14	1,761
Torosita	7	842
Subtotal Holes	958	
Subtotal Metres		157,171
Geotech	30	1,808

Deposit/Showing	RC Holes Drilled	RC Metreage Drilled
Engineering	80	3,225
Total	1,068	162,204

Diamond Core Drilling

Falcon Drilling of Prince George, British Columbia, Canada was initially contracted to provide two core drills to the Golouma gold project. Through the end of 2011 there were four Falcon core drills on the property of which two remain. The Falcon 2000 drill is capable of drilling HQ (63.5 mm) to a depth of 200m to 300m and NQ (47.6 mm) to a 500m depth.

Core, collected from the surface collar to the end of each hole, was boxed and delivered twice daily by the drillers to the logging facility at the OJVG camp. The drill core is then marked in one metre sample intervals with the aid of the driller's footage markers. Subsequently, recovery, rock quality data, geological, structural, lithological and geotechnical information are recorded on computer logs. The core is then photographed and sample intervals are tagged for splitting and sampling.

Detailed geotechnical and oriented core studies were instituted in the second half of 2007 with guidance from SRK. Drill collars are surveyed with a total station theodolite, Leica, Wild Heebrugg TC 1000 EDM and all holes are surveyed using a down-hole Flexit single-shot tool. Oriented core is marked using an Ace tool. Drill holes, inclined at -45° to -65° were designed to intersect the mineralized structures at a right angle so that drill intersections approximate true width. Occasionally, drill holes intersect the mineralized structure at shallow angles, in some very rare occasions running down the dip. Such holes are usually re-drilled in a more appropriate orientation. Oriented core studies provide a better understanding of the structural orientation and permit the calculation of true widths. Beginning in 2008, specific gravity and point hardness testing were undertaken by on-site laboratory personnel. Stored half core, from previous drilling, was also tested. Coarse rejects and half core from previous drill holes are stored on site in a secure fenced area.

Core Drill Summary

In total 240,812.99m of core have been drilled in 1,094 holes, 28 core extensions to RC drill holes (4,156m), and 51 geotechnical holes (10,703m). A summary of up to date core drilling for each deposit is presented in table below.

Total Diamond Drilling Summary 2006 – 2011

Deposit/Showing	Core Holes Drilled	Core Metreage Drilled
Golouma East	4	622.54
Golouma South	117	28,925.68
Golouma West	206	61,536.39
Golouma NW	26	3,470.15
Kerekounda	90	26,041.56
Kourouloulou	114	20,850.97
Kobokoto	44	6,073.30
Koutounikolla	28	4,423.25
Koulouqwinde	74	14,644.10
Kouroundi	14	2,005.45
Kinemba	7	1,523.94
Masato	213	46,165.24
Maki Medina	51	9,143.58
Mamasato	42	7,586.67
Niakafiri Southeast	71	15,154.90
Niakafiri Southwest	8	2,528.07
Goumbati	7	851.8
Sabodala North	6	1,539.14

Deposit/Showing	Core Holes Drilled	Core Metreage Drilled
Sekoto	12	1,303.01
Saboraya	3	484.7
Torosita	8	798.2
Total	1,145	255,672.64

SAMPLE PREPARATION ANALYSES AND SECURITY

No part of sample preparation other than bagging of samples for delivery to the sample preparation laboratory was conducted by an employee, officer, director or associate of the issuer.

Sabodala Mining Concession

2005 to 2008

Samples were analyzed at the SGS laboratory in Kayes, Mali. The Kayes laboratory is not certified to the ISO/IEC 17025 standard however, the internal laboratory QA/QC and data quality systems are identical to those followed by SGS ISO/IEC accredited laboratories in Toronto, Johannesburg, and Perth, as stated by SGS (Toronto).

All Sabodala Mining Concession core, RC and RAB samples were dried and crushed to minus 2 mm. The jaw crusher was cleaned using an air gun and visually inspected. Barren quartz was crushed between samples for additional cleaning as required. Crushed samples were split using a Jones riffle to 200 g. The 200 g sample was pulverized with a ring and puck pulverizer to 85% minus 75 µm (200 mesh).

Sample pulps were analyzed for gold by fire assay with an atomic absorption finish using 50 g samples (SGS Package FAA515). The detection limit for this package is 0.005 g/t Au (5 ppb).

2009 to 2011

Since commencing production at the Sabodala Mine in 2009, production samples generated from the mill and mine and exploration samples (mining concession and regional) were processed at the on-site laboratory operated by SGS. The mine site SGS laboratory is not certified to standard ISO/IEC accreditation.

Samples received by the lab were transferred into stainless steel trays, and coded with sample system identification numbers. Samples were dried at 105 °C for 8 hours.

Dried samples were crushed in the jaw crusher to minus 2mm. Compressed air was used to clean the crusher and splitter between samples, with crushing of barren quartz for additional cleaning as required. Crushed samples were pulverized to 95% minus 75 µm.

Sample pulps were analyzed for gold using an aqua regia digestion followed by AAS (SGS package ARE155). Samples returning results higher than 0.2 g/t Au were sent for fire assay analysis at SGS Kayes, Mali.

Quality Assurance/Quality Control Program

In addition to the standard SGS internal quality control measures employed, a blind QA/QC programme was established, consisting of geological standards, blanks and duplicate samples inserted into the sample stream at regular intervals.

Blanks

The regular submission of blank material is used to assess potential contamination during sample preparation and to identify sample numbering errors. The QA/QC protocol called for blanks to be inserted in the sample stream at a rate of approximately 1 in 20 samples. Blanks were originally prepared by RSG Global until 2008, and then prepared by SMC/SGO until 2011. SMC/SGO used barren granite as blank material collected from surface outcrops near Saraya. Granite material was originally assayed for gold at different labs by atomic absorption and fire assay, to ensure that the samples were barren of gold prior to use. All test results returned gold values below the detection limit.

A total of 9,169 blank samples were submitted. The pass/fail limit was based on ± 0.015 g/t Au (3 times the detection limit of 0.005 g/t Au). Results returned 97.3% of the blanks within the maximum acceptance level and 2.7% of the blanks outside the failure limit.

Duplicates

Duplicate reject samples were submitted at a rate of one duplicate per batch of 20 samples throughout the Golouma gold project. Most drillholes are a combination of RC drilling and diamond drilling. SMC treats the duplicate result data for RC and diamond drilling collectively.

RC duplicate samples were generated by taking a second split, approximately 2 kg to 3 kg of the bulk reject (20 kg to 30 kg) through the three-tier riffle splitter in the field. Drill core duplicate reject samples were generated by riffle splitting the minus 6 mm crushed sample at the assay laboratory.

Certified Reference Material (Standards)

A total of 35 certified reference material samples (CRMs) supplied by Geostats Pty. Ltd and Rocklabs Ltd. were utilized. The more recent protocols are limited to 15 standards sourced from Geostats Pty Ltd.

Specific pass/fail criteria were determined from the standard deviation provided for the CRMs. The conventional approach to setting acceptance limits is to use the mean assay ± 2 standard deviations as a warning limit and ± 3 standard deviations as a failure limit.

January 2012 to April 2013

Teranga has established standard operating procedures for sample preparation, analysis and security of RAB, RC and diamond drill core samples that are appropriate for gold mineralization and follow industry standards. The following are summaries of Teranga's documented procedures.

Sample Preparation

The Project or Exploration Geologist is responsible for all sampling activities including sampling, sample bagging, numbering and tagging, sorting, transportation, security, completion of the analytical submission sheets and QA/QC programme.

The core storage compound at the Sabodala gold mine and the exploration camps are protected by high level security fences and are under 24 hour surveillance by security personnel.

One sample is taken for each one metre interval drilled by RC or for each two metre interval drilled by RAB. Jones riffle splitters are used at the drill site to obtain a representative sub-sample. Drill core sampling intervals are defined then cut in half with a diamond saw along the core length. Half core is sampled over approximate one metre lengths or based on lithology intervals. Preparation duplicate samples (rejects) were submitted for additional check assaying as required.

Analytical Procedures

All samples were processed initially at the on-site SGS laboratory for gold analysis following similar analytical procedures (SGS package ARE155) listed in Section 11.2. Samples returning results higher than 0.2 g/t Au were sent for additional fire assay analysis at SGS Kayes, Mali (SGS Package FAA515).

SOMIGOL Mining Concession

The following is a compilation of the sample preparation, analyses and security practices undertaken until the end of 2012 by OJVG.

Following core depth measurements, logging and photography, sample tags were inserted into each box prior to core cutting. Core was sawn in half along the core length, using a circular rock saw, and fresh non-circulated water to lubricate the saw. One half was returned into the core box for storage with the sample tag and the other half was

placed in a stainless steel tray with a duplicate of the same sample tag for drying. To maintain consistency, the sampled half core was taken from the same split side of the core, whenever possible.

All samples were taken at one metre intervals and until 2008, all core was sampled. After 2008, selective sampling was undertaken on the advanced prospects, based on the presence of characteristics associated with gold mineralization.

OJVG continued to sample all core from holes drilled on the less advanced prospects.

Reverse Circulation Drill Sampling

RC drill cuttings were sampled on one metre intervals and collected in separately numbered bags. In 2011, all RC cuttings were transported to a designated area, near the on-site sample preparation laboratory, for riffle splitting. The riffle splitter was cleaned with compressed air between each sample. Near surface dry samples were collected in plastic bags. Wet samples were collected below the cyclone in porous fabric bags placed inside a five-gallon bucket. Excess water and suspended fine material from each sample interval were allowed to overflow until the sample was collected.

The entire cuttings from each drill hole were sampled and prepared for assaying. All wet samples were dried before riffle splitting and re-homogenized to break up the larger sized pieces. Individual assay samples were generated by riffle splitting the entire 20 to 30 kg RC sample twice. The retained split represents 12.5% of the total sample interval recovered from the hole. This procedure was a modification of the original 2006 practice, which used a 10 to 15 kg half sample split to generate the assay sample.

Sample Preparation

Since January 2006, sample preparation was undertaken by TSL Laboratories Inc. (TSL) staff at the OJVG on-site preparation laboratory. Lab personnel were responsible for sorting, organizing and drying the samples.

All drill core and RC samples were placed in clean stainless steel trays for drying. RC samples were initially dried in sunlight followed by oven drying for 5 to 6 hours at 65° to 70° C.

All rock, trench, RC chips and drill core samples were crushed using a primary jaw crusher to a minimum of 70% passing through a -10 mesh (2.0 mm) screen. A 250-gram sample split was shipped to TSL in Saskatoon, Saskatchewan, Canada.

Sample Shipment and Storage

Analytical samples were shipped from the OJVG camp to Dakar in trucks owned by OJVG. Once in Dakar, OJVG personnel organized customs documentation to transport the samples by commercial air freight to TSL in Saskatoon, Canada for further preparation and analysis.

All drill core and RC chips are stored on site at the OJVG camp. Drill core is stored in core racks located in a secure, fenced-off core storage area adjacent to the on-site TSL preparation lab. RC chip trays are stored in racks inside a locked building. Coarse rejects of both RC and core samples are kept for future reference or reanalysis in locked storage containers adjacent to the TSL preparation lab.

Chain of Custody

During the initial phase of the exploration program in 2005, several shipments of rock and soil samples were temporarily misplaced and/or delayed during transport from the OJVG camp to the TSL laboratory in Saskatoon. The sample shipment process gradually improved later that year.

Prior to 2008, a sample shipment list was used to track samples sent from the OJVG camp, with copies forwarded to the OJVG office in Vancouver and TSL in Saskatoon, who returned a confirmation receipt upon arrival. Sample shipment delivery times were tracked by the commercial freight company. No samples were lost in transport during this period.

In March 2008, OJVG introduced the use of a sample-tracking (chain-of-custody) sheet, which required all dispatchers and drivers involved in the sample transportation process, to sign-off at each stage of the transportation

route. Samples were inserted into larger rice sacks which were then sealed with tamper-proof security tags with identification numbers. TSL inspected these tags on arrival in Saskatoon for evidence of tampering. No tampering had been identified.

Gold Analysis

OJVG used TSL in Saskatoon, Saskatchewan, Canada as its primary assay laboratory. TSL is accredited to the ISO/IEC 17025 Standard by laboratory Certificate number 538.

TSL processed the rock, trench, RC and core samples by pulverizing to 95% passing a –150 mesh (106 µm) screen.

All samples were analysed by fire assay with an atomic absorption finish and a 5 ppb detection limit (FA/AA). Prior to 2008, 30 gm samples were used for gold analysis. Assay results greater than 1 g/t Au were automatically re-assayed by fire assay with a gravimetric finish (FA/GRAV). In early 2008, OJVG instructed TSL to use 50 gm samples for fire assay, and reassay results greater than 3.0 g/t by FA/GRAV.

Bulk Density Data

A comprehensive bulk density data collection program was initiated in January 2008 and undertaken by TSL staff at the on-site preparation lab. A total of 14,890 bulk density determinations of core samples were measured using the water immersion method. Samples were taken approximately every ten metres to include all rock and alteration types. Data is indexed to lithological records by drillhole name and sample depth. Porous or absorbent samples were coated in wax after an initial weighing in air and prior to immersion in water.

Bulk density control samples were used as QC checks on the determinations of sample densities. Densities were measured on a control sample before the first and after the last sample density measurement of each hole.

Quality Assurance and Quality Control Programs

In 2008 and 2009, Lions Gate Geological Consulting (LGGC) was contracted to undertake periodic reviews of the OJVG's QA/QC program. This included a periodic review of all data and site visits. On the basis of these reviews, LGGC provided commentary and recommendations to the OJVG to ensure optimum best practices (LGGC, 2009).

SRK has undertaken reviews of the OJVG QA/QC program data from 2008 to 2011. Detailed results are documented in previous SRK technical reports (2008, 2010, 2011 and 2013).

As a general practice, for each batch of 20 samples, OJVG include one blank, one duplicate and one certified reference material.

2006 to 2011

Blanks

Throughout the 2006 drill program, no blanks were included in the sample shipments. In 2007, OJVG inserted commercially available blank sand material with drill core but not RC samples. In 2008, OJVG started using gravel derived from a local diorite intrusive as blank material. OJVG used selective pieces void of fracturing after noticing that fractured or veined material returned an occasional high assay value. Eliminating the fine fracture material reduced anomalous results.

Duplicate Samples

OJVG began submitting 250 g field duplicates for analysis in January 2008. From April 2008 through 2009, sample sizes varied from 500 g to 250 grams. Since 2010, the duplicate sample size was maintained at 500 grams.

Diamond drill hole duplicates were prepared at the OJVG site in Senegal from crushed coarse reject samples. RC field duplicates were taken as a second split from the original sample at the drill rig. The duplicate samples were sent within the sample stream to TSL in Saskatoon.

