



# TERANGA

TSX:TGZ / OTCQX:TGCDF

Building a  
Low-Cost Mid-Tier  
West African Gold Producer

Investor Presentation  
June 2020





## Forward-Looking Statements

All information included in this presentation, including any information as to the future financial or operating performance and other statements of Teranga Gold Corporation (“**Teranga**”) that express management’s expectations or estimates of future performance, other than statements of historical fact, constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date hereof. Forward-looking statements are included for the purpose of providing information about management’s current expectations and plans relating to the future. Wherever possible, words such as “plans”, “expects”, “scheduled”, “trends”, “indications”, “potential”, “estimates”, “predicts”, “anticipate”, “to establish”, “believe”, “intend”, “ability to”, or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, or are “likely” to be taken, occur or be achieved, or the negative of these words or other variations thereof, have been used to identify such forward-looking information. Specific forward-looking statements include, without limitation, all disclosure regarding future results of operations, economic conditions and anticipated courses of action. Although the forward-looking statements contained herein reflect management’s current beliefs and reasonable assumptions based upon information available to management as of the date hereof, Teranga cannot be certain that actual results will be consistent with such forward-looking information. Such assumptions include, among others, the ability to obtain any requisite governmental approvals, the accuracy of mineral reserve and mineral resource estimates, gold price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, courses of action, the anticipated impact of combining the two assets, including anticipated synergies, and the potential for the combined Sabodala-Massawa complex to become a top tier gold asset. Teranga cautions you not to place undue reliance upon any such forward-looking statements.

The economic analysis presented in the Massawa Technical Report was prepared by Barrick in respect of its feasibility study for a standalone development plan and proposed mining operation at Massawa. Readers are advised that the economic outcomes disclosed by Barrick are presented in order to provide the reader with context regarding the Massawa project as proposed to be developed by Barrick. However, readers are cautioned that as Teranga proposes to process the Massawa deposits at its existing Sabodala Project, the economic analysis presented in the Massawa Technical Report should not be considered as representing the economic outcome stemming from an integrated Sabodala-Massawa mining complex.

The risks and uncertainties that may affect forward-looking statements include, among others, the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of gold and other key inputs, changes in mine plans and other factors, such as project execution delays, many of which are beyond the control of Teranga. For a more comprehensive discussion of the risks faced by Teranga, and which may cause the actual financial results, performance or achievements of Teranga to be materially different from estimated future results, performance or achievements expressed or implied by forward-looking information or forward-looking statements, please refer to Teranga’s latest Annual Information Form filed with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com) or on Teranga’s website at [www.terangagold.com](http://www.terangagold.com). The risks described in the Annual Information Form (filed and viewable on [www.sedar.com](http://www.sedar.com) and on Teranga’s website at [www.terangagold.com](http://www.terangagold.com)) are hereby incorporated by reference herein. Teranga disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law. Nothing herein should be construed as either an offer to sell or a solicitation to buy or sell Teranga securities.

This presentation is dated as of May 29, 2020. All references to Teranga include its subsidiaries unless the context requires otherwise. This presentation contains references to Teranga using the words “we”, “us”, “our” and similar words and the reader is referred to using the words “you”, “your” and similar words.



## Historical Resource Estimate – Massawa Gold Project

Massawa was discovered by Randgold Resources Limited, which merged with Barrick effective January 1, 2019. On July 23, 2019, Barrick voluntarily filed a technical report under National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) on the Feasibility Study of the Massawa Gold Project, Senegal (the “Massawa Feasibility Study”). The Massawa Feasibility Study disclosed mineral resource statements as well as mineral reserve estimates as of December 31, 2018, which remain current for Barrick as of the date hereof. As the mineral resource and mineral reserve estimates pre-date Teranga’s agreement to acquire Massawa, Teranga is treating them as “historical estimates” under NI 43-101, but they remain relevant as the most recent mineral resource and reserves estimates for Massawa. Further drilling and resource modelling would be required to upgrade or verify these historical estimates as current mineral resources or reserves for the combined Sabodala-Massawa Complex and accordingly, they should be relied upon only as a historical resource and reserve estimate of Barrick, which pre-dates Teranga’s agreement to acquire Massawa. A Teranga “Qualified Person” under 43-101 has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves for the combined Sabodala-Massawa Complex and Teranga is not treating the historical estimate as current mineral resources or mineral reserves.

## Third Party Information

This presentation includes market and industry data which was obtained from various publicly available sources and other sources believed by Teranga to be true. Although Teranga believes this information to be reliable, Teranga has not independently verified any of the data from third-party sources referred to in this presentation, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying assumptions relied upon by such sources. Teranga does not make any representation as to the accuracy of such information.

## Other Notes & Disclaimers

ALL DOLLAR AMOUNTS ARE DENOMINATED IN U.S. DOLLARS UNLESS SPECIFIED OTHERWISE.

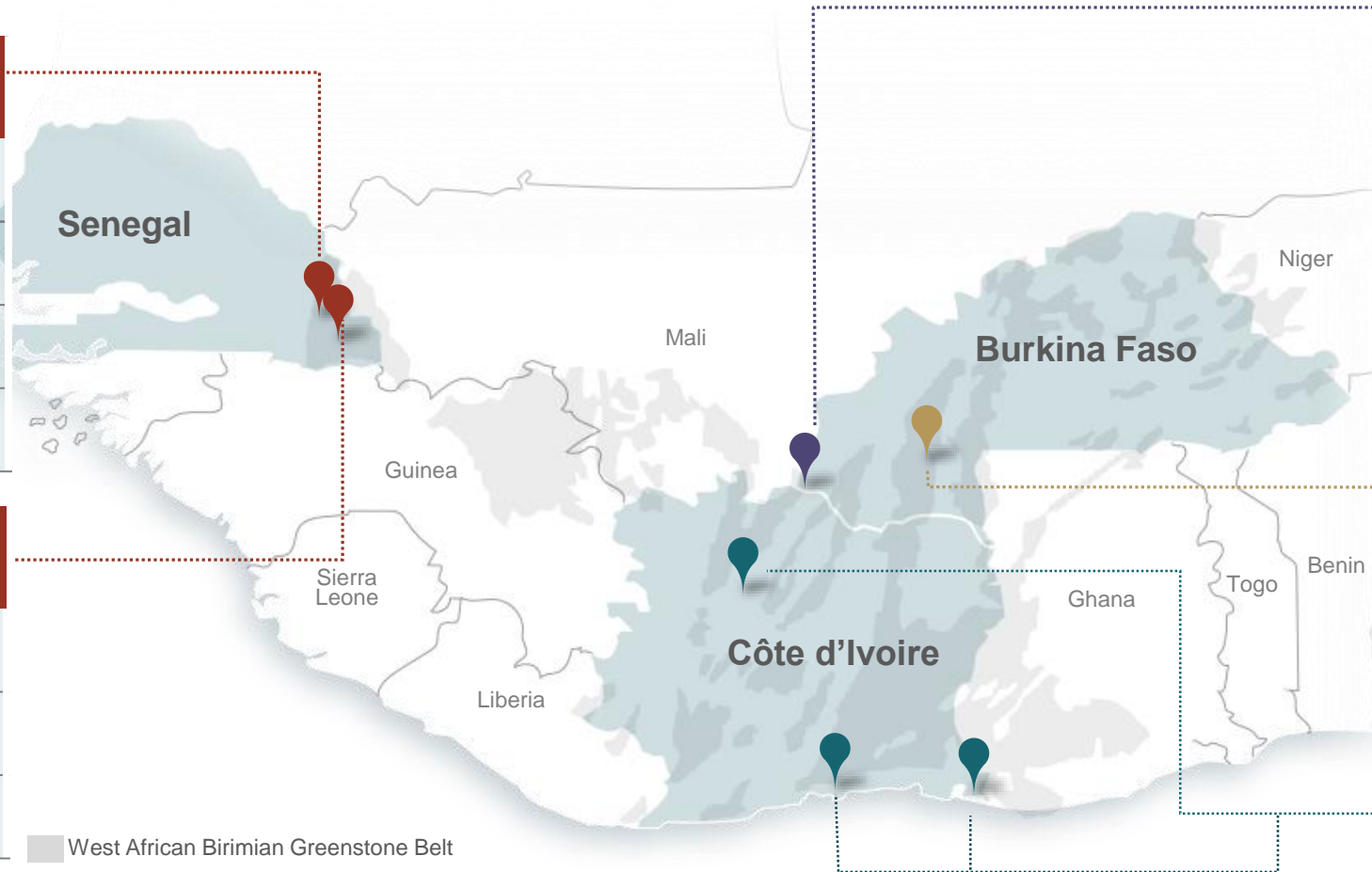


## Repositioning as a Low-Cost Mid-Tier Gold Producer

Standalone Sabodala Gold Mine <sup>(1)</sup>	
2P Reserves	2.2Moz @ 1.33 g/t Au <sup>(3)</sup>
2020 Production Guidance	215,000 oz Au
2019 Production	241,276 oz Au <sup>(2)</sup>
2019 AISC/oz*	\$807/oz Au

Standalone Massawa Project <sup>(4)</sup>	
Stage	Development
Years 1-10 Average Production	203koz Au/year
Historical 2P Reserves	2.6Moz @ 3.94 g/t Au <sup>(5)</sup>



Wahgnion Gold Mine	
2P Reserves	1.6Moz @ 1.59 g/t Au <sup>(8)</sup>
2020 Production Guidance	130,000 – 140,000 oz Au
2019 Production†	47,492 oz Au <sup>(7)</sup>
2019 AISC/oz <sup>(10)</sup>	\$938/oz Au

Golden Hill Project	
Stage	Exploration/PFS
Indicated Resource	415koz @ 2.02 g/t Au <sup>(9)</sup>
Inferred Resource	644koz @ 1.68 g/t Au <sup>(9)</sup>

Miminvest & Afema	
Stage	Early Exploration

Refer to Endnotes (1), (2), (3), (4), (5), (7), (8), (9) and (10) in the Appendix.

