

## **Teranga Gold Reports Strong Q1 2017 Production and Financial Results**

*Organic growth prospects advancing with the completion of the Banfora feasibility study on track for mid-year and two gold discoveries at Golden Hill*

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

**Toronto, Ontario: April 27, 2017** - Teranga Gold Corporation ("Teranga" or the "Company") (TSX:TGZ) (ASX:TGZ) is pleased to report its financial and operating results for the first quarter ended March 31, 2017.

"2017 is off to a strong start, with first quarter production ahead of schedule against the full year mine plan. We are on track for a similar, if not better, year than 2016 which was a record for us in terms of production," stated Richard Young, President and Chief Executive Officer.

In 2016, Teranga reported the highest gold production and lowest unit costs in the Company's history, helped in large part by an exceptional first quarter that benefitted from high-grade material deferral from 2015.

Added Mr. Young, "While we remain focused on delivering maximum value at our flagship producing asset, the Sabodala gold mine in Senegal, the real excitement across the Company is due to the progress we are making on Banfora and our organic growth prospects. We remain on schedule to complete the feasibility study for our Banfora development project by mid-year. Furthermore, we have had very encouraging exploration results on our Golden Hill exploration property, as well as on both of our Sabodala and Banfora mine licenses."

### **FINANCIAL HIGHLIGHTS**

- Net income attributable to shareholders of \$5.6 million or \$0.01 per share
- EBITDA<sup>(1)</sup> of \$21.9 million
- Operating activities generated cash inflows of \$21.3 million
- Strong balance sheet maintained with cash and cash equivalents of \$94.5 million

### **OPERATING HIGHLIGHTS**

- Gold production of 56,903 ounces is ahead of full year mine plan
- Record mill throughput
- Cost of sales per ounce, total cash costs per ounce<sup>(1)</sup> and all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) per ounce<sup>(1)</sup> were within the Company's full year guidance ranges
- Received 2017 Prospectors & Developers Association of Canada Environmental & Social Responsibility Award

### **ORGANIC GROWTH HIGHLIGHTS**

- Reported exploration results in Burkina Faso, include:
  - two gold discoveries at Golden Hill, and
  - completion of reserve confirmation program and initiation of an exploration program at Banfora
- In Senegal, the Company announced two consecutive rounds of positive drilling results at Niakafiri on the Sabodala mine license
- The Company remains on track to deliver, by mid-year, both a NI 43-101 technical report for its Banfora gold development project in Burkina Faso and an updated company-wide mineral resource and mineral reserve statement

## FINANCIAL & OPERATING SUMMARY HIGHLIGHTS

| Financial Data  |           | Three months ended March 31, |          |        |
|---|-----------|------------------------------|----------|--------|
|   |           | 2017                         | 2016     | Change |
| Revenue   | (\$000's) | 70,322                       | 79,198   | (11%)  |
| Cost of sales   | (\$000's) | (54,458)                     | (52,531) | 4%     |
| Profit attributable to shareholders of Teranga              | (\$000's) | 5,592                        | 7,812    | (28%)  |
| Per share   | (\$)      | 0.01                         | 0.02     | (48%)  |
| EBITDA <sup>1</sup>   | (\$000's) | 21,874                       | 28,968   | (24%)  |
| Operating cash flow   | (\$000's) | 21,258                       | 24,143   | (12%)  |
| Sustaining capital expenditures (before deferred stripping) | (\$000's) | 5,317                        | 11,333   | (53%)  |
| Capitalized deferred stripping - sustaining                 | (\$000's) | 11,600                       | 3,049    | 280%   |
| Growth capital expenditures                                 | (\$000's) | 2,198                        | -        | N/A    |

  

| Operating Data  |                  | Three months ended March 31, |        |        |
|---|------------------|------------------------------|--------|--------|
|   |                  | 2017                         | 2016   | Change |
| Gold Produced   | (oz)             | 56,903                       | 70,727 | (20%)  |
| Gold Sold   | (oz)             | 57,271                       | 67,672 | (15%)  |
| Average realized gold price <sup>1</sup>  | (\$ per oz)      | 1,226                        | 1,169  | 5%     |
| Cost of sales per ounce   | (\$ per oz sold) | 951                          | 776    | 22%    |
| Total cash costs <sup>1</sup>   | (\$ per oz sold) | 722                          | 568    | 27%    |
| All-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs) <sup>1</sup> | (\$ per oz sold) | 939                          | 801    | 17%    |

Notes for table above:

<sup>1</sup> This is a non-IFRS financial measure and does not have a standard meaning under IFRS. Please refer to Non-IFRS Performance Measures at the end of this Press Release

## 2017 CATALYSTS

- **Banfora gold project:** Following completion of a NI 43-101 technical report targeted for mid-year, the Company's board of directors will assess project economics in advance of a potential construction and financing decision in the second half of 2017.
- **Multi-jurisdictional exploration programs:** Based on positive results to date, exploration expenditures are expected to be at the upper end of guidance range of \$12-\$15 million, Teranga is focused on increasing both its reserve and resource base and its likelihood of an exploration discovery in three major gold regions: Burkina Faso, Côte d'Ivoire and Senegal.
- **Mid-year resource and reserve update:** The Company will issue a mid-year resource and reserve update, which will include Banfora and the recent drill results at Sabodala.
- **Continued strong operational performance at Sabodala:** The Company's outlook for 2017 production of between 205,000 and 225,000 ounces of gold and all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) per ounce<sup>(1)</sup> of \$900-\$975, is enhanced by a de-risked profile following the completion of a mill optimization, the implementation of new grade control procedures and the build-up of high-grade inventory.