Blind Pulp Re-assay Program

A total of 8,326 core samples were submitted for assay in 2006 and 2007, without accompanying CRMs. Based on the recommendation of LGGC, 10% of the samples that returned assays above the detection limit were submitted for re-assay using different sample numbers, as a blind check on the TSL laboratory performance. A total of 402 pulps were submitted with 46 CRMs, inserted into the sample stream at a rate of 1 in 10 samples. Two different CRMs were used for the re-assay program.

The pulp re-assay results showed good correlation with the original assay results. The CRM samples returned results within acceptable limits, with no failures.

Data Storage and Security

During trenching, drilling, logging, sampling and shipping, multiple data storage systems were employed. Field data were recorded in field books, maps, log books, sample sheets, logging forms or shipping forms and later entered and stored on the OJVG camp computer server. Hard copies of all field data were stored on site, at the OJVG's Dakar office, the Oromin office in Vancouver and with OJVG's data management consultant Nowak and Associates in Vancouver, Canada.

Geological logging was conducted on laptop computers. All files containing core photos, geological and summary logs were stored on the OJVG camp computer server. OJVG consultants Nowak and Associates, and Lakehead Geological Services Inc. also retained copies of all computer data.

Nowak and Associates stored digital files from surveyors and assay labs in their original format, in addition to integrating them into the master database. All OJVG electronic data received and generated by Nowak and Associates was backed up on a regular basis to an external hard drive.

Conclusion

SRK confirmed the adequacy of samples taken, OJVG QA/QC program, security of the shipping procedures, sample preparation and the analytical procedures used.

The results from the OJVG sample preparation, analytical and security procedures are acceptable and follow industry standards.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Estimated Measured and Indicated Mineral Resources and Inferred Mineral Resources as of 31 December 2013 are presented in table below.

Measured and Indicated Mineral Resources as at 31 December 2013

Area	Measured			Indicated			Measured and Indicated		
	Tonnes (Mt)	Au (g/t)	Au oz (Moz)	Tonnes (Mt)	Au (g/t)	Au oz (Moz)	Tonnes (Mt)	Au (g/t)	Au oz (Moz)
Sabodala	24.28	1.32	1.03	22.95	1.29	0.95	47.23	1.31	1.98
Gora	0.49	5.27	0.08	1.84	4.93	0.29	2.32	5.00	0.37
Niakafiri	0.30	1.74	0.02	10.50	1.10	0.37	10.70	1.12	0.39
Subtotal Sabodala Mining Concession	25.07	1.40	1.13	35.29	1.42	1.61	60.25	1.42	2.74
Masato	-	-	-	43.93	1.11	1.57	43.93	1.11	1.57
Golouma	-	-	-	12.04	2.69	1.04	12.04	2.69	1.04
Kerekounda	-	-	-	2.20	3.77	0.27	2.20	3.77	0.27
Kinemba	-	-	-	0.51	0.95	0.02	0.51	0.95	0.02
Kobokoto	-	-	-	1.48	0.89	0.04	1.48	0.89	0.04

Area	Measured			Indicated			Measured and Indicated		
	Tonnes (Mt)	Au (g/t)	Au oz (Moz)	Tonnes (Mt)	Au (g/t)	Au oz (Moz)	Tonnes (Mt)	Au (g/t)	Au oz (Moz)
Kourouloulou	-	-	-	0.17	9.59	0.05	0.17	9.59	0.05
Kouroundi	-	-	-	0.22	0.73	0.01	0.22	0.73	0.01
Maki Medina	-	-	-	4.47	0.96	0.14	4.47	0.96	0.14
Mamasato	-	-	-	0.90	1.19	0.03	0.90	1.19	0.03
Niakafiri Southeast	-	-	-	9.31	0.80	0.24	9.31	0.80	0.24
Niakafiri Southwest	-	-	-	1.66	0.60	0.03	1.66	0.60	0.03
Subtotal Golouma Mining Concession	-	-	-	76.89	1.39	3.44	76.89	1.39	3.44
Total	25.07	1.40	1.13	112.18	1.40	5.05	137.14	1.40	6.18

Notes:

- 1) CIM definitions were followed for Mineral Resources.
- 2) Mineral Resources are estimated at cut-off grades listed in For reporting purposes, the Mineral Resource cut-off grades are lower than those used for Mineral Reserves since they are based on reasonable cut-off grades for economic extraction at a potentially higher gold price in future.
- 3) Measured Resources at Sabodala include stockpiles which total 8.60 Mt at 0.86 g/t Au for 0.24 Mozs.
- 4) High grade assays were capped at grades listed in Mineral Resource Gold Cut-off Grades on page 49.
- 5) The figures above are "Total" Mineral Resources and include Mineral Reserves.
- 6) Sum of individual amounts may not equal due to rounding.

Inferred Mineral Resources as at 31 December 2013

Area	Inferred Resources		
	Tonnes (Mt)	Au (g/t)	Au oz (Moz)
Sabodala	17.88	0.94	0.54
Gora	0.21	3.38	0.02
Niakafiri	7.20	0.88	0.21
Niakafiri West	7.10	0.82	0.19
Soukhoto	0.60	1.32	0.02
Diadiako	2.90	1.27	0.12
Subtotal Sabodala Mining Concession	35.89	0.95	1.11
Masato	25.59	1.13	0.93
Golouma	2.46	2.01	0.16
Kerekounda	0.34	4.21	0.05
Kinemba	1.20	0.78	0.03
Kobokoto	1.23	0.71	0.03
Koulouqwinde	0.95	1.06	0.03
Kourouloulou	0.12	10.86	0.04
Kouroundi	0.08	0.69	0.00
Koutouniokolla	0.52	1.09	0.02
Maki Medina	0.28	0.99	0.01
Mamasato	1.57	0.91	0.05
Niakafiri Southeast	1.47	0.65	0.03
Niakafiri Southwest	2.57	0.59	0.05

Area	Inferred Resources		
	Tonnes (Mt)	Au (g/t)	Au oz (Moz)
Sekoto	12.87	0.84	0.35
Subtotal Golouma Mining Concession	41.26	1.12	1.49
Total	77.16	1.04	2.59

Notes:

- 1) CIM definitions were followed for Mineral Resources.
- 2) Mineral Resources are estimated at cut-off grades listed in For reporting purposes, the Mineral Resource cut-off grades are lower than those used for Mineral Reserves since they are based on reasonable cut-off grades for economic extraction at a potentially higher gold price in future.
- 3) High grade assays were capped at grades listed in Mineral Resource Gold Cut-off Grades below.
- 4) Sum of individual amounts may not equal due to rounding.

Neither underground Mineral Resources nor Mineral Reserves were generated for this report, therefore global Mineral Resources have been reported at the determined cut-off grades. A detailed underground analysis will be undertaken to follow-up on the underground resource potential; however this is not a priority in the near term.

Mineral Resources for Gora, Niakafiri, Niakafiri West and Soukhoto have not changed since the date of the previous technical report prepared for Teranga, entitled "Technical Report for Sabodala Gold Project", dated October 10, 2013 as no additional work has been undertaken on these deposits.

Mineral Resources for Kinemba, Koboto, Koulouqwinde, Kourouloulou, Kouroundi, Koutouniokolla, Maki Medina, Mamasato, Niakafiri Southeast, Niakafiri Southwest and Sekoto are based on the previous mineral resource models generated by SRK and documented in the SRK report "OJVG Golouma Gold Project Updated Feasibility Study, Technical Report, Senegal" (SRK, 2013), dated January 30, 2013.

Estimated block grades and resource classification for these eleven SOMIGOL deposits were not modified; however, revised gold cut-off grades were applied for reporting as of 31 December 2013. The mineral resource models for these deposits were reviewed by Teranga and considered to reasonably represent the gold mineral resources based on all data compiled as of the SRK report date.

Reasonable prospects for economic extraction, as per CIM guidelines (CIM, 2010), have been determined by way of cut-off grades that are in-line with current Sabodala practice. For reporting purposes, the Mineral Resource cut-off grades are lower than those used for Mineral Reserves since they are based on reasonable cut-off grades for economic extraction at a potentially higher gold price in the future.

For reporting purposes, the Mineral Resource cut-off grades are lower than those used for Mineral Reserves since they are based on reasonable cut-off grades for economic extraction at a potentially higher gold price in the future.

Mineral Resource Gold Cut-off Grades

Area	Oxide (g/t Au)	Fresh (g/t Au)	All (g/t Au)
Sabodala	0.2	0.35	-
Gora	-	-	0.5
Niakafiri	0.3	0.5	-
Masato	0.2	0.35	-
Golouma	0.2	0.35	-
Kerekounda	0.2	0.35	-
Niakafiri West & Soukhoto	-	-	0.3
Diadiako	-	-	0.2
Kinemba	0.2	0.35	-
Kobokoto	0.2	0.35	-
Koulouqwinde	0.2	0.35	-
Kourouloulou	0.2	0.35	-

Area	Oxide (g/t Au)	Fresh (g/t Au)	All (g/t Au)
Kouroundi	0.2	0.35	-
Koutouniokolla	0.2	0.35	-
Maki Medina	0.2	0.35	-
Mamasato	0.2	0.35	-
Niakafiri Southeast	0.2	0.35	-
Niakafiri Southwest	0.2	0.35	-
Sekoto	0.2	0.35	-

Mineral Resource Gold Capping Levels

Area	Minimum (g/t Au)	Maximum (g/t Au)	All (g/t Au)
Sabodala	10	30	-
Gora	20	70	-
Niakafiri	-	-	-
Masato	2	30	-
Golouma	5	70	-
Kerekounda	11	50	-
Niakafiri West	-	-	-
Soukhoto	-	-	10
Diadiako	-	-	-
Kinemba	-	-	6
Kobokoto	2	6	-
Koulouqwinde	4	7	-
Kourouloulou	1.6	110	-
Kouroundi	-	-	6
Koutouniokolla	4	30	-
Maki Medina	-	-	8
Mamasato	-	-	9
Niakafiri Southeast	-	-	14
Niakafiri Southwest	0.8	5	-
Sekoto	-	-	8

Mineral Reserve Estimates

Mineral Reserve estimates have been prepared for the Sabodala, Niakafiri, Gora, Golouma, Masato and Kerekounda deposits.

The Sabodala deposit is currently being mined by conventional open pit methods. The locations of the satellite deposits are as follow:

- Niakafiri deposit - approximately 5km from the Sabodala pit
- Gora deposit - approximately 22km northeast of the Sabodala processing plant
- Golouma deposit – approximately 9km northeast of the Sabodala processing plant
- Masato deposit - approximately 4km northeast of the Sabodala processing plant
- Kerekounda deposit – approximately 9km northeast of the Sabodala processing plant

The Mineral Reserve estimates are based on resource block models prepared by Teranga:

- Sabodala - resource block model dated May 2013
- Niakafiri - resource block model dated June 2007
- Gora – resource block model dated October 2012
- Golouma – resource block model dated November 2013
- Masato – resource block model dated January 2014
- Kerekounda – resource block model dated January 2014

The Proven and Probable Mineral Reserves for the deposits are based on only that part of the Measured and Indicated Resources that fall within the designed final pit limits. As there were no Measured Resources in the Golouma, Masato and Kerekounda models, only Indicated Mineral Resources were included in the Reserve estimate.

Mineral Reserve cut-off grades are based on current operating practice and 2013 budget costs. Due to differences in timing for the pit optimization and design work, the following gold prices were applied:

- Sabodala, Golouma, Masato and Kerekounda - \$1,250
- Niakafiri – \$1,350
- Gora – \$1,200

No change has been made to the Niakafiri Mineral Reserve estimate from the December 2011 technical report entitled Technical Report Sabodala Gold Project, prepared for Teranga.

Material from the Sabodala pit can either be sent directly to the processing facility or to a stockpile. Teranga estimates that the stockpile, at 31 December 2013, contains 8.60 Mt of ore at a grade of 0.86 g/t Au representing 237 kozs. Stockpile material is included in the Proven Mineral Reserve category.

The Mineral Reserve Estimate as at 31 December 2013 is presented in table below.

	Proven			Probable			Proven and Probable		
	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)	Tonnes (Mt)	Grade (g/t)	Au (Moz)
Sabodala	3.45	1.64	0.18	5.53	1.58	0.28	8.98	1.60	0.46
Gora	0.50	4.58	0.07	1.39	4.80	0.21	1.89	4.74	0.29
Niakafiri	0.23	1.69	0.01	7.58	1.12	0.27	7.81	1.14	0.29
Stockpiles	8.60	0.86	0.24	-	-	-	8.60	0.86	0.24
Subtotal Sabodala Mining Concession	12.78	1.23	0.51	14.50	1.65	0.77	27.28	1.45	1.27
Masato	-	-	-	25.24	1.21	0.98	25.24	1.21	0.98
Golouma	-	-	-	6.47	2.24	0.46	6.47	2.24	0.46
Kerekounda	-	-	-	0.88	3.26	0.09	0.88	3.26	0.09
Subtotal Golouma Mining Concession	-	-	-	32.59	1.47	1.54	32.59	1.47	1.54
Total	12.78	1.23	0.51	47.09	1.52	2.31	59.87	1.46	2.81

Notes for Reserves Estimate:

- 1) CIM definitions were followed for Mineral Reserves.
- 2) Mineral Reserve cut off grades for Sabodala are 0.40 g/t Au for oxide and 0.5 g/t Au for fresh based on a \$1,250/oz gold price and metallurgical recoveries between 90% and 93%.
- 3) Mineral Reserve cut off grades for Niakafiri are 0.35 g/t Au for oxide and 0.5 g/t Au for fresh based on a \$1,350/oz gold price and metallurgical recoveries between 90% and 92%.
- 4) Mineral Reserve cut off grade for Gora is 0.76 g/t Au for oxide and fresh based on a \$1,200/oz gold price and metallurgical recovery of 95%.
- 5) Mineral Reserve cut off grade for Masato, Golouma, Kerekounda are 0.4 g/t Au for oxide and 0.5 g/t for fresh based on a \$1,250/oz gold price and metallurgical recoveries between 90% and 93%.
- 6) Sum of individual amounts may not equal due to rounding.

Competent Persons Statement/Qualified Persons Statement

The technical information contained in this AIF includes estimates of mineral resources and reserves some of which have been updated to comply with the 2012 edition of the JORC Code (defined below), and some were estimated prior to such changes to the JORC Code and have not been updated as there have been no material changes since last reported in accordance with the 2004 edition of the JORC Code. All mineral reserve and resource estimates have also been disclosed in accordance with NI 43-101.

