



ANNUAL INFORMATION FORM
For the year ended December 31, 2018

March 29, 2019

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’s 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), proposed plans with respect to mine plans, anticipated 2019 results, mineral reserves and mineral estimates, anticipated life of mine operating and financial results and the completion of construction of future deposits related thereto and opportunities. 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 reflects 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 any forward-looking information contained in them. 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 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 as well as assumptions based on data and knowledge of the industry which management believes to be reasonable, including, among other things, the ability to obtain any requisite Senegalese, Burkinabe and/or Ivorian 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 “we”, “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, 2018, the last day of the Company’s recently completed financial year, unless otherwise indicated.

Units of Measure

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
MW	megawatt
oz	troy ounce (31.1 grams)
ppb	parts per billion
t	tonne

Currency Conversion

In this AIF, references to “\$” or “US\$” are to United States dollars, “CDN\$” or “C\$” are to Canadian dollars. The Company’s financial statements are expressed in United States dollars. The daily average rate of exchange from Canadian to US dollars on March 28, 2019, as reported by the Bank of Canada is \$1.3429.

Technical Information

The disclosure in this AIF of a scientific or technical nature, including, among other things, disclosure of mineral reserves and mineral resources regarding Teranga’s mineral assets in Senegal and Burkina Faso are based on the technical reports entitled “Sabodala Project, Senegal, West Africa” dated August 30, 2017 (the “**Sabodala Technical Report**”) and “Wahgnion Gold Operations, Burkina Faso” dated October 31, 2018 (hereinafter, the “**Wahgnion Technical Report**”) prepared by Teranga and, with respect to the Sabodala Technical Report only, Roscoe Postle Associates Inc. (“**RPA Inc.**”) and in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**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 Sabodala Technical Report and the Wahgnion Technical Report have 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 mineral resources due to inherent uncertainties in acceptable estimating techniques. In particular, inferred mineral resources have a significant 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 reserves.

For further information on any scientific or technical disclosure included in this AIF relating to Teranga’s Senegalese and Burkinabe mineral assets, please refer to the Sabodala Technical Report and the Wahgnion Technical Report.

For an explanation of certain technical terms used in this AIF, see “Glossary of Mining Terms” set out in Appendix “A” of this AIF.

INFORMATION INCORPORATED BY REFERENCE

The following documents are incorporated by reference into this AIF:

- Annual Audited Consolidated Financial Statements of the Company for the year ended December 31, 2018, together with the notes thereto (the “**Consolidated Financial Statements**”);
- Management’s Discussion and Analysis for the years ended December 31, 2018 and 2017 (the “**MD&A**”);
- the Sabodala Technical Report; and
- the Wahgnion Technical Report.

The documents incorporated by reference are available for review on SEDAR at www.sedar.com filed under the Company’s name and on its website at www.terangagold.com.

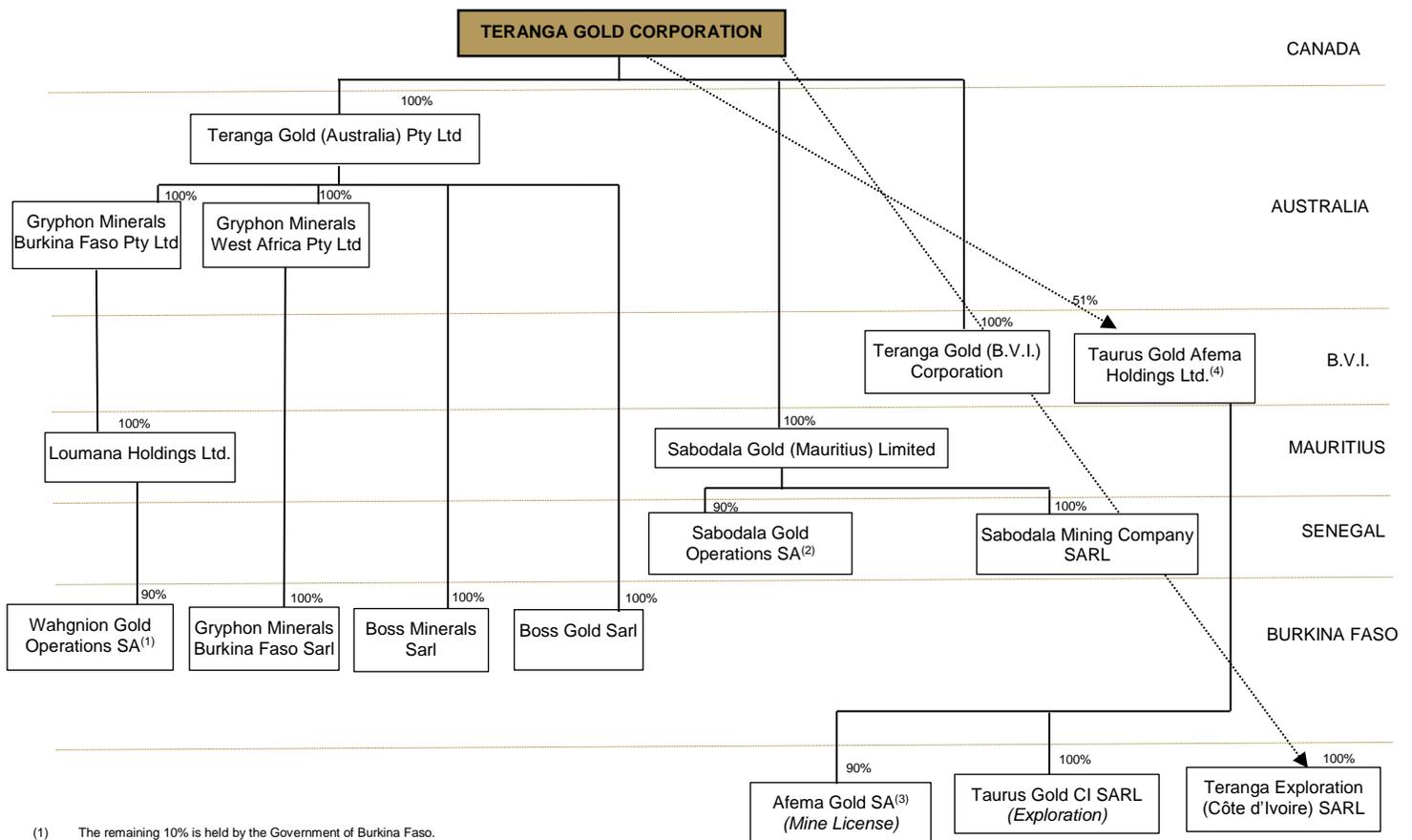
CORPORATE STRUCTURE

Name, Address and Incorporation

Teranga was incorporated on October 1, 2010 under the *Business Corporations Act* (Canada). Teranga’s articles were subsequently amended on November 4, 2010 and May 4, 2017 to, among other things, remove the private company transfer restrictions and to consolidate the shares, respectively. Teranga’s head and registered office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 2A1, Canada. Teranga’s website is www.terangagold.com, and its telephone number is (416) 594-0000.

Intercorporate Relationships

The following chart sets out the organizational structure of Teranga and each of its material subsidiaries, as well as the percentage of ownership and jurisdiction of incorporation of each such material subsidiary.



(1) The remaining 10% is held by the Government of Burkina Faso.
 (2) The remaining 10% is held by the Government of Senegal.
 (3) The remaining 10% is held by the Government of Côte d'Ivoire.
 (4) The remaining 49% is held by Sodim Ltd., the joint venture partner.

GENERAL DEVELOPMENT OF THE BUSINESS

Summary

Teranga is a Canadian-based gold mining company committed to responsible mining and sustainable development in the communities in which it operates. Teranga is engaged in the production, development and exploration of gold in West Africa. Teranga has been listed on the Toronto Stock Exchange (TSX: TGZ) since its initial public offering in December 2010 (the “IPO”). It is also currently trading on the OTCQX in the United States (OTCQX: TGCDF).

Teranga’s vision is to become a multi-asset mid-tier West African gold producer with a portfolio of assets offering diversified production, strong operating margins and long-term sustainable free cash flows. Teranga’s flagship property, the Sabodala gold project located in Senegal, West Africa (“**Sabodala**” or the “**Sabodala Gold project**”) has produced over 1.67M oz of gold to date. Leveraging Sabodala, Teranga has successfully progressed the achievement of its vision organically, through optimization and expansion of its assets, as well as through strategic acquisitions and joint ventures.

Teranga has completed two significant acquisitions and three joint ventures in Burkina Faso and Côte D’Ivoire to date in support of its growth objectives. The acquisition of a neighbouring property to Sabodala in 2014 (as described more fully below) allowed the Company to consolidate and significantly expand its mining rights in Senegal. In 2016, Teranga expanded into Burkina Faso through its acquisition of Gryphon Minerals Limited (“**Gryphon**”) (also more fully described below). As part of the Gryphon acquisition, the Company acquired the Wahgnion development project (formerly referred to as Banfora) (“**Wahgnion**” or the “**Wahgnion Gold project**”) together with two prospective exploration properties, one of which, the Golden Hill project, has already produced an early-stage initial resource estimate.¹ In addition, Teranga has completed two joint ventures in Côte d’Ivoire and, most recently, another in Burkina Faso. The acquisitions have given Teranga the opportunity to achieve its objective of becoming a multi-asset West African gold producer in 2019, with first gold pour from the Wahgnion Gold project anticipated by the fourth quarter. The joint ventures have given Teranga access to a large land package of exploration stage projects providing it with a robust and prospective pipeline from which future growth may be derived. Our strategy has been to develop multiple long-life assets capable of producing strong operating margins that can fund our long-term growth objectives. With anticipated production from the Wahgnion Gold project this year and the land package we have assembled across Senegal, Burkina Faso and Côte D’Ivoire, we are well on track to achieving our vision for our shareholders.

As of June 30, 2017, the Sabodala Gold project contained 4.4 million oz of measured and indicated mineral resources including 2.7 million oz in mineral reserves.² After netting out production since the IPO, Teranga has increased its consolidated mineral reserve base by approximately 4.4 million oz including approximately 1.6 million oz in mineral reserves at its Wahgnion Gold project.³

Historical Overview

The transformation of Teranga from a relatively small gold producer with a mineral reserve base of 1.46 million oz and a modest mine license footprint of 33 km² began on October 4, 2013 with the acquisition of Oromin Exploration Ltd., a publicly traded Canadian exploration entity and part owner of Oromin Joint Venture Group Limited (“**OJVG**”). The balance of OJVG was acquired on January 15, 2014. It was then that Teranga completed a \$135 million gold stream transaction with Franco-Nevada Corporation (“**Franco Nevada**”) to fund its acquisition of the balance of OJVG that it did not already own, and retire a portion of the Company’s then outstanding debt (the “**Gold Stream Transaction**”). OJVG held a mine license that was adjacent to Sabodala’s and the acquisition effectively doubled Teranga’s reserve base and increased its mine license perimeter to 245km². Pursuant to the Gold Stream Transaction, Franco Nevada purchased a fixed annual amount of gold in the amount of 22,500 oz from Sabodala for the first six years of the agreement, and thereafter a variable arrangement comprising of a right to 6% of future gold production upon payment of 20% of the gold spot price at time of delivery.

Subsequent to its acquisition of the balance of OJVG, Teranga executed a new mining convention with the government of Senegal in April 2015 (the “**Sabodala Mining Convention**”) which authorized the inclusion of the Gora satellite deposit with a perimeter of 45.6 km². The addition of Gora expanded the Sabodala mining license to 291.2 km² (the “**Sabodala Mining License**”). This represented the culmination of a series of prior agreements between the State of Senegal and Teranga over 2013 and 2014. With the execution of the amended Sabodala Mining Convention a formalized framework was established with the State of Senegal pursuant to which Teranga could leverage its Sabodala

¹ For full details on the Golden Hill initial resource estimate please refer to the Company’s press release dated February 21, 2019.

² For full details on the Company’s reserve and resource estimates, please refer to the Sabodala Technical Report and the applicable tables on pages 28 and 31 of this AIF.

³ For full details on the Company’s reserve and resource estimates, please refer to the Wahgnion Technical Report and the applicable tables on pages 43 and 45 of this AIF.

mill to acquire or incorporate nearby deposits (its own or those of third parties) near the Sabodala Mining License area and under the legal and fiscal terms of the Sabodala Mining Convention.

In October 2015, Teranga entered into a voting and investor rights agreement (the "**Voting Agreement**") with Mr. David Mimran as part of a non-brokered CDN\$22,736,000 private placement (the "**2015 Private Placement**") which established Mr. Mimran as a cornerstone investor in Teranga with a 9.9% equity position. As part of this transaction, Mr. Mimran was appointed to Teranga's board of directors (the "**Board**"). Since that time, and through Tablo Corporation ("**Tablo**"), a Mimran family controlled investment company, Mr. Mimran has demonstrated his support for Teranga's vision by his consistent exercise of his pro-rata participation rights in subsequent equity issuances of the Company and continued acquisition of the common shares of the Company (the "**Common Shares**") and in the secondary market, most recently in reliance on the normal course purchase exemption ("**NCPE**") set out in pursuant to National Instrument 62-104 – *Takeover Bids and Issuer Bids* (described further below).

In July of 2016, Teranga entered an exploration agreement with Miminvest SA ("**Miminvest**") to identify and acquire gold exploration stage mining opportunities in Côte d'Ivoire (the "**Exploration Agreement**"). Miminvest is a company established to invest in gold and natural resources in West Africa and is controlled by the Mimran family and Mr. Mimran. Under the terms of the Exploration Agreement, Miminvest transferred 100 percent of its ownership interest in exploration properties comprising 1,838 km² in Côte d'Ivoire to Teranga (the "**Miminvest Permits**"). In exchange, Miminvest retained a net smelter royalty ("**NSR**") interest of 3% over the Miminvest Permits as well as subsequent exploration or development stage gold projects included within the joint venture with Miminvest, Mr. Mimran and Miminvest will provide ongoing in-country strategic advice to the Company. Teranga will continue to pursue additional exploration projects in Côte d'Ivoire with Miminvest.

On October 12, 2016, Teranga completed the acquisition of Gryphon⁴ by way of a scheme arrangement (the "**Scheme**") under the Australian *Corporations Act 2001* (Cth). Pursuant to the Scheme, shareholders of Gryphon received an aggregate of 70,638,853 Common Shares on the basis of 0.169 Common Share for each Gryphon common share not already held by the Company, equating to 14,127,771 Common Shares (or 2,825,554 Common Shares on a post-consolidation basis) on the basis of 0.0338 Common Shares for each Gryphon common share not already held by the Company on a post-consolidation basis (as more fully described below). Gryphon's assets included the Wahgnion Gold project, as well as two exploration stage projects, Golden Hill and Gourma, all more fully described herein. The Wahgnion Gold project is in construction with first pour anticipated in the fourth quarter of 2019. On October 13, 2016, in connection with the Gryphon acquisition, Tablo exercised its pre-emptive participation rights and completed a non-brokered private placement of 9,671,625 Common Shares (or 1,934,325 Common Shares on a post-consolidation basis) at an issuance price of CDN\$1.0322 (or CDN\$5.15 on a post-consolidation basis) for gross proceeds of approximately CDN\$10 million.

On November 21, 2016 Teranga completed a bought deal offering of 32,500,000 Common Shares (or 6,500,000 Common Shares on a post-consolidation basis) at a price of CDN\$1.05 per Common Share for gross proceeds of approximately CDN\$34.65 million (the "**Public Offering**"). Concurrent with the closing of the Public Offering, the underwriters partially exercised their over-allotment option and purchased an additional 2,155,000 Common Shares (or 431,000 Common Shares on a post-consolidation basis) at a price of CDN\$1.05 per Common Share for gross proceeds of approximately \$2.3 million. On the same day, 29,500,000 Common Shares (or 5,900,000 Common Shares on a post-consolidation basis) were issued on a non-brokered private placement basis at the same price of CDN\$1.05 per Common Share (or CDN\$5.25 on a post-consolidation basis) to Tablo, for gross proceeds of approximately CDN\$31 million (the "**November 2016 Private Placement**"). Net proceeds of the Public Offering and the November 2016 Private Placement were CDN\$64.9 million (US\$48.4 million) after deduction of underwriter fees and expenses totaling approximately CDN\$2.5 million (US\$1.8 million).

On May 5, 2017, Teranga effected a one for five consolidation of its then issued and outstanding Common Shares, which was approved at the annual and special meeting of shareholders of the Company held on May 2, 2017. The post-consolidation Common Shares commenced trading on the Toronto Stock Exchange on a post-consolidation basis on May 8, 2017.

On September 14, 2017, the Company delisted from the Australian Securities Exchange. The delisting was at the request of the Company and implemented in accordance with ASX Listing Rule 17.11. The delisting process was completed on December 13, 2017 with the closing of the compulsory sale facility for CDI shareholders.

On November 17, 2017, Tablo filed an early warning report with the Canadian Securities Regulatory Authorities announcing its intention to acquire up to 5% of Teranga's Common Shares in the secondary market over the

⁴ In 2017, the Company proceeded to change the name of Gryphon, under Australian corporate law, to Teranga Gold (Australia) Pty Ltd.

subsequent twelve months in reliance on the NCPE. Tablo's reliance on the NCPE required an amendment to the Voting Agreement which was approved by the Board and was filed on SEDAR. Tablo currently owns and controls 23,477,250 Common Shares, representing 21.82% of the Company's issued and outstanding Common Shares. On November 15, 2018, Tablo re-filed an early warning report regarding its intentions to acquire Teranga's Common Shares under the NCPE over the subsequent twelve-month period.

On December 13, 2017, Teranga entered into a memorandum of understanding with Sodim Limited ("**Sodim**"), a private investment company, to establish a joint venture for the exploration and development of the Afema land package in Côte d'Ivoire. The Afema Gold project is located in southeast Côte d'Ivoire and covers approximately 1,400 km², consisting of the Afema mining license ("**Afema ML**") and three exploration permits – Ayame, Maferé and Aboisso (collectively, the "**Afema Permits**"). The Afema ML has a historical near-surface oxide and sulphide resource within an area hosting several gold mineralized structures on extensions from prolific Ghanaian gold belts. In March of 2018, a definitive joint venture agreement with Sodim was executed by the Company (the "**Afema JVA**"). Under the terms of the Afema JVA, Teranga can earn a 70% interest in the Afema ML and the Afema Permits through the completion of a three-year \$11 million exploration and community relations work program on the Afema Permits and the delivery of a positive feasibility study. On January 25, 2018, Teranga, Sodim and the Government of Côte d'Ivoire concluded an amendment to the existing mining convention applicable to the Afema ML ("**Amended Convention**"). Pursuant to the Amended Convention, and the Government of Côte d'Ivoire's agreement to extend initial construction timelines under the initial convention, Teranga, as operator of the Afema project, must deliver an economic evaluation on an initial Afema project within 15 months of the Amended Convention ("**Economic Evaluation**"). Upon delivery of the Economic Evaluation, Teranga and Sodim have up to twelve months to commence construction and up to 36 months to deliver initial production. Teranga will independently fund and manage the exploration programs and feasibility studies under the Afema JVA. Upon Teranga's delivery of a positive feasibility study, Sodim can elect to maintain its 30% participating interest or convert its holdings to a 3% net smelter royalty. Sodim is entitled, under the Afema JVA, to progressive payments totaling \$10 million concluding upon the delivery of a positive feasibility study.

On December 15, 2017, Teranga announced the commencement of trading of its Common Shares in the United States on the OTCQX market under the symbol "TGCDF".

In April of 2018, Teranga concluded an agreement with various funds managed by Taurus Funds Management Pty Ltd. ("**Taurus**") in respect of a \$190 million senior secured project development facility (the "**Taurus Facility**"),⁵ of which \$165 million was dedicated to funding the development of the Wahgnion Gold project and to repaying all of the Company's then outstanding bank debt (totaling \$15 million), and \$25 million to be used toward future advancement of a feasibility study for the Golden Hill project (defined below).

Subsequent to the closing of the Taurus Facility, in October 2018, the Golden Hill project portion of the Taurus Facility was increased by an additional \$10 million in order to fund the Company's acquisition of the remaining 49 percent interest in each of the Golden Hill project (defined below) and the Gourma project (defined below) from Boss Resources Limited ("**Boss Resources**"), for AUD10 million (\$7.2 million). As a result, Teranga now owns a 100 percent interest in each of the Golden Hill project and the Gourma project.

2018 was an exceptional year for Teranga as it met or exceeded all of its operational and corporate objectives. The Sabodala Gold project delivered record production of 245,230 oz at all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs)⁶ of \$940 per ounce; exceeding guidance on production and falling below the lower end of the full year guidance range on costs. Securing debt financing to complete the financing plan for Wahgnion and to support the future feasibility and development work for the anticipated Golden Hill project were two other significant liquidity and capital resource objectives achieved during 2018. In addition, operational objectives regarding reserve growth and project development milestones at Wahgnion and Niakafiri were also achieved.

Looking forward, Teranga is focused on continued operational excellence and executing upon key organic growth objectives. In Senegal, we are focused on achieving a production target of between 215,000 and 230,000 oz of gold from Sabodala. In Burkina Faso, we are focused on delivering the Wahgnion Gold project into production "on time and on budget" and in line with a production target of between 30,000 and 40,000 oz of gold. On a consolidated basis gold production is expected to be higher than 2018 at between 245,000 and 270,000 oz at consolidated all-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs)⁶ between \$900 and \$1,000 per ounce, which includes administration and share-based compensation expenses. Beyond that, Teranga will also be

⁵ For full details on the terms of the Taurus Facility Agreement please refer to the Company's press releases on its website dated March 12, 2018 and April 16, 2018.

⁶ This is a non-IFRS performance measure. Please refer to Non-IFRS measures on page 72 of the AIF for a definition of this term.

focused on building upon the Golden Hill project's initial resource and the completion of an internal technical and economic assessment, in addition to continuing to explore highly prospective properties in Côte d'Ivoire.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

Teranga is a multi-jurisdictional West African gold company focused on production and development as well as the exploration of more than 6,400 km² of land located on prospective gold belts. Since its IPO, Teranga has produced more than 1.67 million oz of gold from its operations in Senegal, which as of June 30, 2017 had a reserve base of 2.7 million oz of gold⁷. Focused on diversification and growth, the Company is advancing its Wahgnion Gold project, as well as carrying out extensive exploration programs in three West African countries: Burkina Faso, Côte d'Ivoire and Senegal. In total, the Company had nearly 4.3 million mineral reserves on a combined basis based on most recent reserve estimates from the Sabodala Technical Report (with estimates as of June 30, 2017) and the Wahgnion Technical Report (with mineral reserve estimates as May 31, 2018). Teranga applies a rigorous capital allocation framework for its investment decisions to execute on its growth strategy relying on a combination of cash on the balance sheet, free cash flow from operations and debt, and is focused on funding future organic growth plans responsibly.

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.

Mission

Our mission is to create value for all of our stakeholders through responsible mining and by setting the benchmark for corporate social responsibility.

Vision

Our vision is to become a multi-asset mid-tier West African gold producer with a portfolio of assets offering diversified production, strong operating margins and long-term sustainable free cash flows.

Strategy

Our strategy is to maximize shareholder value by increasing sustainable long-term free cash flows through diversification and growth while remaining fiscally conservative through the commodity cycle. To achieve our objectives, we are focused on (i) optimizing our flagship Sabodala operation; (ii) increasing production with the completion of the Wahgnion Gold project by the fourth quarter of 2019; (iii) progressing the Golden Hill project, our most advanced exploration project, towards feasibility; (iv) unlocking additional value through resource conversion drill programs and exploration in Burkina Faso, Senegal and Côte d'Ivoire; and (v) funding our future growth plans responsibly.

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 which benefits from the strong leadership and oversight of the Board, including 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. Some 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.

⁷ For full details on the Company's Sabodala reserve and resource estimates, please refer to Chapters 14 and 15 of the Sabodala Technical Report and the applicable tables on pages 28 and 31 of this AIF.

Richard Young is the President and Chief Executive Officer of Teranga, with over 25 years' experience working in the gold industry. A Chartered Professional Accountant, Mr. Young joined Barrick in 1991 and served in a series of positions of increasing responsibility in finance, corporate development, mine development and investor relations. Prior to joining Teranga in 2010, Mr. Young served as Vice President and Chief Financial Officer of Gabriel Resources Ltd. for five years. Overall, Mr. Young has raised over \$1 billion in debt and equity financing over his career.

Paul Chawrun is the Chief Operating Officer of Teranga. Mr. Chawrun played a fundamental role in steering the Company's successful acquisition and integration of the OJVG property, the development of the high-grade Gora satellite deposit, and driving several high-return organic growth initiatives including a mill optimization project in Senegal that came in on time and under budget and materially improves our milling throughput by adding further crushing capacity. Mr. Chawrun is also overseeing the development and construction phase of Teranga's Wahgnion Gold project. Prior to Teranga, Mr. Chawrun held a number of senior management, project development and operations positions at Detour Gold Corp., Dynatec Mining Limited (now DMC Mining Services), Suncor Energy and Fording Coal (now part of Teck Resources). Mr. Chawrun holds a B.Sc. Mining Engineering from Queen's University, a B.Sc. Geology from McMaster University, and an MBA from Athabasca University.

Beyond Mr. Young and Mr. Chawrun, the balance of Teranga's senior management team are as follows: Mr. Navin Dyal, Chief Financial Officer, Mr. David Savarie, General Counsel & Corporate Secretary and Mr. David Mallo, Vice President of Exploration.

Several members of 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 nearly 10 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.

Experienced Development Team

Our corporate- and site-based management teams have broad experience in development and capital projects in West Africa. The design, construction and commissioning of the Sabodala plant, including a subsequent mill expansion in 2012 and the installation of a parallel crushing circuit in 2016, provided invaluable experience to our management team as it develops its second operation in Burkina Faso, the Wahgnion Gold project. Management anticipates its Wahgnion Gold project to be in production by the fourth quarter of 2019.