\*Refer to Non-IFRS Performance Measures in the Appendix.

†Life of mine initial 5-year average of 132koz Au per year.



## COVID-19 Response: Both Mines Continue to Operate

### Protecting Employees & Maintaining Business Continuity

- Enhanced medical services are in place at each site
- Ramped up infectious disease education, prevention, and management protocols
- Building supply inventory since January – deliveries continue
- Over \$1.1M in financial and in-kind contributions to help host countries and local communities prevent and manage the spread

### Sabodala and Wahgnion Operating in Lockdown Mode

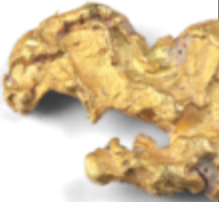
- National and expatriate staff remained on site beyond normal work rotations to continue operations -- rotation of personnel is underway
- Restricted access into both sites
- Development work to integrate the Massawa project with Sabodala, as well as exploration activities are continuing
- Both governments are highly supportive of continuing operations
- Disruption to gold sales late-March due to commercial air travel restrictions and shutdown of a number of European refineries resulted in 23,600 oz of unsold gold at quarter-end – sales have since resumed

**Ongoing challenges remain to ensure business continuity, sufficient supply inventory, and workforce fatigue management**





## Strong Start to the Year Driven by Wahgnion



	2020 Consolidated Guidance Summary	
	Q1 Actuals	Full-year
Gold production <sup>(19)</sup> (oz Au)	91,312	345,000 - 355,000
All-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) <sup>(20)</sup> (\$/oz sold)	\$1,097	\$950 - \$1,075

**2020 Guidance Does Not Include Massawa**  
Guidance to be updated with PFS for Sabodala-Massawa complex in Q3

Refer to Endnotes (19) and (20) in the Appendix

\*Refer to Non-IFRS Performance Measures in the Appendix





## Sabodala Set To Transform Into Top-Tier Gold Complex With Integration of Massawa

**2.2Moz**

Sabodala  
Reserves  
at 1.33 g/t Au<sup>(3)</sup>

**2.6Moz**

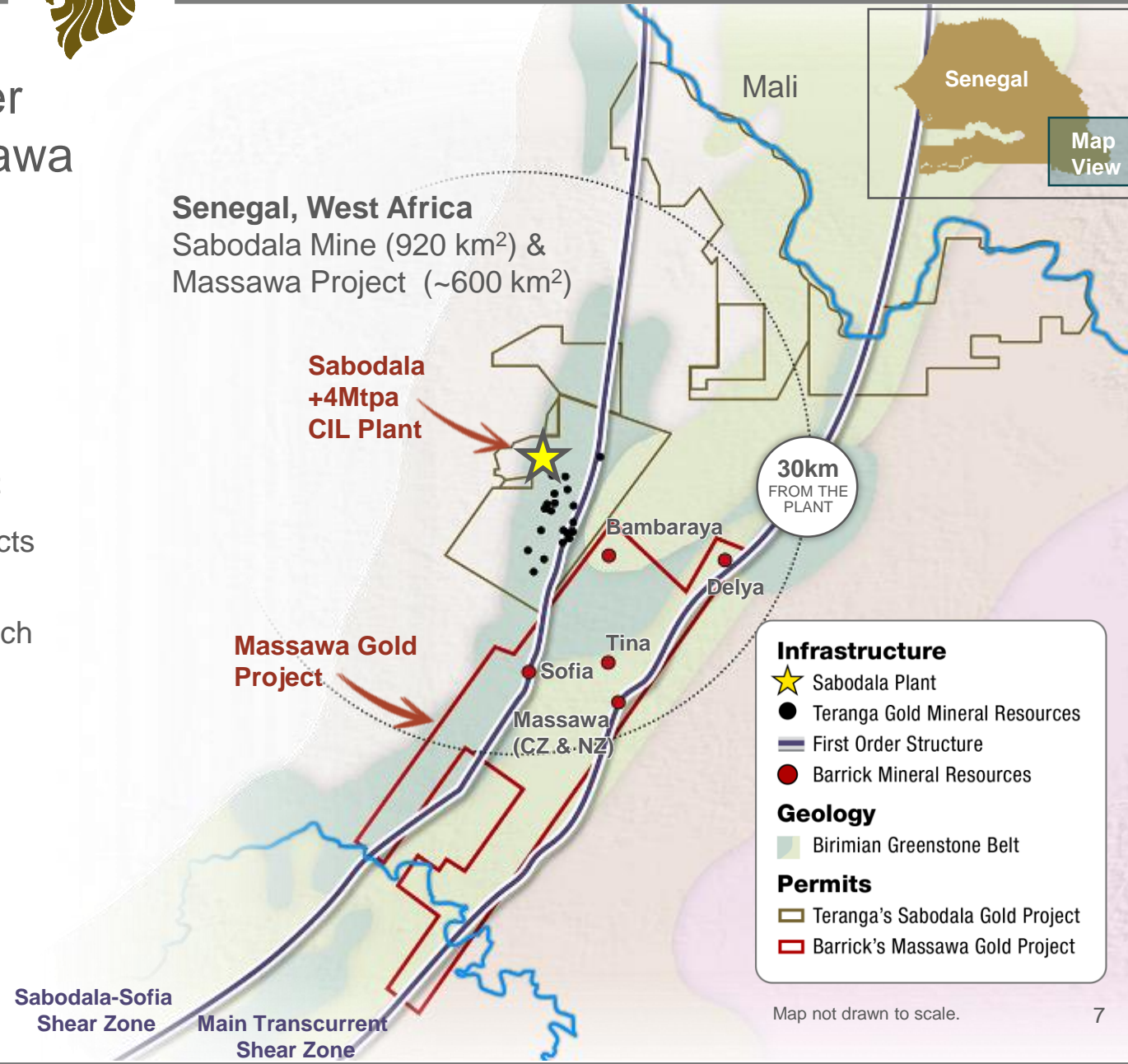
Massawa  
Historical Reserves  
at 3.94 g/t Au<sup>(4)</sup>

### Acquired Neighbouring High-Grade Massawa Gold Project

- One of the highest-grade undeveloped open-pit gold projects in Africa<sup>(14)b</sup>
- 2020 guidance to be updated to include Massawa ore, which is expected to be processed commencing in Q3

	2020	2019
(Sabodala only – excludes Massawa)	Guidance	Actual
Production (oz Au)	215,000	241,276
All-in sustaining costs* (\$/oz sold)	\$900 - \$975	\$807

Refer to Endnotes (3), (4), and (14) in the Appendix  
\*Refer to Appendix – Non-IFRS Performance Measures





## Next Steps to Mining and Processing Massawa Free-Milling Ore Commencing in Q3 2020

### Commence Mining and Processing of Free-Milling Ore From Sofia Deposit

- Pre-feasibility study
- Agricultural land take
- Extend existing haul road from Sabodala mine license to Sofia deposit
- Remote infrastructure assembly
- **Target completion: Q3 2020**

**Estimated Capital Spend: \$5M - \$10M**

### Mine and Process Balance of Free-Milling Ore From Central Zone & North Zone Deposits

- Mill modifications
  - Install gravity circuit
  - Electro-winning capacity
  - Water treatment/dewatering facilities
- **Target completion: Mid-2021**

**Estimated Capital Spend: \$20M - \$30M**

**Early integration work proceeding on schedule**





## Anticipated Operating & Capital Synergies Support Teranga as Natural Acquirer of Massawa

	Standalone Massawa Operation <sup>(4)</sup> (July 2019 Massawa Feasibility Study)	Standalone Sabodala Operation (As at December 31, 2019)	Anticipated Synergies and Opportunities <sup>(15)</sup> (relative to July 2019 Massawa Feasibility Study)
Infrastructure Capex	\$333 million for all phase 1 and phase 2 infrastructure	+4Mtpa mill & TSF within ~30 km from Massawa	Reduces phase 1 and phase 2 capex for standalone mill and infrastructure
Mining	\$3.55/t mined (contractor; LOM) + \$1.25/t ore haul to standalone mill	\$2.74/t mined*	Lower mine opex
Processing	\$18.02/t milled (LOM), including BIOX	\$11.19/t milled*	Lower processing opex
G&A	\$8.60/t milled or ~\$17 million/year	\$4.82/t milled*	Lower G&A
Timing	2-year build; 10+ year mine life	12-year mine life	Accelerated production with higher grade and longer mine life

**Pre-feasibility study for an optimized integrated mine plan expected to be published Q3 2020 followed by a definitive feasibility study**

\*For the twelve months ended December 31, 2019.  
Refer to Endnotes (4) and (15) in the Appendix.