The technical information contained in this document relating to the mineral reserve estimates for Sabodala, the stockpiles, Masato, Golouma and Kerekounda is based on information compiled by Mr. William Paul Chawrun 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 Gora, Sabodala and all resources within the SOMIGOL Mining Concession are based on 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 NI 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 NI 43-101. 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 document relating to the mineral reserve estimates for Gora and Niakafiri is based on, and fairly represents, information and supporting documentation prepared by Julia Martin, P.Eng. who is a member of the Professional Engineers of Ontario and a Member of AusIMM (CP). Ms. Martin is a full time employee with AMC Mining Consultants (Canada) Ltd., is independent of Teranga, is a "qualified person" as defined in NI 43-101 and a "competent person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Martin has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity 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. Martin is a "Qualified Person" under NI 43-101. Ms. Martin has reviewed and accepts responsibility for the Mineral Reserve estimates for Gora and Niakafiri disclosed in this document and has consented to the inclusion of the matters based on her information in the form and context in which it appears in this Report.

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.

Extent Affecting Mineral Reserves

In addition to the current operation, there is a good geological database from the maturing exploration work on the Sabodala and Golouma Mining Concessions as well as potential for further deposits in the immediate vicinity. The level of exploration in the area, as proposed, will need a rigorous focus in order to maintain quality in all the work being done.

The geological work to date including data collection is of good quality and suitable for the estimation of Mineral Resources. Drilling must be carried out to sufficient density. There is a succession of targets / deposits in the "pipeline" and it will be important to continually rank and upgrade these. There is significant potential to add to the Mineral Resource total via the current exploration programme.

The updated LOM plan integrates the OJVG deposits (Masato, Golouma, Kerekounda) with the original Teranga deposits (Sabodala, Gora and Niakafiri). The Sabodala, Masato, Gora, Golouma, Kerekounda and Niakafiri deposits, combined with the stockpiled material, have the capacity to produce sufficient ore on an ongoing basis for the current mill capacity. The proposed major mining equipment appears to have the capacity to maintain levels of availability, utilization and productivity that support the total mine capacity used to model the LOM schedule.

The Niakafiri deposit does not yet have geotechnical data. While AMC has assumed that the geotechnical conditions are similar to Sabodala, assessment work should be undertaken to determine specific Niakafiri geotechnical characteristics.

The cut-off grades applied to the six deposits are supported by current operating practice and are considered an appropriate basis for definition of Mineral Reserves.

There have been five full years of mining operations at Sabodala and the operation has reached its short term targets. It is anticipated that operational processes will continue to improve as the operation matures and that these will have a positive impact on costs and equipment efficiency.

The Sabodala village must be moved prior to mining at Niakafiri. As village relocation has been undertaken previously for the Sabodala pit, Teranga believes that it has a very clear path to do so again for Niakafiri and the process to do this is underway. The related cost items are included in the project cost estimates and there is time to deal with all issues prior to the commencement of mining.

Mining operations in the Sabodala pit have shown that the rock mass is relatively dry with some exceptions. The ground water is related to some structural conduits. It has been observed that the pit makes approximately 6,000m³ of water per month, which is roughly equivalent to one day's pumping with one pump. There are sufficient measures in the mine to control the water and keep it out of the pit.

The Sabodala, Masato, Gora, Golouma, Kerekounda and Niakafiri ores are medium to hard but with relatively simple metallurgy allowing 90%, or greater, metallurgical recovery to be readily obtained. Test work has indicated that some potential exists for treating low grade oxide ores by heap leaching although fine crushing and agglomeration is required and further optimization work is required.

MINE OPERATIONS

Mining of the Sabodala gold mine commenced in June 2008, commissioning of the plant occurred in early 2009, and the mine's first gold was poured in March 2009. The mine was officially opened on June 3, 2009 by the President of Senegal, His Excellency Abdoulaye Wade.

Sabodala production statistics for the financial year ending December 31, 2013 are as follows:

		Dec-13 Quarter	Sep-13 Quarter	Jun-13 Quarter	Mar-13 Quarter	Dec-12 Quarter
Ore mined	('000t)	1,993	537	698	1,312	2,038
Waste mined - operating	('000t)	6,655	3,321	2,683	2,513	4,362
Waste mined - capitalized	('000t)	420	4,853	4,770	5,023	912
Total mined	('000t)	9,068	8,711	8,151	8,848	7,312
Grade Mined	(g/t)	1.61	1.08	1.59	1.87	2.04

		Dec-13 Quarter	Sep-13 Quarter	Jun-13 Quarter	Mar-13 Quarter	Dec-12 Quarter
Ounces Mined	(oz)	103,340	18,721	35,728	78,929	133,549
Strip ratio	waste/ore	3.6	15.2	10.7	5.7	2.6
Ore processed	('000t)	860	887	709	696	725
Head grade	(g/t)	2.11	1.41	2.36	3.31	3.40
Gold recovery	(%)	90%	92%	92%	92%	91%
Gold produced ⁽¹⁾	(oz)	52,368	36,874	49,661	68,301	71,804
Gold sold	(oz)	46,561	37,665	54,513	69,667	71,604
Average price received	\$/oz	1,249	1,339	1,379	1,090	1,296
Total cash costs per ounce sold ⁽²⁾⁽³⁾⁽⁴⁾ (including Royalties)	\$/oz	711	748	642	535	532
All-in sustaining costs per ounce sold ⁽²⁾⁽⁴⁾ (including Royalties)	\$/oz	850	1,289	1,185	898	1,004
Mining	(\$/t mined)	2.65	2.48	2.64	2.61	3.11
Milling	(\$/t milled)	17.96	17.56	23.77	22.47	19.88
G&A	(\$/t milled)	4.84	4.60	6.25	6.17	6.35

1) Gold produced includes 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 and do not have a standard meaning under IFRS. Please refer to non-IFRS Performance Measures at the end of this report.

3) Total cash costs per ounce sold for 2012 were restated to comply with the Company's adoption of IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine, in line with the Company's accounting policies and industry standards.

The site has since operated continuously since then and has expanded in scope to four projects, including Sabodala. These projects are described as follows:

Sabodala

The open pit is operational, and in phase three of the four phase mine plan. Phase three commenced in Q3 2012 initially with waste stripping and then moved into ore in mid-2013. Finally Phase four is scheduled to commence in 2016 carrying the open pit into the final phase. The Sabodala open pit is scheduled to be depleted in 2018. The Sabodala pit has a final depth of approximately 300 metres at the end of the fourth mining phase, with final dimensions at the pit surface of 900 metres by 1100 metres.

The selective mining practice at Sabodala since start-up has released ore at a faster rate than milling capacity. This has resulted in a large build-up of low grade stockpiled ore, planned to be fed at the end of mine life.

Masato

The Masato deposit, on the Golouma portion of our anticipated expanded Sabodala perimeter, is located approximately 3km east of the Sabodala plant. Phase 1 of production is anticipated to commence in September of 2014, to be completed in 2015. Under the current plan, Masato is planned to resume production in Phase 2 from 2020 until 2022.

Masato is a northeast trending deposit that dips moderately (45-65 degrees) to the west. It has a strike length of approximately 2100 m. To improve the mining selectivity a bench height of 5m was selected for mining in ore. A 10m bench was selected for mining in waste.

Gora

Gora is located approximately 22km from the Sabodala plant and will be mined as a satellite pit. Development of the Gora project is anticipated to begin at the end of 2014 and the deposit will be in production from Q3 2015 to 2018.

Gora is a vein deposit dipping 45 to 55 degrees south east. To improve the mining selectivity a bench height of 5m was selected for mining in ore. A 10m bench was selected for mining in waste. The 5m benches will be mined in two 2.5m flitches with a PC1250 excavator. The 10m benches will be mined with a PC2000 excavator similar to currently utilized at Sabodala. This equipment is compatible with the trucks currently utilized at Sabodala. The Gora pit is approximately 350m wide by 1000 meters long, with a depth to 120 meters depth from surface.

Golouma

Golouma is located 9.3km from the Sabodala plant. Pending formal governmental approval of our combined operating plan, production is planned to begin at the south Golouma pit in 2016. The south Golouma pit will be completed in 2017 and mining will commence at the larger North Golouma pit. The North Golouma pit will finish production in 2020.

Golouma is comprised of two areas, Golouma South and Golouma North. Golouma South is a vein deposit dipping 50 to 65 degrees south west. Golouma North contains two east-west trending zones with a strike length of approximately 800m dipping 75-80 degrees south and a zone trending north-northeast approximately 140m in length dipping at an angle of 45-65 degrees west. To improve the mining selectivity a bench height of 5m was selected for mining in ore. A 10m bench was selected for mining in waste. Both ore and waste zones will be mined with a PC3000 excavator similar to the size currently utilized at Sabodala. In areas with very thin ore zones an excavator will be used to mine more selectively. This equipment is compatible with the trucks currently utilized at Sabodala.

Kerekounda

Kerekounda is located 7.5km from the Sabodala plant (close to Golouma deposit). Production is anticipated to begin at Kerekounda in 2016 and be completed in 2017.

Kerekounda is a vein deposit dipping 55-70 degrees west-southwest and a north-northwest strike with a length of approximately 330 m. To improve the mining selectivity a bench height of 5m was selected for mining in ore. A 10m bench was selected for mining in waste. Both ore and waste zones will be mined with a PC3000 excavator similar to the size currently utilized at Sabodala. In areas with very thin ore zones an excavator will be used to mine more selectively. This equipment is compatible with the trucks currently utilized at Sabodala. A combination of infill RC drilling and blasthole drill holes will be used to optimise the grade control model.

Niakafiri

Niakafiri is located 5km from the Sabodala plant. It is scheduled to commence in 2018 and to be depleted in 2019. There are no material changes to the estimated quantities of Mineral Reserves and Mineral Resources since the October 2010 report. Sabodala village is planned to be relocated prior to development and mining at Niakafiri. The pit dimensions for the Niakafiri Pit at surface are 360 metres by 460 metres, with a final mined depth of 90 metres.

Mine Schedule

The mining method utilized is conventional truck and shovel open pit mining. The mining operation is effective at selectively separating ore from waste, and in separating the four ore categories that are stockpiled if not immediately milled.

The mining schedule is driven by preferential mining of lowest cost pits while providing consistent gold production through 2019. Mine planning has been carried out using the MineSched™ software package in annual increments to the end of the project life.

Key milestones:

- 2014 Phase 3 at Sabodala is completed with Masato beginning mining in Q4-2014.
- 2015 Mining continues at Masato with Gora road and infrastructure developed in the first half. Production begins at Gora July 2015. Phase 1 of Masato is completed.
- 2016 Infrastructure and road build for mining at Golouma and Kerekounda. Mining begins at Kerekounda and Golouma. Production resumes at Sabodala Phase 4. Process of relocating Sabodala village begins
- 2018 Sabodala village moved. Production begins at Niakafiri at the beginning of 2018.
- 2020 Masato Phase 2 starts production.
- Mining activities have completed, feed only from ROM stockpiles to crusher.

During the course of the mine life, the ROM ore will exceed the milling capacity. Ore that is in excess of process plant capacity will be selectively stockpiled and processed on a prioritized basis throughout the life of the operation to optimize the head grade on a daily basis. There are other processing options being explored for the stockpiled ore (both oxide and fresh) below 1.0 g/t cut-off.

Mine Equipment Fleet

The number of equipment operators required onsite for the Sabodala mining operation is about 200 employees, not including support personnel. This number is set to increase to approximately 260 by 2016 with the addition of a new mining fleet and support equipment. This includes an allowance for additional personnel to cover holidays and other absenteeism. Three crews are assumed, with one person per machine.

Mine Operating Costs

Key assumptions for the mine operating costs are calibrated to 2013 actual operating costs at Sabodala. Additional assumptions used in calculation of operating costs are:

- Light fuel oil price is \$1.15/litre in 2014, \$1.00/litre 2015 and beyond
- Ore re-handle from the ROM stockpiles to the crusher are consistent with 2013 actual costs
- High grade ore long-hauled from satellite ore bodies (Golouma, Kerekounda and Gora) will be tipped directly into the crusher (no double re-handling)
- Reduced mining production in 2014 (25.6 Mt vs 34.8 Mt in 2013) resulted in a higher fixed cost per tonne than 2013, which has led to an increase in the overall planned cost per tonne mined for 2014.

Mine Operating Cost by Deposit

Deposit		2013 Actual	2014	2015	2016	2017	2018	2019	2020	2021	2022
Golouma	\$/tonne	-	-	-	2.54	2.49	2.42	2.56	2.66	-	-
Gora	\$/tonne	-	-	2.28	2.47	2.37	2.53	2.58	-	-	-
Kerekounda	\$/tonne	-	-	-	2.19	2.49	-	-	-	-	-
Masato	\$/tonne	-	2.53	2.40	-	-	-	-	2.46	2.55	2.66
Sabodala	\$/tonne	2.59	2.91	-	2.70	2.77	2.86	-	-	-	-
Niakafiri	\$/tonne	-	-	-	-	-	2.39	2.52	-	-	-
Total	\$/tonne	2.59	2.85	2.39	2.51	2.54	2.49	2.55	2.50	2.55	2.66

Variation in mining cost by year and deposit is driven primarily by variation in haul costs and drill and blast costs.

- Haul costs are driven by haul distance and associated truck hours. The haul profile for each 50m x 50m x 10m block has been simulated by destination and has been calibrated to accurately represent current truck fleet performance.
- Drill and blast cost per tonne is driven by oxide percentage as oxide is blasted at a powder factor of 0.256 kg/m³ compared to 0.384 kg/m³ for fresh material
- Long haul ore costs are included for Gora, Golouma and Kerekounda, calculated at \$0.13/tkm
- Other costs include support equipment cost, custom duty (begins in 2014), overhead cost, and stockpile rehandle

The Table below is the anticipated life of mine plan for the combined Sabodala, Gora and Golouma gold projects.