Experienced and Strengthened Exploration Team

In 2016, Mr. Mallo was appointed Vice President of Exploration, the first time the head of exploration was named as part of the executive management team at Teranga. This appointment recognized the track record and experience Mr. Mallo brings to Teranga, but also the new strategic approach being brought to Teranga's exploration program. Previously, in his role as Manager of Advanced Projects at Prime Explorations Ltd., Mr. Mallo was an integral part of the acquisition, discovery, and exploration management team at the world-class Eskay Creek gold deposit in northern British Columbia. As Executive Vice President of Exploration for Adrian Resources Ltd., Mr. Mallo managed all aspects of the extensive exploration programs through feasibility at the world-class Petaquilla copper-gold property in Panama. More recently, Mr. Mallo was the Vice President of Exploration for Oromin Explorations Ltd. at the OJVG gold project in Senegal, West Africa. In this capacity, he was responsible for designing, implementing and managing all aspects of the advanced exploration campaigns from the 2004 inception of the OJVG gold project through feasibility and merger with Teranga in 2013. While managing the exploration programs for Oromin Explorations Ltd., the OJVG gold project progressed from a grassroots property to a viable multi-million-ounce gold property hosting numerous gold deposit discoveries, including Teranga's currently operating Masato and Golouma deposits. Mr. Mallo holds a Bachelor of Science (Specialist) degree from Brandon University and has over 35 years of mineral exploration experience predominantly in project evaluation and management of exploration programs.

Experienced Operating Team

The operating team at the Sabodala Gold project is experienced and brings a broad base of African gold mining experience, with most senior positions occupied by professionals with more than 20 years of gold mining experience. Experience from operating at Sabodala will be applied to Wahgnion, further de-risking development, construction and future operations.

Strong Corporate Social Responsibility Platform

Through a focus on sustainable livelihoods, Teranga's investment in Corporate Social Responsibility ("CSR") has helped to establish a win-win partnership with its local communities, and the regional and local levels of government. These partnerships have been the principal force towards the achievement of Teranga's local and regional development objectives, and its ability to develop a sustainable social license in the countries in which it seeks to gain a larger footprint. In 2016 and 2017, Teranga's achievements in CSR were recognized by industry and non-governmental agencies with the awarding of the United Nations Global Compact Sustainability Award and the PDAC 2017 Environmental and Social Responsibility Award, respectively.

Strong Regional Reputation

The success of the Sabodala Gold project and the Company's achievements in CSR in the region has given the Company a solid reputation in Senegal, and a sound basis for future development both within the country and in other neighbouring jurisdictions.

Balanced and Effective Board of Directors

Over the last five years, Teranga has added depth and experience to its Board. In 2013, Mr. Edward Goldenberg joined the Board. Mr. Goldenberg is currently a senior partner at Bennett Jones LLP, is a Member of the Order of Canada and a former Chief of Staff to Former Canadian Prime Minister Jean Chretien. In 2014, Dr. Jendayi Frazer joined the Board. Ms. Frazer is a 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). Each of these members joined Teranga's Board with tremendous credentials and brought needed experience in government relations, corporate social responsibility and experience in Africa. In October 2015, Mr. David Mimran joined the Board. Mr. Mimran is CEO of the Mimran Group, Miminvest SA, and Mimran Natural Resources, all established as investment vehicles into West Africa's natural resource sector by the Mimran Group, a family conglomerate with a history of successful business operations in Africa and Europe. Mr. Mimran is also the head of Tablo Corporation, the largest shareholder of Teranga. In 2016, Mr. William J. Biggar was nominated and subsequently elected to join the Board as an additional independent director with an extensive professional background in both public and private multi-jurisdictional companies. More specifically, Mr. Biggar brings valuable investment banking, capital markets and mining experience to the Board.

Teranga believes the continuity of the five directors who have been members of the Board since Teranga's IPO (Messrs. Hill, Lattanzi, Thomas, Wheatley and Young) has been, and remains, a beneficial resource to the Company as it continues to work towards executing on its vision of expansion and consolidation in Senegal and West Africa through a prudent allocation of capital. The Company's growth objectives require it to operate safely and effectively within emerging markets, a challenging gold price environment and under operating risks (technical, governance, political and social) that are often not entirely within its control to mitigate. Delivering value to shareholders from significant investments in these jurisdictions requires a highly skilled and experienced Board which can effectively provide guidance and oversight to ensure the appropriateness of management's strategy to achieve corporate objectives within such environment. The Company's successful investments into Burkina Faso and Côte d'Ivoire over the last three years demonstrates the value of continuity and experience at the Board level. For these reasons, the Board does not believe that an arbitrary term limit for Board members is the most effective way of ensuring overall Board effectiveness.

Adoption of Board of Directors Diversity Policy in 2018

The Company considers diversity to be an important attribute of a well-functioning and effective Board. The Company recognizes that gender diversity is a significant aspect of diversity and acknowledges the important benefits that can be achieved through the meaningful participation of women with the appropriate and relevant skills and experience. By bringing together men and women from diverse backgrounds, the Company believes that it is better able to (i) develop solutions to challenges and deliver sustainable value for the Company and its stakeholders; and (ii) ensure it has the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. To ensure sound corporate governance, the Governance and Nomination Committee is guided by the following principles in recommending candidates to the Board: (i) ensuring that the Board is composed of directors who possess extensive knowledge, skills and competencies, diverse points of view, and relevant expertise, enabling them to make an active, informed and positive contribution to the oversight and advisory role of the Company; (ii) seeking a balance in terms of the knowledge and competencies of directors to ensure that the Board has sufficient diversity of experience, skills and backgrounds to fulfil its oversight and advisory role in all respects; and (iii) to the extent practicable, seeking candidates for nomination to board and committee positions who represent different genders, ages, cultural backgrounds, geographic areas and other characteristics of the communities in which the Company conducts its business. While the Company has not adopted specific diversity targets at this time, the adoption of its

Diversity Policy has formalized its understanding of the importance of diversity in achieving its long-term strategic objectives both at the Board and senior management level.

Board Renewal and Refresh

Over the last three consecutive years Teranga has established an exceptional record of achievement with record operational years at Sabodala and culminating in 2018 with the financing and commencement of construction of its second gold mine in Burkina Faso. Its further prospects in Burkina Faso and Côte d'Ivoire provide the Company with great confidence that it now has an organic pipeline to achieve its objective of becoming a mid-tier multi-jurisdictional gold producer in West Africa. Given the transformative nature of Teranga's growth, the Board has determined it is now appropriate to execute upon a plan to refresh the composition of the Board benefitting from new perspectives and greater diversity, while not sacrificing the breadth of experience and skills required to continue to provide effective guidance and oversight for the benefit of all shareholders.

Following recommendations from the Corporate Governance and Nominating Committee, the Board has adopted a three-year "renewal and refresh" strategy based on the following principles and criteria:

Transition with Continuity - Over the course of the next three years, the objective of the Board is to introduce at least one new director each year, either as nominee in advance of a shareholder meeting or to fill a vacancy of a resigning director between shareholder meetings. The Board is committed to implementing this plan immediately and, to that end, has already begun the process of identifying and vetting suitable candidates for appointment to the Board. Once a suitably qualified candidate is identified, they are expected to replace an incumbent non-executive Board member, who is expected to resign at that time. Following this, the Board anticipates identifying at least one additional new potential director nominee to be put forward for election at Teranga's annual meeting of shareholders to be held in 2020. In such event, at that time, one other incumbent non-executive Board member would not stand for re-election. The intention is to continue this process such that three new directors are introduced over the next three years. The anticipated benefits of this "renewal and refresh" strategy is that greater diversity can be achieved but not at the expense of continuity and experience. This transitional plan has the unanimous support of management, the Corporate Governance and Nominating Committee and the Board, and it provides a measured and thoughtful means of achieving all of these important governance objectives.

Greater Diversity – In line with our Diversity Policy and stated practices herein, the Board will give consideration to the well-established benefits of establishing a diverse Board, not just of skillsets but also of gender and ethnicity, to enhance the consultative and decision-making process at the Board level.

Reducing Overall Tenure – Acknowledging a majority of the current Board will be entering their 9th year of service, the intention of this renewal and refresh plan is to reduce the overall tenure of the Board as a whole.

Limiting Size - The articles of the Company set the maximize size of its board of directors at ten; a size the current Board and executive management believe is sufficient. This plan also considers the fact that Mr. David Mimran, a current Board member and (through Tablo Corporation) the Company's largest shareholder, has a contractual right⁸ to nominate an additional director to the Board upon the acquisition of 25% equity ownership position in Teranga (calculated on a non-diluted basis).

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. In order for Teranga to execute on its mission, vision and strategy, it needs to have the right people in the right places. Teranga competes with all mining companies for highly qualified people. Beyond people, Teranga competes with other mining companies for capital and other resources, many of which have larger operations. There can be no assurance that additional capital and other resources will be available to fund the growth of Teranga's business other than the free cash flows provided by its existing operations.

⁸ In October 2015 a Voting and Investor Rights Agreement ("Voting Agreement") was executed among the Corporation, Miminvest SA, Mr. Mimran and Tablo (the "Mimran Group"), which established a cap of 19.9% on the Mimran Group's equity ownership position in the Company. The Voting Agreement was revised in November of 2017 to provide the following amendments: (i) extending its term for a further two years, expiring October 15, 2020; (ii) authorizing Tablo to increase its equity ownership position in Teranga from 19.9% to 29.9% (the "Share Ownership Cap"); and (iii) offering Mr. Mimran the right to nominate an additional director nominee to the board once and for so long as Tablo has acquired an ownership position of 25% or more in the Corporation's Common Shares.

As Teranga seeks to grow, it will compete with other mining companies in search for and the acquisition of mineral properties. As a result of this competition, the majority of which is against companies with greater financial resources, Teranga may be unable to acquire attractive properties in the future on terms that add value to its shareholders.

See “Risk Factors” for further details on risks related to competitive conditions.

Employees

With the recent acquisition of Afema, Teranga, including its Senegalese, Burkinabe and Ivorian operating entities, has approximately 2,300 employees, including expatriates, Senegalese, Burkinabe and Ivorian nationals, and contract workers. Approximately 95% of Teranga’s workforce in Senegal and Burkina Faso are held by nationals.

Foreign Operations

All of Teranga’s active interests are currently located in Senegal, Burkina Faso and Côte d’Ivoire, all of which are located in West Africa and, as such, its activities are exposed to various levels of regulatory, economic and other risks and uncertainties associated with foreign operations. See “Risk Factors” for further details on risks related to foreign operations.

Corporate Social Responsibility

Teranga’s award-winning CSR program in Senegal continues to set a high standard for socially responsible mining, with strong emphasis on long-term economic and social development partnerships with the communities around its mine. Teranga is replicating this successful sustainability framework in Burkina Faso with the development of the Wahgnion Gold project.

Community Relations – Senegal

In 2018, Teranga pursued its community investment strategy with the funding of numerous projects in and around the Sabodala mine site, including education, income generation, health, hygiene and sanitation, governance, sport and culture. In total, \$1.2 million was spent in 2018 on those projects.

The main activities for the year included the building of a new market garden in Khossanto, a community located 20 km from the Sabodala mine, and a donation of 8 units for agricultural transformation (mills, grinders, peelers), as well as the building of and provision of equipment for 2 maternity wards in the region. Other projects included the building of three classrooms, drilling of several boreholes to provide access to clean water for local communities and cattle drinking points and bursary programs from kindergarten through to university.

In addition to these programs, Teranga conducted two new initiatives during the year, which were very successful amongst the communities. The first initiative was to finance the pilgrimage of 18 representatives (village chiefs and Imams) of the communities around Sabodala to Mecca. The second initiative was to collaborate with a regional organization to finance 72 hours of free medical treatment in the regional capital city of Kedougou and in the Sabodala village. Through this initiative, more than 1,200 people consulted with a doctor and benefited from treatments and medications.

Finally, the Gora fund, designed to assist the local communities in developing new sustainable economic activities, was active throughout the year investing in community development initiatives. Although mining at the Gora pit ended in the second quarter 2018, the Gora fund will continue to support the local communities over the next several years.

Community Relations – Burkina Faso

In 2018, we expanded our community relations department at the Wahgnion Gold project and strengthened our relationships with the local communities and administration. Most of the year was dedicated to the creation of the Wahgnion Community Relations Framework (the “**Framework**”), which is now being implemented. This Framework includes a stakeholder engagement plan, a local employment plan, a local procurement plan, a social investment framework and a social closure guideline.

Through this Framework, we engaged in a number of initiatives that have been well received by the community, such as the implementation of a local pre-selection committee for unskilled labour. Chaired by the Mayor of Niankorodougou, the largest local community, this initiative has recruited more than 550 people for the Wahgnion Gold project. In addition,

we signed an agreement with the Mayor of Niankorodougou for the funding of a Commune Development Plan (the “Plan”), a government planning document, on socio-economic development of the area. This Plan will be entirely funded by Teranga and is expected to be completed in late 2019. Finally, several stakeholder engagement initiatives have been organized to sensitize the communities and administration on the project and the Company.

Regarding community investment, Teranga injected \$120,000 in 2018 in Niankorodougou, financing school equipment, a community ambulance, road rehabilitation efforts, as well as a number of smaller community initiatives. In 2019, we will pursue our community investment efforts and retain a local consultant to perform a local procurement study to identify continued optimization of opportunities in the area.

Community relations – Côte D’Ivoire

In 2018, we began our community development activities in Côte d’Ivoire. On the Afema project, a consultant was retained to perform a social assessment of the area and the needs for community investment. Several community investment projects were completed, including the funding of health supplies to support local clinics. Furthermore, a number of cultural events were sponsored.

Resettlement - Senegal

In 2018, resettlement activities ramped up significantly at Sabodala, with the support of the international consultancy firm, Environmental Resources Management (“ERM”). During the year, negotiations with the communities led to an agreement on housing design, resettlement site locations and compensation. Construction of the new resettlement site began during the second half of the year. As of the date hereof, community buildings are complete and private residence construction is well underway. Site construction is expected to be completed by end of Q1 2020 paving the way for an infill drill program and mining activities of Niakafiri, the largest deposit on the Sabodala Mining Convention.

Resettlement – Burkina Faso

In 2018, resettlement activities ramped up with the support of ERM. All elements of resettlement compensation, including housing design, new relocation sites and compensation were negotiated with all affected communities at the same time. The framework for all villages to be resettled, irrespective of timing of relocation, has been agreed upon. The first two resettlement sites, Songha (51 households) and Zievogo (43 households), are under construction, with 17 households resettled as at the end of 2018. All of these community buildings and private residences are expected to be completed by mid-2019 as part of the pre-construction resettlement. Additional communities will be resettled over the course of the next five years, in advance of mining activities in those areas.

Livelihood restoration activities are well underway with the payment of financial compensation for the first lands acquired, the replacement of 150 ha of land and several accompanying programs, including financial literacy training, several agricultural projects, such as cassava farming, transformation of agricultural products for women and market gardening. The construction of the first communal irrigated plot is underway and should be ready for the 2019 agricultural season. We anticipate that relocation activities will continue to advance in accordance with the mine plan.

Health and Safety

The Company has a strong health and safety record. Overall, the operations reported a total recorded injury frequency rate⁹, which includes all injuries requiring medical care of any kind, of 11.1 for 2018. In terms of the most serious category of injuries reported – referred to as lost time injuries (“LTI”), the operations have continuously maintained an LTI frequency rate well below acknowledged industry benchmarking standards. Teranga concluded 2018 with an LTI frequency rate of 0.54 which is significantly lower than the mining industry benchmark of 5.81 as set out by the Government of Western Australia’s ANZSIC 2006, 2016/17 reporting for metal ore mining. Utilizing a behaviour-based safety approach, continued training and rigorous application of the Company’s Operational Health and Safety (“OHS”) program has been pivotal to the successful result. The focus of the OHS program is placed on proactive, people-based safety management, which uses a documented systematic approach to focus on hazard identification, task observation and pre-job risk assessment in association with reward and recognition to employees demonstrating positive safety behaviour. An annual external OHS audit ensures continuous improvement supported by a vigorous internal auditing program allowing proactive actions to be identified and actioned in a timely manner. The OHS focus will continue to

⁹ Frequency rate refers to number of incidents per million man hours worked and is a standard reference point for safety statistical reporting within the mining industry.

concentrate on refining management of change and maturing risk management in accordance with ISO 31000 procedures to progress the loss prevention program.

The focus for 2019 will be on advanced supervisor safety training as part of the frontline leadership program, coupled with core refresher safety training for all teams. There will also be an improved reward and recognition program aimed at promoting the message “Safety is our Responsibility” and ensuring that it is maintained and understood by all.

Exploration Growth Pipeline

Golden Hill Project, Burkina Faso

The Golden Hill project consists of three exploration permits covering 468 km² located in the south west of Burkina Faso (the “**Golden Hill project**”)¹⁰. The Golden Hill project is considered particularly prospective, as it is located within the highly mineralized Houndé Greenstone Belt. This belt hosts the majority of the high-grade discovered gold oz in Burkina Faso, including the recently discovered Siou deposit plus the high-grade Yaramoko deposit. The belt also hosts the Mana Mine and the Houndé deposit. The Golden Hill project straddles the same stratigraphy and structures that host these high-grade deposits.

During 2017, the Company spent \$6.5 million on an exploration program at the Golden Hill project including the drilling of five prospects, the Ma, Jackhammer Hill, Peksou, Nahiri and C-Zone Prospects, that are all located within approximately 5 kilometres of a central point. In total, 226 diamond drill core holes (24,080 m) and 57 reverse circulation holes (4,399 m) were completed at these five priority exploration targets.

In October 2018, the Golden Hill tranche of the Taurus Facility was increased by an additional \$10 million, and the Company drew such amount, to fund the acquisition of the remaining 49 percent interest in the Golden Hill project and Gourma project (see below) from Boss Resources. The Taurus Facility requires that the remaining \$25 million for the Golden Hill tranche be used towards the advancement of a feasibility study for the Golden Hill project. Conditions precedent to drawdown include the completion of a satisfactory preliminary economic assessment of the Golden Hill project as well as customary conditions precedent similar to the \$165 million Wahgnion Gold project tranche.

Over the course of 2018, the Company spent an additional \$8 million to continue the exploration program at the Golden Hill project focused on moving the five prospects named above, as well as Ma North, A-Zone and B-zone prospects, into an initial resource by year-end. In total, 303 diamond drill core holes (38,485 m) and 52 reverse circulation holes (5,265 m) were completed at the various Golden Hill project prospects. The initial mineral resource was announced in early 2019 with the following estimate: 6.40 Mt grading 2.02 g/t Au for 415,000 oz of indicated mineral resources and 11.95 Mt grading 1.68 g/t Au for 644,000 oz of inferred mineral resources.

Complete tables of available drill hole results including those from the various components comprising all prospect areas and those included in the initial Golden Hill project resource estimation can be found on the Company’s website at www.teranggold.com under “Exploration”.

Gourma Project, Burkina Faso

The Gourma project consists of six exploration permits in eastern Burkina Faso (the “**Gourma project**”). The Gourma project includes approximately 60 km of a gold-bearing crustal shear that has received very little exploration activity. The Gourma project is located within the Fada N’Gourma Greenstone Belt, 250 km east of Ouagadougou and only 80 km south-southwest of Niger’s largest gold deposit, the Samira Hill gold mine. The six contiguous permits (Diabatou, Tyara, Foutouri, Boutouanou, Tyabo and Kankandi) cover a total area of approximately 1,300 km². It is accessible from the south, off the Fada N’Gourma-Kantchari highway through a well-maintained gravel road, and from the west through a gravel road from the town of Gayeri.

As noted above in respect of the Company’s acquisition of the remaining 49 percent interest in the Golden Hill project, in October 2018, also acquired the remaining 49 percent interest in the Gourma project from Boss Resources.

Teranga’s exploration activities at the Gourma project began in 2017 with a prospecting, mapping and auger-drilling program consisting of 1,150 auger drill holes (4,870 metres). An eight-hole core drill program was completed as follow-

¹⁰ On March 21, 2018, the Company received an “invitation to pay” from the Burkina Faso Ministry of Mines and Quarries (“**MOMQ**”) which is the penultimate step in the administrative process for issuance of renewed exploration permits under local regulations. Following a financial control to confirm payment of the requisite renewal fee on March 28, 2018, a decree is expected to be issued by the MOMQ formalizing the award of the renewed permits with a term expiring on March 2, 2021.

up to the auger drill program. Three prospects were tested by this short drill program with Djinta providing the most encouraging results.

Exploration work at the Gourma project in 2018 was limited to prospecting and hand trenching early in the year. The majority of the Gourma project exploration permits expire in 2019. Due to escalating security risk in the eastern part of Burkina Faso through 2018 and continuing until today, Teranga intends to seek an extraordinary extension of these permits for an additional term of up to two years, to be reinstated when the security situation allows for safe and secure access for our employees and contractors.

Guitry Project, Côte d'Ivoire

Of the initial Miminvest Permits, Teranga now holds three exploration permits in Côte d'Ivoire: Guitry, Dianra and Sangaredougou, all obtained through the Exploration Agreement with Miminvest summarized above. Following an initial evaluation, it was decided that two of the Miminvest Permits, Mahapleu and Tiassale, would not be pursued further. Of the remaining Miminvest Permits, the most advanced is Guitry where initial exploration consisted of a property-wide stream sediment Bulk Leach Extractable Gold ("BLEG") sampling program with three phases of follow-up grid-based soil sampling. The primary exploration target identified at Guitry is an approximate 7 km by 3 km gold-in-soil geochem anomaly with soil values up to 9 g/t Au. An initial air-core drilling program was completed in late February and early March, 2018 from which a number of positive results were received, including: 20 m grading 2.02 g/t Au, 4 m grading 5.80 g/t Au and 20 m grading 6.37 g/t Au.

In addition to the more advanced level of exploration at Guitry, early stage stream sediment BLEG sampling, grid-based soil sampling, ground magnetics and hand-pitting has been completed at both Dianra and Sangaredougou. Further exploration activity is planned for all three of the remaining Miminvest Permits.

Afema Project, Mine License and Regional Exploration Permits, Côte d'Ivoire

The Company has recently entered into a joint venture for the exploration and development of the Afema Gold project in southeast Côte d'Ivoire. The Afema land package comprises more than 1,400 km² consisting of the Afema ML and three exploration permits – Ayame, Maferé and Aboisso. The Afema ML has a historical near-surface oxide and sulphide resource within an area hosting several gold mineralized structures on extensions from prolific gold belts in Ghana.

In early 2018, the first priority was to undertake a detailed review of all historical Afema data towards guiding initial exploration activities in order to deliver an optimized project that maximizes the value of the Afema ML. In addition, a re-modeling and re-calculation of the oxide mineral resources was undertaken as well as the initiation of preliminary metallurgical test work.

Other exploration activities undertaken and initiated later in 2018 included an extensive property-wide stream-sediment sampling (BLEG) program, infill and step-out grid-based soil sampling, excavator trenching, reverse circulation drilling and a property-wide high-resolution airborne magnetics and radiometrics survey.

Liquidity and Capital Resources Outlook

We require sufficient liquidity and capital resources to not only run our existing operations but to also execute on our growth strategy, which includes (i) continually optimizing our Sabodala operation to maximize free cash flows; (ii) building the Wahgnion Gold project on time and on budget; and (iii) carrying out targeted reserve/resource and exploration drill programs in Burkina Faso, Senegal and Côte D'Ivoire through resource conversion drill programs and exploration.

Our ability to generate free cash flow from operations is a function of our ability to execute on our mine plan at Sabodala and the price of gold. The sequencing of pits at Sabodala optimizes grade and waste movement to maximize cash flow. Further, continued improvement in our mine operations and grade control processes to realize higher than expected reconciliation to the mineral reserves has resulted in an improved cash flow and production profile from the life of mine ("LOM") plan set out in the Sabodala Technical Report.

Teranga initiated front-end engineering design for the Wahgnion Gold project in late 2017, with site early works commencing in January 2018 and major construction in May 2018. The Wahgnion Gold project is currently on schedule and within budget, with mechanical completion and commissioning expected in the third quarter of 2019 and production in the fourth quarter of 2019.

As noted, the Taurus Facility includes \$25 million to be used towards future advancement of a feasibility study for the Golden Hill project. The Company has also invested in exploration projects in the region with the recent acquisitions of the Afema project in Côte d'Ivoire, the Dossi permit area located adjacent to the Golden Hill project in Burkina Faso, and the remaining 49 percent interest in the Golden Hill and Gourma exploration projects in Burkina Faso.

In 2018, we developed our current growth strategy with the following sources of liquidity in mind:

- (i) *Cash Balance*. As at December 31, 2018, we had a consolidated cash balance of \$46.6 million.
- (ii) *Marketable Securities*. As at December 31, 2018, we had available for sale securities with a market value of \$0.3 million.
- (iii) *Cash Flows from Sabodala (unhedged)*. Using a \$1,250 per ounce gold price, we expect Sabodala to generate \$88 million in free cash flows¹ over 2018 and 2019 and \$230 million in free cash flows¹¹ between 2018 and 2022.
- (iv) *Sabodala Gold Hedges*. The Company entered into forward gold sales contracts for about 50 percent of anticipated production over seven quarters at an average gold price of \$1,340 per ounce, which provide greater cash flow certainty from Sabodala through to September 30, 2019. Using a gold price assumption of \$1,250 per ounce, this hedge program provides \$17.0 million in additional free cash flow for Sabodala from January 1, 2018 through to September 30, 2019.
- (v) *Wahgnion Financing*. On April 16, 2018, the Company concluded the Taurus Facility which included the following:
 - \$165 million to be used towards funding the development of the Wahgnion Gold project and to repay all of the Company's current outstanding bank debt, totalling \$15 million drawn on its revolving credit facility;
 - \$25 million to be used toward future advancement of a feasibility study for the Golden Hill project (the "**Golden Hill Tranche**"), which was subsequently increased by an additional \$10 million to fund the acquisition of the remaining 49 percent interest in the Golden Hill and Gourma projects from Boss Resources; and
 - \$12.5 million equipment finance facility carve out:
 - Pursuant to this equipment financing option, on March 5, 2019 the Company executed an equipment facility agreement with Caterpillar Financial Services Corporation ("**CAT**") to fund a portion of the mobile mining equipment and power generators for the Wahgnion operations (the "**CAT Facility**").
 - The CAT Facility includes the following key terms:
 - Interest rate of 5.1% plus London interbank offered rate
 - Drawdown availability period 18 months from March 5, 2019
 - Repayment over 5 years in equal quarterly installments in arrears from applicable drawdown date
 - Early repayment upon 1% prepayment fee
 - On February 26, 2019, the Company executed an amendment to the Taurus Facility, which provided for the temporary re-purposing of the Golden Hill Tranche for Wahgnion's development costs. Drawdowns, if any, under this amendment to the Golden Hill Tranche are to be repaid no later than September 30, 2019, at which point the Golden Hill Tranche reverts back to its original purpose. In connection with this amendment, the Company has issued to Taurus an aggregate of 150,000 units of unlisted four-year warrants to acquire Common Shares at an exercise price of \$5.08 which was priced in the same manner as the initial warrants granted to Taurus under the original terms of the Taurus Facility.¹² Additional warrants will be issued only upon drawdown of the repurposed Golden Hill Tranche.