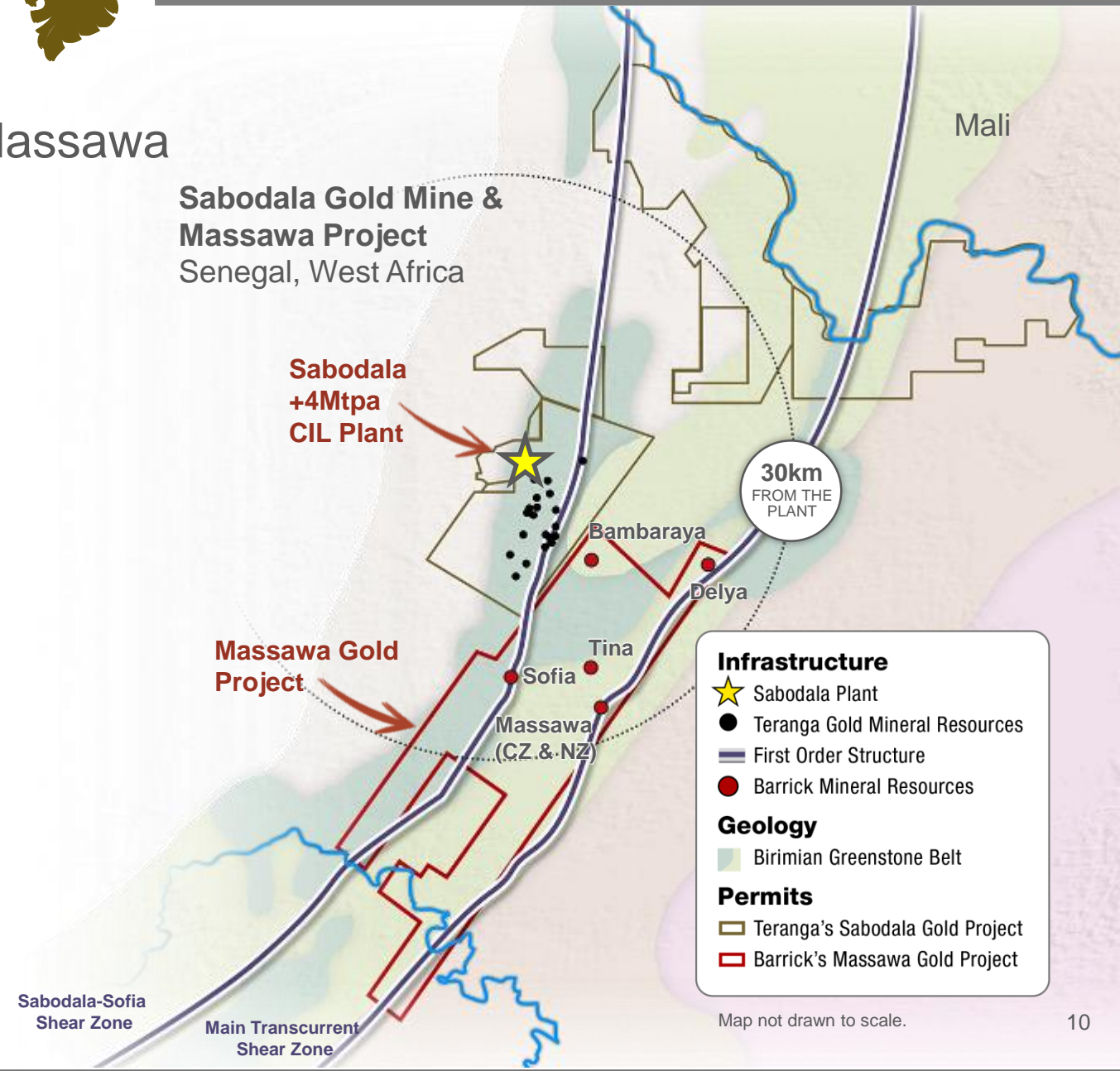
## Strong Exploration Upside Potential at Massawa

### Two Extensive Regional Shear Zone Structures

- Two extensive regional shear zone structures, which host the majority of current resources and exploration prospects
- Internal structural corridor of oblique and interactive secondary structures known to host gold mineralization exists between shear zones

### Potential Exploration Upside at Both Free-Milling and Refractory Ore Bodies

- Considerable exploration upside remains to expand the resource base in advance of an integrated feasibility study
- New discovery opportunities exist as exploration expands along regional shears and within internal structural corridor
- Conducting a drill program to expand the Massawa project resource base in advance of completing a definitive feasibility study in 2021





# Wahgnion: Teranga’s Second Gold Mine Off to a Great Start

**1.6Moz**

2P Reserves  
at 1.61 g/t Au<sup>(8)</sup>

**2.4Moz**

M&I Resources  
at 1.59 g/t Au<sup>(8)</sup>

**13-Year**

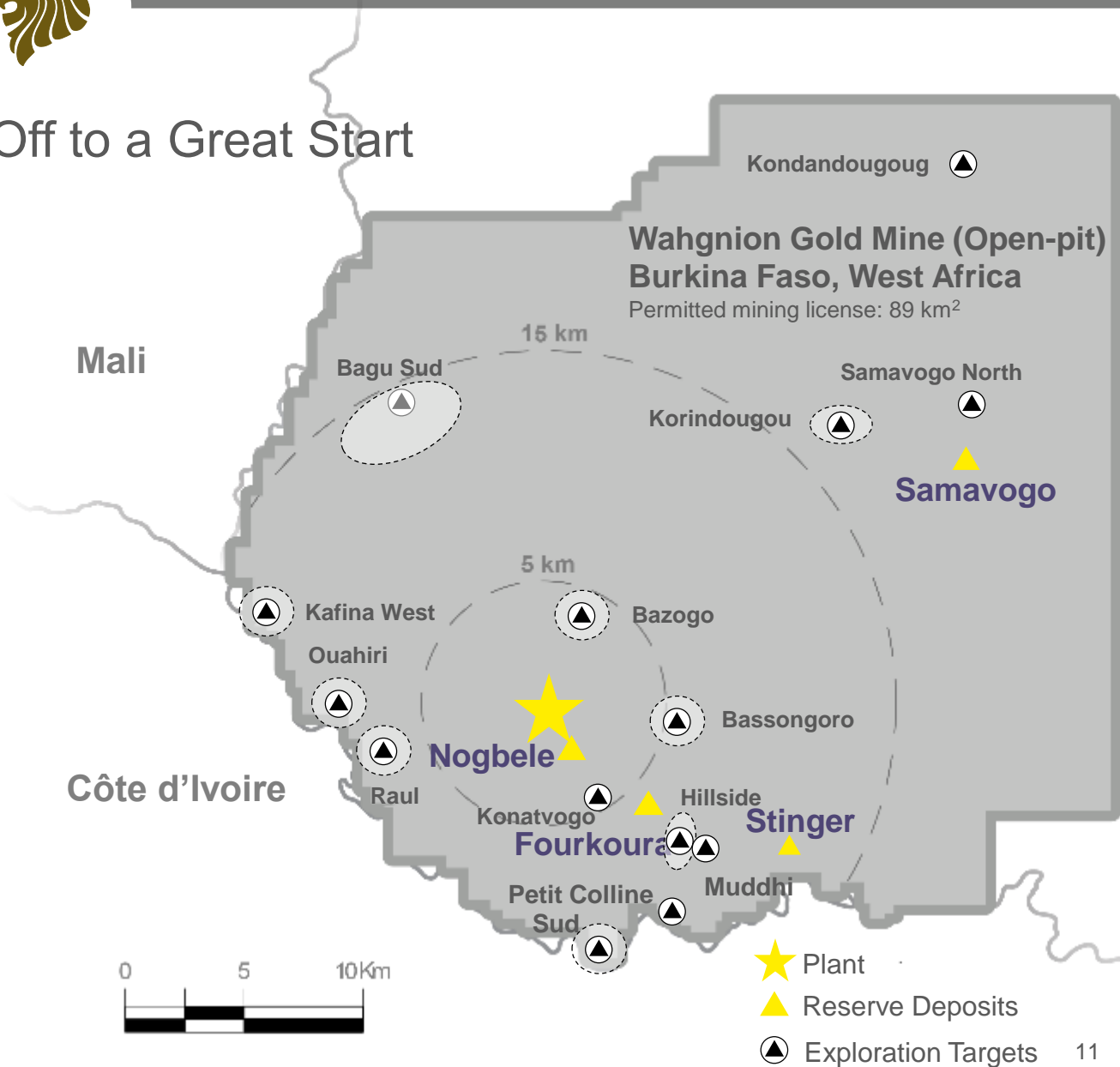
Mine Life<sup>(6)</sup>

## Strong 5-Year Profile with Potential to Increase Mine Life

Life of Mine Summary <sup>(11)</sup>		Initial 5 Years 2020-2024
Avg. annual production <sup>(17)</sup> (oz Au)		132,000
All-in sustaining costs* <sup>(18)</sup> (\$/oz sold)		\$761
Total free cash flow*		\$311M

	2020 Guidance	2019 Actual
Production (oz Au)	130,000 – 140,000	47,492 <sup>(7)</sup>
All-in sustaining costs* (\$/oz sold)	\$850 – \$950	\$938 <sup>(10)</sup>

\*Refer to Non-IFRS Performance Measures in the Appendix.  
Refer to Endnotes (6), (7), (8), (10), (11) and (18) in the Appendix.







## Golden Hill: Progressing Towards Technical Report

**415koz**

Indicated  
Resources  
at 2.02 g/t<sup>(9)</sup>

**644koz**

Inferred  
Resources  
at 1.68 g/t<sup>(9)</sup>

### Initial Resource Provides Solid Base to Grow

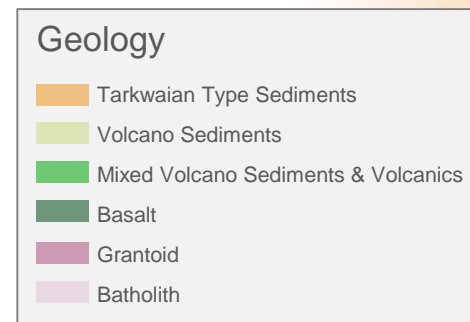
- Excellent along trend and to-depth continuity of gold mineralization at all prospects drilled
- Re-affirms interpretations that each prospect offers substantial upside for size expansion

### Ongoing Drilling & Exploration Program Focused on Expanding Initial Resource

- Uncovered a new discovery: Ma Junction, another high-grade, near-surface prospect

### Golden Hill Advanced Project (Burkina Faso, West Africa)

Exploration licenses: 468 km<sup>2</sup>



★ Included in mineral resource estimate

Considerable expansion of the Ma Structural Complex

MAIN SHEAR ZONE



## Côte d'Ivoire: Future Value Resides with Miminvest and Afema Early-Stage Opportunities

3

Miminvest Permits

4

Afema Permits

### Miminvest Exploration Properties

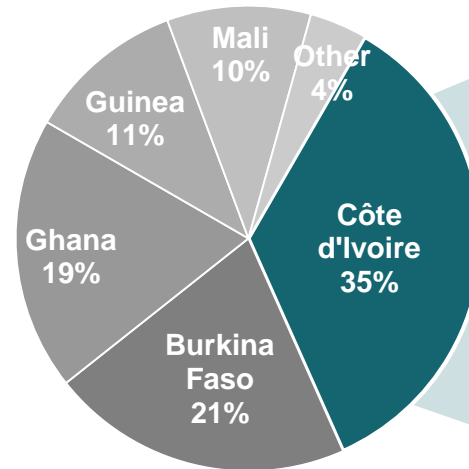
(100% earning, 3% NSR; JV formed June 2016)