			LOM	2014-2019 AVG	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sabodala Phase 3	Ore Mined	Mt	4.8		4.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	1.68		1.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste	Mt	16.5		16.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.26		0.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sabodala Phase 4	Ore Mined	Mt	4.1		-	-	0.5	1.7	1.9	-	-	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	1.51		-	-	1.01	1.53	1.61	-	-	-	-	-	-	-	-	-	-	-
	Waste	Mt	29.6		-	-	13.1	11.9	4.6	-	-	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.20		-	-	0.02	0.09	0.10	-	-	-	-	-	-	-	-	-	-	-
Masato Phase 1	Ore Mined	Mt	13.5		0.9	12.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	1.09		0.91	1.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste	Mt	32.3		3.4	28.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.47		0.03	0.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Masato Phase 2	Ore Mined	Mt	11.8		-	-	-	-	-	0.3	2.5	9.0	-	-	-	-	-	-	-	-
	Ore Grade	g/t	1.37		-	-	-	-	-	0.60	0.98	1.50	-	-	-	-	-	-	-	-
	Waste	Mt	101.3		-	-	-	-	-	29.9	38.6	32.7	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.52		-	-	-	-	-	0.01	0.08	0.43	-	-	-	-	-	-	-	-
Gora	Ore Mined	Mt	1.9		-	0.2	0.7	0.3	0.4	0.2	-	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	4.74		-	3.80	4.15	6.55	3.75	6.99	-	-	-	-	-	-	-	-	-	-
	Waste	Mt	38.1		-	5.1	12.0	9.7	9.6	1.7	-	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.29		-	0.03	0.10	0.06	0.05	0.05	-	-	-	-	-	-	-	-	-	-
Golouma	Ore Mined	Mt	6.5		-	-	1.0	0.5	0.8	2.5	1.7	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	2.24		-	-	2.89	2.61	2.26	2.01	2.07	-	-	-	-	-	-	-	-	-
	Waste	Mt	89.8		-	-	16.1	15.7	17.0	35.0	6.0	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.46		-	-	0.09	0.04	0.06	0.16	0.11	-	-	-	-	-	-	-	-	-
Kerekounda	Ore Mined	Mt	0.9		-	-	0.1	0.8	-	-	-	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	3.26		-	-	1.50	3.53	-	-	-	-	-	-	-	-	-	-	-	-
	Waste	Mt	18.0		-	-	7.4	10.6	-	-	-	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.09		-	-	0.01	0.09	-	-	-	-	-	-	-	-	-	-	-	-
Niakafiri	Ore Mined	Mt	7.8		-	-	-	-	4.6	3.2	-	-	-	-	-	-	-	-	-	-
	Ore Grade	g/t	1.14		-	-	-	-	1.14	1.14	-	-	-	-	-	-	-	-	-	-
	Waste	Mt	22.6		-	-	-	-	12.9	9.7	-	-	-	-	-	-	-	-	-	-
	Contained Oz	Moz	0.29		-	-	-	-	0.17	0.12	-	-	-	-	-	-	-	-	-	-
Total	Ore Mined	Mt	51.3		6.3	5.7	12.8	2.3	3.3	7.7	5.9	2.1	2.5	9.0	-	-	-	-	-	-
	Ore Grade	g/t	1.57		1.61	1.56	1.15	2.84	2.60	1.51	1.74	1.82	0.98	1.50	-	-	-	-	-	-
	Waste	Mt	348.0		40.1	19.9	33.9	48.6	47.8	44.1	46.4	35.9	38.6	32.7	-	-	-	-	-	-
	Contained Oz	Moz	2.58		0.33	0.29	0.47	0.21	0.27	0.37	0.33	0.12	0.08	0.43	-	-	-	-	-	-
Stockpile Ore Balance	Ore Mined	Mt	10.9		10.9	19.7	18.0	17.4	21.2	23.1	21.4	20.0	25.2	21.4	17.6	13.8	10.0	6.2	2.2	0.0
	Stockpile Grade	g/t	0.79		0.79	0.77	0.71	0.71	0.70	0.69	0.69	0.69	0.73	0.70	0.70	0.69	0.67	0.65	0.66	-
	Waste	Mt	0.27		0.27	0.48	0.41	0.40	0.47	0.51	0.47	0.44	0.60	0.48	0.39	0.31	0.22	0.13	0.05	0.00
	Contained Oz	Moz	0.02		0.02	0.07	0.06	0.06	0.07	0.08	0.07	0.07	0.09	0.08	0.07	0.06	0.05	0.04	0.03	0.00
	Ore Mined	Mt	59.9		3.9	3.4	4.0	4.0	3.8	4.0	4.0	3.8	3.8	3.8	3.8	3.8	3.8	3.8	4.0	2.2
	Head Grade	g/t	1.46		2.24	2.25	2.05	2.21	2.35	2.31	2.27	1.32	0.89	2.29	0.93	0.71	0.71	0.74	0.71	0.64
	Oxide	%	13%		23%	6%	50%	34%	6%	26%	15%	0%	1%	0%	0%	0%	0%	0%	36%	50%
	Rec. oz	Moz	2.553		0.254	0.227	0.242	0.260	0.261	0.271	0.265	0.145	0.097	0.254	0.102	0.078	0.078	0.081	0.078	0.075

The estimated ore reserves underpinning the production targets (as defined in the ASX Listing Rules), set out in the table above, have been prepared by Mr Paul Chawrun, who is a Competent Person, in accordance with the requirements of the JORC Code 2012 with respect to the Sabodala, Stockpiles, Masato, Golouma and Kerekounda ore reserve estimates and the JORC Code 2004 with respect to the Gora and Niakafiri ore reserve estimates, and with the requirements of NI 43-101.

This production guidance is based on existing proven and probable ore reserves from both the Sabodala mining license and SOMIGOL (90% owned by the OJVG) mining license as disclosed in the table above. This production guidance also assumes an amendment to the SOMIGOL mining license to reflect processing of SOMIGOL ore through the Sabodala mill.

Key assumptions: Gold spot price/ounce - \$1,250, Light fuel oil - \$1.00/litre, Heavy fuel oil - \$0.98/litre, US/Euro exchange rate - 1.325.

Processing and Engineering

The Sabodala ore is a medium to hard silicified breccia with fine grained gold, mainly associated with pyrite but also with a small amount of liberated gold present.

The gold is recovered in the 89%-92% range with an average grind of 80% passing 75µm. There is potential for additional recovery and performance improvement with installation of a gravity circuit. The gold extraction process uses a conventional carbon-in-leach ("CIL") flowsheet. The major equipment comprises of two stage crushing with a primary jaw and secondary cone crushing system. This is followed by one SAG mill transferred into a return pebble crusher, sizer by cyclone and two ball mills. During the leaching process, the gold leaches into solution in leach tanks when in contact with cyanide, then absorbs onto the carbon to liberate gold from the ore before being captured with the activated carbon. After elution and electrolysis, the gold is recovered by fusion and poured into ingots.

The major equipment in the process plant includes:

- Primary crusher: Nordberg C140S single toggle jaw crusher
- Secondary crusher: Sandvik CH660 cone crusher
- SAG Mill: Outotec 7.3m x 4.3m EGL, 4000 kW
- Ball Mills (x2): Outotec 5.5m x 7.85m EGL 4000 kW
- Recycle (Pebble) crusher: Metso HP200SX Cone crusher
- CIL circuit: 9x 1240m3 with compressed air injection
- Elution circuit: 5t batch capacity, split AARL elution
- Tailings Thickener (x2): Outotec 23m high rate thickener

Plant Performance

The performance metrics for the Sabodala processing plant are presented in the tables below.

Primary Crushing Circuit Performance

Primary Crushing Circuit	Q2 2013	Q3 2013	Q4 2013	2014 YTD¹
Net Production Rate (tph)	503	588	590	662
Availability (%)	80.7%	88.9%	86.9%	86.9%
Utilization (%)	83.3%	78.5%	77.6%	72.7%
Operating Time (%)	67.2%	69.8%	67.4%	63.2%
Crushed Tonnes (t)	738,445	905,660	878,984	571,683
Annualized Capability	2,961,895	3,593,108	3,487,273	3,660,777

1 – 2014 YTD as of 27 February

Milling Circuit Performance

Milling Circuit	Q2 2013	Q3 2013	Q4 2013	2014 YTD¹
Net Production Rate (tph)	360	420	420	480
Availability (%)	91.4%	97.5%	93.5%	91.7%
Utilization (%)	99.6%	99.2%	99.5%	99.7%
Operating Time (%)	91.0%	96.7%	93.0%	91.4%
Milled Tonnes	716,144	896,643	862,935	599,909
Annualized Capability	2,872,446	3,557,334	3,423,601	3,841,523

1 – 2014 YTD as of 27 February

Projected Plant Production

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Mill Operating Time (%)	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%
Mill Throughput (Mt)	3.4	4.0	4.0	3.8	4.0	4.0	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	4.0	2.2
Tonnes Milled (tph)	410	476	477	452	476	476	453	452	452	452	453	452	452	452	476	260
Oxide Feed (%)	6%	50%	34%	6%	26%	15%	0%	1%	0%	0%	0%	0%	0%	0%	36%	50%

The Primary Crushing circuit is comprised of a fixed grizzly over the ROM bin. An apron feeder delivers ore to a vibrating grizzly, from which the oversize is fed to a Jaw crusher.

In estimating future crushing and milling capacity, post-expansion historical performance was considered along with the upgrades and design changes to the crushing circuit carried out in Q1 and Q2 2013, as well as extended maintenance shutdowns in January and May that focused on reducing frequency and duration of future planned maintenance.

Specific improvements to operating performance were:

- Jaw liner life extended from 7 to 10 days.
- Re-engineering and changing the wear plates in the majority of chutes.
- A rotatable fixed grizzly to reduce repair and replacement time.

These changes reduce planned maintenance and breakdown events, enabling a move from several to a single five-day shut per year for major maintenance and remedial work.

Apron Feeder Gearbox Upgrade

In July 2013, an upgraded gearbox was installed on the apron feeder which takes feed from the ROM bin and delivers it to the vibrating grizzly screen. The ratio change for the new gearbox is 24.7%, which elevated the capacity of the apron feeder from 520 tph to 650 tph.

Vibrating Grizzly

In June 2013, the vibrating grizzly screen design was altered by removing a finger from each deck of the grizzly screen, and all remaining fingers were replaced with smooth fingers to increase surface area. This reduced the blinding issues that increased percentage material beyond the designed 57.7%, at times reaching 100% (complete blinded). This significantly reduced overall crushing circuit throughput and resulted in significant operational delays to clean the grizzly screen.

The combination of these upgrades to the primary crushing circuit has resulted in a significant increase in primary crusher throughput which has allowed the build-up of significant inventory (35 kt) between the primary crushing circuit and the mill circuit.

SAG and Ball Mill Throughput

Due to the improvements in the primary crushing circuit, the key elements for plant throughput are the SAG and Ball mills operating time and throughput rate. The rates required for the mine plan throughput of 3.5 Mtpa in 2014 have been achieved since the completion of the primary crusher upgrades.

Work has begun to increase mill throughput for fresh material from 3.5 Mtpa to 3.8 Mtpa in years beyond 2014 in the LOM. Some of these gains have been realized in Jan/Feb 2014, resulting in tonnes milled above 3.8 Mtpa.

- Implementation of an automated cascade control system to continually manage mill feed from the primary and secondary crushed stockpiles. A 2-3% improvement in throughput is expected after this implementation.
- Optimization of the SAG mill discharge size to increase throughput without adversely affecting recovery rates. This optimization work is now possible as the crushed stockpiles decouple the crusher and mill production rates. This is expected to produce approximately 20-25 tph.
- Reducing the amount of fines sent to the recycle crusher to increase SAG capacity during periods with higher percentage of hard ore feed.

In addition to these gains in milling capacity, the impact of significant amounts of oxide feed from Masato in 2015 and 2016 and Niakafiri in 2018 and 2019 will enable the annual mill throughput to reach 4.0 Mtpa. This is a result of reduced grinding required for oxide ore, which has been observed since initial operations at Sabodala.

Site Infrastructure

The mine power is sourced from a 30 MW heavy fuel oil power station and has an installed reserve 6 MW unit. Water is drawn from two dams with a combined capacity of approximately 11 million cubic metres, which can also be supplemented from water sourced via a pipeline from the Faleme river.

A detailed water balance and tailings deposition model was upgraded in 2013. This model has been calibrated to recent surveys and has the functionality to be continually re-adjusted based on site actual data. Based on this model, a new lift is not required in TSF1 until 2018, second, there is sufficient capacity for either a second raise in TSF1 to final design height of 155RL or an initial downstream lift in TSF2 to contain all tailings in the current reserves estimate.

Sales of Gold and Contracts

Gold produced at the mine site is shipped, under secure conditions, to a refiner. Pursuant to existing contracts, the refiner delivers the gold directly to an account held with Macquarie Bank Limited. Once received, the gold is sold in the market at spot, or delivered to Franco-Nevada pursuant to the terms of the Gold Stream Transaction as applicable.

RISK FACTORS

Below are some risk factors that Teranga believes can have a material effect on the profitability, future cash flow, earnings, results of operations, stated reserves and financial condition of the Company. If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations or cash flows could be adversely affected, the trading price of Teranga's common shares could decline and all or part of any investment may be lost. Additional risks and uncertainties not currently known to the Company, or that are currently deemed immaterial, may also materially and adversely affect the Company's business operations, prospects, financial condition, results of operations or cash flows.

In evaluating Teranga's securities, investors should carefully consider their personal circumstances, the risks set-out below, additional information and risks contained in this AIF, and consult their broker, solicitor, accountant or other professional adviser before making an investment decision.

Additional risks and uncertainties not currently known to the officers or directors of Teranga may have an adverse effect on the business of Teranga and the information below does not purport to be an exhaustive summary of the risks affecting Teranga.

Risks Related to our Business

Loss of Entire Investment

An investment in the shares of Teranga ("**Shares**") is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

We are dependent on the Sabodala gold mine for substantially all of our operating revenue and cash flows.

While we may invest in additional mining and exploration projects in the future, the Sabodala gold mine is likely to be our only producing mining project for the foreseeable future, thereby providing substantially all of our operating revenue and cash flows. Consequently, a delay or difficulty encountered in the operations of the Sabodala gold mine would materially and adversely affect our financial condition and financial sustainability. Any adverse changes or developments affecting the Sabodala gold mine, such as, but not limited to, our inability to successfully complete any of the development projects, work programs or expansions, obtain financing on commercially suitable terms, or hire suitable personnel and mining contractors, may have a material adverse effect on our financial performance, results of operations and liquidity.

In addition, our business and results of operations could be materially and adversely affected by any events which cause the Sabodala gold mine to operate at less than optimal capacity, including among other things, equipment failure or shortages of spares, consummables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

Our revenues and financial performance are dependent upon the price of gold.

Future production from all of our mining properties is dependent upon the price of gold and other metals and minerals being adequate to make these properties economic. Sustained low gold prices could reduce revenues through production declines due to cessation of the mining of deposits, or portions of deposits, that have become uneconomic at the then-prevailing market price; reduce or eliminate the profit that we currently expect from reserves; halt or delay the development of new projects; reduce funds available for exploration; and reduce existing reserves by removing ores from reserves that can no longer be economically processed at prevailing prices. Such declines in price and/or reductions in operations could cause significant volatility in our financial performance. Our revenues are derived primarily from the sale of gold. The price that we obtain for gold is directly related to world market prices. The price of gold has historically fluctuated widely and is affected by numerous factors beyond our control, including, but not limited to, industrial and retail supply and demand, exchange rates, inflation rates, price and availability of substitutes, actions taken by governments, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events.

On March 24, 2014, the morning fixing price for gold on the London Bullion Market was \$1,322.00 per ounce. The world market prices of gold and other metals have historically fluctuated widely and there is no assurance that the prices for such metals will continue to maintain their current high historical levels. We cannot predict whether metal

prices will rise or fall in the future. A decline in the market price of these metals could adversely impact our revenues, net income and cash flows and adversely affect our ability to meet our financial obligations.