In addition to the sources of liquidity noted above, we may also source additional funding in the form of equity. The objective of our current financing plan is to eliminate, or at least minimize, the requirement for issuing equity. With the Taurus Facility, cash on hand and cash flow from ongoing operations, we believe we have sufficient financial resources to bring the Wahgnion Gold project into production. If external equity funding is subsequently required, these funds will

¹¹ This is a non-IFRS performance measure. Please refer to non-IFRS measures on page 72 of this AIF for a definition of this term.

¹² Warrants issued to Taurus in the amount of \$5.08 resulted from the following calculation: warrants are to be priced at the greater of: (i) Teranga's volume-weighted average share price ("VWAP") on the Toronto Stock Exchange ("TSX") for the five trading days prior to the date of execution of the amendment to the Taurus Facility; and (ii) 120 percent of the Teranga's VWAP on the TSX for the 20 trading days prior to the date of execution of the amendment to the Taurus Facility.

be used to support our current and longer-term growth projects and our targeted resource to reserve conversion and exploration drill programs. Our cornerstone investor, Mr. Mimran, retains pre-emptive participation rights to maintain his current 21.8 percent ownership position in any future potential equity raise.

Although we have been successful in the past in financing our activities, there is no certainty that any required additional financing will be successfully completed.

MATERIAL PROPERTIES

SENEGAL – SABODALA GOLD PROJECT

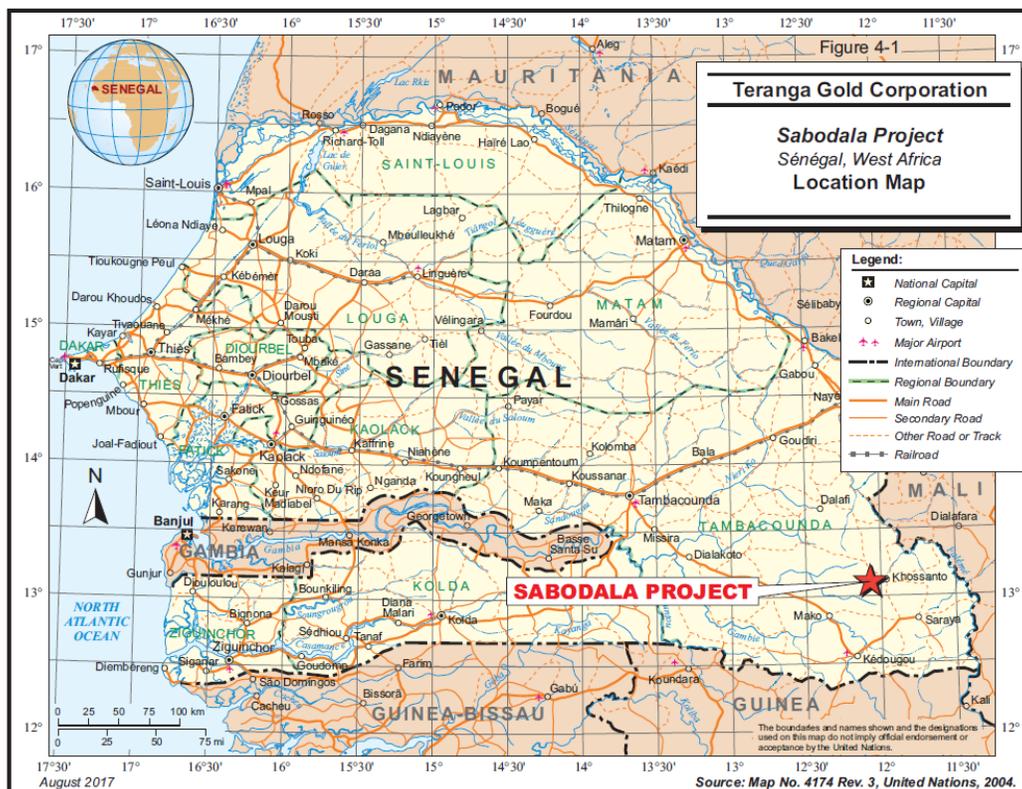
The Sabodala Gold project, as further described below, includes a gold mining license area of 291.2km² within which a CIL processing plant and related infrastructure produces gold bars in a doré form. A regional exploration package is within trucking distance of the Sabodala process plant.

Sabodala Technical Report

Unless otherwise stated, the information that follows relating to the Sabodala Gold project (including the Gora 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 website at www.terangagold.com.

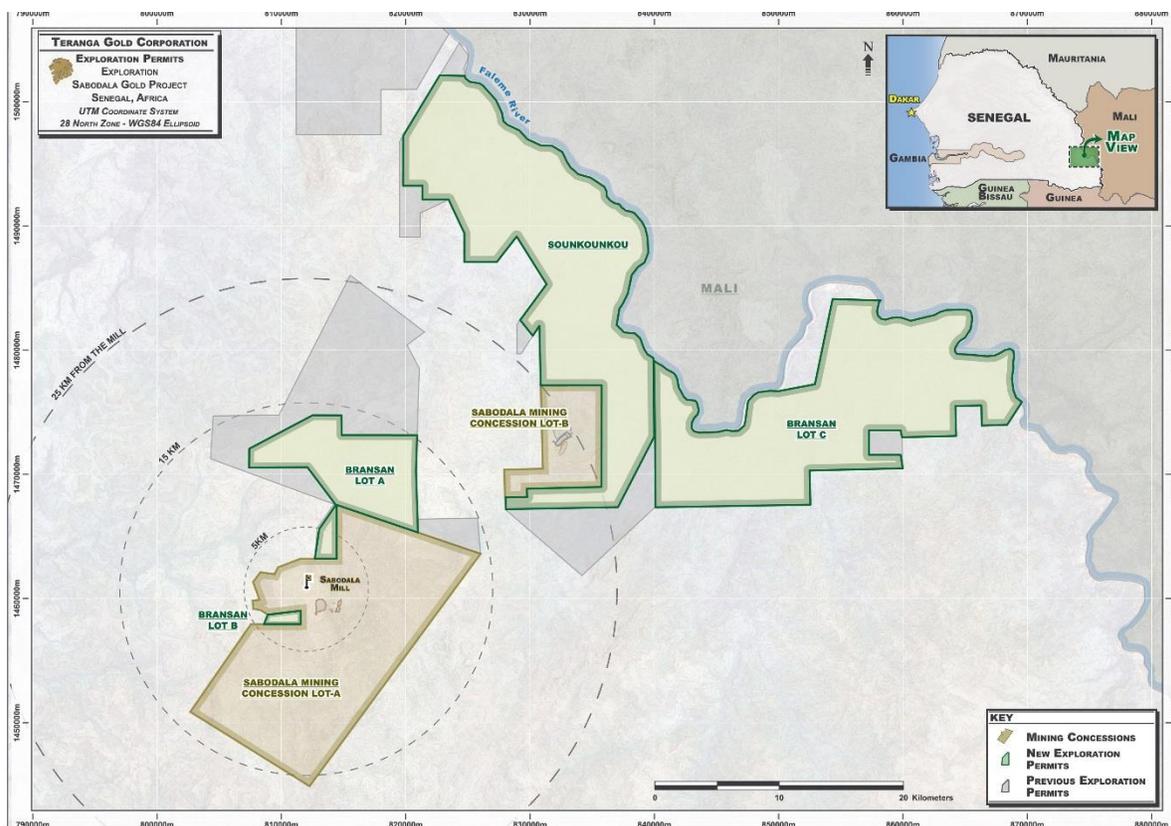
Project Description and Location

The Sabodala Mining License is located approximately 650km 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 large-scale gold processing facility to come into operation in Senegal.



Location of the Sabodala Gold project within Senegal

A regional land package¹³ surrounds the Sabodala Gold project (the “RLP” or “Regional Land Package”). The Regional Land Package is located on the same geographical gold belt that runs through Mali and Senegal where more three world-class discoveries (+5 million oz) have been found.¹⁴



Regional Land Package in relation to Sabodala Mining License

History

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 / Page 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 Mineral Deposits Limited’s, an Australian-based publicly traded mining company, (“MDL”) 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 ending March 1, 2006. This 100% interest was subject to the requirement that MDL form an exploitation company, Sabodala Gold Operations SA (“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

¹³ See “Regional Land Package” section on page 24 of this AIF for further details on the exploration permits comprising the RLP.

¹⁴ Three world-class discoveries refers to projects where current proven and probable reserves combined with historical production exceed five million ounces, such projects include: Sadiola (AngloGold/IamGold), Loulo (Randgold) and Goukoto (Barrick (formerly Randgold)).

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 May 2, 2007, MDL received mining concession status for the Sabodala Gold project by decree of the president of Senegal. The decree included 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 the 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.

Construction and development of the Sabodala Gold project and plant occurred throughout 2008 with full commissioning occurring in early 2009. Open pit mining commenced in the Sabodala pit in 2009 and continued until June 2015. Additional open pit mining started at Masato in September 2014 and at Gora in July 2015. First gold was poured in March 2009, from that date until December 31, 2017; 1,704,970 oz of gold have been produced.

On November 23, 2010, Teranga completed the acquisition of the Sabodala Gold project and the Regional Land Package by way of a restructuring and demerger from MDL and shortly thereafter completed its IPO.

As part of its Global Agreement signed with the government of Senegal in 2013, Teranga agreed to increase the royalty rate for its Sabodala Gold project and all satellite deposits incorporated therein to 5%. Further, in early 2016, the government of Senegal agreed to extend the tax exemption on value added tax until May 2, 2022 pursuant to a First Amendment dated February 18, 2016 to the Sabodala Mining Convention. Teranga's Senegalese operating subsidiary, SGO, is in the process of submitting its application to the EFE (*Entreprise Franche d'Exportation*) which is a Senegalese government program intended to support foreign direct investment by offering certain limited tax incentives to domestic operating companies who export more than 80% of their manufactured products abroad. On November 16, 2018, SGO was granted EFE status, which exempts SGO from (i) customs duties (including WAEUMU/ECOWAS parafiscal levies); (ii) business tax; (iii) registration duties; and (iv) 3% CFCE payroll tax. These tax incentives, when implemented, will be applicable until October 15, 2021.

The Sabodala Mining 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. The initial 10-year period would normally have expired on April 30, 2017, however the signing of the amended and restated Sabodala Mining Convention on April 7, 2015 with the government of Senegal extended the term to January 2025. The Sabodala Mining License will remain renewable for successive five-year terms thereafter based on anticipated mine life and ongoing regulatory compliance.

Project Operating Summary

The Sabodala operations began production from its Sabodala open pit in March 2009. Subsequently, Masato, Gora and Golouma open pits were added to its production portfolio. A summary of the open pit production history is shown below.

Open Pit Production History

	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ore mined	Kt	2,637	2,915	3,973	5,916	4,540	6,174	7,748	2,132	2,101	1,921
Waste mined	Kt	9,144	13,199	21,818	22,961	30,238	23,148	23,883	33,512	35,385	35,347
Total mined	Kt	11,781	16,114	25,791	28,877	34,778	29,321	31,631	35,644	37,486	37,268
Grade mined	g/t	2.19	1.80	1.39	1.98	1.62	1.54	1.22	2.66	3.48	3.62

	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ounces mined	oz	186,077	168,979	177,362	376,184	236,718	305,192	303,023	182,394	235,262	223,349
Tonnes milled	Kt	1,806	2,285	2,444	2,439	3,152	3,622	3,421	4,025	4,221	4,069
Head grade	g/t	3.12	2.12	1.87	3.08	2.24	2.03	1.79	1.81	1.87	2.03
Recovery	%	92	91	89	89	91	90	92	93	92	92
Recovered gold	oz	166,769	141,119	131,461	214,310	207,204	211,823	182,282	216,735	233,267	245,230

The mining method utilized is conventional truck and shovel open pit mining. A selective mining practice and stockpiling strategy at the Sabodala mine 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 on the run of mine (“ROM”) pad. The material is planned to be fed to the Sabodala processing plant throughout the LOM and at the end of mine life. The Sabodala processing plant was expanded in late 2012 to a design capacity of approximately 3.6 Mtpa (fresh ore) and 4.0 Mtpa with a mix of fresh and oxidized ore. A mill optimization project was completed in the third quarter of 2016 and increased the throughput by more than 15% on an annualized basis for fresh ore based on existing ore hardness. The plant comprises facilities for crushing, grinding, CIL cyanidation, and tailings disposal. Gold recovery facilities include acid washing, carbon stripping and electro winning, followed by bullion smelting and carbon regeneration. The LOM included within the current Sabodala Technical Report is approximately 14 years, ending mid-year 2031. The total annual open pit material movement is approximately 40 Mt with an average processing rate of 4.4 Mtpa in the first five years (2018-2022) of the LOM plan. The average gold production for the first five years is 213,000 oz.

The underground mine construction is planned for 2022, with ore production in 2023. Underground mining is expected to be by C&F mining method. C&F mining is simple, repetitive, and highly flexible for deposits with uncertain continuity and regularity. Two deposits are expected to be mined concurrently in order to meet the current mine life schedule. Kerekounda and Golouma South are expected to be mined first starting in 2023. Once they are exhausted, the Golouma West deposit is expected to be mined. The objective of scheduling the deposits to be mined in this sequence is to have continuous production from the underground with some lag in the schedule to allow infrastructure to be moved from the first set of deposits to the second set. Pending future exploration success and gold prices, optimization of the LOM may warrant a re-evaluation of the timing for underground mining.

Reference is made to the Sabodala Technical Report for further information regarding the Company’s LOM.

Mining Rights

Teranga’s mining rights include both full exploitation rights pursuant to the Sabodala Mining License as well as exploration rights as permit holder or joint venture partner in exploration permits within trucking distances of the SGO mill in eastern Senegal.

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 mining of small-scale mining deposits. 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 government of Senegal. The amended and restated Sabodala Mining Convention sets out the legal, fiscal, administrative and specific corporate conditions under which the permit holder shall undertake its operations.

The Senegalese 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.

Financial Commitments

Pursuant to the amended and restated Sabodala Mining Convention, SGO is required to pay a gross production royalty to the government of Senegal; invest \$1,225,000 per annum in social development programs within the region; contribute \$350,000 per annum for training of officers of the Directorate of Mines and Geology and Ministry of Mines; and contribute \$30,000 per annum for logistical support of the territorial administration of the region. In addition; (i) \$250,000 is payable annually pursuant to a forestry protocol with the Senegalese Ministry of Environment; (ii)

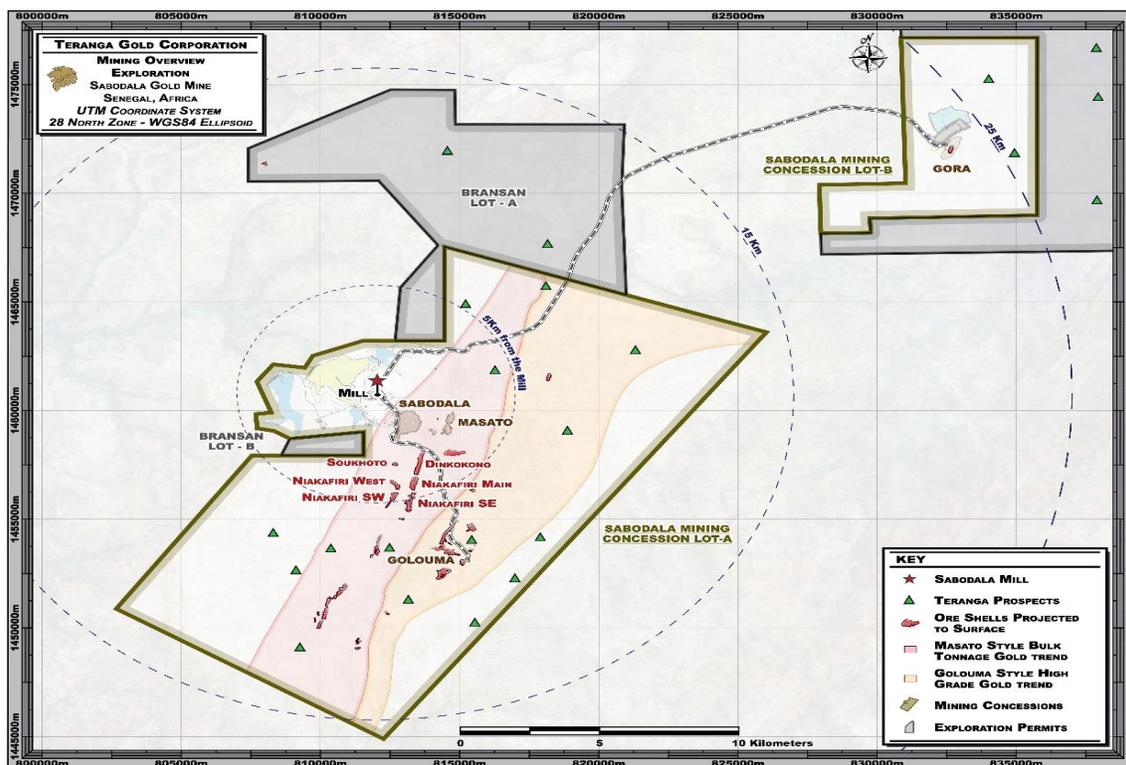
\$1,850,000 for additional reserves; (iii) annual commitments for institutional support under exploration permits (\$350,000 in 2018); and (iv) with the commencement of mining at the Gora pit in July 2015, \$200,000 is payable annually for each production year up to a maximum of \$1,000,000 for community projects located around the Gora deposit.

Following the completion of the acquisition of OJVG, the Company was also required to make initial payments totaling \$10.0 million related to the waiver of the right for the government of Senegal to acquire an additional equity interest in the Senegalese subsidiary of OJVG.

On May 2, 2015, the Company's eight-year tax holiday (granted to SGO under the initial Sabodala Mining Convention dated March 23, 2005) expired. From that date forward, the Company has been subject to a 25% income tax rate on mining profits as well as customs duties and value-added tax on certain expenditures. The 25% income tax rate and all other tax rates have remained in place since the execution of the initial Sabodala Mining Convention. On February 18, 2016, the government of Senegal and SGO signed the Sabodala Mining Convention, which provides SGO with a six-year exemption (expiring on May 2, 2022) from value-added tax on goods and services purchased from local suppliers or suppliers based outside of Senegal.

Gora Project

The Gora deposit is the first satellite deposit added to the Sabodala Mining License and lies approximately 28km northeast of the Sabodala processing plant. Gora is situated within the Sounkounkou exploration permit, in which Sabodala Mining Company SARL ("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% NSR on the Gora Project in exchange for its fully participatory 20% interest. As a result of the Sabodala Mining Convention, the perimeter of the Gora Project which covers an area of 45.6km² was removed from the Sounkounkou exploration perimeter and included within the Sabodala Mining License in 2015. Gora has been in production since 2015 and ceased mining activities in the second quarter of 2018.



Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Sabodala Gold project (including the Gora project) is located in southeast Senegal, approximately 650km east-southeast of the capital city of Dakar. Access to the Sabodala Gold project 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 1,250m 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 License. Sabodala village is approximately 2km 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. The Dinkokhono village is occupied by just a few families formerly from Faloumbo. On the Golouma perimeter, there are six small villages, Bransan, Dendifa, Mankana, Bambaraya and Maki Medina.

Climate

In the region of Kedougou where the Sabodala Gold project is 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 processing 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. 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 three 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.

Physiography

Topography in the area covering the Sabodala Gold project 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.

Project Infrastructure

The Sabodala Mining License infrastructure includes several open pits, a processing plant, a ROM pad, and a tailings storage facility (“**TSF**”) as shown in the figure below. The Sabodala operations currently operate with one TSF, however, a second tailings storage facility (“**TSF2**”) has been designed and permitted for future construction when and as needed.

The storage volume of the TSF is 12.4 Mm³ for variable beach slope model and 18.0 Mm³ for fixed beach slope model based on the crest level of the existing embankments, raising of the existing southern embankment and constructing new southwestern embankment. Teranga is expected to implement the fixed beach slope model for the TSF. Teranga constructed a raise on the TSF embankment in 2017.

At an average in-situ dry density for the deposited tailings of 1.49 t/m³, this additional storage equates to approximately 26.8 Mt or 6.7 years of operation (4 Mtpa) with fixed beaches.

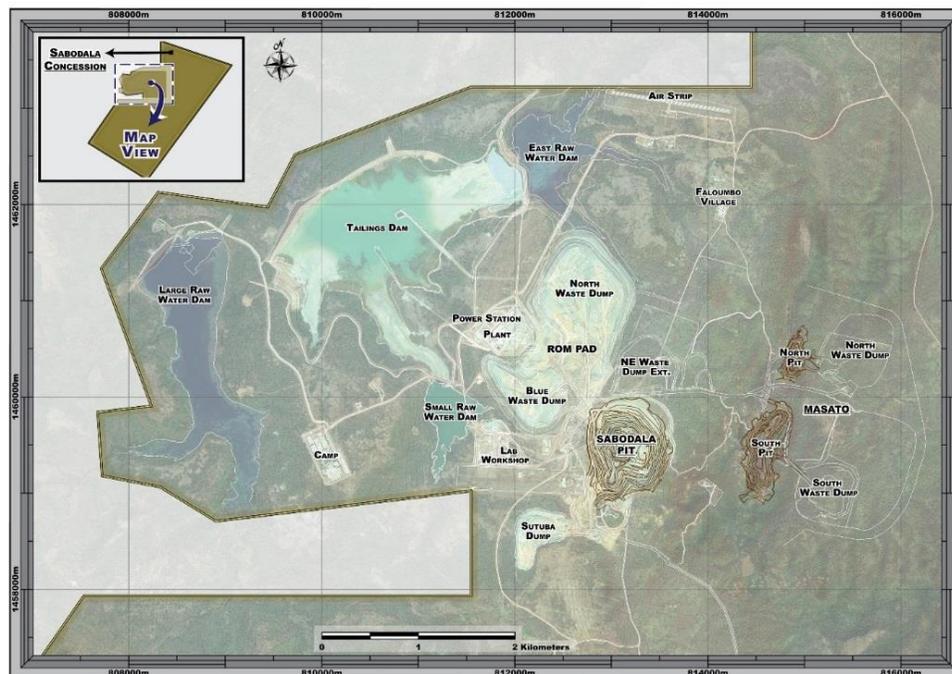
Assuming the current TSF can continue to be operated to achieve an average in-situ dry density for the deposited tailings of 1.49 t/m³, it could continue to operate through to the end of Q1 2022. Construction of TSF2 could therefore be deferred until the end of the wet season 2021, effectively Q4 of 2021, and TSF2 could be commissioned in Q2 2022. Prior to this management will evaluate the potential to raise TSF further or initiate construction for the TSF2 design.

An additional raise to the TSF is available beyond the current design to 149RL (an elevation point above sea level), providing for significantly more storage space than is required for the current 13 year LOM. This could be completed at a relatively low capital cost since the existing western embankment for TSF forms part of the containment for the future TSF2 design.

For further details on the Company's project infrastructure, please refer to Chapter 18 of the Sabodala Technical Report.

A network of haul roads connect the various pits to the process plant. The Gora haul road is approximately 26km long and the Golouma haul road is approximately 7.5km long. Power is supplied from the power plant located near the Sabodala pit and processing plant, and diesel generators at the Golouma and Gora projects. Existing port facilities at Dakar are used for delivery of all project construction materials and long term operational freight. Teranga has set up its own corporate offices in Dakar in which logistics, government liaison, personnel transport, and other management functions for SGO and SMC are based.

Sabodala Infrastructure Map



Mineral Processing

The Sabodala processing plant was expanded in late 2012 to a design capacity of approximately 3.6 Mtpa (fresh ore) or 4.0 Mtpa with a mix of fresh and oxidized ore. In mid-2015, a mill optimization project was initiated and commissioned in Q3 2016. The plant comprises facilities for crushing, grinding, CIL cyanidation, and tailings disposal. Gold recovery

facilities include acid washing, carbon stripping and electro winning, followed by bullion smelting and carbon regeneration.

The major equipment of the plant includes:

Equipment	No.	Description
Primary crushers	2	Nordberg C140S single toggle jaw crusher
Secondary crusher	1	Sandvik CH660 cone crusher
SAG mill	1	Outotec 7.3 m x 4.3 m EGL, 4,000 kW
Ball mills	2	Outotec 5.5 m x 7.85 m EGL 4,000 kW
Pebble crusher	1	Metso HP200SX Cone crusher
Leach and Adsorption Circuits	3	2,600 m ³ leach tanks
	9	1,240 m ³ adsorption tanks with compressed air injection
Elution circuit	1	5 t batch capacity, split AARL elution
Tailings thickeners	2	Outotec 23 m high rate thickener

The mill optimization project consisted of adding a second primary jaw crusher and screening station to operate in parallel with the original crusher and upgrades to the primary and secondary milling circuits. Upgrades to the semi autogenous grinding (“**SAG**”) milling circuit include installation of a trommel screen, redesign of the liner configuration, and installation of a vortex discharge head. Upgrades to the ball mill circuit included increasing the ball charge, increasing motor power by 500 kW for each ball mill, and installation of new gearboxes.

The increased milling rate for hard fresh rock is in excess of 500 tph and approximately 530 tph for a blend consisting of fresh rock and soft oxidized ore. As a result, annual throughput rates for the plant are estimated to be in the range from 4.3 Mtpa – 4.5 Mtpa.

For further details on the Company’s mining method and mineral processing activities on its Sabodala Gold project, results and programs, please refer to Chapters 13 and 16 of the Sabodala Technical Report.