- Guitry complex (includes Sangaredougou): highly prospective and potential district
- Dianra: Initial phase of exploration outlines favourable follow-up targets

### Afema Mine Joint Venture

(51%, earning 70%; JV formed December 2017)

- Two well mineralized greenstone belts underlie mine license and regional land package
- Five major shear structures crossing regional land package – combined strike length exceeding 140 km



Côte d'Ivoire represents more than one-third of the West African Birimian Greenstone Belt

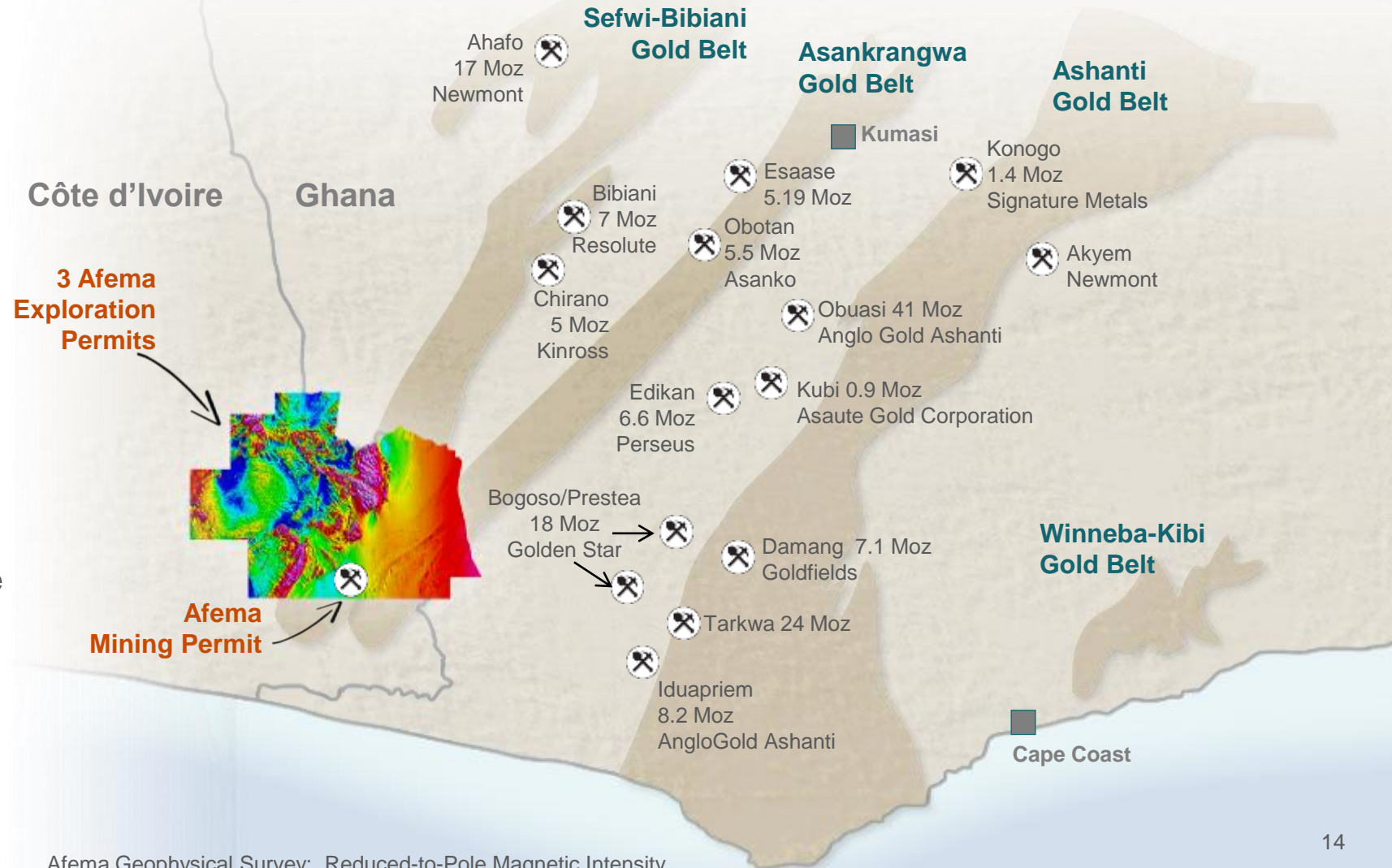


 Operating Gold Mine/ Development Project



## Numerous Structures Identified by Airborne Geophysical Survey

- Afema is situated on two shear zones extending down from Ghana
- High-definition airborne magnetic and radiometric survey of the mine license and regional permits outlines
  - numerous fault zones
  - cross-structures
  - lithologic contacts
  - areas of folded stratigraphy on mine license
- Compelling imagery worthy of extensive follow-up







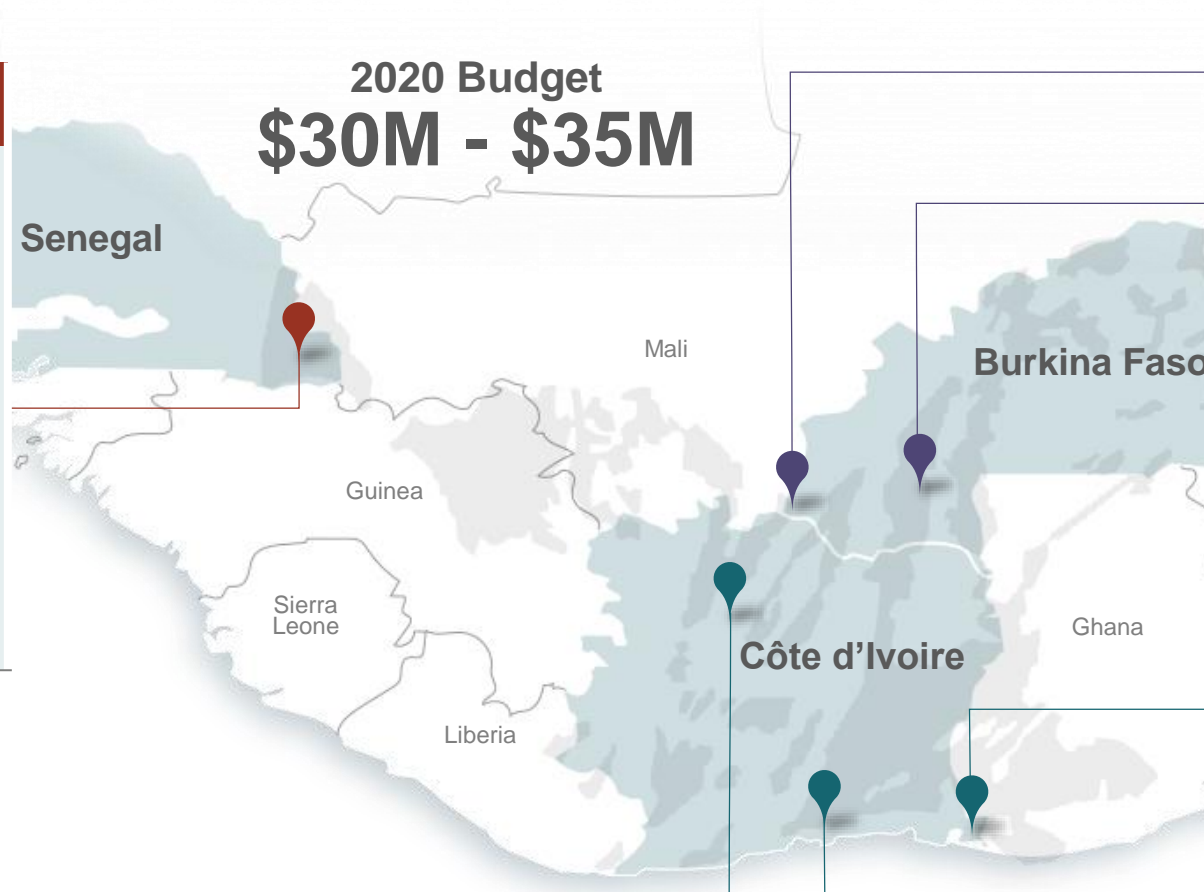
## Expanded Exploration Program in 2020

**~\$10M**

### Sabodala-Massawa Complex

- Commenced initial exploration program at Massawa in Q1 2020
- Intend to define resource at Sofia
- Expand resource and conduct metallurgical drilling at both Massawa Central and North Zones to optimize the design for processing refractory ore required for a definitive feasibility study

**2020 Budget  
\$30M - \$35M**



**~\$15M**

### Wahgnion

- Field programs scheduled to re-commence on the mine license with the intent of replacing resources

### Golden Hill

- Advanced drilling evaluation
- Complete updated resource estimation followed by a technical report in H2

**\$5M - \$10M**

### Afema

- Drilling at new targets with the objective of outlining a substantial resource base of oxide materials
- Exploring for non-refractory mineralization

### Miminvest

- Field activities initiated January 2020



## Capital Structure and Top 20 Institutional Shareholders

<b>Capital Structure</b> (millions, except per share amount)	
Basic shares outstanding	167.5
Stock options granted	7.7
Warrants (Taurus)	3.7
Teranga share price*	C\$10.82
Fully diluted	178.9
Number of shares owned by insiders	35.2
Basic market capitalization*	\$1,333
<b>Cash, Gold Bullion Inventory &amp; Debt</b> (millions) <i>As at March 31, 2020</i>	
Cash & cash equivalents	\$40
Gold bullion inventory**	\$38
Total debt drawn	\$412

\*May 29, 2020 closing share price of C\$10.82.