## CONSOLIDATED FINANCIAL STATEMENTS

A copy of Teranga's interim condensed consolidated financial statements and management's discussion & analysis for the quarter ended March 31, 2017 are available on the Company's website at [www.terangagold.com](http://www.terangagold.com), SEDAR at [www.sedar.com/terangagold](http://www.sedar.com/terangagold), and the Australian Securities Exchange at [www.asx.com.au](http://www.asx.com.au).

## CONFERENCE CALL & WEBCAST

Teranga will hold a conference call and webcast this morning at 8:30 a.m. ET during which management will review its first quarter results and highlights. Those wishing to listen can access the live conference call and webcast as follows:

**Telephone:** Toll-free +1-877-291-4570  
Local of International +1-647-788-4919

Please allow 10 minutes to be connected to the conference call.

**Webcast:** The webcast can be accessed on Teranga's website at [www.terangagold.com/q12017](http://www.terangagold.com/q12017).

**Replay:** The conference call replay will be available for two weeks after the call by dialling +1-416-621-4642 or toll-free at +1-800-585-8367 and entering the conference ID 8769805.

**Note:** The slide presentation will be available for download at [www.terangagold.com](http://www.terangagold.com) for simultaneous viewing during the call.

## ENDNOTES

- (1) Total cash costs per ounce, earnings before interest, taxes, depreciation and amortization ("EBITDA"), and average realized gold price are non-IFRS financial measures and do not have standard meanings under IFRS. All-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) per ounce is a non-IFRS financial measure. The comparable IFRS measure is cost of sales per ounce, which for 2017, is expected in the range of \$950 - \$1,025 per ounce. Please see the Non-IFRS Performance Measures section in Management's Discussion & Analysis for the three months ended March 31, 2017 available on the Company's website at [www.terangagold.com](http://www.terangagold.com).

## FORWARD-LOOKING STATEMENTS

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Teranga's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Wherever possible, words such as "potential", "belief", "believe", "expects", "estimates", "plans", "anticipated", "ability" and similar expressions or statements that certain actions, events or results "should", or "will" have been used to identify such forward looking information. Forward-looking statements include, without limitation, all disclosure regarding possible events, conditions or results of operations, future economic conditions and anticipated courses of action. Although the forward-looking statements contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Teranga cannot be certain that actual results will be consistent with such forward looking statements. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, the ability to resettle the community within anticipated timeline, anticipated future estimates of free cash flow, and courses of action. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga, as well as other risks and uncertainties which are more fully described in Teranga's Annual Information Form dated March 30, 2017, and in other filings of Teranga with securities and regulatory authorities which are available at [www.sedar.com](http://www.sedar.com). Teranga does not undertake any obligation to update forward-looking statements

should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities. All references to Teranga include its subsidiaries unless the context requires otherwise.

### **About Teranga**

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of more than 5,000km<sup>2</sup> of land located on prospective gold belts.

Since its initial public offering in 2010, Teranga has produced more than 1.2 million ounces of gold from its operations in Senegal. Following its recent acquisition of Gryphon Minerals, the Company is fast-tracking the completion of a feasibility study for the Banfora Project. Concurrent with its production and development activities, exploration programs are underway to seek to increase the Company's reserve base through resource conversion and making major new discoveries. Teranga has a strong balance sheet and the financial flexibility to continue to grow its business.

Steadfast in its commitment to set the benchmark for responsible mining, Teranga operates in accordance with the highest international standards and aims to act as a catalyst for sustainable economic, environmental, and community development as it strives to create value for all of its stakeholders. Teranga is a member of the United Nations Global Compact and a leading member of the multi-stakeholder group responsible for the submission of the first Senegalese Extractive Industries Transparency Initiative revenue report. The Company's 2015 responsibility report, which is available at [www.terangagold.com/2015responsibilityreport](http://www.terangagold.com/2015responsibilityreport), is prepared in accordance with its commitments under the United Nations Global Compact and in alignment with the Global Reporting Initiative guidelines.

### **Contact Information**

Richard Young  
President & CEO  
T: +1 416-594-0000 | E: [ryoung@terangagold.com](mailto:ryoung@terangagold.com)

Trish Moran  
Head of Investor Relations  
T: +1 416-607-4507 | E: [tmoran@terangagold.com](mailto:tmoran@terangagold.com)