Geology and Mineralization

The Sabodala Mining License and the surrounding exploration permits are located in the 2,213 Ma to 2,198 Ma age Kedougou-Kenieba Inlier that lies within the Paleoproterozoic age Birimian Terrane of the West African Craton. The permits straddle two major divisions of the Kedougou-Kenieba Inlier – the volcanic-dominated Mako Supergroup to the west, and the sediment-dominated Diale-Dalema Supergroup to the east. The Sabodala, Masato, Golouma South, Golouma West, Kerekounda and Gora deposits and western portions of the company’s Regional and Near Mine projects are hosted in the Mako belt volcanics. The Mako Supergroup consists mainly of tholeiitic basalts and andesitic lavas (massive and pillowed flows) with minor komatiitic units interbedded with volcanoclastic sediments (pyroclastic, banded tuffs and agglomerates), quartzite and chert as well as ultramafics, dolerites and gabbros. The Diale and Dalema Supergroup are characterized by folded sandstones and siltstones interbedded with calc-alkaline ash and lapilli tuffs that are more pelitic and siliceous in the Diale Supergroup and more calcareous in the Dalema Supergroup.

The Mako and Diale-Dalema supracrustal sequences are intruded by a series of variably deformed granitoid intrusions that range in age from 2,160 Ma to 2,000 Ma. These include the Karkadian Batholith, which bounds the Mako Belt to the west, and several major large stocks in the central Mako Belt in the project areas. Northeast trending intermediate to felsic and later, post-tectonic mafic dykes are present throughout the region, the latter forming prominent linear magnetic features. Felsic and intermediate composition dykes are often spatially associated with shear zones hosting gold mineralization, and locally are host to significant gold mineralization themselves.

Principal structures on the Sabodala property form a steeply west-northwest dipping, north-northeast trending shear zone network previously referred to as the “Sabodala Shear Zone”. This includes the Niakafiri, and Masato shear zones, which are high strain zones developed in altered mafic and ultramafic units. There are also shear zones that are linked to them by north to northwest trending splays. These include the “Ayoub’s Thrust”, which is focused along the ultramafic sill that lies on the west side (hanging wall) of the Sabodala deposit.

Mineralization is generally associated with highly strained steeply dipping north-northeast or east-west trending shear zones, quartz–carbonate-sericite-tourmaline-pyrite shear veins, highly altered quartz-carbonate-albite-pyrite zones, and often spatially associated with felsic and mafic dykes.

For further details on the Company's geology and mineralization activities on its Sabodala Gold project, please refer to Chapter 7 of the Sabodala Technical Report.

Exploration and Drilling Activities

In 2017, the Company's exploration program focused on organic growth through: (i) the conversion of mineral resources to mineral reserves; (ii) extensions of existing deposits and targets along strike on the Sabodala Mining License of 291.2km² and the RLP, as well as (iii) a systematic regional exploration program designed to identify high grade satellite and standalone deposits.

The predominant exploration drilling activity on the Sabodala Mining License in 2017 was focused at the Niakafiri deposit where a total of 173 drill holes (19,538 m) were completed for inclusion in the most current resource estimation for all components of the Niakafiri deposit.

In 2018, the Company's exploration program focused on prospecting, mapping and soil sampling programs at a number of anomalous drainages identified by the 2017 BLEG sampling program, both on the Regional Exploration Permits and the Sabodala Mining License.

Sabodala Mining License

Teranga has adopted a three-phase exploration approach for the Sabodala Gold project. Phase 1 includes target generation and consists of airborne geophysics, surface geochemistry, geological mapping, and rotary air blast ("RAB") drilling and trenching. The Phase 1 work has largely been completed and the majority of Teranga's future exploration programs will be focused on Phase 2 and Phase 3.

Phase 2 and Phase 3 have the objective of increasing mineral resources and mineral reserves within the entirety of the Sabodala Gold project. Phase 2, prioritizing and ranking, includes identifying targets and ordering them depending on their potential of hosting economic mineralization and Phase 3, target testing, includes trenching and reverse circulation and diamond drilling within the areas of significant mineralization.

Exploration

On the Sabodala Mining License, exploration activities in 2017 were dominated by drilling programs at both the Niakafiri deposit and the Goumbati West-Kobokoto deposit. No specific exploration was undertaken during 2018.

For further details on the Company's pre-2017 exploration activities, please refer to Chapter 9 of the Sabodala Technical Report.

Drilling

Diamond drilling programs at Maki Medina, Niakafiri Southwest, Golouma South, Golouma Northwest, Kerekounda and Soukhoto deposits on the Sabodala Mining License from May 2013 to 2015 were completed to confirm the existing interpretation and grade of the mineralization domains, upgrade resource classification of Inferred Resource blocks, "twin" previously drilled holes, delineate high grade zones, and collect geotechnical data for testing. In addition, a gridded RC drill program was completed at Masato to determine the optimal spacing of RC holes for the mine operations grade control program, and a RAB sterilization program was undertaken to test the areas where new infrastructure was planned for upcoming mining activities. Diamond drill results successfully confirmed geological and grade continuity, and geological interpretation of mineralized zones between widely spaced drill holes.

During 2016, exploration within the Sabodala Mining License occurred at six prospects. Exploration activities included trenching, RAB drilling, RC drilling and core drilling. The majority of the 2016 exploration efforts were directed at the Goumbati West prospect where 17 trenches comprising 1,692 m were excavated, 181 RAB holes (5,430 m), 1 RC hole (155 m), 5 combined RC-core holes (571 m) and 185 core holes (17,724 m) were completed. The culmination of these exploration activities was the completion of an initial resource estimation in October 2016. This produced an estimated indicated resource figure of 568,000 t grading 1.69 g/t Au representing 31,000 gold oz and an inferred resource of 178,000 t grading 1.19 g/t Au representing 7,000 gold oz. The Goumbati West resource estimation is outlined in the table at the end of this section. Much of the total 2016 core drilling at Goumbati West was undertaken after the initial resource estimation.

A resource estimation update for a combined Goumbati West-Kobokoto deposit was completed in mid 2017 which included these additional drill hole results. The update produced an estimated indicated resource figure of 2,678,000 t grading 1.35 g/t Au representing 116,000 oz and an inferred resource of 489,000 t grading 0.81 g/t Au representing 13,000 oz. The current Goumbati West-Kobokoto resource estimation update is outlined in the second table at the end of this section.

A second area of exploration focus in 2016 was the Golouma area, specifically Golouma North. In total, 5 trenches (654 m), 56 RAB (1,546 m) and 42 core holes (5,014 m) were completed at Golouma. An initial resource estimation was completed for the Golouma North portion of the Golouma area in October 2016, from which an indicated resource of 170,000 t grading 1.32 g/t Au and an inferred resource of 295,000 t grading 1.42 g/t Au representing 14,000 gold oz was estimated. The Golouma North resource estimation is outlined in the table at the end of this section.

Other activities within the Sabodala Mining License included the drilling of 8 core holes (1,200 m) at the Maleko prospect, and 10 (841 m) core holes at the Niakafiri deposit. Results from the drilling at Maleko provided enough encouragement to justify additional follow-up trenching and drilling evaluation. Drilling late in 2016 at the Niakafiri is a small component of a much larger core drilling program to be undertaken at Niakafiri with the goal of upgrading the mineral classification categories and expanding the mineralization where applicable both to depth and along trend. A limited trenching program was completed at the Koulouqwinde prospect (7 trenches, 1,439 m) and the Kinemba prospect (4 trenches, 245 m).

From May 2013 to end of 2016, Teranga completed 1,619 diamond, RC and RAB holes totaling 70,102 m on the Sabodala Mining License. During this same time, 65 diamond drill holes totaling 10,258 m were completed at the Marougou, Soreto, Honey, Cinnamon, Jam, Leoba, Nienienko, Khodadian, KA and KD prospects on the Regional Exploration Permits.

Drilling on the Regional Exploration Permits at these prospects was planned to test extents and nature of identified shear zones, “twin” previously drilled holes, confirm the orientation and continuity of gold mineralization intersected in previous drilling programs, delineate thickness and depth of gold mineralized zones. Results returned some significant intercepts that require follow-up analysis and additional work.

For further details on the Company’s pre-2017 drilling activities, results and programs please refer to Chapter 10 of the Sabodala Technical Report.

Goumbati West-Kobokoto Resource Estimate Update as of June 2017

Deposit	Indicated Resources			Inferred Resources		
	Tonnes	Grade	Au oz	Tonnes	Grade	Au oz
	('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)
Goumbati West - Kobokoto	2,678	1.35	116	498	0.81	13

Notes for mineral resources:

1. CIM definitions were followed for mineral resources.
2. Open pit oxide mineral resources are estimated at a cut-off grade of 0.35 g/t Au.
3. Open pit transition and fresh rock mineral resources are estimated at a cut-off grade of 0.40 g/t Au.
4. High grade assays were capped at grades ranging from 5.0 g/t Au to 15.0 g/t Au.
5. Open pit shells were used to constrain open pit resources.
6. Mineral resources are estimated using a gold price of US\$1,450 per oz.
7. Sum of individual amounts may not equal due to rounding.
8. Effective date is June 2017.

Regional Land Package

On March 2, 2018, Teranga’s wholly-owned subsidiary executed two mining conventions with the Senegalese Ministry of Mines which govern the terms of two new exploration permits, Bransan (337km²) and Sounkounkou (291km²), which were issued in April of 2018 to SMC. These permits were issued for an initial term of 4 years, with a right of renewal for two additional three-year terms subject to compliance with requisite terms of the Senegalese 2016 Mining Code. Together, the Bransan and Sounkounkou exploration permits comprise the RLP.

As background, over the course of 2016 and 2017, the prior 8 permits that comprised the RLP expired, and in advance of that the Company worked in collaboration with the Senegalese Ministry of Mines to reduce our overall exploration

land package while at the same time filing applications for two new permits that would comprise approximately 2/3 of the previous RLP that covered nearly 1,000km².

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.

Given the Sabodala Mining Convention signed with the government of Senegal on April 7, 2015 and its provisions extending to SMC exploration permits, it is anticipated that permits that move into production will be merged into this 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 two joint venture agreements over SMC's exploration permits:

- Axmin Joint Venture – covers the areas under the former Sounkounkou and Heremakono permits to the extent they are included within portions of the new Sounkounkou permit.
- Bransan Agreement – cover the areas under the former Bransan permit to the extent they are included within the new Bransan permit. Although the new Bransan permit is fully held by SMC, there is a 30% ownership right assigned to a Senegalese company, Senegal Nominees Limited.

Axmin Joint Venture Agreement

The joint venture agreement with Axmin was amended and restated in January 2012. The renegotiated Axmin Joint Venture Agreement (the “**Amended and Restated Axmin JV**”) reflects the following:

- the joint venture's interest in the permits is broken into “Target Areas” and the Manager (SMC) will specify the exploration work and budget proposed for each Target Area allowing Axmin to elect which Target Areas to maintain its 20% Participation Interest (as defined in the Amended and Restated Axmin JV) by funding twenty percent (20%) of all exploration costs, or to convert such equity interest into a 1.5% NSR from any future production from such Target Area; and
- as of the date hereof, Axmin has elected the 1.5% NSR on all identified Target Areas across the exploration permits.

Bransan Joint Venture Agreement

The Bransan 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 of the exploration work and will also 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 equity ratios will be diluted proportionally to accommodate Senegal's equity as follows: 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.

Exploration Activities

Through 2017, exploration activity was undertaken at a number of prospect areas, however, the overall activity was at a reduced level from that completed in 2016. Grid based soil sampling programs were undertaken at three area, North Maragou, Bransan and Diabougou from which a series of gold-in-soil anomalies were identified and targeted for follow-up prospecting and potentially trenching.

The primary exploration activity across both the regional exploration permits and the Sabodala Mining License in 2017 was the undertaking of a property-wide stream sediment BLEG sampling program. Nearly 400 samples were collected during this extensive sampling program from which six specific drainage areas were identified as moderately to highly anomalous and worthy of follow-up exploration evaluation. Of these, five were located within the regional exploration permits and one was within the Mining concession.

First, phase follow-up exploration activities were initiated in 2018 comprising prospecting, geological mapping and grid-based soil sampling.

For further details on the Company's pre-2017 exploration activities on its Sabodala Gold project, please refer to Chapter 9 of the Sabodala Technical Report.

Sampling, Analysis and Data Verification

Teranga has established standard operating procedures for sample preparation, analyses, and security, which are appropriate for gold mineralization and which follow industry standards. These procedures remain in place.

Teranga's exploration geologists are responsible for all sampling activities conducted by geological technicians and samplers, including sampling, sample bagging, numbering and tagging, sorting, transportation, security, completion of the analytical submission sheets and Teranga's quality assurance and quality control (QA/QC) program. Teranga's project geologists are responsible for the overall drilling and sampling programs.

One sample is taken for each one-metre interval drilled by RC and 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.

All samples are placed into sample bags with assigned sample numbers. Sample bags are then closed, sealed and inserted into larger rice bags that are securely sealed. Samples that are sent for assay to the on-site laboratory, (operated by SGS Group Management SA ("SGS")), are securely transported by company trucks. Samples that are sent for assay to off-site laboratories are inserted into large metal drums that are securely sealed, then transported off-site by contract transport trucks to Dakar and either by land transport or airfreight to off-site laboratories. Sample intervals that are not assayed remain in storage at the mine site or exploration camps.

Teranga used ALS Chemex in Johannesburg, South Africa, as its primary fire assay laboratory, with additional samples sent to ALS Chemex in Vancouver, Canada. ALS Chemex Johannesburg is accredited to the ISO/IEC 17025:2005 standard by laboratory certificate number T0387, and ALS Chemex Vancouver is accredited to the ISO/IEC 17025:2005 standard by laboratory certificate number 579.

Diamond drill core, RC, RAB, soil, and grab samples were sent for gold analysis to the on-site SGS laboratory operated by SGS Minerals as its primary laboratory for atomic absorption analyses (AAS). SGS Sabodala is accredited to the ISO/OEC 17025:2005 standard by laboratory certificate number 812.

Dried samples were crushed in the jaw crusher to minus 2.0 mm. 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 split using a Jones riffle to 200 g. The 200 g sample was pulverized with a ring and puck pulveriser to 85% minus 75 µm (200 mesh).

Fifty-gram sample pulps were analyzed for gold using an aqua regia digestion followed by AAS. Due to the periodic backlog of samples at the SGS on-site laboratory, additional samples were occasionally sent to SGS Bamako, Mali, for fire assay analysis with an AAS finish. SGS Bamako, Mali is accredited to the ISO/IEC 17025:2005 standard by laboratory certificate number T0652.

During trenching, drilling, logging, sampling, and shipping, multiple data storage systems were employed. Field data were recorded on maps, sample sheets, logging forms, and shipping forms and later entered and stored on the Bransan exploration camp computer server. Hard copies of all field data and core photos were stored on site at the Bransan exploration camp. Chain of custody was strictly maintained during transportation, sample collection, shipping, and preparation to avoid tampering. No evidence of tampering had been identified.

In addition to the standard internal laboratory quality control measures employed, a blind QA/QC program was established, consisting of geological standards, blanks, and duplicate samples inserted into the sample stream at regular intervals. Results indicate no evidence of contamination, reasonable to good correlation between original and duplicate samples and no significant issues with specific sample batches or long-term biases. Should any SRM (Standard Reference Material) fail during the analytical procedures, the affected sample batch is re-analyzed with new SRM inserts.

As an additional check on analytical results, Teranga sent 179 pulp samples originally fire assayed at the ALS Chemex Johannesburg laboratory to the Bureau Veritas laboratory in Ankara, Turkey, for check fire assay. Bureau Veritas is accredited to the ISO standard 9001:2008 by certificate number NIS 944-01. All pulp samples were analyzed by fire assay with an atomic absorption finish and a 5.0 ppb detection limit (FA450). Assay results greater than 10 g/t Au were automatically re-assayed by fire assay with a gravimetric finish (FA550), with good correlation of check assay results.

During the third quarter of 2014, a high bias in gold assays was generated by the SGS Sabodala site laboratory and was identified by a discrepancy in reconciliation between the daily production reports and the gold poured and gold in circuit at quarter end. The high bias was investigated and determined to have been caused by the degradation in the gold calibration standard due to poor storage of the solutions employed by the laboratory. The bias was corrected in October 2014 and steps were taken to improve the laboratory's internal quality control procedures. Exploration sample assays received from the SGS Sabodala laboratory during this time were examined, with no significant biases identified. Teranga exploration personnel conduct annual laboratory audits of the SGS Sabodala site laboratory, with the most recent audit conducted in April 2017, with no significant issues identified.

From 2005 to 2012, independent reviewers completed extensive reviews of data collected, geological knowledge and practices, the on-site laboratory facility, sample analysis, security and QA/QC procedures, as part of their verification of data. Standard industry practices were followed with no significant discrepancies identified. From 2013 through the end of 2016, Teranga has followed established standard industry practice protocols for drilling, core logging, sampling and QA/QC. This included verification of drill hole collar coordinates, downhole surveys, density determinations, logged geology and structure, data entry and assays. The qualified person (as defined in NI 43-101) for Teranga reviewed and confirmed the adequacy of samples taken, the security of the transportation procedures, the sample preparation and analytical procedures used.

For further details on the Company's sampling, analysis and data verification activities on its Sabodala Gold project, please refer to Chapter 11 of the Sabodala Technical Report.

Sabodala Mineral Resources

Mineral resources were estimated for the Sabodala Mining License and the Bransan permit and are shown below. Mineral resources are reported inclusive of mineral reserves. The effective date of the estimate is June 30, 2017.

There have been no revisions to the resource models for Masato, Gora, Golouma, and Kerekounda, except for adjustments due to mining depletion, since the date of the previous technical report.

Mineral Resource block models for Niakafiri East, Niakafiri West, and Goumbati West – Kobokoto have been revised since the date of the previous technical report. Each block model is an amalgamation of two previous individual block models located adjacent to and along strike from each other, with continuity of mineralization delineated between both, based on new drilling between deposits. The updated Niakafiri East resource model is a consolidation and revision of the previous individual Dinkokono, Niakafiri Main, and Niakafiri Southeast resource models. The updated Niakafiri West resource model is a consolidation and revision of the previous Niakafiri West and Niakafiri Southwest resource models.

Golouma North and Marougou are new resource models that have been generated since the date of the previous technical report.

There have been no revisions to the Sabodala, Maki Medina, Diadiako, Kinemba, Koulouqwinde, Kourouloulou, Kouroundi, Koutouniokollo, Mamasato, Sekoto and Soukhoto block models since the date of the previous technical report.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of "reasonable prospects for eventual economic extraction".

For reporting of underground mineral resources, only classified blocks greater than or equal to the underground cut-off grade outside of the open pit shells were reported. This complies with CIM resource definition requirements. In addition, Deswik Stope Optimizer software was used to generate wireframe models to constrain blocks satisfying minimum size and continuity criteria, which were used for reporting Sabodala underground mineral resources.

The qualified person (as defined in NI 43-101) for the mineral resource estimates is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues that would materially affect the mineral resource estimates.

Open Pit and Underground Mineral Resources Summary as at June 30, 2017

Deposit	Domain	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Grade	Au	Tonnes	Grade	Au	Tonnes	Grade	Au	Tonnes	Grade	Au
		('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)
Sabodala	Open Pit	11,725	1.17	442	6,488	1.59	332	18,213	1.32	774	2,525	1.23	100
	Underground				1,631	3.65	191	1,631	3.65	191	460	3.60	53
	Combined	11,725	1.17	442	8,119	2.01	524	19,844	1.51	965	2,985	1.60	153
Masato	Open Pit	4,163	0.68	92	22,212	1.16	829	26,375	1.09	921			
	Underground				1,163	2.75	103	1,163	2.75	103	1,984	2.85	182
	Combined	4,163	0.68	92	23,375	1.24	932	27,537	1.16	1,024	1,984	2.85	182
Gora	Open Pit	439	2.47	35	471	8.67	131	911	5.68	166	35	5.60	6
	Underground				315	5.14	52	315	5.14	52	59	4.83	9
	Combined	439	2.47	35	786	7.26	183	1,226	5.54	218	95	5.12	16
Golouma	Open Pit	40	1.38	2	5,857	2.85	536	5,897	2.84	538	84	2.49	7
	Underground				2,134	4.09	280	2,134	4.09	280	854	3.66	100
	Combined	40	1.38	2	7,991	3.18	816	8,031	3.17	818	939	3.55	107
Kerekounda	Open Pit	30	3.30	3	1,153	4.45	165	1,184	4.42	168	5	1.12	0
	Underground				499	4.88	78	499	4.88	78	235	5.70	43
	Combined	30	3.30	3	1,653	4.58	243	1,683	4.56	247	239	5.61	43
Niakafiri East	Open Pit	4,776	1.37	210	14,140	1.14	516	18,916	1.19	726	4,515	0.93	135
	Underground				224	2.72	20	224	2.72	20	514	2.70	45
	Combined	4,776	1.37	210	14,364	1.16	536	19,140	1.21	746	5,030	1.11	180
Niakafiri West	Open Pit				3,061	1.02	100	3,061	1.02	100	673	0.86	19
	Underground				74	2.67	6	74	2.67	6	71	2.84	6
	Combined				3,135	1.06	107	3,135	1.06	107	744	1.05	25
Maki Medina	Open Pit				2,112	1.22	83	2,112	1.22	83	114	0.81	3
	Underground				109	2.71	10	109	2.71	10	85	2.54	7
	Combined				2,221	1.30	93	2,221	1.30	93	199	1.55	10
Goumbati West - Kobokoto	Open Pit				2,678	1.35	116	2,678	1.35	116	498	0.81	13
	Underground				131	3.25	14	131	3.25	14	79	2.90	7
	Combined				2,809	1.44	130	2,809	1.44	130	577	1.09	20
Golouma North	Open Pit				170	1.32	7	170	1.32	7	295	1.42	14
	Underground				14	2.64	1	14	2.64	1	19	2.93	2
	Combined				184	1.42	8	184	1.42	8	314	1.51	15
Diadiako	Open Pit									178	1.27	7	

Deposit	Domain	Measured			Indicated			Measured and Indicated			Inferred		
		Tonnes	Grade	Au	Tonnes	Grade	Au	Tonnes	Grade	Au	Tonnes	Grade	Au
		('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)	('000s)	(g/t Au)	('000s)
	Underground										663	2.89	61
	Combined										841	2.54	69
Kinemba	Open Pit				24	1.06	1	24	1.06	1	91	0.95	3
	Underground										56	2.52	5
	Combined				24	1.06	1	24	1.06	1	147	1.55	7
Koulouqwinde	Open Pit										230	1.42	11
	Underground										60	2.67	5
	Combined										290	1.68	16
Kourouloulou	Open Pit				96	11.51	36	96	11.51	36	22	6.71	5
	Underground				59	9.15	18	59	9.15	18	86	13.58	38
	Combined				156	10.61	53	156	10.61	53	108	12.18	42
Kouroundi	Open Pit				67	0.93	2	67	0.93	2	42	0.74	1
	Underground												
	Combined				67	0.93	2	67	0.93	2	42	0.74	1
Koutouniokollo	Open Pit										85	1.58	4
	Underground										22	2.54	2
	Combined										108	1.78	6
Mamasato	Open Pit				560	1.45	26	560	1.45	26	305	1.25	12
	Underground										42	2.32	3
	Combined				560	1.45	26	560	1.45	26	347	1.38	15
Marougou	Open Pit										1,198	1.41	54
	Underground												
	Combined										1,198	1.41	54
Sekoto	Open Pit										485	0.89	14
	Underground										25	2.11	2
	Combined										510	0.95	16
Soukhoto	Open Pit										550	1.46	26
	Underground												
	Combined										550	1.46	26
Total	Open Pit	21,174	1.15	783	59,091	1.52	2,882	80,264	1.42	3,665	11,933	1.13	434
	Underground				6,354	3.78	773	6,354	3.78	773	5,315	3.34	570
	Combined	21,174	1.15	783	65,444	1.74	3,655	86,618	1.59	4,438	17,247	1.81	1,004

Notes for Sabodala Mineral Resources Summary:

- CIM definitions were followed for Mineral Resources.
- Open pit oxide Mineral Resources are estimated at a cut-off grade of 0.35 g/t Au, except for Gora and Marougou at 0.48 g/t Au.
- Open pit transition and fresh rock Mineral Resources are estimated at a cut-off grade of 0.40 g/t Au, except for Gora and Marougou at 0.55 g/t Au.
- Underground Mineral Resources are estimated at a cut-off grade of 2.00 g/t Au.
- Measured Resources at Sabodala include stockpiles which total 7.2 Mt at 0.75 g/t Au for 174,000 oz.
- Measured Resources at Masato include stockpiles, which total 4.2 Mt at 0.68 g/t Au for 92,000 oz.
- Measured Resources at Gora include stockpiles, which total 0.4 Mt at 1.28 g/t Au for 15,000 oz.
- Measured Resources at Golouma include stockpiles, which total 0.04 Mt at 1.38 g/t Au for 2,000 oz.
- Measured Resources at Kerekounda include stockpiles, which total 0.03 Mt at 3.30 g/t Au for 3,000 oz.
- High-grade assays were capped at grades ranging from 1.5 g/t Au to 110 g/t Au.
- The figures above are "Total" Mineral Resources and include Mineral Reserves.
- Open pit shells were used to constrain open pit resources.
- Mineral Resources are estimated using a gold price of US\$1,450 per ounce.
- Sum of individual amounts may not equal due to rounding.

Wireframe models were generated from logged drill hole data for topography, oxide, mineralization and significant lithology for use as hard boundaries for bulk density determinations and mineral resource estimation. Classical statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied to assays prior to compositing to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes. Gold assay results reported below the detection limit were assigned half the detection limit. Non-logged and unsampled intervals were assigned a grade of 0.0 g/t Au prior to compositing.

Block gold grades were estimated using the Ordinary Kriging, Inverse Distance Squared, Inverse Distance Cubed or Nearest Neighbour estimation method. Except for the Nearest Neighbour method, blocks were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

Resource classification is primarily based on drill hole spacing and continuity of grade. Blocks estimated during the first estimation pass with a minimum of two drill holes and well established geological and grade continuity were classified as measured mineral resources. Blocks estimated during the first or second estimation run with a minimum of two drill holes were classified as indicated mineral resources, where geological and grade continuity has been sufficiently established. Inferred mineral resources were defined with either the second or third estimation run based on the wide spacing of drill holes and resultant uncertainty in geological and grade continuity. In addition, blocks estimated by the Nearest Neighbour estimation method were classified as inferred mineral resources due to the lack of sufficient drilling to confidently determine continuity of geology and grade.