\*\*23,600 ounces of unsold gold bullion is expected to generate cash of \$38 million using a period-end gold spot price of \$1,609/oz.

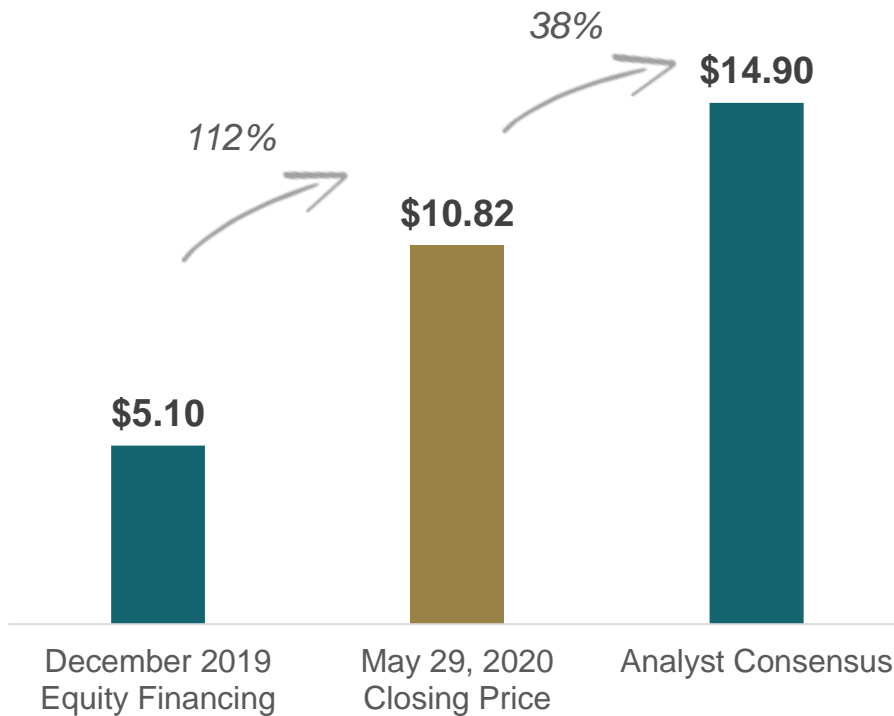
<b>Top 20 Institutional Shareholders</b>		<b>% of o/s Shares</b>	<b>Shares</b>
1	Tablo Corporation	21%	35,466,492
2	Barrick Gold Corporation	11%	19,164,403
3	Van Eck Associates Corporation	9%	15,073,022
4	BlackRock Inc.	6%	10,222,659
5	Ruffer LLP	3%	5,109,793
6	Dimensional Fund Advisors, L.P.	3%	4,736,377
7	Franklin Advisers, Inc.	3%	4,709,553
8	Investec Asset Management	2%	2,834,410
9	Invesco Advisers, Inc.	2%	2,760,000
10	Konwave AG	1%	1,850,000
11	Sprott Inc.	1%	1,310,600
12	AMG Fondsverwaltung AG	1%	1,300,000
13	SSI Wealth Management AG	1%	1,220,000
14	Heartland Advisors, Inc.	1%	1,150,000
15	Earth Resource Investment Group	1%	1,116,000
16	IPConcept (Luxemburg) S.A.	1%	1,000,000
17	Mackenzie Financial Corporation	1%	988,501
18	DWS Investment Management Americas	1%	861,433
19	Gabelli Funds, LLC	1%	860,000
20	British Columbia Investment Management	1%	857,140
<b>Total shares held by top 20 shareholders</b>		<b>67%</b>	

Source: Nasdaq IR Insight. Bloomberg as at May 28, 2020



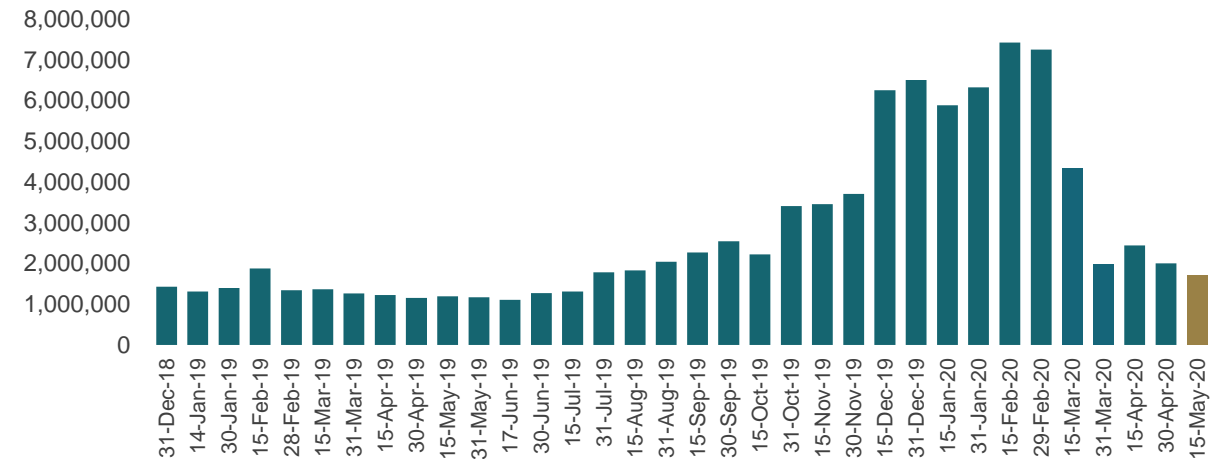
## Strong Trading Fundamentals

TGZ is Trading Over 100% Above Equity Raise Price



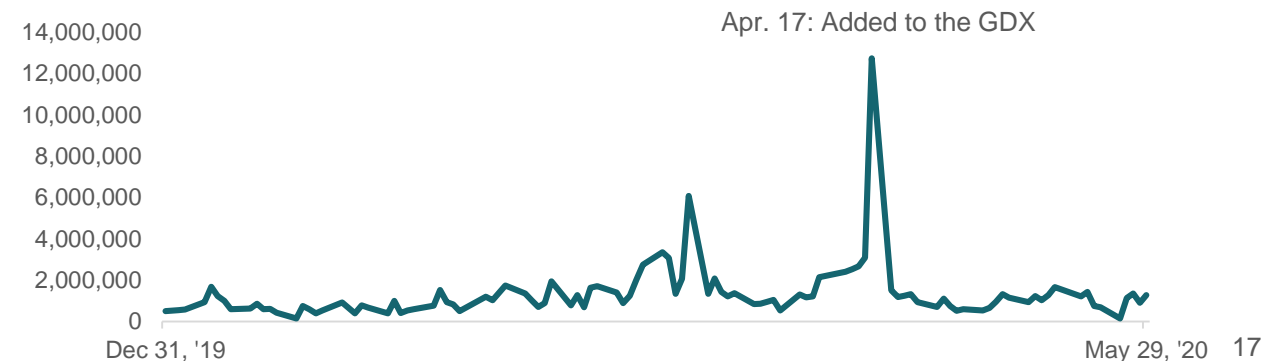
Current TGZ P/NAV of ~0.8x compared to select African peers at ~0.9<sup>(16)</sup>

## Short Position is Normalizing Following Close of Equity Financing



## Overall Volume Increases

Average Daily Volume in 2020: 1.3M shares/day

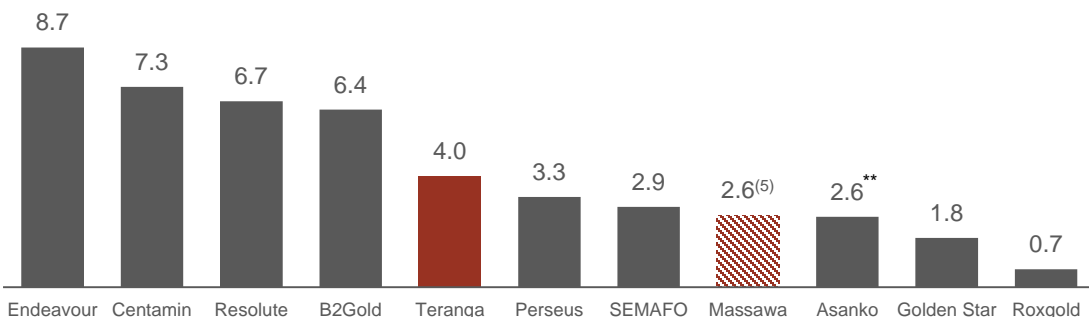




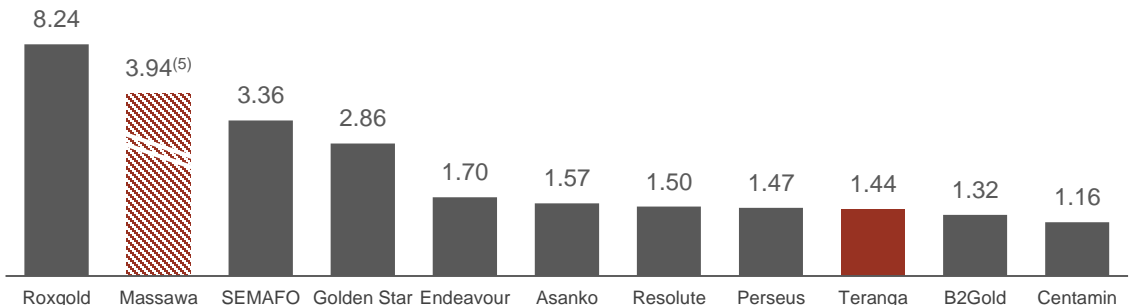


# Targeting Increased Reserves, Grade, Production & Cash Margin

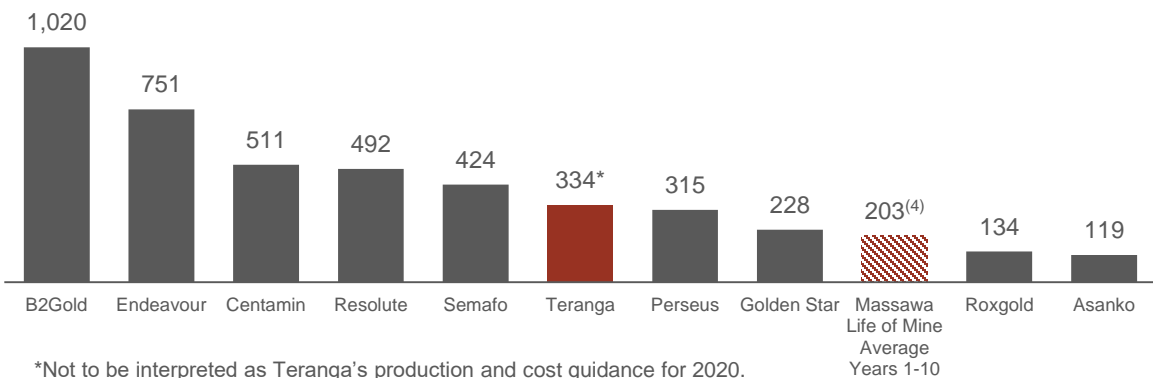
**Reserves - Contained Metal (Moz Au, 100% Basis)**