The failure to meet key production and other cost estimates may adversely affect our cash flows.

A decrease in the amount of or a change in the timing of our mineral production outlook may impact the amount and timing of our cash flow from operations. The actual impact of such a decrease on our cash flow from operations would depend on the timing of any changes in production and on actual prices and costs. Any change in the timing of projected cash flows that would occur due to production shortfalls or labor disruptions or other reasons would, in turn, result in delays in receipt of such cash flows and in using such cash to, as applicable, reduce debt levels and fund operating and exploration activities, which may require additional borrowings to fund capital expenditures. We currently do not have a working capital bank facility and therefore we depend on cash flow from operations to fund our liquidity needs.

It is likely that actual results and/or costs for our projects will differ from our current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, and/or increase capital and/or operating costs above, current estimates. If actual results are less favorable than we currently estimate, our business, results of operations, financial condition and liquidity could be materially adversely impacted.

The performance of our Sabodala gold mine is subject to technical risks that may lead to increased costs and less profitability than we initially estimated.

The Sabodala gold mine is subject to technical risk in that it may not perform as designed. Increased development or expansion costs, lower output or higher operating costs may all combine to make the Sabodala mine less profitable than that expected at the time of the development decision. No assurance can be given that we would be adequately compensated by third party project design, construction and supply companies in the event of equipment failure or that the project does not meet its expected design specifications.

Undue reliance should not be placed on estimates of reserves and resources. Our actual reserves could be lower than such estimates, which could adversely affect our operating results and financial condition.

Our mineral resources and mineral reserves at December 31, 2013 described in this AIF, are estimates based on a number of assumptions, any adverse changes to which could require us to lower our mineral resource and mineral reserve estimates. Our estimates of economically recoverable reserves are primarily based upon interpretations of geological models, which make various assumptions, such as assumptions with respect to, prices, costs, regulations, and environmental and geological factors. These assumptions have a significant effect on the amounts recognized in our technical reports and our financial statements, and any material difference between these assumptions and actual events may affect the economic viability of our properties or any project undertaken by us.

Furthermore, actual prices, costs, regulations and environmental and geological factors often diverge from the assumed amounts because it is difficult to predict, among other things, metal prices, grades, production costs, stripping ratios, recovery rates, governmental regulations, the ability to obtain necessary permits, permit requirements, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations or work interruptions. In addition, there can be no assurance that mineral or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production and the volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. There can also be no assurance that any discoveries of new reserves will be made or that if a new discovery is made, that we will be able to obtain the required extraction or mining licenses to recover the reserves. While the concept of integrating Satellite Deposits into our existing Sabodala Mining Concession and Sabodala Mining License have been agreed to with the State as part of the Global Agreement, certain formal operating and environmental plans will still require approval before mining operations can commence on these satellite operations. In particular, the reserve and resource data presentation in this AIF includes a mine plan and Mineral Reserve and Resource estimates which relate to the proposed combination of the Sabodala and Golouma Mining License for which certain formal government approvals will be required, and include data from exploration areas for which we have not yet obtained an exploitation or mining license. Without these approvals, we will not be able to extract the resources and process through the Sabodala mill.

For these and other reasons, there is no certainty that any of the mineral resources or mineral reserves will be realized or that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that reserves can be mined or processed profitably. Until a deposit is actually mined and processed, the

quantity and grades of mineral resources and mineral reserves must be considered as estimates only. Valid estimates made at a given time may significantly change when new information becomes available.

Fluctuations in the prices of gold and other minerals, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources or mineral reserves could have a material adverse effect on the results of our operations and financial condition.

Changes in the cost of energy, in the prices of commodities used in our operations, and any other input may adversely affect the profitability of our operations and financial condition.

Any increase in the price of production inputs, including labor, fuel, particularly heavy fuel oil, mine consumables or other inputs could materially and adversely affect our business and results of operations. Input costs can be affected by changes in factors including market conditions, government policies, exchange rates and inflation rates, which are unpredictable and outside our control. In particular, the cost of fuel constitutes a significant part of our operating expenses. Unanticipated increases in the price of these or other inputs could materially and adversely affect our liquidity, business and results of operations.

We are vulnerable to fluctuations in stock exchange prices.

The market price of a publicly traded stock is affected by many variables, some of which are not directly related to the success of Teranga. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be junior companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Teranga's securities in the future.

We are dependent on critical supplies, a lack of which could impact our production and development of projects.

Timely and cost effective execution of our mining operations and exploration activities are dependent on the adequate and timely supply of water, fuel, chemicals and other critical supplies.

If we are unable to procure the requisite quantities of water, fuel or other inputs in time and at commercially acceptable prices or if there are significant disruptions in the supply of fuel, water or other inputs to the Sabodala gold mine or for our exploration activities, the performance of our business and results of operations could be materially and adversely affected.

Failure by Teranga, SGO or SGML to comply with their covenants contained in the finance documents relating to the Loan Facility with Macquarie Bank Limited may constitute an event of default under such finance documents. The occurrence of an event of default, or the triggering of a review event, under the finance documents relating to the Loan Facility with Macquarie Bank Limited could have material adverse consequences to Teranga, SGO and SGML, OJVG and SOMIGOL including, the enforcement by Macquarie Bank Limited of its security interests held over Teranga's shares in SGML and any SGO Creditor and over the assets of SGML and SGO, or other such consequences, any of which could have material adverse effect on the business, operating results, financial position and future ability to raise capital by Teranga, SGML or SGO.

We depend on key management and qualified operating personnel and may not be able to attract and retain such persons in the future.

Our success depends to a significant extent upon the ability to attract, retain and train key management and technical personnel, both in Canada and in Senegal (including those employed on a contractual basis). If we are not successful in retaining or attracting personnel, our business may be adversely affected. The loss of the services of any of our key management personnel could materially and adversely affect our business and results of operations. We do not maintain insurance with respect to the loss of any of our key personnel.

In addition, the recruiting of qualified personnel is critical to our success. As our business grows, we will require additional key financial, administrative, mining, processing and exploration personnel as well as additional staff for operations. While we believe that we will be successful in attracting and retaining qualified personnel, there can be no

assurance of such success. If we are not successful in recruiting and training such personnel, it could materially and adversely affect our business, prospects and results of operations.

Our operations in Senegal depend on our local employees and contractors. We are a Canadian-based company and operate cross-culture in Senegal. If we are not successful in maintaining a positive relationship with our workforce and the surrounding community, we could find it difficult to attract and retain skilled workers, develop successful collaborations and generally build our business. Likewise, if our relationship to our workforce or the surrounding community becomes strained, our business may be adversely affected.

Mining is inherently dangerous and subject to conditions or events beyond our control, which could have a material adverse effect on our business.

Our business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including environmental and safety hazards, industrial accidents, equipment failure, import/customs delays, shortage or delays in installing and commissioning plant and equipment, metallurgical and other processing problems, seismic activity, unusual or unexpected rock formations, wall failure, cave-ins or slides, burst dam banks, flooding, fires, interruption to, or the increase in costs of, services (such as water, fuel, particularly for heavy fuel oil, or transport), sabotage, community, government or other interference and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production and power facilities, dams or other properties, and could cause personal injury or death, environmental damage, pollution, delays in mining, increased production costs, monetary losses and possible legal liability.

Our Sabodala mine is an open pit operation, and the stability of the mine pit walls is critical. Pit slope failure at any open pit operation may result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability, any of which may prevent or interrupt mining activities and have a material adverse effect on our financial condition.

Mineral exploration is speculative and uncertain; there is no assurance mineral deposits on our exploration properties will ever be classified as proven and probable mineral reserves as a result of continued exploration.

In addition, we are seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on our property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on us and our securities, as major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

Our planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on us and our securities.

Whether income will result from projects undergoing exploration programs depends on the successful establishment of mining operations. Factors including, but not limited to, government regulations (such as those governing prices, taxes, royalties, land tenure, land use and environmental protection), costs, actual mineralization, size and grade of mineral deposits, consistency and reliability of ore grades and commodity prices may affect successful project development. Few properties that are explored are ultimately developed into producing mines.

Further, many of our exploration projects are with joint venture partners. Whether we will be able to mine the identified resources will depend on whether we obtain an exploitation permit or a mining concession from the Government of Senegal, and there can be no assurance that such a permit or concession will be obtained.

Illegal mining on our RLP, the Sabodala Mining Concession and the Golouma Mining Concession, may delay our projects and raise disputes regarding the development or operation of commercial gold deposits and may also expose us to potential responsibility for environmental, property and personal damage.

Illegal mining is becoming more widespread in Senegal. Illegal miners have and may continue to trespass on our properties and engage in dangerous practices including the use of mercury and dynamite in their operations, without any government regulation or oversight. We are unable to continuously monitor our entire RLP and Sabodala ad

Golouma Mining Concessions. The presence of illegal miners could also lead to project delays and disputes regarding the development or operation of commercial gold deposits, including disputes with Senegalese governmental authorities regarding reporting of resources and mine production. The illegal activities of miners could cause pollution and other environmental damage (including from the use of mercury in recovery practices by certain of these illegal artisanal miners) or other damage to our properties, as well as personal injury or death, for which we could potentially be held responsible, all of which could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

We may not be able to obtain additional external financing on commercially acceptable terms, or at all.

Mining operations, exploration and development involve significant financial risk and capital investment. Our operations and expansion plans, including the integration of the Golouma Mining Concession, may also result in increases in capital expenditures and commitments. We may require additional funding to expand our business and may require additional capital in the future to, among other things, further expand the Sabodala mill, build another mill, or develop/expand/redesign the existing mine pit or build other mines, and no assurance can be given that such capital will be available at all or available on terms acceptable to us. We may also need to seek funding from third parties if internally generated cash resources and available credit facilities, if any, are insufficient to finance these activities. Any debt financing, if available, may involve financial or other covenants which may limit our operations and principal amounts under any debt financing arrangements entered into by us may become immediately due and payable if we fail to meet certain restrictive covenants. Even if such funding was available, our existing debt instruments, including the notes offered hereby, may contain provisions prohibiting us from financing such transactions. In addition, we currently do not have a working capital bank facility and therefore we depend on cash flow from operations to fund our liquidity needs. In the event that we are unable or not permitted to obtain adequate financing on acceptable terms, or at all, to satisfy our operating, development and expansion plans, our business and results of operations may be materially and adversely affected.

We must continually replace and expand our reserves and resources.

Because mines have limited lives based on proven and probable mineral reserves and mineral resources, we must continually replace and expand our mineral reserves and mineral resources. Our ability to maintain or increase our production and therefore, the continuous success of our business, is dependent on many factors including, but not limited to:

- discovery and/or acquisition of new ore reserves;
- securing and maintaining title to tenements and obtaining necessary consents and permits for exploration and mining;
- successful design and construction of mining and processing facilities;
- successful commissioning and operating of mining and processing facilities; and
- the performance of the technology incorporated into the processing facility.

Our transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant additional taxes, penalties and interest. If our tax disputes with the Government of Senegal are not resolved favourably it would have a material adverse effect on our financial position.

Mining tax regimes in foreign jurisdictions are subject to differing interpretations by us and the relevant governmental entity and are subject to constant change and may include fiscal stability guarantees. Our interpretation of taxation law as applied to our activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant additional taxes, penalties and interest. Our Senegalese operating subsidiary, SGO, was granted an exoneration from taxation, including value added tax and corporate income tax in the Sabodala Mining Convention, which extends until May 2015, after which time a value added tax of 18% (which is not applicable to sales of gold) and corporate income tax rate of 25% will be applicable.

During the quarter ended December 31, 2011, SGO received a tax assessment from the Senegalese tax authorities claiming withholding taxes of approximately \$24 million, such amount includes \$8 million of penalties relating to interest paid to SGML Capital under the fleet lease facility, director's fees and services rendered by offshore companies for the financial years 2008 to 2010. SGO responded to the tax assessment including evidence supporting our view of treatment of withholding taxes in accordance with the General Tax Code in Senegal. In January 2012, the tax assessment was re-confirmed by the Senegalese tax authorities. In February 2012, SGO filed a notice to refer the tax assessment to arbitration in accordance with Senegalese laws. During the quarter ended December 31, 2012, SGO received a second tax assessment from the Senegalese tax authorities claiming \$6 million withholding tax on

salaries, and on payments made to foreign service providers, including penalties. On April 9, 2013, SGO received a confirmation notice of this tax assessment. On April 19, 2013, SGO responded to the confirmation notice and provided evidence supporting treatment of withholding taxes in accordance with the General Tax Code in Senegal. To date, the tax authorities have yet to formally respond to SGO's letter of April 19, 2013. In February 2014, SGO sent a follow-up letter to the tax authorities requesting a reply to the Company's response letter arguing that the tax assessment ought to be dismissed. We have since reviewed this outstanding assessment again with our legal counsel and we are confident that it is still without merit and that it will be resolved with no or an immaterial amount of tax due. If we are not found to be the prevailing party in the arbitration, such tax assessment would have material adverse effect on our financial condition. Further, we may not be able to successfully appeal this tax assessment to international arbitration in Paris as per the dispute resolution mechanism in our Sabodala Mining Convention.

We are subject to taxation in several different jurisdictions, and adverse changes to the taxation laws of such jurisdictions could have a material adverse effect on our profitability.

We may have exposure to greater than anticipated tax liabilities. We are subject to income taxes and other taxes in a variety of jurisdictions and our tax structure is subject to review by both Canadian and foreign taxation authorities. The determination of our tax structure has required and continues to require significant judgment and there are transactions and determinations where the ultimate tax result is uncertain. While management does not believe that there is a significant risk to our tax structure, there can be no assurance that taxation authorities will not seek to challenge the structure in the future. To the extent a taxing authority disagrees with any of our determinations and we are assessed additional taxes, or there are adverse changes in tax laws it could have a material adverse effect on our financial position.

Potential legal proceedings or disputes may have a material adverse effect on our financial performance, cash flow and results of operations.

We are not currently subject to material litigation. However, we could become involved in disputes with governmental authorities, non-governmental organizations and other private parties in the future which may result in material litigation. The results of litigation cannot be predicted with certainty. If we were unable to resolve such disputes favorably, the resulting litigation could have a material adverse impact on our financial performance, cash flow and results of operations.

Enforceability of Judgments

A majority of the assets and subsidiaries of the Company are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise.

Our insurance does not cover all potential losses, liabilities and damage related to our business and certain risks are uninsured or uninsurable.

Our business is subject to a number of risks and hazards generally, including adverse environmental conditions and pollution, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the political or regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and dust storms. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to our properties or others, delays in mining, monetary losses and possible legal liability.