For further details on the Company's mineral resources, estimates, results and programs on its Sabodala Gold project, please refer to Chapter 14 of the Sabodala Technical Report.

Sabodala Mineral Reserves

The mineral reserve estimate as of June 30, 2017 and the location of the mineral reserves are shown below. Open pit mineral reserve estimates were prepared for the Sabodala, Gora, Niakafiri East, Niakafiri West, Masato, Golouma West, Golouma South, Kerekounda, Maki Medina, Goumbati West and Kobokoto deposits. Underground mineral reserves were prepared for the Golouma West 1, Golouma West 2, Golouma South, and Kerekounda deposits.

The proven and probable mineral reserves for the deposits are based on only that part of the measured and indicated mineral resources that falls within the designed final pit limits. As there were no measured mineral resources in the Gora, Niakafiri West, Masato, Golouma West, Golouma South, Kerekounda, Maki Medina, Goumbati West and Kobokoto models, only indicated mineral resources were included in these mineral reserve estimates.

Dilution and ore loss parameters were applied to each of the resource block models before undertaking open pit optimization work using the Whittle Pit Optimization software. Current pit surfaces and new cut-off grades were used in the dilution comparison.

Xstract Mining Consultants of Australia ("**Xstract**") has been providing geotechnical expertise and advice for the Sabodala mine, and has developed the appropriate geotechnical model for all the deposits. Annual site visits (and additional inspections when necessary) provide continuous assessment in order to update issues of ground conditions and pit slopes. Xstract provides guidance for operating risks and outlines mitigation plans for the appropriate operating methods and parameters for the entire Sabodala operations.

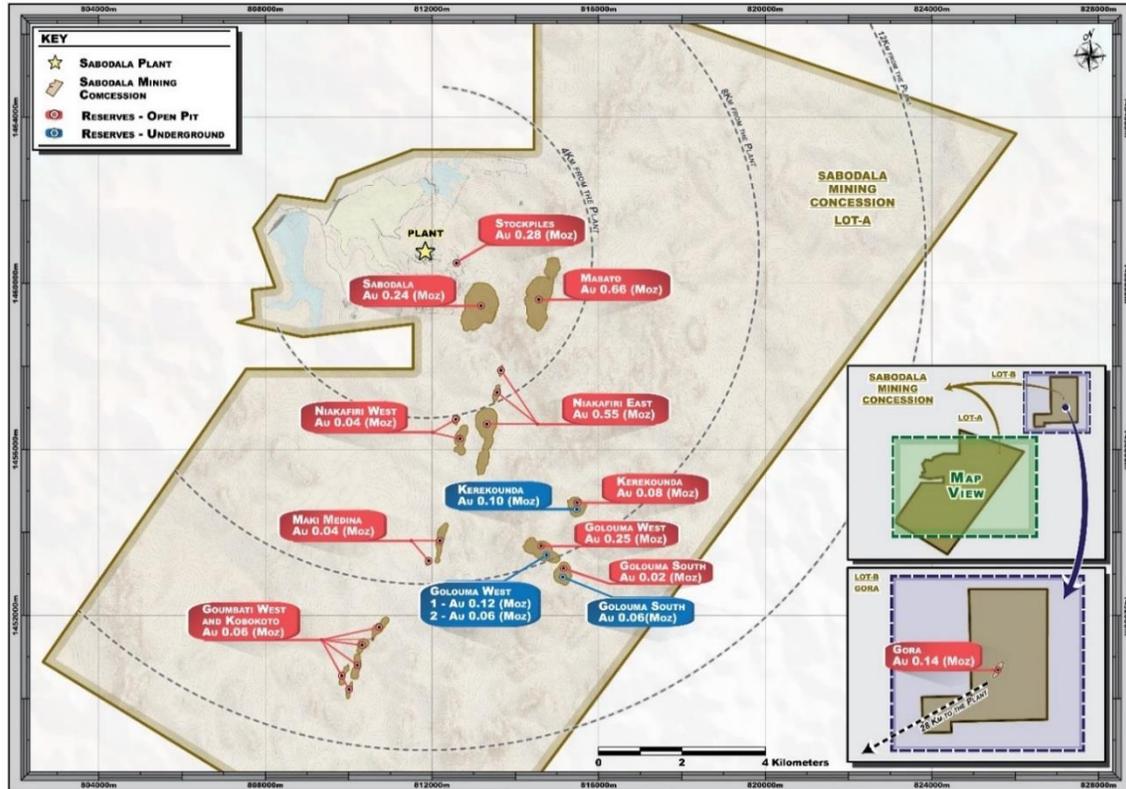
The pit definitions comprise a first stage pit optimization shell where possible and a second stage final pit design. Pit optimization runs were completed using Whittle software based on the Lerchs-Grossman (LG) algorithm for pit optimization. The pit designs were completed using the Vulcan open pit design software. Pit optimization parameters such as mining cost, processing cost, and cut-off grades are applied differently for the various pits because of the variable pit haulage distances from the Sabodala processing plant, oxide and fresh material balance and mining dilution.

Open Pit and Underground Mineral Reserves Summary as at June 30, 2017

Deposits	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)
Masato				18.62	1.10	0.66	18.62	1.10	0.66
Niakafiri East	4.61	1.32	0.20	9.92	1.10	0.35	14.53	1.17	0.55
Golouma West				4.11	1.91	0.25	4.11	1.91	0.25
Sabodala	2.04	1.56	0.10	3.18	1.33	0.14	5.22	1.42	0.24
Gora				0.82	5.25	0.14	0.82	5.25	0.14
Kerekounda				0.53	4.71	0.08	0.53	4.71	0.08
Goumbati West and Kobokoto				1.42	1.31	0.06	1.42	1.31	0.06
Maki Medina				0.98	1.12	0.04	0.98	1.12	0.04
Niakafiri West				1.20	1.06	0.04	1.20	1.06	0.04
Golouma South				0.24	3.23	0.02	0.24	3.23	0.02
Subtotal Open Pit	6.65	1.39	0.30	41.02	1.35	1.78	47.66	1.35	2.07
Stockpiles	11.80	0.75	0.28				11.80	0.75	0.28
Total Open Pit with Stockpiles	18.45	0.98	0.58	41.02	1.35	1.78	59.47	1.23	2.36
Golouma West 1				0.62	6.07	0.12	0.62	6.07	0.12
Kerekounda				0.61	4.95	0.10	0.61	4.95	0.10
Golouma West 2				0.45	4.39	0.06	0.45	4.39	0.06
Golouma South				0.47	4.28	0.06	0.47	4.28	0.06
Total Underground				2.15	5.01	0.35	2.15	5.01	0.35
TOTAL Open Pit and Underground	18.45	0.98	0.58	43.17	1.53	2.12	61.62	1.37	2.70

Notes for Mineral Reserves Summary:

1. CIM definitions were followed for Mineral Reserves.
2. Mineral Reserve cut-off grades range from 0.38 g/t to 0.57 g/t Au for oxide and 0.44 g/t to 0.63 g/t Au for fresh rock based on a \$1,200/oz gold price.
3. Underground Mineral Reserve cut-off grades range from 2.3 g/t to 2.6 g/t Au based on a \$1,200/oz gold price.
4. Mineral Reserves account for mining dilution and mining ore loss.
5. Proven Mineral Reserves are based on Measured Mineral Resources only.
6. Probable Mineral Reserves are based on Indicated Mineral Resources only.
7. Sum of individual amounts may not equal due to rounding.
8. The Niakafiri East and West deposit is adjacent to the Sabodala village and relocation of at least some portion of the village will be required which will necessitate a negotiated resettlement program with the affected community members.



Location of the Open Pit and Underground Reserves

For further details on the Company's mineral reserves, estimates, results and programs, please refer to Chapter 15 of the Sabodala Technical Report.

Environmental, Permitting and Social Considerations

Teranga is committed to best practice in corporate governance. It has formalized commitments to conduct its business and affairs in accordance with the highest ethical standards by enacting its Code of Business Conduct and Ethics. Teranga strives to comply with all applicable mining code and national and international laws, and adheres to the Extractive Industry Transparency Initiative ("EITI").

In accordance with the Senegalese Environmental Code (2001) and the Sabodala Mining Convention, an environmental and social impact Statement for the Sabodala Gold project was completed in July 2006 and an environmental and social management and monitoring plan ("ESMMP") was developed in September 2007. The environmental compliance certification was granted by the Senegalese Ministry of Environment in January 2008 for the Sabodala Gold project. The environmental and social impact assessment for the Golouma project (the adjacent gold project to Sabodala acquired by Teranga from OJVG in 2014) was prepared in 2012 and an environmental compliance certification for the Golouma project was granted in November 2013.

The ESMMP committed the Company to the preparation of a stand-alone rehabilitation and mine closure plan ("RMCP") which was conducted during 2009, 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 those of the Australian and Canadian governments and those of the International Finance Company ("IFC"). The RMCP was updated in 2012 to reflect changes in mine set-up and to include a potential second tailings storage management facility (TSF2). It was again updated in 2015 to include the Golouma project, as well as the Gora Project. For this new update an independent rehabilitation and reclamation expert, ERM, was mandated in order to benefit from their significant global experience in mine rehabilitation. The updated closure costs were reviewed based on the results of progressive

rehabilitation pilot tests undertaken at site. Based on the updated footprint and reclaimed areas at end of 2017, total expected mine closure costs to the end of the mine life are estimated to be \$27.5 million on an undiscounted basis. This does not include the \$15 million that the Company has agreed to establish as a social development fund payable at mine closure.

As scheduled, the Gora mine activities were completed in Q2 2018. In order to kick off a multidisciplinary detailed planning of the Gora mine closure, an internal committee (Environment, Community Relations, Mining, Protective Services and Site Operations Managers) was initiated in June 2017. In collaboration with the Senegalese National Institute of Pedology and with the support of the local Forestry agents, experimental randomized block protocols were developed by SGO for tailings, waste rock dumps, and revegetation trials purposes in order to support future rehabilitation activities.

An update to the ESMMP was launched in 2016 to reflect the addition of the Gora and Golouma projects. The final report was received in Q4 of 2017.

The Environmental and Social Impact Assessment (ESIA) for the Niakafiri project was pre-approved pending the inclusion of recommendations in the final draft, which is anticipated to be submitted in April 2019 for approval by the Senegalese Environment Ministry.

As part of the SGO's dust mitigation program in collaboration with its business partners Vivo and Transport Dieye, molasses was sprayed early in the dry season on all the villages sections of the Bambou road (Mamakhono, Khossanto, Faloumbo, Lafaya, Mandakoli and Massa Massa) resulting in a significant mitigation of the dust emission caused by the traffic.

A third-party independent annual external audit based on ISO 14001 and OHSAS 18001 (Environment and Health & Safety Management Systems) was completed in August 2018.

Stakeholder Engagement

Teranga representatives regularly meet with communities and other local stakeholders in order to address concerns as they come due and to seek consultation regarding Teranga's planned activities in the region.

At the national level, the main forum for stakeholder discussions is the Partners Committee created under the Global Agreement signed with the government of Senegal in 2013. The Partners Committee is comprised of senior members of relevant Senegalese administrative bodies with whom Teranga meets annually to discuss the challenges and opportunities facing Teranga as well as to review emerging issues raised by participants. Teranga is also an active member of the Chamber of Mines, a Senegalese government entity which gathers various mining stakeholders to promote and develop the mining industry in Senegal.

As an active member of the EITI's multi-stakeholder group responsible for maintaining the international standard for transparency regarding country's oil, gas and mineral resources, Teranga has an opportunity to regularly interact with the government of Senegal, civil society and donors who support the initiative. In 2016, Senegal attained EITI compliant country status, and Teranga continues to support all aspects of the in-country initiative.

In September 2017, Teranga launched its Annual CSR report in Dakar, providing the opportunity to solicit feedback from our national stakeholders (including the government, NGOs, donors, academics and business partners) with respect to Teranga's approach to CSR and its performance. Teranga encourages dialogue and feedback with stakeholders by way of regular, participation in civil society and government sponsored events. Teranga also makes regular presentations and/or participates in public events to promote the Company's CSR practices, including the Senegal International Mining Conference held in Dakar each year, and received the 2017 RSE Senegal Award.

At the local level, formal dialogue forums have been established in order to maintain Teranga's strong relationships within the communities in which it operates. A social committee chaired by local authorities involving a diversified group of representatives from the seven villages around the mine (women, youth and elders included), including Teranga, convenes monthly to raise issues relating to the Sabodala mine, discuss potential solutions, and to identify additional community development initiatives.

Sales of Gold and Contracts

Gold produced at the Sabodala mine site is shipped, under secure conditions, to a refiner. Pursuant to existing contracts, the refiner delivers the gold directly to accounts in the name of the Company's offtake counterparties. 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.

BURKINA FASO – WAHGNION GOLD PROJECT

The Wahgnion Gold project, as further described below, includes a gold mining license area of 89km² within which a CIL processing plant will be constructed, along with related infrastructure to produce gold bars in doré form. A regional exploration package is within trucking distance of the Wahgnion process plant.

Wahgnion Technical Report

Unless otherwise stated, the information that follows relating to the Wahgnion Gold project (formerly, Banfora) is derived from, and in some instances is an extract from the Wahgnion 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 Wahgnion 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 website at www.terangagold.com.

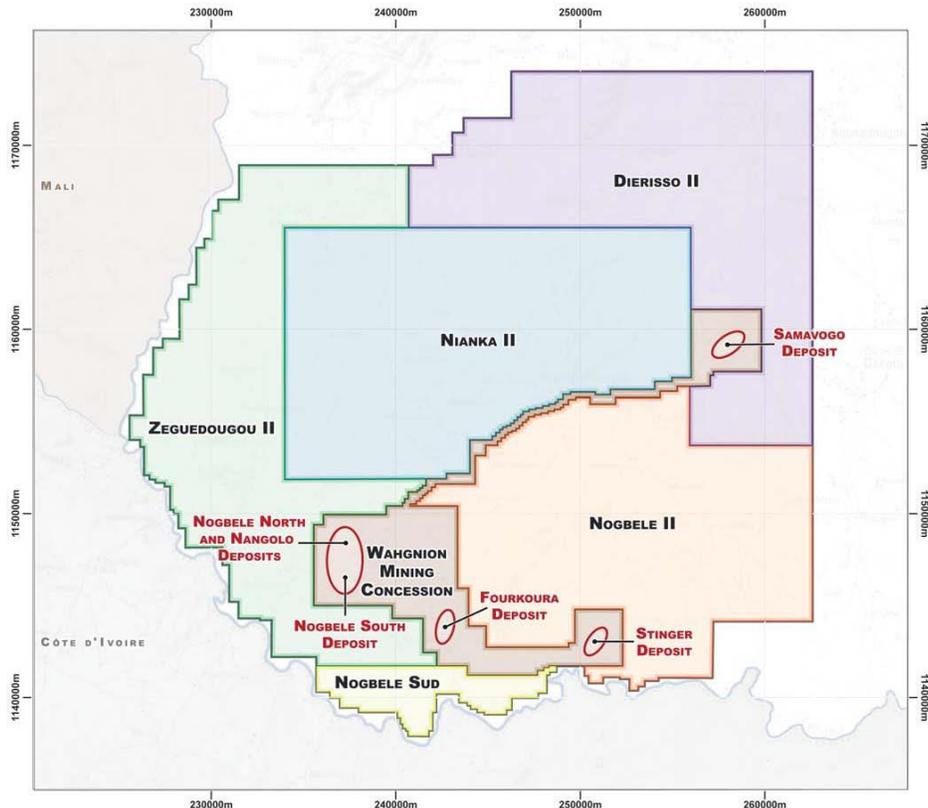
Project Description and Location

The Wahgnion Gold project consists of a contiguous block totaling approximately 102,236 ha comprising a mining license and five exploration permits located in Léraba Province, southwestern Burkina Faso, approximately 510 km southwest of the capital city of Ouagadougou. The property is centered at approximately Latitude 10°42'W and Longitude 5°38'W and is easily accessible by road. The approximate centers of the currently delineated mineralized zones are as follows: Nogbele: 230,725mE, 1,114,800mN; Fourkoura: 240,365mE, 1,114,375mN; Samavogo: 257,700mE, 1,115,915mN, and Stinger: 250,030mE, 1,114,350mN (UTM Clarke 1880 ellipsoid, Adindan datum, Zone 30N).

Wahgnion Gold Project, Burkina Faso

The Wahgnion Gold project was initially comprised of six exploration permits covering a combined area of 1,093 km² which, in 2014, was supplemented by the issuance of an exploitation permit or mining license located in the southwest of Burkina Faso, West Africa. Burkina Faso is one of the largest gold producing regions in Africa and is located on some of the world's most prolific greenstone belts (accounting for 22% of West Africa's greenstone belt exposure). The country is already host to a number of producing mines and this is anticipated to increase given current levels of mineral prospecting and government support for the mining industry. The original project name "Banfora", used for the overall project area, is taken from the name of a local town to the east of the permits. In 2017, Teranga consulted directly with the local communities for their choice of name for the project and Wahgnion emerged from that process.

All five of the current Wahgnion Gold project exploration permits are 100% held by Teranga through its 100% indirectly owned Burkinabe subsidiary, Gryphon Minerals Burkina Faso SARL ("**GMBF**"). The current exploration licenses cover an area over 900 km² and a mining license that covers 89 km² (the "**Wahgnion Mining License**"). The Wahgnion Mining License is 90% owned (Burkina Faso government 10%) through Teranga's Burkinabe subsidiary, WGO. The exploration permits, including the Wahgnion Mining License, are located in a major gold district where large gold deposits are also located. The Wahgnion Gold project is in a good location as it is easily accessible by road and is in close proximity to the regional town of Wahgnion and the major city of Bobo-Dioulasso. In addition, an existing hydro-power supply source and substation is located less than 100km to the south of the project site in Côte d'Ivoire, which can potentially be used to power future mining expansion and development.



A conventional open pit mining method is proposed for the Wahgnion Gold project, with several pits of varying sizes. The operations consist of five main regions: Nogbele North and Nangolo, Nogbele South, Fourkoura, Stinger, and Samavogo. Gold mineralization occurs in the laterite, saprolite, transition, and primary weathering horizons. Laterite and saprolite are assumed to be free digging material, whereas transition and primary material will be mined via drill and blast cycles. Mining operations will occur year round and will be owner operated.

A graduated royalty scheme exists in Burkina Faso under which gold spot prices lower or equal to \$1,000 per ounce are subject to royalty fees of 3%, a 4% royalty rate applies for spot prices between \$1,000 and \$1,300 per ounce and a 5% royalty rate for spot prices greater than \$1,300. Repatriated dividends are subject to a 6.25% withholding tax.

In addition, pursuant to a joint venture agreement, dated April 19, 2006, between Gryphon Minerals West Africa Pty Ltd. and Sanembaore Sarl Pty Ltd. ("**Sanembaore**"), GMBF acquired a 100% interest in the BGP through an earn-in and the payment of cash, the issue of shares and the retention by Sanembaore of a 1% NSR.

Teranga released the Wahgnion Technical Report on October 31, 2018 with resource and reserve estimates compliant with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") *Definition Standards* and NI 43-101.

History

Much of the current Wahgnion Gold project area was held by Western Mining Corporation Ltd ("**WMC**") from 1996 to 1999. First, pass wide spaced vertical RAB drilling by WMC encountered significant mineralization at the Nogbele and Fourkoura deposits. Resolute (West Africa) Ltd ("**Resolute**") and Sanembaore held the property from 1999 to 2005 and completed geological mapping, soil sampling, RAB, and reverse circulation ("**RC**") drilling (Resolute) and geological mapping and rock chip sampling (Sanembaore). Sanembaore joint ventured the property with Gryphon between 2005 and 2007. In 2007, Gryphon acquired Sanembaore's interest in the property and initiated a comprehensive exploration program consisting of geological mapping at various scales, remote sensing, soil and stream sediment sampling, trenching, airborne geophysical surveying, ground geophysical surveying and auger, air core, RAB, RC, and diamond drilling on a number of targets. Between 2011 and 2015, Gryphon completed mineral resource estimates and resource updates on the Nogbele, Fourkoura, and Samavogo zones. In 2013, Gryphon completed a feasibility study based on

an open pit mining scenario and a 2.0 Mtpa CIL processing plant. An updated feasibility study examining the potential for reduced capital through the construction of a 2.0 Mtpa heap leach processing option was completed in 2014.

Previous ownership of the Wahgnion Gold project is as follows:

- 1995 - 1999: Western Mining Corporation Ltd
- 1999 - 2000: Resolute (West Africa) Ltd
- 2004 - 2005: Sanembaore Sarl Pty Ltd
- 2005 - 2007: Gryphon Minerals Ltd/Sanembaore Sarl Pty Ltd (joint venture)
- 2007 - 2016: Gryphon Minerals Ltd (90%)
- 2016 - current: Teranga

Project Operating Summary

There has been no commercial production at the Wahgnion Gold project to date.

Completion of plant construction at Wahgnion is planned for fourth quarter 2019. Teranga will own and operate the mine fleet. Mining will be by way of conventional open pit mining techniques using drill and blast with material movement by hydraulic excavators and trucks. The Project scale suits 110 tonne class excavators (GVW) in a backhoe configuration matched to 50 tonne payload class mining haul trucks. Following operating procedures similar to Sabodala, an extensive RC drill program is planned to supplement the production blast hole sampling as part of the grade control strategy. The mine operations will emulate Sabodala, with multiple near-surface pits feeding the process plant.

The process plant will be located adjacent to the Nogbele deposit, which contains approximately 50% of the mineral reserves. The Fourkoura, Stinger, and Samavogo deposits are located six kilometres, 15 km, and 25 km, respectively, from the process plant and the haul trucks selected have the ability to haul ore directly to the process plant.

The process plant design is based on a conventional CIL gold process flowsheet consisting of primary crushing, semi-SAG and ball milling, with a pebble crusher, CIL gold extraction, elution, electrowinning, and gold smelting to produce doré on site. Throughput is designed to range between 2.2 Mtpa and 2.5 Mtpa, depending on the blend of soft and hard ore. The average predicted plant gold recovery is 92%, with soft (oxide) material recoveries from some zones reaching as high as 95%.

For further details on the Company's LOM plans for the Wahgnion Gold project, please refer to Chapter 16 of the Wahgnion Technical Report.

Mining Rights

In Burkina Faso there are six types of mineral rights, two of which pertain to the Wahgnion Gold project: (i) Exploration Permit; (ii) Large or Small Mine Operating Permit (referred to herein as a mining license); (iii) Semi Mechanized Small-Scale Operating Permit; (iv) Prospecting Authorization; (v) Traditional Artisanal Mining Authorization; and (vi) Quarrying Authorization.

An exploration permit is granted by order of the Ministry of Mines and Quarries ("MMQ") to any person or legal entity (not necessarily a Burkinabe company) by application to the administrative authorities. The surface area of an exploration permit cannot exceed 25,000 ha. The application document must include payment of the application fee and a proposed work program for the first year of the permit. An exploration permit may be assigned or transferred subject to the approval of the MMQ. The exploration permit is valid for three years commencing on the date the permit is issued. It may be renewed twice for subsequent periods of three years. An exceptional renewal period for an additional three years may be granted at the discretion of the Ministry of Mines. At the second renewal, the size of the permit must be reduced by at least 25%. A renewal application must be filed at least three months prior to the expiration date. The renewal is granted provided that the holder has fulfilled its obligations pursuant to the New Mining Code and that its application complies with mining regulations. The exploration permit gives its holder the exclusive right to explore the mineral substances applied for and to freely use the products extracted during exploration. These rights can be extended, via subsequent application, to other mineral substances within the designated perimeters.

The holder of an exploration permit, may apply for a mining license upon the discovery of a mineable deposit subject to: (i) the filing of an approved form of feasibility study prepared by a recognized firm addressing, amongst other matters, economic impacts and employment and training opportunities for local populations; and (ii) a favourable opinion on the

feasibility study by the Minister of Environment, based on an environmental and social impact assessment, environmental and social management plan, and a rehabilitation and closure plan, all in compliance with the New Mining Code.

Mine licenses are granted by decree of the Council of Ministers and exploration permits are granted by order of the MMQ. The Burkina Faso government is entitled to a 10% free carried interest, which may not be diluted in the event of a capital increase, in the mining company who has been awarded a mining license. The State may subscribe for additional shares at the same price and under the same terms as any other shareholder. On June 26, 2015, law N° 036-2015 (Decree No. 2015-885/PRES-TRANS) established the most recent mining code for Burkina Faso (the “**New Mining Code**”). It is administered by MMQ and provides the legal framework for the country’s mining industry. Mineral rights are acquired through a map-based system by direct application to the MMQ. A mine license is valid for 20 years from the date of issue for large mines and 10 years from the date of issue for small mines, both renewable for consecutive periods of five years until depletion of the deposit. Production activities must begin within two years of issue unless an exemption is obtained by a joint order from the MMQ and the Minister of Finance. An exemption is usually granted when the economics of the proposed project are not favourable to its financing, as demonstrated by an economic study produced by the mining license holder. After six years of inactivity, the issuing authority may withdraw the license. The New Mining Code, similar to the Old Mining Code, provides for a stable fiscal regime for the life of any mine developed. It also guarantees stabilization of certain financial and customs regulations and rates during mining to reflect the rates in place at the date of signing. Furthermore, the New Mining Code states that no new taxes can be imposed with the exception of mining duties, taxes, and royalties, which are set out in a separate decree. The title holder can, however, benefit from a reduction of certain tax rates during the life of the mining license.

Accessibility

The Wahgnion Gold project is located in the southwestern corner of Burkina Faso and bounded by the Côte d’Ivoire border to the south and the Mali border to the west. It is accessible by driving west southwesterly along the Route Nationale (N1) from the capital of Ouagadougou to the town of Bobo-Dioulasso, then towards the southwest along paved secondary road (N2) to the town of Banfora, a distance of approximately 440 km. From Banfora to the site via the town of Sindou, a distance of approximately 75 km, the road is paved and well maintained, and an unpaved, but well-maintained road exists from Sindou to the Wahgnion Gold project.