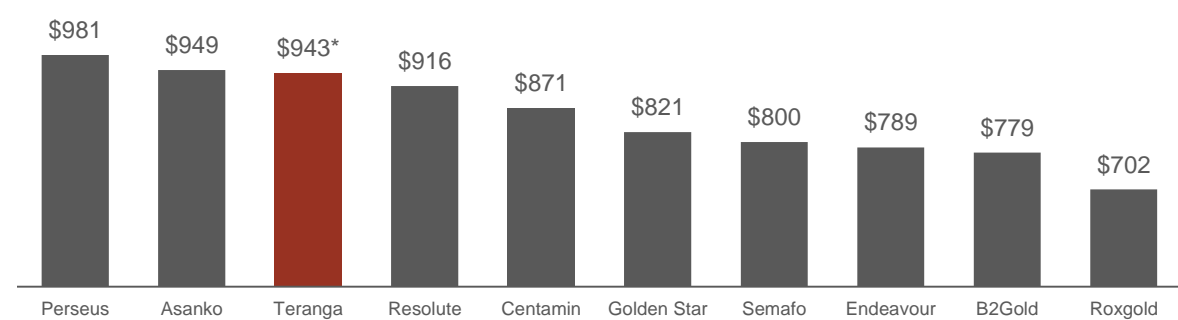
**Reserve Grade (g/t Au)**



**2020E Production (koz Au)** Based on consensus equity research estimates, except for Massawa.



**2020E AISC (\$/oz Au)** Based on consensus equity research estimates.



\*Not to be interpreted as Teranga's production and cost guidance for 2020.  
 \*\*Net of 50% JV with Gold Fields.  
 Refer to Endnotes (4) and (5) in the Appendix.  
 Source: Company materials, Capital IQ, equity research.

# Strong Growth Pipeline

Anticipated to transform Teranga into a low-cost, mid-tier gold producer

Moving to feasibility



Increasing  
Production,  
EBITDA\*,  
Earnings  
& Cash Flow



\*Refer to Non-IFRS Performance Measures in the Appendix.





# Upcoming Catalysts & Milestones

## H2 2020 News Flow

- Q2 2020 Exploration results for Golden Hill project
- Q3 2020 Preliminary feasibility study for combined Sabodala-Massawa complex
- Aug 2020 Update to 2020 production and cost guidance
- H2 2020 Technical report for Golden Hill project

## 2021 News Flow

- H2 2021 Definitive feasibility study for the combined Sabodala-Massawa complex







# Appendix I



## 2020 Guidance<sup>(25)</sup> (12-months ending December 31, 2020)

			Sabodala	Wahgnion	Consolidated
Operating Results	Total mined	('000t)	35,000	18,000 – 20,000	-
	Ore Mined	('000t)	5,000 – 6,000	2,500 – 3,000	-
	Grade mined	(g/t)	1.40 – 1.60	1.70 – 1.80	-
	Strip ratio	waste/ore	5.0 – 6.0	6.0 – 7.0	-
	Ore milled	('000t)	4,000 – 4,200	2,500 – 2,700	-
	Head grade	(g/t)	1.75 – 1.85	1.80 – 2.00	-
	Recovery rate	%	88 – 90	91 – 93	-
	Gold produced <sup>(19)</sup>	(oz)	215,000	130,000 – 140,000	345,000 – 355,000
	Cost of sales per ounce sold	\$/oz sold	1,050 – 1,150	1,025 – 1,175	1,075 – 1,200
	Total cash costs per ounce sold*	\$/oz sold	750 – 800	775 – 850	-
Capital Expenditures	All-in sustaining costs <sup>(20)*</sup>	\$/oz sold	875 – 950	900 – 1,000	975 – 1,100
	Non-cash inventory movements and amortized advanced royalty costs <sup>(20)</sup>	\$/oz sold	25	(50)	(25)
	All-in sustaining costs (excluding non-cash inventory movements and amortized advanced royalty costs) <sup>(20)</sup>	\$/oz sold	900 – 975	850 – 950	950 – 1,075
	Mine Production Costs	\$ millions	160 – 170	90 – 100	-
Corporate and Other	Sustaining Capital <sup>(21)</sup>	\$ millions	15 – 20	15 – 20	-
	Resettlement Capital	\$ millions	10 – 15	10 – 15	-
	Corporate Administration Expense	\$ millions	-	-	16 – 17
	Share-Based Compensation Expense <sup>(22)</sup>	\$ millions	-	-	~8
	Regional Administration Costs	\$ millions	-	-	~6
	Community Social Responsibility	\$ millions	-	-	9 – 10
	Exploration and Evaluation <sup>(23)</sup>	\$ millions	-	-	20 – 25
	COVID-19 Costs <sup>(24)</sup>	\$ millions	-	-	2 – 4

Refer to Endnotes (19), (20), (21), (22), (23), (24) and (25) in the Appendix

\*Refer to Non-IFRS Performance Measures in the Appendix



## Executive Team



**Richard Young, CPA**  
*President & CEO*

25+ years' experience in gold mining including 13 years at Barrick Gold including finance and corporate development



**Paul Chawrun, P.Eng, MBA**  
*Chief Operating Officer*

25+ years' experience in mining including operations and development projects for Fording Coal, Suncor, and Detour Gold



**Navin Dyal, CPA**

*SVP & Chief Financial Officer*  
13 years' experience in mining including 7 years at Barrick Gold as Head of Finance in copper business unit



**David Savarie, LL.B**

*SVP, General Counsel, Corporate Affairs & People*  
11 years' corporate counsel experience in mining including Deputy General Counsel and Corporate Secretary of Gabriel Resources



**Chantal Da Silva, J.D., LL.L., BA**  
*VP, Legal Affairs*

15 years' experience as a solicitor and corporate counsel advising on global finance transactions, M&A and commercial matters in natural resources and financial services



**Gwennael Guillen**  
*VP, Sustainability*

25 years' experience in health, safety, environment and community relations, including 12 years on mining projects in South America and West Africa



**Nancy Lee, MA**

*VP, Human Resources*  
20 years' experience in human resources with a focus on talent development across industries in Canada, US and Asia, including Director, Global Talent Management at Manulife Financial



**David Mallo, B.Sc. Geology**  
*VP, Exploration*

35+ years' mineral exploration in project evaluation and program management, playing an integral role in acquisition, discovery, and exploration of world-class deposits including Eskay Creek and Cobre Panama



**Trish Moran, BBM, PPA**  
*VP, Investor Relations & Corporate Communications*

25+ years' experience in investor relations and communications, including the mining and financial services industries



**Leily Omoumi, MBA**

*VP, Corporate Development*  
15+ years' experience in the mining and financial services industries, including buy-side and sell-side analyst at two major Canadian banks and at Hatch in a technical capacity



**Aziz Sy, P.Eng, M.Sc., MBA**  
*Regional Manager, West Africa*

17+ years' experience in managing gold exploration projects, including his work as Vice President Senegal Operations for the Oromin Joint Venture Group until its acquisition in 2014 by Teranga Gold



**Andrew Zdunich, CD MSyl**  
*Chief Security Officer*

27 years experience in the military, including former Colonel in the Canadian Army, followed by work in the private security industry advising multinational entities operating in complex environments including Sahel, Africa



## Teranga Board of Directors



**Alan Hill, M.Eng**  
*Chairman*

35+ years experience in mining including 20 years at Barrick Gold in project evaluation and development



**Richard Young, CPA**  
*President & CEO*

25+ years experience in gold mining including 13 years at Barrick Gold in finance and corporate development



**William Biggar, MA, CPA**  
*Director*

25+ years experience in senior executive positions in investment, mining and real estate including Barrick Gold and Merrill Lynch



**Simon Bottoms, MGeol, FGS CGeol, FAusIMM**  
*Director*

10+ years global experience as a geologist. Manages Barrick Gold's Africa and Middle East mine operations and project technical teams.