Although we maintain insurance to protect against certain risks in such amounts as we consider to be reasonable, the insurance may not cover all the potential risks associated with our operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and we may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our financial performance and results of operations or otherwise affect our insurability and reputation in the market.

If we incur losses not covered or not fully covered by our insurance policies, such losses may adversely affect our business, operating results and financial condition.

Fluctuations in foreign currency exchange rates could significantly affect our business, financial condition, results of operations and liquidity.

Our expected future revenue, if any, will be in U.S. dollars and while a significant portion of our costs are in U.S. dollars, a significant component is also in the local currency of Senegal, the CFA Franc, which is pegged to the Euro. Also, future capital raised by us from offerings of securities or other financing arrangements may be in Canadian dollars, Australian dollars or another currency. As a result of the use of these different currencies, we are subject to the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond our control. These factors include economic conditions in the relevant country and elsewhere, and the outlook for interest rates, inflation and other economic factors. The prices of local materials and wages can be affected by currency exchange rates, which could negatively impact our production costs. In addition, our operations may have assets and liabilities denominated in currencies other than the U.S. dollar, with translation foreign exchange gains and losses included from these balances in the determination of profit or loss. In the event that we sell commodities and incur costs in currencies other than U.S. dollars, it will create exposure at the operational level, which may affect our profitability as exchange rates fluctuate. Therefore, exchange rate movements in the Australian dollar, CFA Franc, Euro and other currencies may materially affect our financial position and operating results. Currently, we have not hedged against fluctuations in exchange rates, however, we may do so at a later date. If we were to choose to hedge exchange rate risk, there is no assurance that we would be successful in reducing our exposure to currency fluctuations.

The renewal of our Sabodala Mining Concession in 2022 will be the first time a mining concession for gold and related substances in Senegal will be renewed, and there can be no assurances that the Government of Senegal will not request changes to our existing Sabodala Mining Convention.

Our Sabodala Mining Concession is automatically renewable for one or several periods of not more than 10 years each until the depletion of the deposit and subject to our compliance with the terms of the Sabodala Mining Concession, including the Mining Code. The current 10 year term of the Sabodala Mining Concession would normally have expired on April 30, 2017 but the Global Agreement signed with the Government of Senegal on May 31, 2013 extended the term by five years to 2022. At the expiry of this extended term, the renewal of the Sabodala Mining Concession will be the first renewal of a mining concession for gold and related substances in Senegal. As a consequence, the Senegalese mining authorities will not have evaluated other mining concession renewals and will not have established a consistent evaluation process, which could lead to unpredictable results causing delays in renewal or even non-renewal. There can also be no assurance that as part of the renewal of the Sabodala Mining Concession that the Government of Senegal will not request additional concessions from us to amend the existing terms of our Sabodala Mining Convention, including the fiscal stability provisions contained therein.

Licensing and other regulatory requirements in Senegal may be subject to amendment or reform which could make compliance more challenging.

Our current operations are, and our future operations will be, subject to licenses, regulations and approvals of Senegalese governmental authorities for exploration, development, construction, operation, production, marketing, pricing, transportation and storage of oil, taxation and environmental and health and safety matters. We cannot guarantee that such licenses applied for will be granted or, if granted, will not be subject to possibly onerous conditions. Any changes to exploration and production, or production licenses, regulations and approvals, or their availability to us may adversely affect our assets, plans, targets and projections.

We require licenses, permits and approvals from various governmental authorities to conduct our operations, any loss of which could have a material adverse effect on our business.

Our current and future operations require license, approvals and permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental protection, safety and other matters, and dependent upon the grant, or as the case may be, the maintenance of appropriate licenses, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on us being successful in obtaining required statutory approvals for the proposed activities and that the licenses, concessions, leases, permits or regulatory consents we hold will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

With the recent acquisition of OJVG, Teranga's immediate near term plans are focused on the integration of the Golouma gold project, through, among other things, an amendment to the Sabodala Mining Concession to include the Golouma Mining Concession and process ore from the Golouma gold project using Teranga's existing mill and infrastructure. While the Global Agreement and the State's waiver of its additional equity participation right in SOMIGOL, give Teranga confidence that ore from the Golouma project can be processed through the Sabodala mill this year, there are certain formal approvals that remain outstanding before such operations can commence. Without such approvals, Teranga's mine plan described in this AIF, which includes the processing of ore from the Golouma gold project in 2014 will need to be amended and/or delayed which would adversely affect our business, operating results and financial condition.

In addition, in Senegal, at each renewal of an exploration permit, the area of its perimeter is reduced by at least 25%. There can be no assurance that at the time of the renewal of our exploration permits that the perimeter of the permit will not be reduced by more than 25%. In addition, in order to mine areas in our RLP, we will need to obtain an exploitation permit or a mining concession, and there is no assurance that either will be obtained.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permitting requirements. There can be no assurance that approvals and permits required to commence production on the Golouma gold project or our future mining properties or interests will be obtained. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which we have interests and there can be no assurance that we will be able to obtain or maintain all necessary licenses, approvals and permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Any inability to conduct our mining operations pursuant to applicable authorizations would materially reduce our production and cash flow.

Our operations are subject to stringent environmental laws and regulations that could significantly limit our ability to conduct our business.

All phases of our operations are subject to environmental regulation in Senegal. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, and also set limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation in Senegal is evolving in a manner which will likely result in stricter operating standards and enforcement, restrictions on future exploration activities and reclamation obligations, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations. In addition, future spills and environmental matters may arise, and environmental hazards may exist on the properties on which we hold interests which are unknown to us at present and which have been caused by previous or existing owners or operators of the properties or other third parties.

Environmental licenses, approvals and permits are currently and may in the future be required in connection with our operations. To the extent such licenses, approvals or permits are required and not obtained, we may be curtailed or prohibited from continuing the mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of mining activities and civil or criminal fines or penalties may be imposed for violations of applicable laws, regulations or permitting requirements.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on us and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties, or abandonment, substantial limits or delays in development of new mining properties.

Actual costs of reclamation are uncertain, and higher than expected costs could negatively impact our results of operations and financial position.

Our operations are subject to reclamation plans that establish our obligations to reclaim properties after minerals have been mined from a site. These obligations represent significant future costs for us and are evaluated by us on an annual basis. As of December 31, 2013, the total estimated reclamation liability for our mines was approximately \$14 million. Reclamation bonds or other forms of financial assurance are often required to secure reclamation activities. Currently, the Government of Senegal has not required us to post any reclamation bond, guarantee or other financial sureties for future reclamation and rehabilitation obligations, but there can be no assurance that a reclamation bond, guarantee or surety may not be required in the future. If a reclamation bond is required a governing authorities can require companies to periodically recalculate the amount of a reclamation bond and may require bond amounts to be increased. It may be necessary to revise the planned reclamation expenditures and the operating plan for the mine in order to fund an increase to a reclamation bond. Reclamation bonds represent only a portion of the total amount of money that will be spent on reclamation over the life of a mine operation. The actual costs of reclamation set out in mine plans are estimates only and may not represent the actual amounts that will be required to complete all reclamation activity. If actual costs are significantly higher than our estimates, it could have a material adverse effect on our results from operations and financial position.

We are subject to a variety of risks associated with joint ventures, which could result in a material adverse effect on our future growth, results of operations and financial position.

Exploration, development and mining projects are often conducted through joint ventures and, in some cases, the title to such projects is in the name of the joint venture partner. In particular, several of our exploration projects are currently being conducted with joint venture partners, some of them as title holders of the applicable permit, and we expect to continue to work with joint venture partners in the future. Joint venture arrangements may require the unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions relating to the governance and operations of the joint venture. This means that a party may have a veto right, or similar power, with respect to such decisions which could lead to a deadlock and negatively impact or limit our business operations or financial position in the future. In addition, in certain instances, our joint venture partners may unilaterally withdraw from our joint ventures.

Mineral rights or surface rights to our properties could be challenged, and, if successful, such challenges could have a material adverse effect on our production and results of operations.

The acquisition of title to mineral properties is a very detailed and time-consuming process and may be disputed. There can be no assurances that our interest in our properties is free from title defects or that the material contracts between us and (the entities owned or controlled by) the relevant governments will not be unilaterally altered or revoked. Third parties may have valid claims underlying portions of our interest, including prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. For example, although the Sabodala Mining Concession permits us to explore and mine Niakafiri deposit, further exploration or mining will necessitate the physical displacement of Sabodala village, a population of approximately 3,000 persons. As a result, we may be constrained in our ability to operate, or to enforce our rights with respect to, our properties, including the area containing the Niakafiri deposit. There is no assurance, however, that our rights and title interests will not be revoked or significantly altered to our detriment or that the rights and title interests will not be challenged or impugned by third parties.

We may be unable to identify or complete desirable acquisitions, investments or divestitures, and we may be unsuccessful in integrating businesses and assets that we may acquire.

We may consider making additional strategic acquisitions, divestitures or investments as a means of pursuing our corporate strategy. Acquisitions may be made by using available cash, incurring debt, issuing common shares in the capital of Teranga or other securities, or any combination of these. This could limit our flexibility to raise capital, to operate, explore and develop our properties and make other acquisitions. In addition, when evaluating potential acquisitions or investments, we cannot be certain that we will have correctly identified the risks and costs inherent in the acquired business or opportunity.

It is possible that we may not identify suitable opportunities, or if we do identify suitable opportunities, that we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or divestiture opportunities or investments or the inability to complete such transactions could materially and adversely affect our competitiveness and growth prospects. In the event we successfully complete an acquisition or investment, we could face difficulties managing the investment or integrating the acquisition into our operations. There can be no assurance that we will be able to achieve the strategic purpose or benefits of such an acquisition or investment. In the event we successfully complete a divestiture, there can be no assurance that we will obtain favorable consideration for such divestiture. These difficulties could disrupt our ongoing business, distract our

management and employees, and increase our expenses, any of which could materially and adversely affect our business and results of operations.

Our operations in Senegal in West Africa subjects us to various political, economic and other risks that could negatively impact our operations and financial condition.

Our projects are located in Senegal in West Africa. Our tenure over the property rights and the conditions under which we operate, both during and after the exploration stage, are subject to the jurisdiction of the Government of Senegal and in some cases political subdivisions within that country. The laws and regulations governing our tenure and operations are subject to alteration, and an adverse alteration to those laws and regulations could have a material adverse effect on us. In addition, exposure of our projects and operations to political risk comprises part of the evaluations, perceptions and sentiments of investors. An adverse change in investors' or potential investors' tolerance of political risk could have a material adverse effect on us. Although we believe we have good relations with the Government of Senegal, there can be no assurance that the actions of present or future governments in Senegal will not materially adversely affect our business or financial condition.

Given the conduct of our operations in West Africa, we are exposed to various levels of political, economic and other natural and man-made risks and uncertainties, over which we have no or limited control. These risks and uncertainties include, but are not limited to, economic, social or political instability, terrorism, hostage taking, military repression, labor unrest, the risks of war or other forms of civil unrest, expropriation and nationalization, illegal mining, renegotiation, nullification or adoption of new laws or regulations concerning existing concessions, licenses, permits and/or contracts, extreme fluctuations in currency exchange rates, high rates of inflation, changes in taxation policies, restrictions on foreign exchange and repatriation, validity of export rights and payment of duties, changing political conditions, currency controls, customs regulations policies, changes or adoption of new laws affecting foreign ownership, government participation or control or working conditions and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitudes in any jurisdiction in which we operate may adversely affect our operations or profitability and viability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on prospecting, development, production, price controls, export controls, currency remittance, income taxes, royalties, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, forestry, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be predicted and any of them could have an adverse effect on our operations or profitability.

In addition, the Government of Senegal holds a 10% free-carried interest in SGO and SOMIGOL, our subsidiaries which operate the Sabodala gold mine and hold Golouma Mining Concession, respectively and actions of SGO and SOMIGOL require the approval of its board of directors, which includes two representatives of the Government of Senegal. Further, if any of our current or future exploration licenses are converted into a mining concession, pursuant to the Mining Code we will be required to provide a 10% free-carried interest in the entity granted the concession to the Government of Senegal and provide board representation.

We may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada which could hinder us from enforcing our rights.

In the event of a dispute arising at our Senegalese operations including in relation to the Sabodala or Golouma Mining Concessions and the Global Agreement, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. We may also be hindered or prevented from enforcing our rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity. The dispute provisions of our Sabodala and Golouma Mining Concessions and the Global Agreement stipulate that any dispute between the parties thereto is to be submitted to international arbitration. However, there can be no assurance that a particular governmental entity or instrumentality will either comply with the provisions of these or any other agreements or voluntarily submit to arbitration. Our inability to enforce our rights could have an adverse effect on our future cash flows, earnings, results of operations and financial condition. Further,

any dispute with Senegalese governmental authorities may also adversely affect our relationship with the government, which could impact the development and operation of our current and future projects in Senegal.

Uncertainties in the interpretation and application of laws and regulations in Senegal may affect our ability to comply with such laws and regulations, which may increase the risks with respect to our operations.

The courts in Senegal may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, we could face risks such as: (i) effective legal redress in the courts of Senegal being more difficult to obtain, whether in respect of a breach of law or regulation, or in a contract or an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience of the judiciary and courts in such matters.

Enforcement of laws in Senegal may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to us by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited relevant case law providing guidance on how courts would interpret such laws and the application of such laws to our contracts, joint ventures, licenses, license applications or other arrangements. Thus, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of Senegalese government authorities and the effectiveness of and enforcement of such arrangements, including provisions in the Sabodala Mining Concession and Golouma Mining Concession.

Our ability to repatriate funds from Senegal or any other foreign country may be hindered by the legal restriction of the countries in which we operate.

We expect to generate cash flow and profits at our foreign subsidiaries, and we may need to repatriate funds from those subsidiaries to fulfill our business plans, in particular in relation to ongoing expenditures at our Senegalese development assets, and make debt service payments. In addition, at times we are required to make cash deposits to support bank guarantees of our obligations under certain leases or amounts we owe to certain vendors from whom we purchase goods and services. These cash deposits are not available for other uses as long as the bank guarantees are outstanding. As a result, we may not be able to repatriate funds, or we may incur tax payments or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which could be material. In light of the foregoing factors, the amount of cash that appears on our balance sheet may overstate the amount of liquidity we have available to meet our business or debt obligations.

Although Teranga has not historically experienced difficulties in repatriating capital, there is no assurance that the Government of Senegal or any other foreign country in which we may operate in the future will not impose additional restrictions on the repatriation of earnings to foreign entities. Any inability to repatriate funds could have a material adverse effect on our liquidity.

Teranga has paid no dividends on its Shares to date. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including, but not limited to, Teranga's operating results, financial condition and current and anticipated cash needs. At this time however, all of Teranga's available funds are expected to be invested to finance the growth of Teranga's business and therefore investors cannot expect and should not anticipate receiving a dividend on the Shares in the foreseeable future.