Climate

The Wahgnion Gold project is located in the tropical savannah zone of the Koppen-Geiger System of Climate Classification. The area has a pronounced dry season, with the driest month having precipitation less than 60 mm and less than 1/25 of the total annual precipitation. On average, the area experiences approximately 1.1 m of rain per year. The majority of this rain falls during the wet season, which is from late May/June until September, and is followed by a dry season for the rest of the year. Daily temperatures are generally in the range of 22°C to 33°C.

Infrastructure and Local Resources

The Wahgnion Gold project is located in a sparsely populated part of Burkina Faso. The local population depends on subsistence farming, cattle raising, and artisanal mining. The nearest village of substance to the Wahgnion Gold project is Niakorodougou (Nianka), which is located approximately 15 km to the northeast and 14 km to the north of Nogbele and Fourkoura, respectively. The road connecting Nianka to these two areas is periodically graded and culverts have been installed at major drainage points. Further to the above, Banfora, the nearest major town to the Wahgnion Gold project, is located approximately 60 km to the east of Nianka and is accessed year-round by a well-maintained gravel road. A paved road (N2) connects Banfora with the regional centre of Bobo-Dioulasso.

Power

Limited grid power has recently been installed in the village of Sindou, which is located 10 km to the north of the Dierisso license boundary. A major 225 kV transmission line passes to within 35 km east of the Wahgnion Gold project from Côte d’Ivoire.

Water

The Wahgnion Gold project has access to abundant water with numerous surface drainages including major rivers containing flow all year round. The groundwater table ranges from surface during rainy season to approximately 20 m below surface during dry season.

There is a sufficiency of surface rights and water.

Physiography

The topography of the Wahgnion Gold project area is largely controlled by laterite ferricrete mesas commonly capping up to 20 m above the average elevation. The laterites are occasionally of residual origin but commonly consist of transported material and cover sizable areas within the Wahgnion Gold project. Substantial areas of the Wahgnion Gold project also consist of a stripped profile with saprolite to saprock, which is commonly exposed on breakaways at the edge of the laterite sheets. Away from the hardcap, shallow alluvial transported cover (less than one metre) to residual regolith dominate with some areas of outcropping primary rock in elevated areas. The southeastern areas of the Wahgnion Gold project are of planar to low topographical relief with expansive rice paddies occurring in drainage areas of rich alluvial soil and alluvial deposits up to several metres thick covering vast areas. The Taoudeni Basin cover sequence is found in the far north and west of the Wahgnion Gold project area and forms towering sandstone cliff faces.

Vegetation is dominated by cropland with isolated patches of primary forest occupying areas unsuitable for agriculture. Mango and Baobab trees are very common, with most remaining major trees in the tenement being selected for their food producing potential.

Project Infrastructure

Construction at the Wahgnion Gold project is on going, with plant production planned for late 2019. The following is a description of the planned project infrastructure.

Workshops and maintenance infrastructure required for the Wahgnion Gold project include mine services area facilities, administration and support facilities, and process plant facilities. As well, fuel farms, waste oil and grease storage, a wash-down bay for heavy equipment and light vehicles, oil water separators for treatment of hydrocarbon contaminated water, sewage collection facilities, water services including raw and fire water distribution, potable water and filtered supply, and explosives storage facilities are required.

Tailings will be stored in a conventional paddock style TSF, located east of the processing plant. The TSF will comprise a two-cell paddock facility consisting of a zoned, downstream constructed embankment with the design utilizing natural ridges to reduce the volume of embankment construction materials required. The original facility is designed to store approximately 21 Mt of tailings, with capacity to contain all supernatant and runoff from wet rainfall events up to a 100-year average recurrence Interval (ARI) storm event.

The principal water storage facility for the Wahgnion Gold project will be the Nangolo pit and the water harvest dam (“**WHD**”) located between the permanent accommodation village and the processing plant within a valley that has a relatively flat floor and sides estimated to have a gradient of between 5% and 15%. The WHD reservoir will be pumped into the Nangolo pit to reduce losses. Water collected will be pumped back to the plant to supply make-up water for tailings slurry and to supply primary water requirements (i.e., potable water usage and dust suppression).

Purpose-built waste rock dumps (“**WRD**”) will be constructed near each pit.

Major mine infrastructure consists of a variety of roads including dedicated mine haul roads, a main access road, general access roads, and minor use roads and tracks.

Surface water management infrastructure includes flood protection bunds, clean water diversion channels, dirty water diversion channels, and sediment control structures.

Site-wide electrical power requirements for infrastructure, mining, and processing will be sourced from an on-site heavy fuel oil (HFO) fuelled power station. Emergency power from a standby 300 kVA diesel powered generator will be provided in the process plant. Consideration has been given to future interconnection with the SONABEL (the national electricity company of Burkina Faso) network.

The existing 100-man exploration camp was expanded creating a capacity of 180 people and is planned for decommissioning as we transition to the permanent camp. A permanent accommodation village was constructed to accommodate the Wahgnion Gold project workforce, consisting of 400 accommodation rooms. The camp includes a potable water system and a sewage treatment plant.

The main telecommunications requirements for the Wahgnion Gold project are: satellite communications infrastructure and services between the Wahgnion Gold project area, Ouagadougou, Senegal, and Canada; communications infrastructure (equipment rooms, radio huts, diesel generator); network cabling infrastructure linking site infrastructure and accommodation villages; communications tower adjacent to the plant; telephone systems (local and international); CCTV systems; and the village recreation system.

Mineral Processing

Construction at WGO is on going, with plant production planned for late 2019. The following is a description of the planned processing facilities.

WGO mineralization has been classified into three main types based on rock alteration and degree of weathering:

- Oxide for strongly oxidized material found near the topographic surface
- Transition for weakly oxidized material
- Primary for un-oxidized material located beneath the zone of weathering

The process plant design has been based on a nominal capacity of 2.7 Mtpa of oxide ore and 2.0 Mtpa of primary ore. The ore characteristics are variable with the primary ores typically more competent than the oxide ores. The plant design allows treatment of both ores by adjusting various parameters within the SAG and ball milling operation.

The process plant design incorporates the following unit process operations:

- Single stage primary crushing with a single toggle jaw crusher to produce a crushed product size of 80% passing (P_{80}) ranging from 100 mm to 140 mm, based on differing weathering types.
- A crushed ore stockpile with a live nominal capacity of 2,000 t.
- SAG and ball milling in closed circuit with a pebble crusher and hydrocyclones (SABC) to produce a P_{80} grind size of 106 μ m.
- Leach and CIL circuit incorporating eight stages with one stage of leaching without carbon and seven stages with carbon for gold adsorption.
- Split Anglo American Research Laboratory (SAARL) elution circuit, electrowinning, and gold smelting to recover gold from the loaded carbon to produce doré.
- Carbon reactivation utilizing a rotary kiln.
- Tailings thickening to recover and recycle process water and precious metal values from the CIL tailings.
- Tailings pumping to the TSF.

Geology and Mineralization

Regional Geology

The geology of Burkina Faso is dominated by the Proterozoic Baoulé-Mossi Domain, which corresponds to the eastern portion of the West African Craton. Neoproterozoic to Paleozoic sedimentary rocks cover the west and southeast of the country. The Baoulé-Mossi Eburnean orogenic domain contains Birimian (Lower Proterozoic) volcanosedimentary units arranged in elongated belts and relics of the Archean basement. The belts generally trend north-northeast but form arcuate belts to the north of Ouagadougou. They are bounded by older granite gneiss terrains and have been intruded by syn- to late tectonic granite bodies.

The Birimian Supergroup has been divided into a Lower sequence comprised of wacke, argillite, and volcanoclastic rock, and an Upper sequence of basalt with interflow sedimentary rock. Post-Eburnean marine and continental sedimentary rocks unconformably overlie the Lower Proterozoic sequences. The Birimian formations have been affected by three tectonometamorphic phases with up to greenschist facies metamorphism.

The Wahgnion Gold project is located in the southwest corner of Burkina Faso within the Paleoproterozoic Birimian Senoufo Belt. The Senoufo Belt trends north-northeast and comprises mainly basaltic and andesitic volcanic rocks, lesser sedimentary rocks, and numerous gabbroic to granitic sub-volcanic plutons.

Local Geology

The oldest greenstone rocks in southwestern Burkina Faso, and in much of the Birimian Belt, are tholeiitic to calc-alkaline volcanic rocks, which are predominantly extrusive volcanic units that are geochemically similar to rocks from present day volcanic island arc environments. Birimian sedimentary basins are abundant across the whole Baoulé-Mossi domain and are thought to unconformably overlie the older greenstone basement rocks.

Voluminous granitic and gneissic rocks surround the greenstone belts and are, in general, tonalites or granodiorites with a trondhjemitic affinity. More potassic, often biotite-bearing granitic rocks were intruded later which in places have evolved to more alkaline syenitic rocks. Early Proterozoic rocks within the concession area, are interpreted to be tholeiitic to calcalkaline basalts, andesites, and volcanoclastic sediments. These units include pillow basalts, bomb agglomerates, and associated extrusive volcanic and occasional basaltic flows. These rocks probably correlate with the basal sequences in the adjacent Banfora, Houndé, and Boromo greenstone belts.

Predominantly mafic, volcano-sedimentary packages dominate the younger parts of the local stratigraphy.

Metamorphic conditions appear to have peaked at greenschist facies with occasional amphibolite facies rocks outcropping in contact aureoles around some of the intrusive rocks.

Property Geology

Mineralization at the Wahgnion Gold project is structurally controlled and is widely associated with hematite, iron carbonate, sericite, pyrite and locally, with albitic alteration. Higher gold grades are commonly associated with stylonitic laminated quartz veins or pyrite veinlets. Coarse-grained gold is found in fractures within pyrite veins or in quartz-carbonate vein selvages. Mineralization is predominantly of a lode-style gold type, associated with discrete structures. The mineralization is interpreted to have formed from the same mineralizing system, with variations in style reflecting the difference in local lithological and structural settings.

Nogbele Deposit

Basement exposure in the Nogbele area is generally poor, with outcrop information limited to occasional exposure in shallow creek beds, shallow mining pits, road cuts, and quartz vein outcrop. Surficial regolith varies from a shallow residual granitic profile to a competent laterite ferricrete ridge that traces the contact of the Nogbele pluton and the host rocks in the Nogbele North area.

The Nogbele area is underlain by a package of metamorphosed and variably deformed volcano-sedimentary units and three distinct suites of intrusive rocks. A foliation or lineation is well developed in the oldest of the granitoids and the sedimentary rocks but is absent from the two younger granitoids.

Extensive packages of variably deformed and metamorphosed volcano-sedimentary rocks are the oldest rocks in the Nogbele area and include: Massive fine-grained mafic volcanic flows, tuffs and volcanic siltstones with few remaining primary textures; finely bedded mafic volcanic siltstones, sandstones, and possible tuffs in which centimetre-scale bedding is still well preserved and a variety of plagioclase-porphyritic rocks of intermediate to siliceous composition, which are interlayered with the more mafic lithologies listed above.

A large pluton of massive, medium to coarse grained, equigranular, and relatively leucocratic biotite granite forms bedrock in the Nogbele Central area. A broad halo of pegmatite and aplite dykes surrounds the northwest side of the granite pluton, where the upper contact of the pluton dips the shallowest. The moderate to steeply dipping margins of the main granite pluton, as well as the dyke in the Nogbele Northwest area, are surrounded by narrower halos of pegmatite and aplite dykes. Dykes of biotite granite, pegmatite, and aplite cut across the foliation in the adjacent volcanosedimentary rocks, as well as the lineation in the deformed biotite granitoids.

An extensive pluton of massive, equigranular, medium-grained, hornblende-biotite-epidote bearing quartz diorite-tonalite forms bedrock in the Nangolo area.

Fourkoura Deposit

The Fourkoura deposit is located in the south-central Wahgnion Gold project area, six kilometres to the southeast of the Nogbele deposit. There is limited but useful outcrop at the Fourkoura deposit, however, good structural information is available from a series of shallow artisanal pits.

The Fourkoura deposit is located on a north-northeast trending shear zone within a quartz-gabbro unit that intrudes a volcano-sedimentary package. There are two distinct areas of mineralization observed at Fourkoura:

- **Northern Zone:** The northern zone of mineralization is essentially a lens shaped lode dipping approximately 40° to the west-northwest. The lens is moderately plunging to the northeast and remains open down plunge. Significant mineralization is formed on the sheared contact and within a narrow granitoid unit, with sheared volcanics on the footwall. Near the southern end of the northern lode, more diffuse mineralization is hosted within a quartz-gabbro body. There are two discrete hanging wall lodes present.
- **Southern Zone:** Mineralization hosted entirely within a quartz-gabbro unit is more northerly striking, with multiple lodes defining the deposit. Continuity on the structures is not as well defined and it is likely that mineralization is being controlled by crosscutting features that are poorly defined by current drilling. Mineralization is currently still open to the south.

Stinger Deposit

The Stinger deposit is hosted by dioritic, granitoid, and mafic metavolcanic rocks located within largely coincident swarms of diorite and granitoid dykes, both of which cut the older Birimian mafic volcanic country rocks. Diorite dykes and elongate plugs form the earlier swarm, whereas a more extensive and in-part coincident swarm of granitoid dykes form the later swarm. The intrusive margins of these dykes are the most widespread penetrative structure within the Stinger deposit, and one of three features that defined the structural grain of the rocks at Stinger prior to mineralization. Weak foliation and bedding within the Birimian mafic volcanic rocks also contribute to the structural grain of rocks at the Stinger deposit.

Intrusive contacts, foliation, and bedding in the southwest part of the deposit strike northeast and dip steeply, more commonly towards the northwest. Dykes in the central part of the deposit tend to strike north-northeast rather than northeast. A wider range of dips are also apparent, suggesting folding of the dykes about gently northeast or southwest plunging axes.

Samavogo Deposit

Samavogo is located in the northeast part of the Wahgnion Gold project area, approximately 18 km to the northeast of the Nogbele deposit. The Samavogo deposit is associated with a northeast trending shear zone that cuts volcanic rocks and occurs along the western contact of an early tonalite/quartz-diorite intrusion. It appears that the granitoid has been thrust into a hanging wall position and the current interpretation is that the contact is tectonic.

A series of discrete structures are essentially parallel to the local amphibolite facies metamorphic fabric, and the mineralization is associated with movement on these faults.

Exploration and Drilling Activities

The primary drilling activity at the Wahgnion Gold project in 2017 was focused on infill drilling at the four deposits comprising the mineral resources and mineral reserves, Fourkoura, Stinger, Nogbele and Samavogo. The purpose of this drilling program was to improve the level of interpretive confidence to potentially enable the up classification of inferred mineral resource to indicated mineral resources at all four deposits where previous drill spacing was too wide.

During this seven-month long drilling program, one core drill and two-three reverse circulation drills were utilized. In total, 1,666 holes were completed for 72,921 metres of which 1,581 holes (64,518 m) were reverse circulation holes and the remainder, 85 holes (8,403 m) were diamond core holes. At Nogbele, 1,250 reverse circulation holes for 51,352 metres and 7 diamond core holes for 1,153 metres were drilled. From January 2017 to December 2017, Teranga completed a total of 2,056 drill holes totaling 84,822 m; consisting of 119 auger holes, 199 RAB holes, 1,613 RC holes, and 125 diamond drill holes on the deposits and prospects. An infill drilling program of 73,000 m in 1,664 diamond drill and RC holes was undertaken from May 2017 to December 2017 on the Nogbele, Fourkoura, Stinger, and Samavogo deposits. The objective was to increase drill hole density and upgrade the existing Inferred Resources located adjacent

to the reserve pits. Infill drilling identified additional mineralized zones, extensions of existing mineralization along strike and linking of individual mineralized zones.

At Stinger, 56 reverse circulation holes for 1,286 metres and 78 diamond core holes for 7,250 metres were drilled.

At Samavogo, 188 reverse circulation holes for 7,774 metres were drilled. At Fourkoura, 87 reverse circulation holes for 4,106 metres were drilled.

Other exploration activities on the regional exploration permits consisted of prospecting, auger drilling and limited reverse circulation and diamond core drilling at a number of early-stage exploration prospects including, Hillside, Kafina West, Raul, Ouahiri, Petite Coline and Konatvogo. Favourable results from each of these early-stage prospects as well as additional prospects within the regional exploration permits will be followed up in subsequent exploration programs.

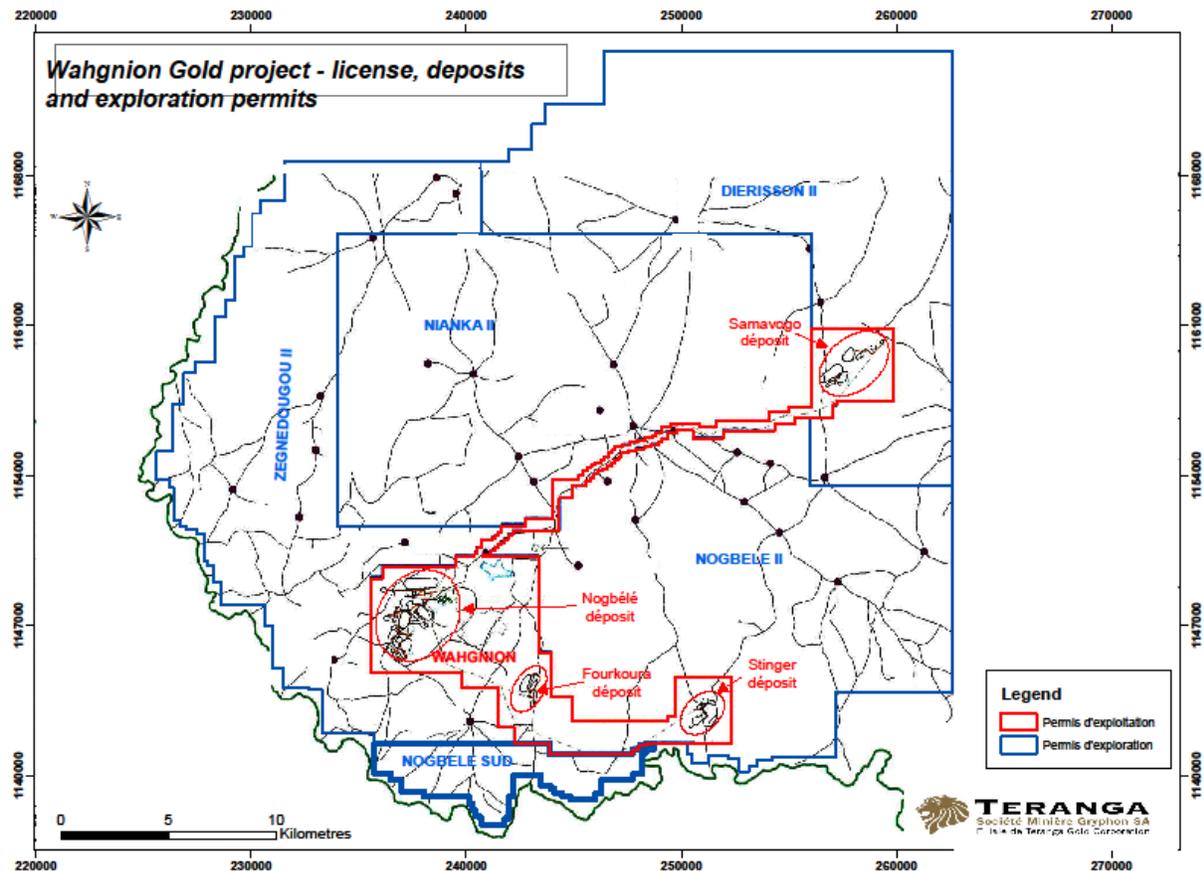
In 2018 exploration activities were scaled back to enable a focus on the Wahgnion Gold project development activities. Target data compilation was initiated, however, field activities were minimal and no new drilling was undertaken.

Wahgnion Mining Concession

The Wahgnion Mining License comprises an area of 89.08 km² and is surrounded by five exploration permits totaling approximately 933.28 km². The Wahgnion Mining License is held by WGO, formerly Société Minière Gryphon SA, a Burkina Faso entity, which is indirectly owned 90% by Teranga and 10% by the State of Burkina Faso.

Regional Land Package (RLP)

The exploration permits surrounding the Wahgnion Mining License are held by an affiliated entity to WGO, GMBF, which is 100% indirectly owned by Teranga.



Sampling, Analysis and Data Verification

Core and RC samples are commonly taken at one metre intervals. According to the current procedures, the core sample intervals are not stopped at the boundaries between different material and rock types. All samples are immediately removed from the field upon drilling and core is marked up in the core shed in a secure facility located at the exploration camp. Samples are then bagged and collected from site by the assay laboratory for transport to BIGS Global Laboratory in Ouagadougou. Core trays, RC chip trays, and remaining RC material are stored at the exploration camp.

Analytical Method

Upon receipt at the commercial laboratory, the samples are registered and weighed, dried, weighed again, and then crushed to 6 mm. After crushing the RC samples are quartered and reduced in a Rocklabs splitter. The core samples are not reduced. Samples are then pulverized to 70 µ to 75 µ. A 200 g sample is then sent for analysis and the remainder of the pulp was stored.

The fire assay method consisted of the following steps:

1. Weighing out of a 50 g charge of the sample
2. Blending the charge with flux
3. Smelting of the blend in crucibles producing a lead alloy
4. Refining of the lead alloy
5. Cupellation (oxidation) of the refined lead alloy
6. Weighing of the produced doré bead on the fire assay balance
7. Digestion of the doré bead, initially with nitric acid to dissolve silver
8. Addition of aqua regia, to dissolve the gold
9. Atomic absorption spectrometer (AAS) to determine gold and silver

The BIGS Global AAS instrument is a VARIAN Spectra AA 55B which is routinely calibrated. The laboratory commonly processes 800 to 900 samples per day, including internal duplicate samples used by the laboratory for internal checks. Analytical results are kept on hard copies in the laboratory and electronic versions are emailed to Teranga.

Wahgnion Mineral Resources

Mineral resources were estimated for the Wahgnion Gold project and are shown below. Mineral resources are reported inclusive of mineral reserves. The effective date of the estimate is January 31, 2018.

Mineral resources include four main gold deposits: Nogbele, Foukoura, Samavogo and Stinger. Each deposit was modeled separately in one or more block models. The Nangolo and Nogbele South deposits are part of Nogbele but were modeled using separate block models.

For reporting of open pit mineral resources, open pit shells were produced for each of the resource models using Whittle open pit optimization software using the Lerchs-Grossman algorithm. Only classified blocks greater than or equal to the open pit cut-off grades and within the open pit shells were reported. This is in compliance with the CIM (2014) resource definition requirement of “reasonable prospects for eventual economic extraction”.

The qualified person (as defined in NI 43-101) for the mineral resource estimates is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues that would materially affect the mineral resource estimates.

Open Pit Mineral Resources Summary as at January 31, 2018

Deposit	Measured Resources			Indicated Resources			Measured + Indicated Resources			Inferred Resources		
	MTonnes	Grade (Au g/t)	Moz	MTonnes	Grade (Au g/t)	Moz	MTonnes	Grade (Au g/t)	Moz	MTonnes	Grade (Au g/t)	Moz
Nogbele N/Nangolo	1.62	1.26	0.07	22.50	1.40	1.02	24.12	1.39	1.08	2.65	1.27	0.11
Samavogo	0.00	0.00	0.00	8.06	1.91	0.49	8.06	1.91	0.49	1.46	1.65	0.08
Stinger	0.16	2.15	0.01	8.30	1.56	0.42	8.46	1.58	0.43	0.57	1.56	0.03

Deposit	Measured Resources			Indicated Resources			Measured + Indicated Resources			Inferred Resources		
	MTonnes	Grade (Au g/t)	Moz	MTonnes	Grade (Au g/t)	Moz	MTonnes	Grade (Au g/t)	Moz	MTonnes	Grade (Au g/t)	Moz
Nogbele S	0.46	1.81	0.03	4.71	1.29	0.19	5.18	1.33	0.22	0.33	1.14	0.01
Fourkoura	0.59	1.63	0.03	4.10	1.42	0.19	4.69	1.45	0.22	0.24	1.53	0.01
Total	2.83	1.48	0.13	47.67	1.51	2.31	50.50	1.51	2.44	5.25	1.41	0.24

Notes for Open Pit Mineral Resources Summary:

- (1) CIM definitions were followed for Mineral Resources.
- (2) Mineral Resources are reported at cut-off grades ranging from 0.320 g/t Au to 0.403 g/t Au in oxide, and at cut-off grades ranging from 0.388 g/t Au to 0.541 g/t Au in transition and primary rock.
- (3) High-grade assays were capped at grades ranging from 5 to 48 g/t Au.
- (4) Mineral Resources are estimated using a long-term gold price of US\$1,500 per ounce, adjusted to match existing industry standards.
- (5) A minimum thickness of two metres was applied.
- (6) Mineral Resources are inclusive of Mineral Reserves.
- (7) Mineral Resources are constrained by resource pit shells.
- (8) Totals may not add due to rounding.

Wireframe models were generated from logged drill hole data for topography, oxide, mineralization and significant lithology for use as hard boundaries for bulk density determinations and mineral resource estimation. Classical statistics for raw gold assays were analyzed for modeled mineralized zones to determine appropriate gold grade capping levels. Capping levels were applied to assays prior to compositing to limit the influence of high-grade outliers for all deposits. Run-length composites were generated inside mineralization wireframes. Gold assay results reported below the detection limit were assigned half the detection limit. Non-logged and unsampled intervals were assigned a grade of 0.0 g/t Au prior to compositing.

Block gold grades were estimated using the Ordinary Kriging or Inverse Distance Cubed estimation method. Blocks were estimated using multiple estimation passes using increasingly larger search distances, either based on variograms or visual estimates of grade and geological continuity.

CIM definitions were followed for mineral resource classification. The basis for the classification is a distance based scheme using the relative confidence expressed by the range of the variograms, distance to nearest neighbour, and apparent continuity of mineralization. In addition, qualitative criteria were used to outline areas of measured, indicated, and inferred mineral resources. Resource classification wireframes were created on section to ensure that only areas, which could be considered as continuous, were classified together.

For further details on the Company's mineral resources, estimates, results and programs at its Wahgnion Gold project, please refer to Chapter 14 of the Wahgnion Technical Report.