**Jendayi Frazer, Ph.D.**  
*Director*

17 years experience in key roles supporting initiatives and policies to build Africa's equity and commodity markets. First woman U.S. Ambassador to South Africa



**Edward Goldenberg, MA, BCI**  
*Director*

Distinguished career in policy including 10 years as Senior Policy Advisor to the Prime Minister of Canada and the Prime Minister's Chief of Staff in 2003. Honourary Doctorate of Laws from McGill University



**Christopher Lattanzi, B.Eng**  
*Director*

30 years experience in mining property valuation, scoping, feasibility studies and project monitoring on a global basis. Founder of Micon International



**David Mimran**  
*Director & Teranga's Largest Shareholder*  
CEO of Grands Moulins d'Abidjan and Grands Moulins de Dakar, among the largest producers of agri-food in West Africa. Special Advisor to the Government of the Republic of Côte d'Ivoire



**Alan Thomas, CPA**  
*Director*

30+ years mining and energy industry experience in senior financial and director roles including 6 years as VP and CFO of ShawCor and 11 years as CFO of Noranda



**Frank Wheatley, LL.B**  
*Director*

30+ years mining industry experience as director, senior officer and legal counsel. Extensive experience in public financing, project debt financing, permitting of large-scale mining projects and strategic M&A





## Qualified Persons Statement

The technical information contained in this document relating to the Sabodala and Wahgnion open pit mineral reserve estimates is based on, and fairly represents, information compiled by Mr. Stephen Ling, P. Eng who is a member of the Professional Engineers Ontario. Mr. Ling is a full time employee of Teranga and is not "independent" within the meaning of NI 43-101. Mr. Ling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Qualified Person" under NI 43-101 Standards of Disclosure for Mineral Projects. Mr. Ling has consented to the inclusion in this document of the matters based on his compiled information in the form and context in which it appears in this document.

The technical information contained in this document relating to Sabodala, Wahgnion and Golden Hill's mineral resource estimates is based on, and fairly represents, information compiled by Ms. Patti Nakai-Lajoie. Ms. Nakai-Lajoie, P. Geo., is a Member of the Professional Geoscientists Ontario. Ms. Nakai-Lajoie is a full time employee of Teranga and is not "independent" within the meaning of NI 43-101. Ms. Nakai-Lajoie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a "Qualified Person" under NI 43-101 Standards of Disclosure for Mineral Projects. Ms. Nakai-Lajoie has consented to the inclusion in this document of the matters based on her compiled information in the form and context in which it appears in this document.

The technical information contained in this document relating to the Sabodala underground ore reserves estimates is based on, and fairly represents, information compiled by Jeff Sepp, P. Eng., of Roscoe Postle Associates Inc. ("RPA"), now a part of SLR Consulting Ltd, who is a member of the Professional Engineers Ontario. Mr. Sepp is "independent" within the meaning of NI 43-101. Mr. Sepp has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Qualified Person" under NI 43-101 Standards of Disclosure for Mineral Projects. Mr. Sepp has consented to the inclusion in this document of the matters based on his compiled information in the form and context in which it appears in this document.

Teranga's Burkina Faso exploration programs were managed by Peter Mann, FAusIMM. Mr. Mann was a full time employee of Teranga and is not "independent" within the meaning of NI 43-101. Mr. Mann has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Qualified Person" under NI 43-101. The technical information contained in this document relating to exploration results are based on, and fairly represents, information collected using the guidelines outlined by Mr. Mann. Mr. Mann has verified and approved the data disclosed in this release, including the sampling, analytical and test data underlying the information.

The RC and diamond core samples are assayed at the BIGS Global Laboratory in Ouagadougou, Burkina Faso. Mr. Mann has consented to the inclusion in this document of the matters based information collected in the form and context in which it appears in this document.

Teranga's disclosure of mineral reserve and mineral resource information is governed by NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards").

There can be no assurance that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves.

Teranga confirms that it is not aware of any new information or data that materially affects the information included in the technical reports for the Sabodala Project (August 30, 2017) and the Wahgnion Project (October 31, 2018)<sup>(6)</sup> pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects (the "Technical Reports"), or first quarter 2020 results, market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements concerning the Technical Reports continue to apply and have not materially changed.



# Non-IFRS Performance 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, of which Teranga became a member on November 27, 2018. 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 cost per ounce sold"** is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating 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

**"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) per ounce" 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 is recognized in revenue at 20 percent of the prevailing gold spot price on the date of delivery and 80 percent at \$1,250 per ounce. 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.

**EBITDA** is a non-IFRS financial measure, which excludes income tax and related expenses, finance costs (including accretion expense), interest income and depreciation and amortization from net profit/(loss) for the period. 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.

Beginning second quarter 2019, the Company adopted adjusted EBITDA as a new non-IFRS financial measure. Management believes that adjusted 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, after adjusting for factors not reflective of the underlying performance of the Company. Adjusted EBITDA is intended to provide additional information to investors and analysts and does 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 Company calculates adjusted EBITDA as EBITDA adjusted to exclude unrealized and realized foreign exchange gains and losses, gains and losses on derivative instruments, non-cash fair value changes, impairment provisions and reversals thereof, and other unusual or non-recurring items.

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.

**"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 to generate cash for growth initiatives. Other companies may calculate this measure differently.

**"Adjusted net profit attributable to shareholders"** and "adjusted basic earnings per share" are financial measures with no standard meaning under IFRS. 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/(loss) for the period 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, the impact of foreign exchange movements on deferred taxes, non-cash fair value changes, impairment provisions and reversals thereof, and other unusual or non recurring items.

**"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.

For more information and the reconciliation of these measures, please refer to the Company's latest management's discussion and analysis accessible on the Company's website at [www.terangagold.com](http://www.terangagold.com).



## Appendix II

### Standalone Massawa Project



## Massawa Project: Historical Mineral Reserves and Resources

Mineral Reserve	Tonnes (Mt)	Grade (g/t Au)	Total Contained (Moz Au)
CZ Probable (Central Zone)	7.8	4.59	1.15
NZ Probable (North Zone)	5.2	4.67	0.79
Sofia Probable	7.1	2.66	0.61
Delya Probable	0.81	4.21	0.11
<b>Total Open Pit Probable Reserves</b>	<b>20.9</b>	<b>3.94</b>	<b>2.6</b>

Notes to reserve table above:

- Open pit Mineral Reserves are reported at a gold price of \$1,200/oz and include dilution and ore loss factors.
- Open pit Mineral Reserves were generated by Shaun Gillespie, an employee of Barrick, under the supervision of Rodney Quick, MSc, Pr Sci Nat, an officer of Barrick and Qualified Person.

Mineral Resource	Tonnes (Mt)	Grade (g/t Au)	Total Contained (Moz Au)
OP Measured	-	-	-
OP Indicated	23	4.00	3.0
<b>Total M&amp;I</b>	<b>23</b>	<b>4.00</b>	<b>3.0</b>
OP Inferred	3.7	2.2	0.26
UG Inferred	2.6	4.1	0.35
<b>Total Inferred</b>	<b>6.3</b>	<b>3.0</b>	<b>0.61</b>

Notes to resource table above:

- Open pit Mineral Resources are reported as the insitu mineral resources falling within the \$1,500/oz pit shell reported at an average cut-off grade of 0.8 g/t Au.
- Underground Mineral Resources are those insitu mineral resources below the \$1,500/oz pit shell of the North Zone 2 deposit reported at a 2.5 g/t Au cut-off grade.
- Mineral Resources are reported inclusive of Mineral Reserves.
- Mineral Resources for Massawa were generated by Simon Bottoms, MGeol, FGS CGeol, FAusIMM, an employee of the Barrick and Qualified Person.





## Standalone Massawa Project (\$1,200/oz Ore Reserve Case)

### Production Forecast

Year	Yr-2	Yr-1	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Total
Production (koz)	-	-	221	227	201	245	237	206	245	115	162	175	25	2,060

### Process Operating Cost Estimate Summary

	CENTRAL ZONE			NORTH ZONE		SOFIA MAIN	SOFIA NORTH	DELYA		
Rock Type	WOL	BIOX-100% CZ	BIOX – 25%CZ 75%NZ	WOL 100% NZ	BIOX 100% NZ	WOL	WOL	WOL 100% Delya	BIOX 100% Delya	BIOX 20% Delya 80%NZ
Oxide (\$/t milled)	11.29	N/A	N/A	11.60	N/A	11.17	12.13	12.01	N/A	N/A
Oxide Trans (\$/t milled)	14.35	N/A	N/A	13.41	N/A	12.95	12.84	13.76	N/A	N/A
Reduced Trans (\$/t milled)	15.73	43.09	26.88	14.57	25.79	14.31	13.56	13.93	48.69	29.70
Fresh (\$/t milled)	17.40	43.09	26.88	15.74	25.79	15.68	14.30	15.62	48.69	29.70

### Capital Cost Estimate per Phase

Description	PHASE 1	PHASE 2	PHASE 3	TOTAL
Direct Field Cost	91,278,343	10,933,099	47,559,136	149,770,578
Indirect Field Costs	21,023,557	4,253,992	12,309,577	187,357,703
Home Office Costs	12,488,244	1,456,895	5,538,306	19,483,445
Total Plant Cost	124,790,144	16,643,986	65,407,019	206,841,148
Other Costs	147,803,128	181,009	7,541,511	155,525,648
Mining Costs	37,102,894	6,525,273	6,565,398	50,193,565
<b>Total Construction Capital</b>	<b>309,696,166</b>	<b>23,350,267</b>	<b>79,513,928</b>	<b>412,560,361</b>



## Standalone Massawa Project (\$1,200/oz Ore Reserve Case)

### Life of Mine Estimated Capital Expenditures at \$1,200/oz Gold Price

Item	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total
Construction & Project Capital	89,017,300	166,523,217	77,505,917					53,009,285	26,504,643					412,560,361
On-going Capital	-	-	1,112,500	1,112,500	1,112,500	1,112,500	1,112,500	1,712,500	1,712,500	1,712,500	1,712,500	1,662,500	1,662,500	15,737,500
Pre-Production Capitalised		-	-	-	-	-	-	-	-	-	-	-	(10,000,000)	(10,000,000)
Rehabilitation Asset	-	-	-	-	-	-	-	-	-	-	-	-	23,000,000	23,000,000
<b>Total</b>	<b>89,017,300</b>	<b>166,523,217</b>	<b>78,618,417</b>	<b>1,112,500</b>	<b>1,112,500</b>	<b>1,112,500</b>	<b>1,112,500</b>	<b>54,721,785</b>	<b>28,217,143</b>	<b>1,712,500</b>	<b>1,712,500</b>	<b>1,662,500</b>	<b>14,662,500</b>	<b>441,297,861</b>

### NPV Sensitivity at Different Gold Prices & Discount Rates (\$1,200/oz Pit Shell)

US millions Discount	Gold Price (\$/oz)						
	900	1,000	1,100	1,200	1,300	1,400	1,500
0%	163	339	518	696	874	1,051	1,229
5%	37	165	293	421	550	677	805
10%	(34)	60	156	251	346	441	536
15%	(76)	(4)	69	142	215	287	360
20%	(100)	(43)	14	71	127	184	241
25%	(113)	(68)	(22)	23	68	113	159



## Qualified Persons Statement (Barrick)

A technical report to support the feasibility study for the Massawa gold project has been prepared in accordance with National Instrument 43-101. The report is dated as of 23 July 2019 and is filed on SEDAR and available at [www.barrick.com](http://www.barrick.com). Refer to the Massawa Feasibility Study for further information with respect to the key assumptions, parameters and risks associated with the results of the feasibility study, the mineral reserve estimates included therein and other technical information. The Massawa Feasibility Study was filed by Barrick on a voluntary basis, and not as a result of a requirement of National Instrument 43-101.