There is no assurance that the Government of Senegal or any other foreign country in which Teranga may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

The Company currently has an operating loss and no assurance is given that additional losses will not be incurred in the future or that the Company will be profitable.

Our directors may have interests that conflict with our interests.

Certain of our directors are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in companies, partnerships or joint ventures which are potential competitors of

ours. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors may conflict with our interests. Our directors with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

We may be unable to compete successfully with other mining companies.

The mining industry is competitive in all of its phases. We compete with other companies, some which have greater financial and other resources than us and, as a result, may be in a better position to compete for future business opportunities. We compete with other mining companies for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that we can compete effectively with these companies.

The consequences of a mine closure could materially and adversely affect our business and results of operations.

In the future we may be required to close the mine we operate. The key risks for mine closure include, without limitation, the (i) long-term management of permanent engineered structures and acid rock drainage; (ii) achievement of environmental closure standards; (iii) orderly retrenchment of employees and contractors; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these items is dependent on the ability to successfully implement negotiated agreements with the relevant government, community and employees. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental impacts and damage to corporate reputation if desired outcomes cannot be achieved, which could materially and adversely affect our business and results of operations.

The outbreak, or threatened outbreak, of any severe communicable disease in Senegal could materially and adversely affect the overall business environment in Senegal.

The outbreak, or threatened outbreak, of any severe communicable disease in Senegal could materially and adversely affect the overall business environment in Senegal, particular if such outbreak is inadequately controlled. This in turn could materially and adversely affect domestic labor supply. As substantially all of our revenue is currently derived from our Senegal operations, any labor shortages in Senegal could materially and adversely affect our business and results of operations. In addition, if any of our employees is affected by any severe communicable disease, it could adversely affect or disrupt our production and materially and adversely affect our results of operations as we may be required to close our facilities to prevent the spread of the disease. The spread of any severe communicable disease in Senegal may also affect the operations of our suppliers, which could materially and adversely affect our business and results of operations.

In particular, malaria and other diseases such as HIV/AIDS represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa and are a major healthcare challenge faced by our operations in Africa. There can be no assurance that we will not lose members of our workforce or see our workforce man-hours reduced or incur increased medical costs as a result of these health risks, which could materially and adversely affect our business and results of operations.

We are subject to ASX listing Rules and Corporations Act 2001

Non-Canadian residents who hold Teranga common shares (directly or indirectly through CHESS Depository Interests ("CDIs")) may not be aware that Canadian corporate and securities laws are different from those in Australia. Teranga complies with Canadian securities laws, corporate governance guidelines and disclosure standards that apply to Canadian companies listed on TSX. In addition to these Canadian requirements, Teranga must also comply with the rules of the ASX Listing Rules (Listing Rules) and the Australian Corporations Act 2001 (Cth) ("**Corporations Act**"). Circumstances exist where Teranga is exempt from Listing Rule and Corporations Act requirements due to its compliance with the TSX, Canadian securities laws and corporate governance requirements. Teranga may from time to time seek additional relief from Listing Rule and Corporations Act requirements, however there is no guarantee that such applications for relief will be received in which case compliance will be necessary.

DIVIDENDS AND DISTRIBUTIONS

The Company has not, since the date of its incorporation, declared or paid any dividends on the Common Shares, and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, Teranga

anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future, if any, will be determined by the Board in their sole discretion based upon, among other factors, the cash flow, results of operations and financial condition of the Company, the need for funds to finance ongoing operations, and such other business considerations as the Board considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Teranga is authorized to issue an unlimited number of Common Shares. As at March 24, 2014, there were 316,801,091 Common Shares outstanding.

Common Shares

The summary below of the rights, privileges, restrictions and conditions attaching to the Common Shares is subject to, and qualified in its entirety by reference to, the Company's articles and by-laws, which may be accessed electronically under Teranga's profile on SEDAR at www.sedar.com. and on the ASX at www.asx.com.au.

Holders of Common Shares are entitled to receive notice of, attend and vote at, all meetings of the shareholders of the Company (except with respect to matters requiring the vote of a specified class or series voting separately as a class or series) and are entitled to one vote for each Common Share on all matters to be voted on by shareholders at meetings of the Company's shareholders. Holders of Common Shares are entitled to receive such dividends, if, as and when declared by the Board, in their sole discretion. All dividends which the Board may declare shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding. On liquidation, dissolution or winding up of the Company, the holders of Common Shares will be entitled to receive the property of the Company remaining after payment of all outstanding debts on a pro rata basis, but subject to the rights, privileges, restrictions and conditions of any other class of shares issued by the Company. There are no pre-emptive, redemption or conversion rights attaching to the Common Shares. All Common Shares, when issued, are and will be issued as fully paid and non-assessable shares without liability for further calls or to assessment.

Stock Option Plan

Teranga's incentive stock option plan dated November 10, 2010 (the "**Option Plan**"), reserves for issuance, pursuant to its terms, up to 10% of the total number of Common Shares issued and outstanding from time to time. Options may be granted under the Option Plan only to directors, officers, employees and consultants of Teranga or its subsidiaries or to personal holding companies wholly owned or controlled by the participant, subject to the rules and regulations of applicable regulatory authorities and any stock exchange upon which the Common Shares may be listed or may trade from time to time.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and consultants by providing them with the opportunity, through options, to acquire a proprietary interest in the Company and to benefit from its growth. In determining the number of options to be granted to executive officers, the Board takes into account the level of responsibility of the executive, his or her contribution to the long-term operating viability of the Company and the number of options, if any, previously granted.

Pursuant to the terms of the Stock Option Plan, options may be granted based upon the recommendation of the Board or the Compensation Committee, which has been appointed by the Board to make recommendations with respect to grants of options under and to administer the Stock Option Plan. Other than as permitted by applicable securities laws and the policies and rules of the TSX and the ASX, all options will not be transferable or assignable, other than by will or by the laws of descent and distribution. Options may be granted for a term not exceeding ten years. The Common Shares to be purchased upon exercise of each option must be paid for in full by the grantee at the time of exercise. The maximum number of options which may be issued to insiders and their associates under the Stock Option Plan and any other share compensation arrangement may not cover a number of Common Shares which exceeds 10% of the Common Shares outstanding from time to time (calculated on a non-diluted basis). Moreover, over any twelve month period, the number of Common Shares issued to insiders and their associates pursuant to the exercise of options granted under the Stock Option Plan and any other share compensation arrangement, may not exceed 10% of the issued share capital of the Company (calculated on a non-diluted basis).

The Board or the Compensation Committee has complete discretion to set the terms of the vesting schedule for each option granted.

The exercise price of options issued are fixed by the Board at the time the option is granted and such exercise price may not be less than the market price of the Common Shares at the time the option is granted. The "market price" of the Common Shares means, the volume weighted average trading price of the Common Shares as reported on the TSX for the five trading days immediately preceding the day on which the option is granted provided, however, that the exercise price may not be less than the minimum exercise price required by the applicable rules of the TSX. Upon exercise in accordance with the terms thereof, each option will entitle the holder thereof to acquire one common share of the Company.

As long as the Common Shares are listed on the TSX and the ASX, the Company must apply to the TSX and the ASX, as applicable, for the listing or quotation, as applicable, of the Common Shares issued upon the exercise of all options granted under the Stock Option Plan.

MARKET FOR SECURITIES

Trading Price and Volume

The Company's Common Shares are listed on the TSX and in the form of CDIs on the ASX, in each case under the symbol "TGZ". The following table sets forth the reported high and low trading prices and the aggregate volume of trading of the Common Shares on the TSX and CDIs on the ASX, during the 2013 calendar year.

	TSX			ASX		
	High CDN\$	Low CDN\$	Volume	High AUS\$	Low AUS\$	Volume
31 Jan 2013	2.33	1.97	3,216,590	2.23	1.90	1,670,828
28 Feb 2013	1.93	1.30	3,788,858	1.86	1.35	7,307,014
28 Mar 2013	1.40	1.11	2,694,386	1.30	1.08	4,563,420
30 Apr 2013	1.15	0.75	4,699,800	1.08	0.71	8,875,674
31 May 2013	0.93	0.69	3,160,471	0.93	0.68	3,781,497
28 Jun 2013	0.78	0.59	1,832,540	0.80	0.63	4,787,179
31 Jul 2013	0.69	0.56	3,772,951	0.75	0.60	5,174,346
30 Aug 2013	0.75	0.50	14,082,791	0.78	0.56	5,522,492
30 Sep 2013	0.80	0.65	4,686,437	0.80	0.66	2,424,318
31 Oct 2013	0.69	0.58	4,753,199	0.71	0.59	3,773,680
29 Nov 2013	0.61	0.47	3,419,682	0.62	0.46	3,613,137
31 Dec 2013	0.58	0.43	9,587,993	0.55	0.44	10,653,693

Source: Thomson Reuters Eikon

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The following table sets forth the names and provinces of residence of the directors and officers of the Company, their positions held with the Company, the date on which each became a director or officer and their principal occupations during the past five years:

Name and Residence	Position(s) with the Company	Principal Occupation During the Last Five Years	Director/Officer Since
Alan R. Hill ⁽⁵⁾⁽⁶⁾ Toronto, Ontario, Canada	Non-Executive Chairman, Director	President and Chief Executive Officer of Gabriel Resources Ltd. (2005 to 2009) and Corporate Director	October 6, 2010
Richard S. Young Oakville, Ontario, Canada	President and Chief Executive Officer, Director	Vice President and Chief Financial Officer of Gabriel Resources Ltd. (2005 to	October 1, 2010

Name and Residence	Position(s) with the Company	Principal Occupation During the Last Five Years	Director/Officer Since
		2010)	
Christopher R. Lattanzi ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾ Toronto, Ontario, Canada	Director	Corporate Director and Business Executive, Associate Consultant for Micon International Limited (2005 to present)	October 13, 2010
Edward Goldenberg ⁽⁴⁾⁽⁵⁾ Ottawa, Ontario, Canada	Director	Corporate Director and Partner of Bennett Jones LLP (2007 to present)	July 2, 2013
Alan R. Thomas ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario, Canada	Director	Corporate Director and Business Executive, Director and Chief Financial Officer of Labrador Iron Ore Royalty Corporation (2006 to present)	October 13, 2010
Frank D. Wheatley ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ North Vancouver, British Columbia, Canada	Director	Executive Director Corporate Affairs and Strategy of Talison Lithium Limited (2009 to present), Vice President and General Counsel of Gabriel Resources Ltd. (2000 to 2009) and Corporate Director	October 21, 2010
Jendayi Fraser ⁽²⁾⁽⁶⁾ Alexandria, VA, USA	Director	President and Chief Executive Officer of 50 Ventures, LLC (2011 to present); Managing Partner of Africa Exchange Holdings (2012 to present) and Chairman of the Board of East Africa Exchange Ltd. (2012 to present)	March 11, 2014
Kathy Sipos Toronto, Ontario, Canada	Vice President, Investor & Stakeholder Relations	VP, Investor Relations of Gabriel Resources Ltd. (2005 to 2009)	December 3, 2010
David Savarie Burlington, Ontario, Canada	Vice President, General Counsel and Corporate Secretary	Deputy General Counsel of Gabriel Resources Ltd. (2007 to 2010), Senior Legal Counsel of Patheon Ltd. (2003 to 2007)	January 3, 2011
Navin Dyal Mississauga, Ontario, Canada	Vice President and Chief Financial Officer	Director of Finance for Barrick Gold (2005 to September 2012)	September 27, 2012
Mark English	Vice President, SGO	Site General Manager,	September 6, 2012

Name and Residence	Position(s) with the Company	Principal Occupation During the Last Five Years	Director/Officer Since
Mt. Barker WA, Australia		SGO (2006 to present)	
Paul Chawrun Aurora, Ontario, Canada	Vice President, Technical Services	Director, Technical Services, Detour Gold (2009-2011), EVP Corporate Development, Chieftain Metals, 2011-2012	October 9, 2012
Aziz Sy Dakar, Senegal	Vice President, Development, Senegal	VP-Senegal Operations, OJVG (2010-2014), Senior Manager Exploration, Lonmin Plc (2008-2010)	January 28, 2014

- (1) Member of the Audit Committee
- (2) Member of the Corporate Governance and Nominating Committee
- (3) Member of the Compensation Committee
- (4) Member of the Finance Committee
- (5) Member of the Technical, Safety & Environmental Committee
- (6) Member of the Corporate Social Responsibility Committee

All directors were appointed to hold office until the next annual general meeting of the shareholders of Teranga or until their successors are elected or appointed.

As of March 24, 2014, the directors or executive officers of Teranga as group beneficially owned, controlled or directed, directly or indirectly, approximately 2,237,030 Common Shares of the Company, representing approximately 0.71% of the current outstanding Common Shares of Teranga, calculated on a non-diluted basis. In addition, as of the date hereof, 8,725,000 Common Shares were issuable on the exercise of options, subject to vesting and applicable terms, which were granted in favour of the directors and executive officers of Teranga, as a group, which, together with the aforementioned Common Shares, represent over 3.5% of the current outstanding Common Shares of Teranga on a fully-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders or Bankruptcies

Except as set out below, no director or executive officer of Teranga is, as at the date of this AIF or within the 10 years before the date of this AIF has been, a director, chief executive officer or chief financial officer of any company (including Teranga) that, (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) after that person ceased to act in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, and which resulted from an event that occurred while the person was acting in that capacity.

Except as set out below, no director or executive officer of Teranga or shareholder holding a sufficient number of securities of Teranga to affect materially the control of Teranga, (i) is as of the date of this AIF or has been within 10 years before the date of this AIF, a director or executive officer of a company (including Teranga) that while that person was acting in such capacity or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has within the 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or officer.

Mr. Wheatley, was a director of Constellation Copper Corporation ("**Constellation**") from June 1999 to December 23, 2008. On November 14, 2007, Constellation and management were issued a management cease trade order for

failure to file interim financial statements for the period ended September 30, 2007 and management discussion and analysis within the prescribed time period due to an impairment review of the Lisbon Valley mine. This order was rescinded on January 16, 2008 following the filing of the required documents. In November, 2008, Constellation and its management applied for a management cease trade order and on January 14, 2009, Constellation was issued a cease trade order for failure to file interim unaudited financial statements for the period ended September 30, 2008 and management discussion and analysis. On December 23, 2008, Constellation announced that it filed an assignment in bankruptcy under the Bankruptcy and Insolvency Act (Canada).