Wahgnion Mineral Reserves

A conventional open pit mining method is proposed for WGO with several pits of varying sizes. The Wahgnion Gold project consists of four main regions; Nogbele, Fourkoura, Stinger, and Samavogo. Gold mineralization occurs in the laterite, saprolite, transition, and primary weathering horizons. Laterite and saprolite are assumed to be free digging material, whereas transition and primary material will be mined via drill and blast cycles. Mining operations will occur year round and will be owner operated.

The mineral reserve estimate relies on the mineral resource estimate prepared by Teranga with an effective date of May 31, 2018. Detailed pit designs were completed using pit slope recommendations from Xstract Mining Consultants Pty Ltd. (Xstract). A total of 59 mining phases were identified for production scheduling.

Mine pre-production and first year of mining will occur exclusively at Nogbele, followed by Fourkoura, Samavogo and Stinger. Throughout the LOM, lower grade ore is generally stockpiled while higher grade ore, both from ROM and existing stockpiles, is sent for processing.

A total of 18 WRDs were developed on the four mining regions along with four dedicated long-term process stockpiles.

The owner operated and purchased fleet will consist of 100 t (GVW) class backhoe excavators, 50 tonne payload rigid frame haul trucks, and various support and ancillary equipment. A contractor is assumed to supply explosive services inclusive of down-the-hole loading of the explosive.

The mine department will employ a peak of 376 personnel per year on various work schedules over the LoM. Personnel counts within mine management and technical services are relatively stable during the course of (ROM) operations, whereas mine production and maintenance personnel counts fluctuate with production levels.

Open Pit Mineral Reserves Summary as at May 31, 2018

Deposit	Proven Reserves			Probable Reserves			Proven + Probable Reserves		
	Ore MTonnes	Grade (Au g/t)	Gold Moz	Ore MTonnes	Grade (Au g/t)	Gold Moz	Ore MTonnes	Grade (Au g/t)	Gold Moz
Nogbele N/Nangolo	1.39	1.30	0.06	12.49	1.54	0.62	13.88	1.51	0.68
Samavogo				5.19	1.98	0.33	5.19	1.98	0.33
Stinger	0.15	2.06	0.01	5.60	1.65	0.30	5.75	1.66	0.31
Nogbele S	0.42	1.80	0.02	2.93	1.34	0.13	3.35	1.39	0.15
Fourkoura	0.49	1.71	0.03	2.41	1.57	0.12	2.90	1.60	0.15
Total	2.44	1.51	0.12	28.63	1.62	1.49	31.07	1.61	1.61

Notes for Open Pit Mineral Reserves Summary:

- (1) CIM definitions were followed for Mineral Reserves.
- (2) Mineral Reserve cut-off grades range from 0.38 g/t to 0.48 g/t Au for oxide and 0.53 g/t to 0.64 g/t Au for fresh rock.
- (3) Mineral Reserve is based on a \$1,250/oz gold price.
- (4) Mineral Reserves account for mining dilution and mining ore loss.
- (5) A minimum mining width of 2.5 metres was used.
- (6) Proven Mineral Reserves are based on Measured Mineral Resources only.
- (7) Probable Mineral Reserves are based on Indicated Mineral Resources only.
- (8) Sum of individual amounts may not equal due to rounding.

For further details on the Company's mineral reserves, estimates, results and programs at its Wahgnion Gold project, please refer to Chapter 15 of the Wahgnion Technical Report.

Environmental, Permitting and Social Considerations

In accordance with the Burkinabe Environment Code and the Mining Code, Wahgnion Gold Operations SA ("**WGO**") in Burkina Faso has inherited the environmental certificate for mine construction in January of 2014 via its acquisition of Gryphon Minerals. This environmental certificate was based on the approved ESIA submitted to government for review in the same month.

In addition to this permit, a NIE (Notice d'impact environnemental) was undertaken for the right of way of a river water abstraction pipeline. WGO has been provided with the abstraction permit from the Ministère de l'Agriculture, des Ressources Hydrauliques, L'Assainissement et de la Sécurité Alimentaire in February 2015 through its acquisition of Gryphon Minerals. This NIE is an obligatory administrative requirement as these lands are outside the existing environmental certificate area. This NIE included a site walkover for environmental and social impact evaluation by the BUNEE (Bureau national des évaluations environnementales). The NIE was conducted and managed by the Burkinabe consultants SOCREGE. This additional environmental certificate was issued on March 7, 2018.

As per the requirements of the general environmental permit, a PGES (Plan de gestion environnemental et social) has been finalized and should be submitted to the BUNEE during the second quarter of 2019.

Construction has been underway since December 2017. The environmental management of these works includes contractual obligations based on the Company's environmental policy, plans and standard operating procedures ("**SOP**"). In addition to corporate environmental requirements embedded in contracts, WGO has issued contractors with activity specific environmental management requirements through tailored documentation "Work Instructions" to mitigate environmental and business risk. WGO conducts contractor environmental inspections based on these Work Instructions and in conjunction with the overarching environmental SOPs.

Trees within the January 2014 environmental permit can be felled as required by WGO. In practice, WGO fells trees in collaboration with and by pre-notifying the provincial director. It has been agreed by this administrative body that these trees will be managed by the Regional Department of Forestry and Water and that the local communities are to benefit from the wood produced by tree felling.

Stakeholder Engagement

To date, socio-economic studies, population census and asset surveys have been carried out as part of the Wahgnion environmental and social impact assessment activities in the communities impacted by the Wahgnion Gold project.

Extensive community consultation activity continued to take place in 2018 in conjunction with the Wahgnion resettlement action plan. The consultation committee comprised of approximately 120 representatives from the government, communities, and NGOs was formed in 2011 and continued meeting in 2018 with the objective of ensuring that the Wahgnion Gold project resettlement action plan and all other community matters progress with informed consent from all local stakeholders. Teranga's approach to resettlement follows the IFC's performance standards, in particular, the concept of free, prior and informed consent.

Sales of Gold and Contracts

No gold sales contracts exist at this time.

The LOM production schedule for the feasibility study includes provision of the following services by contractor:

- Explosives supply and blast hole loading.
- Geochemical laboratory at the Property site for grade control sample testing, plant testing and environment testing.

Several contracts or negotiations are in progress at this time for the development of the Wahgnion Gold project.

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 and the Wahgnion Technical Report and elsewhere in this AIF. 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 and Burkina Faso. 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 Senegalese Minister of Environment and certain other customary and routine permits obtained and held from time to time in the ordinary course, including those in Burkina Faso, are required by Teranga for the permitting process and the assessment of the suitability of the proposed mining projects.

In order to satisfy itself of its ownership of 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.

In order to satisfy itself of its ownership of its property interests in Burkina Faso, Teranga has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Burkina Faso; (ii) obtained and reviewed certificates of compliance issued by the appropriate government officials in Burkina Faso, including the Trade and Personal Property Credit Register in Burkina Faso, the Ministry of Economy and Finance of Burkina Faso, the Ministry of Mines and Industry of Burkina Faso and the Ministry of Environmental and Sustainable Development of Burkina Faso; (iii) conducted relevant document review and in-person discussions with employees at the Cadastral Office of the Mining Registry in Ouagadougou, Burkina Faso; and (iv) consulted with regional legal advisors in Burkina Faso to confirm the status of applicable permitting requirements for operations.

Teranga also relies on the oversight of qualified persons (as such term is defined in NI 43-101), who have completed a review of the Sabodala Gold project (which includes the Golouma and Gora Projects), and the Wahgnion Gold project and through consultants who are engaged by Teranga (both in Canada, Senegal and Burkina Faso) 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 and Burkina Faso. Teranga also consults regularly with legal advisors in the British Virgin Islands (“**B.V.I.**”), Mauritius, Senegal and Burkina Faso 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, Senegal, Burkina Faso and Côte d’Ivoire

As noted in the Company’s corporate structure chart above, Teranga has subsidiaries outside of Canada and Australia, B.V.I, Mauritius, Senegal, Burkina Faso and Côte d’Ivoire (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 structuring that was undertaken prior to or in connection with the IPO and also subsequently in connection with Teranga’s acquisition of Oromin in 2013 and the remaining interests in OJVG in 2014. Teranga has limited presence in Côte d’Ivoire to date having only established its own local subsidiary in 2016 as part of the Exploration Agreement with Miminvest. However, as a signatory to WAEMU (defined below) and with a French civil law system, Teranga does not anticipate any compliance concerns with Côte d’Ivoire fiscal or legal regime. Teranga believes its operating experience in Senegal will serve it well as it grows its investments across West Africa. 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 harmonize regulations and tariffs. According to that treaty, the WAEMU’s Council of Ministers can make regulations that are then directly applicable in all member states, notwithstanding any national legislation to the contrary. The WAEMU Mining Regulation affirm key rights for an investor such as Teranga, notably provisions relating to fiscal stability during the term of its mining license.

Burkina Faso is a landlocked country in West Africa, a civil law jurisdiction following in the French regulatory system of laws and also a signatory to the founding treaty of the WAEMU. Burkina Faso has a total population of more than 18 million people. Approximately 70% of the population lives in rural areas. The official language of education, administration and business is French, however, many other native African languages are more widely used. Burkina Faso is a parliamentary republic. Executive power is exercised by the president, who is the head of state. Legislative power is exercised by the National Assembly, which comprises elected representatives. Since 1998, Burkina Faso has begun to privatize state-owned enterprises and, in 2004, revised its investment code to attract foreign investment. Over the past ten years, the Burkina Faso government has encouraged foreign direct investment by creating incentives for investors and easing bureaucratic requirements, including changes to financial legislation and mining laws.

The standard corporate rate of taxation in Burkina Faso is 27.5%. However, mining companies at the exploitation phase benefit from a reduction in the rate of tax, which is applied at 17.5% throughout the production period. In addition, there are a variety of tax exemptions, which are available to mining companies, including exemptions from customs duties on temporary import of equipment, and exemptions of industrial and commercial professions tax. A graduated royalty scheme exists in Burkina Faso under which gold spot prices lower or equal to \$1,000 per oz are subject to royalty fees of 3%, a 4% royalty rate applies for spot prices between \$1,000 and \$1,300 per oz and a 5% royalty rate applies for spot prices greater than \$1,300. Repatriated dividends are subject to a 6.25% withholding tax. The mining industry is regulated at the national level by the Ministry of Energy and Mines. The principal legislation concerning the mining sector is Law No. 036-2015/CNT of October 29, 2015 establishing the mining code of Burkina Faso (the “**2015 Mining Code**” or “**BF Mining Code**”), which amended and replaced the previous Mining Code, Law No. 031-2003/AN of May 8, 2003 (the “**2003 Mining Code**”). Teranga’s Mining Convention with the State of Burkina Faso was entered into under 2003 Mining Code, hence the Company benefits from all the stabilization provisions thereunder. As a general rule, the 2015 Mining Code governs the prospection, exploration and exploitation of mineral deposits in Burkina Faso, as well as the treatment, transport and transformation of mineral substances (with the exception of water and hydrocarbons). However, this legislation does not intend to create an exclusive and exhaustive legal framework for mining activities and a large number of other pieces of legislation will also apply. The 2015 Mining Code specifically provides that its provisions shall apply without prejudice to other legal instruments relating to specific areas. For example, the Environmental Code (Law No. 006-2013/AN of April 2, 2013) and the Labour Code (Law No. 028-2008/AN of May 13, 2008). The 2015 Mining Code provides that a Burkina Faso-incorporated entity shall be formed (with its registered office in Burkina Faso) to hold title to an exploitation permit and that the State of Burkina Faso shall be granted a 10% free carried, non-dilutable interest in that company.

In Teranga’s opinion, the laws of Senegal and Burkina Faso do not impose any undue or material restrictions on Teranga’s operations or the ownership by it of property or assets in Senegal or Burkina Faso. 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. While Teranga has limited physical assets in Côte d’Ivoire at this time, it considers it very similar to Senegal and Burkina

Faso and does not anticipate any future undue or material restrictions on its exploration operations or the ownership by it of property or assets.

Except as described elsewhere in this AIF, Teranga is not aware of any material restrictions against foreign investment mining companies in Senegal, Burkina Faso or Côte d'Ivoire, nor any material legal requirements imposed on foreign ownership of mining companies in such countries.

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 Board and on the board of directors of the Foreign Subsidiaries, as well as common management between Teranga and its Foreign Subsidiaries. The 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 any time, 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 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 Board or its designees.

All of the minute books, corporate seal and corporate records of the Foreign Subsidiaries are, to the extent required under local regulations, 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, Burkina Faso and Côte d'Ivoire

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

Teranga ships gold in the form of doré bars and sells refined gold. The process of production and transfer to the refinery in Switzerland and ultimate sale is under strict control. The gold is sold to either AAA rated banking institutions or established gold metal merchants with access to significant credit lines and the proceeds transferred to a Teranga-controlled bank account in France.

Teranga is obligated to comply with exchange control regulations established by WAEMU and domestically by its member countries. In Senegal and Burkina Faso this requires (or will require) Teranga to repatriate 100% of gold sales revenue. Teranga maintains only small amounts of cash balances within Senegal and Burkina Faso. Teranga manages the credit risk of the Senegalese and Burkinabe banks by centralizing custody, control and management of its surplus cash resources in Canada at the corporate office via bank accounts domiciled in Canada and 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 Board or the Company's 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 Board or its designees, and are based upon pre-approved budget expenditures. Teranga maintains all material sums outside of Senegal and Burkina Faso 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 and Burkina Faso are transferred to Teranga's local subsidiaries based on cash requirements via periodic 'cash calls', and otherwise as required under Senegalese and Burkinabe regulations.

Teranga adheres to the laws of Canada, Senegal, Burkina Faso and Côte d'Ivoire as well as World Bank and established principles of the IFC. Teranga has a Code of Business Conduct and Ethics as well as a Foreign Corrupt Practices Policy that specifically addresses the *Corruption of Foreign Public Officials Act (Canada)* that is required to be followed by all directors, employees, consultants and contractors of the Company. 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 whistleblower policy in place which provides employees with the opportunity to report matters directly to the Chair of Teranga's Audit Committee. The Senegalese and Burkinabe operations of Teranga are 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 Board and Management Visits to Senegal and Burkina Faso

A number of members of the Board and management have experience in emerging markets in general, and in doing business and operating in Africa specifically. Five out of the nine current members have been on the Board since October 2010 and, as such, have had a minimum of approximately eight years of experience in conducting business in Senegal. The Company has established a goal of having Board members visit its operations site (including the Wahgnion site once in operation) at least once every two years.

Teranga's Chairman, Mr. Hill, has over 40 years' experience in the gold mining industry, during which he gained extensive working knowledge in the evaluation, development and operation of gold mining projects in emerging markets across Central and South America, Eastern Europe and Africa. As Executive Vice President of Barrick, Mr. Hill oversaw project evaluations and development of three of Barrick's major mines in emerging markets; the Pierna mine in Peru, the Veladero mine in Peru and the Bulyanhulu mine in Tanzania. Mr. Hill lived and worked in central Africa from 1970 to 1973, evaluated and built the Bulyanhulu mine in Tanzania in 1997 and oversaw its operations until 2003, and remained actively engaged in operating in emerging markets with his tenure as Chairman and CEO of Gabriel Resources Ltd. in Romania from 2005 to 2009. Mr. Hill has also remained actively engaged in African gold mining through his leadership of Teranga and as a Board member for Gold Fields Ltd. From 2009 to 2016. Mr. Hill has been a director of NuLegacy Gold Corporation since December 2016. Mr. Goldenberg, who was appointed to the 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. Dr. Frazer, appointed to the 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. Dr. Frazer is also a Managing Partner of Africa Exchange Holdings, Ltd., a private sector initiative to build Africa's equity and commodity markets. Dr. Frazer also serves as Chairman of the Board of the East Africa Exchange, Ltd, that is based in Kigali, Rwanda. In addition, Mr. David Mimran, who was appointed to the Board in September 2015, has tremendous knowledge and experience in operating within Senegal as the Chief Executive Officer of Grands Moulins d'Abidjan and Grands Moulins de Dakar (Senegal), one of the largest producers of flour and agri-food in West Africa. He has also served as a director and principal to the Bank of West Africa (CBAO), one of the largest banking groups in the region. Currently, Mr. Mimran acts as Special Advisor to the government of the Republic of Côte d'Ivoire where he has led negotiations with the International Monetary Fund, the World Bank, the European Union, and the Government of the Republic of France.

Senior executives of Teranga, including Messrs. Young, Savarie, Chawrun, Mallo, and Dyal have had a number of years' experience in emerging markets and routinely visit Teranga's Senegalese mining operations and corporate office as well as its Burkina Faso Wahgnion Gold project operations and regional office in Ouagadougou to meet with local management.

The majority of Teranga's directors and executive officers are familiar with the legal and regulatory requirements of Senegal and Burkina Faso through their history with Teranga and certain of the directors and officers have previous experience working and conducting business in Senegal, Burkina Faso and West Africa in general as well as in other emerging market jurisdictions. Moreover, Teranga's directors and officers are advised by Teranga's legal counsel in the jurisdictions of the Foreign Subsidiaries, with a particular focus on Senegal and Burkina Faso, of new developments in the legal regime and new requirements that come into force from time to time. As a result, 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 with the Board.

Language Considerations

In the majority of cases, business discussions with the Senegalese and Burkinabe governments are conducted in French. Many of the senior members of the Senegalese and Burkinabe governments speak English and French. In

instances where French is preferred in dealing with the Senegalese and Burkinabe governments, Teranga directors or management who speak English and French are engaged to act as interpreters and assist, as required.

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

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

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, among other matters. 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 the 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, and additional information and the risks contained in this AIF, and consult their 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 Common 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 project for substantially all of our operating revenue and cash flows

While we may invest in additional mining and exploration projects in the future, and hope to see the Wahgnion Gold project move into commercial production at some point in 2019, the Sabodala Gold project is currently our only producing mining project, thereby providing substantially all of our operating revenue and cash flows. Consequently, a delay or difficulty encountered in the operations of the Sabodala Gold Project would materially and adversely affect our financial condition and financial sustainability including our ability to fund the construction of the Wahgnion Gold project. Any adverse changes or developments affecting the Sabodala Gold project, 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 project to operate at less than optimal capacity, including among other things, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

Teranga may not be able to successfully integrate new business activities following the acquisition of Gryphon and the related Wahgnion, Golden Hill and Gourma Gold projects, which could cause its business to suffer

The Company may not be able to successfully integrate and combine the operations, personnel and infrastructure of Gryphon with the Company’s existing operations. If integration is not executed successfully by management, the Company may experience interruptions in business activities, a deterioration in the Company’s employee and commercial relationships, increased costs of integration and harm to Company’s reputation, all of which could have a material adverse effect on Company’s business, financial condition and results of operations. The integration and

operation of the Wahgnion, Golden Hill and Gourma gold projects with the Company may impose substantial demands on the Company's management. There is no assurance that improved operating results will be achieved by the Company or that the businesses of the Company will be successful in integrating and operating the Wahgnion, Golden Hill and Gourma Gold Projects. The challenges involved in the integration and operation may include, among other things, the following:

- defects in title and expired permits;
- imprecise mineral reserve and resource estimates;
- retaining key personnel;
- the ability to obtain and complete technical reports, if required;
- inaccurate production and cost estimates;
- inability to raise sufficient capital to finance the construction and operation of the Wahgnion Gold project, and Golden Hill and Gourma exploration permits, as applicable;
- unforeseen expenses or delays associated with the construction and operation of the Wahgnion Gold project, as applicable;
- unplanned costs required to integrate and operate the Wahgnion Gold project, and Golden Hill and Gourma exploration permits in the business of the Company; and
- the ability to successfully negotiate and execute community development agreements and community relocation initiatives.

The Wahgnion Gold project, and Golden Hill and Gourma exploration permits may require geologic, metallurgic, engineering, title, environmental, economic, and financial and other assessments that may be materially incorrect and may not produce as expected

The acquisitions of the Wahgnion Gold project, and Golden Hill and Gourma exploration permits are based in large part on geologic, metallurgic, engineering, title, environmental, economic and financial assessments made by the acquirer and its personnel as well as independent consultants and advisors it may hire. These assessments include a series of assumptions regarding a number of factors, including the mineral bodies, grades, recoverability, regulatory and environmental restrictions, future prices of metals and operating costs, future capital expenditures and royalties and other government levies. Many of these factors are subject to change and are beyond the Company's control. All such assessments involve a measure of geologic, metallurgic, engineering, environmental, regulatory, political, economic and financial uncertainty that could result in lower than expected exploration results, mineral resources and reserves estimates and higher exploration and development costs than anticipated. Such factors can also result in unanticipated difficulty in obtaining required permits or complying with regulatory or environmental requirements. Failure to obtain or maintain title to these properties may adversely affect the exploration, development and production potential of the projects.

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 28, 2019, the morning fixing price for gold on the London Bullion Market was \$1,306.90 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 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.

We are vulnerable to facility agreement (term loan) and gold purchase and sale agreement defaults

The Taurus Facility as well as the Gold Stream Transaction place certain limits on our business operations, such as, on our ability to incur additional indebtedness, enter into derivative transactions, make investments in a business, or carry on business unrelated to mining, dispose of our material assets or, in certain circumstances, pay dividends. Further, the Taurus Facility requires us to maintain specified financial ratios and meet financial condition covenants. Events beyond our control, including changes in general economic and business conditions, may affect our ability to satisfy these covenants, which could result in a default under the Taurus Facility or the Gold Stream Transaction. Depending on its cash position and cash requirements, we may draw on the Taurus Facility to fund, among other things, part of the capital expenditures required in connection with our current development projects. If an event of default under the Taurus Facility occurs, we would be unable to draw down further on the Taurus Facility and the agents could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due. An event of default under the Taurus Facility would also give rise to an event of default under the Gold Stream and potentially under future debt agreements and, in such event, we may not have sufficient funds to repay amounts owing under such agreements. Furthermore, if we were unable to repay any amounts due and payable under the Taurus Facility, those agents could proceed against the security securing such indebtedness and we may not have sufficient assets to repay that indebtedness and we could be forced into bankruptcy, receivership or liquidation.

As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions, therefore, may affect our ability to grow in accordance with our strategy.

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 labour 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. While the Company's primary sources of liquidity include its existing cash balance, outstanding VAT receivables, and undrawn amounts under the Taurus Facility, it remains heavily dependent on anticipated cash flows from its Sabodala operations.

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 favourable than we currently estimate, our business, results of operations, financial condition and liquidity could be materially adversely impacted.

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

The Sabodala Gold project, including its satellite deposit operations, is subject to technical risks 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 mineral reserves and mineral resources. Our actual mineral reserves could be lower than such estimates, which could adversely affect our operating results and financial condition

Our current mineral resources and mineral reserves 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 mineral 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 mineral 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 mineral reserves.

For these and other reasons, there is no certainty that any of the mineral resources or mineral reserves estimated as part of the Sabodala Gold project, nor the historical mineral resources referred to in connection with the Wahgnion Gold project, will be realized or that, as applicable, the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral 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 labour, 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 project or for our exploration activities, the performance of our business and results of operations could be materially and adversely affected.

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 and Burkina Faso (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, and 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 and Burkina Faso depend on our local employees and contractors. We are a Canadian-based company and operate cross-culturally in Senegal and Burkina Faso. 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.

We face risks associated with the use of third-party contractors

It is common industry practice for certain aspects of mining operations, such as drilling and blasting, to be conducted by one or more outside contractors. We are subject to a number of risks associated with the use of such contractors, including the following: the Company having reduced control over the aspects of the operations that are the responsibility of a contractor; failure of a contractor to perform under its agreement(s); inability to replace the contractor if either Teranga or the contractor terminate their contractual relationship; interruption of operations in the event the contractor ceases operations as a result of a contractual dispute with Teranga or as a result of insolvency or other unforeseen events; failure of the contractor to comply with applicable legal and regulatory requirements; and failure of the contractor to properly manage its workforce resulting in labour unrest, strikes or other employment issues, any of which may have a material adverse effect on our business, financial conditions and results of operations. We also retain contractors and engineering services in relation to the development and construction of our new projects (and we may rely on contractors retained in the past by companies that we subsequently acquire or partner with in strategic corporate transactions) and therefore, are dependent on the quality of work that those contractors perform. Although we always seek to retain contractors we regard as reputable and competent for the scope of work required, we cannot exclude the risk that those contractors may breach their contracts with us (or any predecessor or partner companies) or that contractors may be negligent or otherwise deficient in performing the services for which they were contracted. This may result in financial liability or penalties to us for our inability to recover from those contractors or to remediate errors made by contractors, which are necessary for the optimal performance of our projects.

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 current mines are open pit operations, 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 and 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

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

Illegal mining on our properties in any of the jurisdictions in which we operate, 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 continues to be a concern in West Africa. 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. 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 governmental authorities regarding reporting of mineral 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 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 existing debt financing arrangements entered into by us and which may become immediately due and payable if we fail to meet certain restrictive covenants. While we currently have the Taurus Facility in place with Taurus for project finance purposes, outside of the Taurus Facility, 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 additional 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 mineral reserves and mineral 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 tax disputes with the governments of jurisdictions in which we operate 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.

To date, neither Teranga nor any of its subsidiaries has any significant outstanding tax assessments, with the exception of a 2011 tax assessment against SGO claiming \$24 million in withholding taxes. Since 2011, SGO has successfully vacated \$23 million of this amount and continues to challenge the remainder. During the past three years, SGO and SMC have been subject to various tax assessments, which they have successfully negotiated, settled or vacated. There can be no guarantee that SGO and SMC, or any other of Teranga's subsidiaries, will not continue to receive these types of punitive tax assessments in the future nor that any future assessments will be successfully negotiated, settled or vacated by these entities.

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 favourably, 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 including directors and officers not resident of Canada 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, labour 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 and Burkina Faso, 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 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 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.

Licensing and other regulatory requirements in the West African jurisdictions in which we operate 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 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, labour standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental protection, safety and other matters, and are 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.

In addition, in Senegal, as in Burkina Faso and Côte d'Ivoire, 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 covered by current exploration permits, 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 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 workforce may be exposed to widespread pandemic

The Company's only operating mine site is situated in the Sabodala region of Senegal, a remote part of the country. Our mine camp and operations represent a concentration of personnel working and residing in close proximity to one another. Further, the mine site receives frequent visitors from all over the world, and a number of expatriate employees travel frequently abroad. Should an employee or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at the mine site at risk.