The following QPs, as that term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects, have prepared or supervised the preparation of their relevant portions of the technical information described above and the related Massawa Feasibility Study on file, and have consented to the inclusion of such information in this document:

- Rodney Quick, MSc, Pr Sci Nat; Mineral Resource Management and Evaluation Executive of Barrick;
- Simon Bottoms, MGeol, FGS CGeol, FAusIMM; Senior Vice President, Africa & Middle East Mineral Resource Manager of Barrick;
- Richard Quarmby, BSc (Chemical Engineering), Pr Eng, CEng, MSAICHE, MIMMM; Africa & Middle East Capital Projects Metallurgist of Barrick; and
- Graham E. Trusler, MSc, Pr Eng, MICHE, MSAICHE; CEO Digby Wells Environmental (Jersey) Limited.



## Endnotes

1. Based on the NI 43-101 Technical Report on the Sabodala Gold Project dated August 30, 2017 available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).
2. At Sabodala, the Company produced a total of 241,276 ounces of gold in 2019, exceeding its 2019 production guidance of 215,000-230,000 ounces.
3. Sabodala's Mineral Reserve estimate as at December 31, 2019. For more information regarding Sabodala's mineral reserves and resources and related notes, please refer to management's discussion and analysis for the year ended December 31, 2019 filed February 21, 2020 and available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).
4. Based on Barrick Gold's NI 43-101 Technical Report on the Feasibility Study of the Massawa Gold Project dated July 23, 2019 (the "Massawa Feasibility Study") available on SEDAR at [www.sedar.com](http://www.sedar.com).
5. The Massawa project's standalone historical mineral reserve estimate as at December 31, 2018 at a \$1,200 gold price pit shell mineral reserves. For more information regarding the Massawa project's ore reserve and mineral resource estimates and related notes, please refer to the Massawa Feasibility Study available at [www.barrick.com](http://www.barrick.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).
6. Based on Teranga's amended NI 43-101 Technical Report on the Wahgnion Gold Operations dated July 31, 2019 (the "Wahgnion Technical Report") available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).
7. At Wahgnion, the Company produced a total of 47,492 ounces of gold in 2019, exceeding its production guidance of 30,000-40,000 ounces.
8. Wahgnion's Mineral Reserve and Mineral Resource estimates as at December 31, 2019. Mineral Reserves are estimated using a gold price of \$1,250 per ounce. Mineral Resources are estimated using a long-term gold price of \$1,500 per ounce, adjusted to match existing industry standards. For more information regarding Wahgnion's Mineral Reserves and Resources and related notes, please refer management's discussion and analysis for the year ended December 31, 2019 filed February 21, 2020 and available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).
9. Golden Hill's Mineral Resource estimate as at November 30, 2018. For more information regarding Golden Hill's Mineral Resource and related notes, please refer to the press release dated February 21, 2019 available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).
10. Cost information only include results from the period after achieving commercial production at Wahgnion (November 1, 2019 to December 31, 2019).
11. Life of mine assumptions include: Gold Price \$1,250 per ounce; Heavy Fuel Oil (HFO): Wahgnion - \$0.59 per litre; Sabodala - \$0.46 per litre; Light Fuel Oil (LFO): Wahgnion - \$1.04 per litre (\$0.88 per litre during construction period); Sabodala - \$0.81 per litre; Euro to USD Exchange Rate: \$1.10.
12. This production target is based on proven and probable reserves only from Teranga's Sabodala Project as at December 31, 2019. For more information regarding Sabodala's Mineral Reserves and Resources and related notes, please refer to management's discussion and analysis for the year ended December 31, 2019 filed February 21, 2020 and available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).





## Endnotes *(continued)*

13. This Sabodala free cash flow is an estimate that is based on the updated life of mine plan and reserve estimate for the Sabodala project, as set out in the Technical Report of Teranga for the Sabodala Project, Senegal, West Africa, dated August 30, 2017 (the “Sabodala Technical Report”). See in particular Section 21 of the Sabodala Technical Report - Capital and Operating Costs.
14. The highest-grade undeveloped open-pit gold reserve in Africa statement is based on publically filed data available on S&P Capital IQ as at November 15, 2019, and includes the following projects: Sanbrado project (Burkina Faso), Tulu Kapi project (Ethiopia), Passendro project (Central African Republic), Yaoure, (Côte d'Ivoire), Wa-Lawra project (Ghana), Baomahun (Sierra Leone), Block 14 (Sudan), Bombore (Burkina Faso). Other companies may calculate their respective reserves base differently.
15. Anticipated significant capital and operating synergies include capital expenditures, mining costs, processing costs, general & administrative expenses, and timing are based on the Massawa Feasibility Study, and the Sabodala Technical Report. Teranga believes that in a combined Sabodala-Massawa operating complex, the Massawa project phase 1 and phase 2 capital expenditures are reduced. We believe the Sabodala mill and infrastructure is capable of processing free-milling ore from the Massawa project with minimal modifications for gravity, arsenic stabilization, and oxygen addition. The Company is targeting first production of ore from the Massawa project in H2 2020, a significant improvement over the Massawa project standalone scenario where first production is scheduled for 2022 at the earliest. Sabodala's operating costs (mining, processing and general & administrative) are lower than those outlined in the Massawa Feasibility Study. The Massawa project is expected to be operated as satellite deposits. Subject to integrated technical studies.
16. Based on consensus equity research estimates from Capital IQ as at May 29, 2020. Select African peers includes: B2Gold, Endeavour, Centamin, Perseus, Golden Star, Semafo, Resolute, Roxgold, and Galliano Gold.
17. The gold price-linked Contingent Consideration is expected to be as follows:
  - if the average gold price for the three-year period immediately following closing of the Transaction (the “three-year average gold price”) is equal to or less than \$1,450 per ounce, nil;
  - if the three-year average gold price is greater than \$1,450 per ounce and up to, but not more than, \$1,500 per ounce, \$25 million; or
  - if the three-year average gold price is greater than \$1,500 per ounce and up to, but not more than, \$1,600 per ounce, \$35 million; or
  - if the three-year average gold price is greater than \$1,600 per ounce, \$50 million.The Contingent Consideration is due the later of three years following the completion of the Transaction and January 31, 2023. The Contingent Consideration is expected to be funded through cash flow.
18. This production target is based on proven and probable ore reserves only for Wahgnion Gold Operations as at December 31, 2019. For more information, please refer to management's discussion and analysis for the year ended December 31, 2019 filed February 21, 2020 and available on the Company's website at [www.terangagold.com](http://www.terangagold.com) and SEDAR at [www.sedar.com](http://www.sedar.com).
19. Based on the 2020 guidance, 12,900 ounces of Sabodala gold production are to be sold to Franco-Nevada Corporation (“Franco-Nevada”) at 20 percent of the spot gold price. All Wahgnion gold production is subject to a gold offtake payment agreement with Taurus Funds (“Offtake Agreement”) up to 1,075,000 ounces (see Financial Instruments section of Management's Discussion and Analysis for the three months ended March 31, 2020 for more details).



## Endnotes *(continued)*

20. All-in sustaining costs per ounce is a non-IFRS financial measure and does not have a standard meaning under IFRS. All-in sustaining costs per ounce sold calculated at the mine site level includes only total cash costs per ounce and sustaining capital expenditures. All-in sustaining costs for includes sustaining capital expenditures but excludes growth capital related to village resettlement expenditures. Corporate administration and share based compensation expense are presented separately in this table and are not allocated to the mine site level costs. All-in sustaining costs presented on a consolidated basis includes corporate administration and share-based compensation expense. All-in sustaining costs also includes non-cash inventory movements and non-cash amortization of advanced royalties.
21. Excludes capitalized deferred stripping costs, included in mine production costs.
22. Share-based compensation expense assumes a constant share price of C\$4.00 per Teranga share.
23. Exploration and evaluation costs includes both expensed exploration, primarily attributable to exploration work on exploration permits, and capitalized reserve development, which is work performed on mine licenses. In the second quarter, we have increased the lower end of the range from \$5 million to \$10 million to reflect actual and expected spend. The higher end of the range has not changed.
24. As a result of worldwide COVID-19 pandemic in 2020, our 2020 guidance has been updated to reflect unforeseen incremental costs primarily related to personnel, camp and transportation costs.
25. This outlook financial information is based on the following material assumptions for 2020: gold price: \$1,450 per ounce; Brent Crude Oil: \$60 per barrel; and Euro:USD exchange rate of 1:1.10. The Company assumes a corporate income tax rate of 25 percent in Senegal and 17.5 percent in Burkina Faso. Other important assumptions: there are no events, whether COVID-19 related or political, that will have an impact to operations, including movement of people, supplies and gold shipments; grades and recoveries is expected to remain consistent with the life-of-mine plan to achieve the forecast gold production; and no unplanned delays in or interruption of scheduled production.



# TERANGA

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