Mr. Chawrun was VP Economics and Acquisitions of Strategic Resource Acquisition Corporation ("SRA") until December 2008. SRA, a Canadian incorporated and TSX listed mining company, filed for protection in the U.S. under Chapter 11 of the U.S. Bankruptcy Code and for ancillary protection under the Companies' Creditors Arrangement Act ("CCAA") in Canada in January 2009. In August 2009 SRA re-emerged from the CCAA protection and in April 2011 changed its name to Portex Mineral Inc.

Penalties or Sanctions

No director or executive officer of Teranga or, to the knowledge of the Company, a shareholder holding a sufficient number of Common Shares to affect materially the control of the Company has (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or entered into a settlement agreement with a Canadian securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director or executive officer of Teranga or, to the knowledge of the Company, a shareholder holding a sufficient number of Common Shares to affect materially the control of the Company, nor any personal holding company of any such person, has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or officer.

Conflicts of Interest

To the best of Teranga's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest between Teranga and any of its directors or officers, except that certain of its directors serve as directors and/or officers of other public companies involved in, among other things, natural resource exploration, development and production and consequently there exists the possibility that there could be a conflict between their duties as a director of Teranga and their duties for other companies.

Under the CBCA, Teranga's directors are required to act honestly and in good faith, with a view to the best interests of the Company, and to disclose any conflicts of interest. In addition, if a conflict of interest arises at a meeting of the board of directors, any director in a conflict will be required to disclose their interest and abstain from voting on such matter. See "Risk Factors — Risks Relating to the Business and Operations of Teranga — Potential Conflicts of Interest".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Teranga and its subsidiaries are not a party to any material legal proceedings or any regulatory actions. Teranga knows of no such proceedings currently contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no director, executive officer or any of their respective associates or affiliates, or to the knowledge of the Company, a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Common Shares or any of their associates or affiliates, had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year, that has materially affected or is reasonably expected to materially affect the Company.

AUDIT COMMITTEE

A copy of the Audit Committee's charter, unanimously approved by the Board, is attached to this AIF as Schedule "A", and is also available on Teranga's website at www.terangagold.com.

The Audit Committee is comprised of Alan R. Thomas (Chair), Christopher Lattanzi and Frank D. Wheatley. All members of the Audit Committee are: (i) considered to be independent within the meaning of NI 52-110, and (ii) financially literate in that they have the ability to read and understand a set of financial statements that are of the same breadth and level of complexity of accounting issues as can be reasonably expected to be raised by the Company's financial statements.

Mr. Thomas, the Chairman of the Audit Committee, is a Chartered Professional Accountant/CA and graduate of the University of Toronto and currently CFO of Labrador Iron Ore Royalty Corporation, which owns an equity interest in the Iron Ore Company of Canada. Mr. Thomas served as Vice-President and Chief Financial Officer of ShawCor Ltd., an energy services firm headquartered in Toronto with manufacturing and service operations around the world, until retiring from that position in 2006. Prior to serving with ShawCor, Mr. Thomas was CFO of Noranda and General Partner with the Rawlinson & Co. consultancy. Mr. Thomas brings to Teranga extensive experience in dealing with public company boards of directors, both as a director and as an officer.

Mr. Lattanzi is an associate consultant for Micon International Limited ("**Micon**"). He was the founding member of Micon in 1988 and served as its president from formation until mid-2005. Prior to 1988, Mr. Lattanzi was a consultant with David Robertson and Associates, Micon's predecessor firm. As a consultant, Mr. Lattanzi has gained invaluable experience in property valuation, scoping, feasibility studies and project monitoring on a global basis. Mr. Lattanzi was appointed a director of Meridian Gold Inc. ("**Meridian**") in 1999 and from mid-2004 until December 2006 he was the chairman of the board of Meridian. Mr. Lattanzi is currently a director of Argonaut Gold Inc. and Spanish Mountain Gold Ltd. Mr. Lattanzi holds a B.Eng (Mining) from Melbourne University.

Mr. Wheatley is a practicing lawyer and received his Bachelor of Commerce and LL.B. degrees from the University of British Columbia. He has 25 years' experience as a Director and Senior Officer for a number of Canadian public mining companies, specializing in the areas of public financing, project debt financing, permitting of large scale mining projects and strategic mergers and acquisitions in the international minerals industry. Mr. Wheatley is currently the Executive Director for Corporate Affairs and Strategy at Talison Lithium Australia Pty Ltd., the largest lithium producer in the world. His earlier career included senior management positions with Gabriel Resources Ltd. and Eldorado Gold Corporation as well as the practice of law at Smith Lyons LLP.

Audit fees, audit related fees, tax fees and all other fees billed by Teranga's external auditor, Ernst & Young LLP, in respect of the fiscal year ended December 31, 2013 are set out below.

Financial Period	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	All Other Fees ⁽³⁾
January 1, 2013 to December 31, 2013	\$323,000	\$191,000	113,000

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "All Other Fees" include all other non-audit services.

There has been no recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board. The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

OTHER COMMITTEES OF THE BOARD

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible for identifying and reviewing candidates for appointment or nomination to the Board based upon an assessment of the independence, skills, qualifications and experience of the candidate, and making recommendations to the Board for consideration. In addition, the Corporate Governance and Nominating Committee is responsible for assessing the effectiveness and contribution of the Board,

its committees and individual directors annually. Each year, the Corporate Governance and Nominating Committee issues a questionnaire which covers self-evaluation and evaluation of one's peers. The results of the evaluation are presented to the Board together with any recommendations for improving the performance and effectiveness of the Board. The Corporate Governance and Nominating Committee is currently comprised of Frank D. Wheatley (Chair), Alan R. Thomas and Jendayi Frazer, each of whom is an independent director.

Compensation Committee

Annually, the Compensation Committee is responsible for providing the Board with a recommendation regarding the compensation levels for the Company's directors and Chief Executive Officer, as well as reviewing the Chief Executive Officer's recommendations for the senior executives' compensation. While the Board is responsible for determining all forms of compensation to be awarded to the directors, Chief Executive Officer and senior executives, the Compensation Committee annually reviews the Company's compensation policies and the performance objectives of the Chief Executive Officer and senior executives, and recommends any changes to the board of directors of the Company. The Compensation Committee is comprised of Frank D. Wheatley (Chair), Christopher R. Lattanzi and Alan R. Thomas, each of whom is an independent director.

Finance Committee

The Finance Committee's purpose is to assist the board of directors in fulfilling its oversight responsibilities with respect to financial policies and strategies, including capital structure, financial risk management practices, and proposed issues of securities and the utilization of financial instruments. The Finance Committee is comprised of Alan R. Thomas (Chair), Edward Goldenberg and Frank D. Wheatley.

Technical, Safety and Environmental Committee

The Technical, Safety & Environmental Committee's purpose is to assist the Board in fulfilling its oversight responsibilities with respect to technical matters relating to: exploration, development, permitting, construction and operation of the Company's mining activities; resources and reserves on the Company's mineral resource properties; material technical commercial arrangements regarding engineering, procurement and construction management activities; operating and production plans for proposed and existing operating mines; due diligence in the development, implementation and monitoring of systems and programs for the management and compliance with applicable law related to health, safety, environment and social responsibility; ensuring the Company implements best-in-class property development and operating practices; monitoring safety and environmental performance; and monitoring compliance with applicable laws related to safety and environmental responsibility. The Technical, Safety & Environmental Committee is comprised of Christopher R. Lattanzi (Chair), Edward Goldenberg and Alan R. Hill.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee's purpose is to assist the Board in fulfilling its oversight responsibilities with respect to: due diligence in the development, implementation and monitoring of systems and programs for management, compliance with applicable law related to corporate social responsibility; monitoring performance; and monitoring compliance with applicable laws related to corporate social responsibility. The Corporate Social Responsibility Committee is comprised of Jendayi Frazer (Chair), Chris Lattanzi and Alan R. Hill.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares in Canada is Computershare Trust Company of Canada at its principal office in Toronto, Ontario. The transfer agent and registrar for CDI holders in Australia is Computershare Investor Services Pty Ltd at its offices in Melbourne, Victoria, Australia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Teranga did not enter into any material contracts in the most recently completed financial year with the exception of: (1) an amendment to the Loan Facility with Macquarie Bank Ltd which extends the final repayment date of the loan to December 31, 2014 and requires Teranga to maintain a minimum liquidity amount of \$15 million, and (2) completion of the \$135 million stream transaction with Franco-Nevada Corporation to fund the Company's acquisition of the balance of the OJVG and to retire half of the Macquarie Loan Facility.

INTEREST OF EXPERTS

The following persons or companies have prepared or certified a statement, report, valuation or opinion, during, or relating to, the Company's financial year ended December 31, 2013 and whose profession or business gives authority to the statement, report, valuation or opinion made by the person or company.

Certain information in this AIF relating to the Company's mineral projects is summarized or extracted from the technical report entitled the "Sabodala Gold Project" which was prepared by P Chawrun, P.Eng., BSc, MBA and P Nakai-Lajoie, P.Geo., B.Sc. of Teranga, and P. Mann, MSc, FAusIMM, J.C. Martin, P. Eng., BSc, MBA, MAusIMM (CP), and A. Riles, MAIG, B.Met (Hons) of AMC Mining Consultants (Canada) Ltd. As of the date hereof, the aforementioned persons beneficially own, directly or indirectly, in the aggregate, less than 1% of the securities of the Company.

The auditors of the Company are Ernst & Young LLP. Ernst & Young LLP has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information, including remuneration, principal holders of Teranga's securities, and options to purchase securities will be contained in Teranga's Management Proxy Circular pertaining to the Annual Meeting of Shareholders of Teranga to be held at 9:30 a.m. (Toronto time) on May 1, 2014 at the offices of Stikeman Elliott LLP, Main Boardroom, 53rd Floor, 199 Bay Street, Toronto, Ontario, M5L 1B9. Additional financial information can also be found in the Consolidated Financial Statements and the MD&A.

Such information, along with additional information relating to the Company can be found on SEDAR at www.sedar.com and on the ASX at www.asx.com.au.

NON-IFRS FINANCIAL MEASURES

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results.

Beginning in the second quarter of 2013, we adopted an "all-in sustaining costs" measure and an "all-in costs" measure consistent with the guidance issued by the World Gold Council ("WGC") on June 27, 2013. The Company believes that the use of all-in sustaining costs and all-in costs will be helpful to analysts, investors and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value. These new measures will also be helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" is an extension of existing "cash cost" metrics and incorporate costs related to sustaining production. The "all-in costs" includes additional costs which reflect the varying costs of producing gold over the life-cycle of a mine.

"Total cash cost per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measure of other companies.

The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding corporate general and administrative costs, reclamation and remediation costs (including accretion and amortization), exploration and study costs (capital and expensed), capitalized stripping costs and sustaining capital expenditures and represents the total costs of producing gold from current operations. The WGC definition of all-in costs adds to all-in sustaining costs including capital expenditures attributable to projects or mine expansions, exploration and

study costs attributable to growth projects, and community and permitting costs not related to current operations. Both all-in sustaining and all-in costs exclude income tax payments, interest costs, costs related to business acquisitions and items needed to normalize earnings. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, the calculation of all-in sustaining costs and all-in costs does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability.

"Total cash costs", "all-in sustaining costs" and "all-in costs" are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. The following tables reconcile these non-GAAP measures to the most directly comparable IFRS measure.

Appendix A

Glossary of Mining Terms

The following is a glossary of technical terms and abbreviations that appear in this AIF or in other Teranga filings:

Alluvial	A general term for clay, silt, sand, gravel or other similar unconsolidated detrital material deposited during comparatively recent geological time by a stream or other body of running water.
Assay	The chemical analysis of mineral samples to determine the metal content.
CIL	Carbon In Leach (CIL) is a processing method for extracting and recovery of gold from crushed ore. The process involves creating a slurry of finely crushed ore and a cyanide bearing solution in large tanks. Gold is dissolved in the cyanide solution creating a pregnant solution. Activated carbon is introduced into the leading circuit where it absorbs the gold from the pregnant solution. The gold bearing activated carbon or “loaded” carbon is then sent through a carbon strip circuit where gold is separated from the loaded carbon, recovered and subsequently refined.
cut-off grade	The estimated lowest grade of ore that can be mined and treated profitably in a mining operation.
diamond drilling	Method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
Dyke	A tabular body of igneous rock that cuts across the structure of adjacent rocks or cuts massive rocks.
Fault	The surface of a fracture along which movement has occurred.
Felsic	A term used to describe light coloured igneous rocks.
Ga	A billion years ago.
Granitic	A term used to describe an intrusive igneous rock comprised largely of medium to coarse-grained quartz and feldspar. Granitic rocks generally have higher alkali feldspar and lower plagioclase feldspar content than granodioritic rocks.
Granodioritic	A term used to describe an intrusive igneous rock comprised largely of medium to coarse-grained quartz and feldspar. Grandodiortic rocks have a higher plagioclase feldspar and lower alkali feldspar content than granitic rocks.
heap leach processing	A low cost ore processing method used to extract gold (and other metals) from crushed ore. Low grade ore is stockpiled on lined pads at surface and saturated with a cyanide bearing solution. The solution permeates and passes through the crushed ore pile, dissolving gold and then accumulating at the base of the pile on the lined pad. The pregnant solution is then collected and gold is extracted.
Mafic	Refers to igneous rocks composed chiefly of dark, ferromagnesian minerals.
metasedimentary	A term used to describe a sedimentary rock that has had its chemical and/or physical properties altered due to the effects of heat, pressure and fluid movement within the earth's crust.
Metavolcanic	A term used to describe a volcanic rock that has had its chemical and/or physical properties altered due to the effects of heat, pressure and fluid movement within the earth's crust.

mineral reserves	Indicated and measured resources that have been evaluated by either a Prefeasibility or Feasibility level engineering study which has demonstrated a portion of the indicated and measured reserves are economically feasible for extraction.
mineral resources	Economic mineral concentrations that have undergone enough scrutiny to quantify their contained metal to a certain degree.
Mineralization	The process by which minerals are introduced into a rock. More generally a term applied to accumulations of economic or related minerals in quantities ranging from anomalous to economically recoverable.
orogenic	A term used to describe the large-scale tectonic process of mountain formation or orogeny.
orogenic gold	Terminology used to describe gold deposits that have been formed by the geological processes associated with orogeny.
Quartz	The most abundant and common mineral, consisting of crystalline silica (silicon dioxide, SiO ₂).
reverse circulation or RC drilling	Variant of percussion drilling in which cuttings are raised to surface by a stream of compressed air inside a metal tube.
shear zone	Narrow, sub parallel-sided zones of rock that have been crushed and brecciated as a result of shear strain.
Supracrustal	Term used to describe younger rocks which overlie older basement rocks.
Tectonic	A term used to describe the physical forces or events that move and deform the earth's crust. Volcanic eruptions, folding and faulting are examples of tectonic events.
Ultramafic	Refers to igneous rocks composed almost entirely of dark, ferromagnesian minerals.