The 2014 outbreak of the Ebola virus in several African countries is one example of such an illness. We take every precaution to strictly follow industrial hygiene and occupational health guidelines, and medical services are in place along with pandemic management protocols. There can be no assurance that a similar virus or another infectious illness will not impact the Company's personnel and ultimately its operations.

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 and Burkina Faso. 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 and Burkina Faso 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.

We are subject to evolving climate change legislation that may increase both compliance costs and the risk of non-compliance

New and/or future climate change legislation may affect our ability to continue to operate as currently operated or planned to be operated. Any changes to these current or planned operations could significantly increase costs of operations and have material adverse effect on our business, results of operations and future cash flow.

We may face cyber security threats

Our business is subject to cyber risk as a result of increased digital transformation and reliance on relatively new operational technology, which could make us vulnerable to data breaches. There can be no assurance that such risk from current or future exploitable vulnerabilities of our information technology systems will not adversely impact our future cash flows, earnings, results of operations and financial condition. In particular, we may suffer lost revenue arising from breach costs, including legal expenditures and regulatory fines/penalties, costs associated with incident investigations, assessments, audits and communication management, the expense of notifying victims and appropriate authorities, as well as revenue churn due to reputational damage following a data breach.

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, 2018, the total estimated reclamation liability for our mines (based on the footprint disturbed at the end of 2017) was approximately \$33.7 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 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, or breached which could have a material adverse effect on our production and results of operations

The acquisition of title to mineral properties and ongoing compliance therewith 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 expanded Sabodala Mining License permits us to explore and mine the 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. Further, the government of Senegal may itself fail to respect the contractual and statutory commitments it has made to us in regards to our ability to explore,

mine and operate our properties in Senegal. In such circumstances appeals to international arbitration may be pursued but the results and timing of such appeal cannot be predicted at this time. Therefore, there is no assurance 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 or the government of Senegal directly. As noted above, the development of the Wahgnion Gold project will similarly require a relocation of local populations and the risks and uncertainties described above with respect to our mineral tenure rights in Senegal should be equally considered with respect to our investments in Burkina Faso.

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 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 favourable 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 activities in West Africa subject us to various political, economic and other risks that could negatively impact our operations and financial condition

Our gold mining operations are located in Senegal in West Africa. In addition, we have exploration properties in Burkina Faso (including the Wahgnion Mining License) and Côte d'Ivoire. 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 governments of Senegal, Burkina Faso and Côte d'Ivoire and in some cases political subdivisions within these countries. 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 each of these West African governments, there can be no assurance that the actions of present or future governments in Senegal, Burkina Faso or Côte d'Ivoire 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, labour 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, our subsidiary which operates the Sabodala Gold project and whose actions 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 Senegalese Mining Code we will be required to provide a 10% free-carried interest in the entity granting the concession to the government of Senegal. Similar rights exist with respect to the government of Burkina Faso's interest in WGO.

The security situation in Burkina Faso may adversely affect our operations

The security environment in a number of sub-Saharan countries has deteriorated over the last few years. Increased levels of crime, including kidnapping, robbery and sabotage, in addition to acts of political violence and terrorism, have been reported in large areas of northern Mali, the northern and eastern portions of Burkina Faso and the western area of Niger. A combination of high levels of poverty and limited government reach in terms of infrastructure, roads, schools and medical facilities in certain rural and border areas have afforded various militant secessionist and Islamic paramilitary groups safe havens from which to operate. The goal of these various groups is to destabilize and ultimately remove local and regional governments from these areas.

2018 was a particularly active year for insurgent groups in a number of West African countries, including Burkina Faso, which resulted in various other countries (including France, Canada and the UK) heightening their travel advisories to Burkina Faso over the course of the year. On December 31, 2018, the government of Burkina Faso responded to the escalating threat by declaring a state of emergency in 14 of the country's provinces along its northern and eastern border. Shortly thereafter, in January of this year, the head of its armed forces and its entire government were replaced following the appointment of a new Prime Minister by the President. The state of emergency places temporary restrictions on certain civil liberties in addition to providing enhanced interrogation and detention rights to police and military authorities. Following these measures, increased funding to the army and security services has been reported, in addition to a number of significant operations against insurgent targets in the north and east of the country.

Our Wahgnion Gold project and Golden Hill project are located in the southwest and south-central portion of Burkina Faso, well outside the areas covered by the state of emergency. However, this does not insulate our employees, contractors and our assets from security threats that can be highly mobile. The Gourma project is in fact located in an area covered by the state of emergency; consequently, we have decided to cease activities at our Gourma project until the security situation has improved in that region. To date, neither our employees nor our operations have been impacted by the security situation in Burkina Faso.

While there is no reason to believe that our employees or operations will be targeted by criminal and/or terrorist activities in the country, risks associated with conducting business in the region, along with the increased perception that such incidents are likely to occur, may disrupt our operations, limit our ability to hire and keep qualified personnel, and impair our access to sources of capital or insurance on terms and at rates that are commercially viable. Furthermore, although we have developed procedures regarding the mitigation of such risks, due to the unpredictable nature of criminal and/or terrorist activities, there is no assurance that our efforts will be able to effectively mitigate such risks and safeguard our personnel and assets.

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 Mining License and the Sabodala Mining Convention, 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 the Sabodala Mining Convention as well as the Wahgnion Mining Convention 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 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 and Burkina Faso.

Uncertainties in the interpretation and application of laws and regulations in the West African jurisdictions in which we operate 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, Burkina Faso or Côte d'Ivoire 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, Burkina Faso or Côte d'Ivoire 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, Burkina Faso or Côte d'Ivoire 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 government authorities and the effectiveness of and enforcement of such arrangements, including provisions in the Sabodala Mining License, Sabodala Mining Convention, the Wahgnion Mining Concession or Wahgnion Mining Convention.

Similar risks apply to our exploration operations in Côte d'Ivoire.

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 with respect to 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. As of 2015 and beyond, Teranga is required to repatriate 100% of gold proceeds into Senegal in compliance with applicable exchange control regulations.

Teranga has paid no dividends on its Common 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 Common Shares in the foreseeable future. Further, our ability to make dividend payments in the future could be constrained by government restrictions beyond our control.

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 are subject to and 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 West Africa could materially and adversely affect the overall business environment in Senegal and Burkina Faso

The outbreak, or threatened outbreak, of any severe communicable disease including Ebola, in Senegal or Burkina Faso could materially and adversely affect the overall business environment in these countries, particular if such outbreak is inadequately controlled. This in turn could materially and adversely affect domestic labour 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.

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 28, 2019, there were 107,586,769 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.

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 "**Stock Option Plan**"), reserves for issuance, pursuant to its terms, up to 9% of the total number of Common Shares issued and outstanding from time to time. Options may be granted under the Stock 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 Stock Option Plan 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, options are not transferable or assignable, other than by will or by the laws of descent and distribution. Options may be granted for a term not exceeding six 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 9% 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 9% of the issued share capital of the Company (calculated on a non-diluted basis).

The Board or the Compensation Committee, as applicable, 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.

As long as the Common Shares are listed on the TSX, the Company must apply to the TSX, 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.

RSU and DSU Plan

In addition to the Option Plan, in 2014 the Board adopted a Restricted Share Unit Plan (“**RSU Plan**”) as well as a Deferred Share Unit Plan (“**DSU Plan**”) to offer greater flexibility in allowing senior executives and directors to participate in the long-term success of the Company. However, neither the RSU Plan nor the DSU Plan involve the issuance of units that are convertible into Common Shares or any other form of securities of the Company. As such, neither the DSU nor RSU Plan result in any dilution to shareholders and therefore do not impact the capital structure of the Company.

Pursuant to the RSU Plan, the Board may, from time to time, award RSUs to designated executives (including the Company’s named executive officers) specifying the number of RSUs granted, the grant date, the vesting date and other terms and conditions. The RSUs represent a right to receive an amount of cash (subject to withholdings), on vesting, equal to the product of (i) the number of vested RSUs held, and (ii) the market price of the Common Shares at such time. RSUs will generally vest, subject to Board determination, over three years with each annual vesting tied to time and performance criteria as follows: (i) 25% on anniversary of grant date; (ii) 25% tied to production target; (iii) 25% tied to cost target; and (iv) 25% tied to share price performance relative to GDXJ. RSUs do not entitle a holder thereof to any voting or other shareholder rights. As of March 28, 2019, there were 1,427,904 RSU’s issued and outstanding under the RSU Plan.

Pursuant to the DSU Plan, Board members may elect to receive all or part of their annual retainer, meeting fees and additional compensation, which compensation is paid quarterly, in DSUs. Elections are irrevocable for the period in respect of which they are made. In addition, the Board may, from time to time, make discretionary awards of DSUs to Board members. DSUs do not entitle a Board member to any voting or other rights as a shareholder.

DSUs will be credited quarterly to each participating director’s account and will be determined by dividing the amount the director elects to receive in DSUs by the market price of the Common Shares at such time. Additional DSUs will be automatically credited to a director’s DSU account if and when the Company pays a distribution to Shareholders. The additional DSUs to be credited will be calculated by multiplying the number of DSUs in the director’s account at the time such distribution is paid by the amount of the distribution, and then dividing that amount by the market price of the Common Shares when the distribution is paid. In addition, and from time to time, DSUs are awarded to directors with vesting taking place in full one year after grant. As of March 28, 2019, there were 908,998 DSU’s outstanding under the DSU Plan.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSX 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 during the 2018 calendar year.

Month	TSX		
	High	Low	Volume
	(CDN\$)	(CDN\$)	
January	3.68	2.85	10,026,160
February	3.84	3.20	4,673,290
March	4.49	3.58	8,199,190
April	4.99	4.27	6,906,350
May	5.50	4.82	7,098,340
June	5.63	4.50	5,504,350
July	5.03	4.10	4,785,310
August	4.60	3.51	4,712,700
September	4.23	3.52	4,150,410
October	4.13	3.37	3,933,090

Month	TSX		
	High	Low	Volume
	(CDN\$)	(CDN\$)	
November	3.79	3.18	2,472,870
December	4.22	3.23	4,418,500

Source: S&P Capital IQ

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The following table sets forth the names and 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
DIRECTORS			
Alan R. Hill ⁽⁵⁾⁽⁶⁾⁽⁷⁾ Toronto, Ontario, Canada	Non-Executive Chairman, Director	Chairman and Chief Executive Officer Teranga from October 2010 until September 2012, Executive Chairman of Teranga from October 2010 to May 2014, thereafter Non-Executive Chairman of Teranga and Corporate Director	October 6, 2010
Richard S. Young Oakville, Ontario, Canada	President and Chief Executive Officer, Director	President and Chief Financial Officer of Teranga from October 2010 until September 2012, thereafter President and Chief Executive Officer	October 1, 2010
William J. Biggar ⁽¹⁾⁽³⁾⁽⁴⁾ Toronto, Ontario, Canada	Lead Independent Director	Corporate Director and Business Executive, President and Chief Executive Officer, North American Palladium Ltd. (October 2008 to September 2012)	June 7, 2016
Jendayi Frazer ⁽²⁾⁽⁶⁾ Alexandria, Virginia, 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
Edward Goldenberg ⁽⁴⁾⁽⁵⁾ Ottawa, Ontario, Canada	Director	Corporate Director and Partner of Bennett Jones LLP (2007 to present)	July 2, 2013
Christopher R. Lattanzi ⁽¹⁾⁽²⁾⁽⁵⁾⁽⁷⁾ Toronto, Ontario, Canada	Director	Corporate Director and Business Executive, Associate Consultant for Micon International Limited (2005 to present)	October 13, 2010

Name and Residence	Position(s) with the Company	Principal Occupation During the Last Five Years	Director/Officer Since
David J. Mimran ⁽⁴⁾⁽⁶⁾ Abidjan, Côte d'Ivoire	Independent Director	Chief Executive Officer of Grands Moulins d'Abidjan and Grands Moulins de Dakar, (2012 to present), Head of Tablo Company, Miminvest SA, and Mimran Natural Resources (2011 to present), Vice Chairman and Founding Partner of Breeden Partners, L.P. (2006 to 2012)	October 13, 2015
Alan R. Thomas ⁽¹⁾⁽³⁾⁽⁷⁾ Toronto, Ontario, Canada	Director	Corporate Director and Business Executive, Chief Financial Officer of Labrador Iron Ore Royalty Company (2006 to present)	October 13, 2010
Frank D. Wheatley ⁽²⁾⁽³⁾ Saskatoon, Saskatchewan, Canada	Director	President, Karnlyte Resources Inc. (February 5, 2018 to present), CEO, Yellowhead Mining Inc. (July 2013 to January 30, 2018), Executive Director Corporate Affairs and Strategy of Talison Lithium Limited (2009 to 2013), Vice President and General Counsel of Gabriel Resources Ltd. (2000 to 2009)	October 21, 2010

OFFICERS

Paul Chawrun Aurora, Ontario, Canada	Chief Operating Officer	Director, Technical Services, Detour Gold (2009-2011), EVP Corporate Development, Chieftain Metals, 2011-2012	October 9, 2012
Navin Dyal Mississauga, Ontario, Canada	Chief Financial Officer	Director of Finance, Barrick Gold Corporation (2005 to September 2012)	September 27, 2012
David Mallo Maple Ridge, British Columbia, Canada	Vice-President Exploration	VP Exploration, Oromin Explorations Limited (2004 to December 2013), Exploration Manager, NuLegacy Gold Company (October 2004 to January 2016), Exploration Advisor to Teranga (January 2016 to April 2016)	April 1, 2016
David Savarie Burlington, Ontario, Canada	General Counsel and Corporate Secretary	General Counsel & Corporate Secretary of Teranga (2011 to March 2012), General Counsel & Corporate Secretary of Teranga to present	January 3, 2011

- (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
(7) Member of the Risk Management 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 28, 2019, the directors or executive officers of Teranga as a group beneficially owned, controlled or directed, directly or indirectly, approximately 24,183,606 Common Shares of the Company, representing approximately 22.5% of the current outstanding Common Shares of Teranga, calculated on a non-diluted basis. In addition, as of the date hereof, 4,461,680 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, represents approximately 25% 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

To the knowledge of the Company, 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.

To the knowledge of the Company, 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.

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 our Business - Our directors may have interests that conflict with our interests.”

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

As of the date hereof, Mr. Mimran, a Director of Teranga, beneficially owns, or exercises control or direction over, directly or indirectly through Tablo, 23,477,250 Common Shares, representing 21.82% of the Company’s issued and outstanding Common Shares. Under the terms of the Voting Agreement entered into as part of the 2015 Private Placement, Mr. Mimran is entitled to be nominated for re-appointment to the Board for a 3-year term, so long as, among other things, Mr. Mimran, Tablo or any other company which Mr. Mimran owns, exercises control or direction over, in aggregate owns not less than 9.9% of the Common Shares issued and outstanding, calculated on a non-diluted basis. Under the terms of the Voting Agreement Mr. Mimran and Tablo have also agreed to a customary standstill and have been granted customary anti-dilution rights. A copy of the Voting Agreement has been filed by Teranga on SEDAR.

On November 16, 2017, a revised Voting Agreement between Mr. Mimran, Tablo and the Company was entered into pursuant to the NCPE. The revised Voting Agreement provides for the following amendments: (i) extending its term for a further two years, expiring October 15, 2020; (ii) authorizing Tablo to increase its equity ownership position in Teranga from 19.9% to 29.9% (the “**Share Ownership Cap**”); and (iii) offering Mr. Mimran the right to nominate an additional director nominee to the Board once and for so long as Tablo has acquired an ownership position of 25% or more in the Common Shares.

Tablo’s rights to acquire Common Shares up to the Share Ownership Cap are subject to compliance with applicable Canadian securities laws and include the following terms:

- up to 5% of Common Shares may be acquired by Tablo under the NCPE for a period of twelve months from date of filing its intention; and
- a subsequent amount to be acquired up to the Share Ownership Cap in a manner and timing to be determined by the Board.

All other terms of the Voting Agreement, including voting restrictions as well as pro-rata equity participation rights for Tablo, remained unchanged and continue to apply for the benefit of both parties through the extended term.

Other than as disclosed herein, no other 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% 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 Appendix “B”, 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 William J. Biggar. All members of the Audit Committee are: (i) considered to be independent within the meaning of NI 52-110 – *Audit Committee*, 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 Chair of the Audit Committee, is a chartered professional accountant and graduate of the University of Toronto and currently Chief Financial Officer of Labrador Iron Ore Royalty Company, 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. (“**ShawCor**”), 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 Chief Financial

Officer of Noranda Inc. and General Partner with Rawlinson & Co. 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 as 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. Biggar is a corporate director who has previously held senior executive positions in the mining, real estate and investment industries. From 2008 to 2012, Mr. Biggar was President and Chief Executive Officer of TSX-listed mining company North American Palladium Ltd. Prior to that, he was Managing Director of private equity investor Richardson Capital Ltd. from 2004 to 2007, and President and Chief Executive Officer of TSX/NYSE-listed Granite REIT from 2003 to 2004. Mr. Biggar has also held senior executive positions with Magna International Inc. and Barrick Gold Corporation, and Managing Director positions (with a particular emphasis on mergers and acquisitions) at Merrill Lynch Canada and UBS Securities. Mr. Biggar has served on the board of a number of public and private companies and is currently on the board of True North Commercial REIT. Mr. Biggar is a CPA, CA and holds Bachelor of Commerce and Master of Business Administration degrees from the University of Toronto.

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, 2018 are set out below in Canadian dollars.

Financial Period	Audit Fees⁽¹⁾ (\$)	Audit-Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
January 1, 2018 to December 31, 2018	1,172,200 ⁽⁵⁾	42,000	15,000	16,000
January 1, 2017 to December 31, 2017	709,000	110,000	Nil	Nil

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’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) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) “All Other Fees” include all other non-audit services.

(5) The increase in audit fees in 2018 compared to 2017 is mainly due to: (i) additional billing for 2017 audit work; (ii) additional work performed for 2018 relating to accounting of Afema acquisition, financing and adoption of new accounting standards; and (iii) full-scope audit of Wahgnion Gold Operations SA by EY Ivory Coast.

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 STANDING 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 to all Board members 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), Jendayi Frazer and Christopher R. Lattanzi, 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. The Compensation Committee is comprised of Frank D. Wheatley (Chair), William J. Biggar and Alan R. Thomas, each of whom is an independent director.

Finance Committee

The Finance Committee's purpose is to assist the Board 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 William J. Biggar (Chair), David Mimran and Edward Goldenberg.

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; mineral resources and mineral 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), Alan R. Hill and David J. Mimran.

Risk Committee

The Risk Management Committee's purpose is to assist the Board in fulfilling its oversight responsibilities with respect to Teranga's enterprise risk management systems, policies and procedures; implementation of appropriate standards for identifying monitoring and mitigating such risks; and ensuring risk management systems are utilized to support strategic plans and objectives for the Company. The Risk Management Committee is comprised of Alan R. Hill (Chair), Alan R. Thomas and Christopher R. Lattanzi.

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.

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.

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, 2018 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 Sabodala Technical Report, which was prepared by P Nakai-Lajoie, P.Geo., B.Sc. of Teranga as well as P. Mann, MSc, FAusIMM, in addition to K.A. Altman, Ph.D., and Jeff Sepp P.E. Eng. of Roscoe Postle Associates Inc. 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.

Certain information in this AIF relating to the Company's mineral projects is summarized or extracted from the Wahgnion Technical Report, which was prepared by Stephen Ling, P.Eng., Peter Mann, MSc, FAusIMM, Patti Nakai-Lajoie, P.Geo., Jeffrey C. Martin, P.Eng. of Roscoe Postle Associates Inc., David J. Gordon, FAusIMM of Lycopodium Minerals Pty Ltd, William Sarunic, MAusIMM (CP (Min)) of Xstract Mining Consultants, Ian R. Ward, P.Eng. of BBA Inc., and David J.T. Morgan, MAusIMM (CP) of Knight Piesold Pty 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 7, 2019 at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2. 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.

NON-IFRS FINANCIAL MEASURES

The Company provides some non-IFRS financial 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 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 is 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. This measure is 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.

"Total cash costs 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 profits 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. All-in sustaining costs exclude income tax payments, interest costs, costs related to business acquisitions and items needed to normalize profits. 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.

The Company also expands upon the WGC definition of all-in sustaining costs by presenting an additional measure of "all-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty costs)". This measure excludes cash and non-cash inventory movements and amortized advanced royalty costs which management does not believe to be true cash costs and are not fully indicative of performance for the period.

"Total cash costs per ounce", "all-in sustaining costs per ounce" and "all-in sustaining costs (excluding cash / (non-cash) inventory movements and amortized advanced royalty 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.

"Average realized price" is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold and silver sales. Average realized price is calculated on revenue and ounces sold to all customers, except Franco Nevada, as gold ounces sold to Franco Nevada. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

"Earnings before interest, taxes, depreciation and amortization" ("**EBITDA**") is a non-IFRS financial measure, which excludes income tax, finance costs (before accretion expense), interest income and depreciation and amortization from net profits. EBITDA is intended to provide additional information to investors and analysts 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. Management believes that EBITDA is a valuable indicator of our ability to generate liquidity by producing operating cash flow to: fund working capital needs, service debt obligations, and fund capital expenditures.

"Free cash flow" is a non-IFRS financial measure. The Company calculates free cash flow as net cash flow provided by operating activities less sustaining capital expenditures. The Company believes this to be a useful indicator of our ability generate cash for growth initiatives. Other companies may calculate this measure differently.

Starting in 2018, the Company adopted "adjusted net profit attributable to shareholders" and "adjusted basic earnings per share" as new non-IFRS financial measures. These non-IFRS financial measures are used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period is expected to help management and investors evaluate earnings trends more readily in comparison with results from prior periods.

The Company calculates "adjusted net profit attributable to shareholders" as net profit attributable to shareholders adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including: the impact of unrealized and realized foreign exchange gains and losses, gains and losses on derivative instruments, accretion expense on long-term obligations, impairment provisions and reversals thereof, and other unusual or non-recurring items. Commencing the second quarter 2018, the Company also excluded the impact of foreign exchange movements on deferred taxes and other non-cash fair value changes from adjusted net profit attributable to shareholders as management does not believe these factors to be reflective of the underlying performance of the Company.

"Adjusted basic earnings per share" is calculated using the weighted average number of shares outstanding under the basic method of earnings per share as determined under IFRS.

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 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.

APPENDIX B - AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Teranga Gold Corporation (“**Teranga**”).

1. Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective financial control framework has been implemented and tested by management of Teranga; and
- external and internal audit processes.

2. Composition and Membership

- (a) The Board will appoint the members (“**Members**”) of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Teranga or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which Teranga’s securities are listed, including National Instrument 52-110 — Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment.
- (c) The Board will appoint one of the Members to act as the chairman of the Committee (the “**Chairman**”). The secretary of Teranga (the “**Secretary**”) will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting.
- (d) The Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, or other persons, from time to time as it sees fit.

3. Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the external auditors of Teranga, the Chief Executive Officer or the Chief Financial Officer of Teranga or any Member, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee the Members in attendance may select one of their number to act as chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee, if any Member of the Committee so requests.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Teranga to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4. Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

(1) Financial Reporting and Disclosure

- (a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, press releases and material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;
- (c) review with management of Teranga, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Teranga's financial position and the results of its operations in accordance with IFRS, as applicable;
- (d) seek to ensure that adequate procedures are in place for the review of Teranga's public disclosure of financial information extracted or derived from Teranga's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;
- (e) on a quarterly basis, the Chairman shall review the minutes from each meeting of the disclosure committee, established pursuant to Teranga's corporate disclosure policy.

(2) Internal Controls and Audit

- (a) review the adequacy and effectiveness of Teranga's system of internal control and management information systems through discussions with management and the external auditor to ensure that Teranga maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Teranga's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and other identified risks, including risks associated with operating in emerging markets, detecting control weaknesses and detecting fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of Teranga at any particular time;
- (b) satisfy itself that management has established adequate procedures for the review of Teranga's disclosure of financial information extracted or derived directly from Teranga's financial statements;
- (c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

- (d) review and discuss Teranga's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Teranga's risk management policies and procedures as they relate to financial reporting and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Teranga;
- (f) review management's procedures regarding compliance by Teranga with its loan and indenture covenants and restrictions, if any;
- (g) review on a quarterly basis with the Chief Financial Officer and the General Counsel, and if necessary, external legal counsel, the status of all material litigation, claims, compliance issues, or regulatory or other contingencies faced by Teranga;
- (h) to review all material related party transactions;
- (i) recommend the appointment, or if necessary, the dismissal of the head of Teranga's internal audit process.

(3) External Audit

- (a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of Teranga;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with Teranga's external and internal auditors;
- (g) meet at least once a year in camera with only the auditors, and with only the members of the Committee;
- (h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;
- (i) oversee the work of the external auditors appointed by the shareholders of Teranga with respect to preparing and issuing an audit report or performing other audit, review or attest services for Teranga, including the resolution of issues between management of Teranga and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Teranga, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (k) discuss with the external auditors their perception of Teranga's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of

their review and availability of records, data and other requested information and any recommendations with respect thereto;

- (l) discuss with the external auditors their perception of Teranga's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;
- (m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;
- (n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues; and
- (o) pre-approve all non-audit services to be provided to Teranga or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

(4) Compliance

- (a) monitor and periodically review the Whistleblower Policy and associated procedures for:
 - (i) the receipt, retention and treatment of complaints received by Teranga regarding accounting, internal accounting controls or auditing matters;
 - (ii) the confidential, anonymous submission by directors, officers and employees of Teranga of concerns regarding questionable accounting or auditing matters;
 - (iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Teranga's Code of Business Conduct & Ethics;
- (b) review and approve Teranga's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of Teranga; and
- (c) review and monitor the implementation of the Company's Code of Business Conduct and Ethics.

5. Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Teranga's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Teranga, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Teranga's financial information or public disclosure.

6. Reporting

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7. Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Teranga that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Teranga's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

The Committee shall at least annually evaluate its own performance and report to the Corporate Governance and Nominating Committee on such evaluation.

8. Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: February 20, 2019

Approved by: Audit Committee
Board of Directors