



COLLABORATION

2016 RESPONSIBILITY REPORT

Optimizing our existing West African asset portfolio

Track record of increasing reserves and resources

Proven and experienced leadership team

SENEGAL

*Sabodala Gold Mine
Status: Producing
Reserves: 2.7 Moz
M&I: 4.4 Moz
as at June 30, 2017*

Building new mines

Banfora: Fully permitted development asset in Burkina Faso

- On track with feasibility study and advancing towards construction
- Comprehensive settlement action plan supported by the project's communities

Targeted exploration programs on world-class gold belts

Extensive land package with advanced prospects in Senegal, Burkina Faso and Ivory Coast

Focused on increasing reserves and making new discoveries

ABOUT TERANGA GOLD

Teranga is a Canadian multi-jurisdictional gold producer, developer and exploration company operating in West Africa. Our producing asset, Sabodala Gold Operations (SGO), is based in Senegal. Teranga recently completed work on an updated feasibility study for our fully permitted Banfora Gold Project in Burkina Faso in August 2017. Teranga also owns several prospective exploration permits in Ivory Coast. We believe these properties – and potential future mining rights that may be acquired – will provide a further pipeline of future growth opportunities. Teranga's significant investment in Corporate Social Responsibility (CSR) initiatives has helped establish a mutually beneficial partnership with the regional and local levels of government in Senegal, and we plan to continue to make similar investments within Burkina Faso and Ivory Coast as we increase our scale of activity in these regions.

STOCK EXCHANGE LISTING:

Toronto Stock Exchange: TGZ

2016 BY NUMBERS

Gold production:
216,735 OUNCES

Revenues:
\$268,850,000

Contribution to Senegal:
\$205,795,000

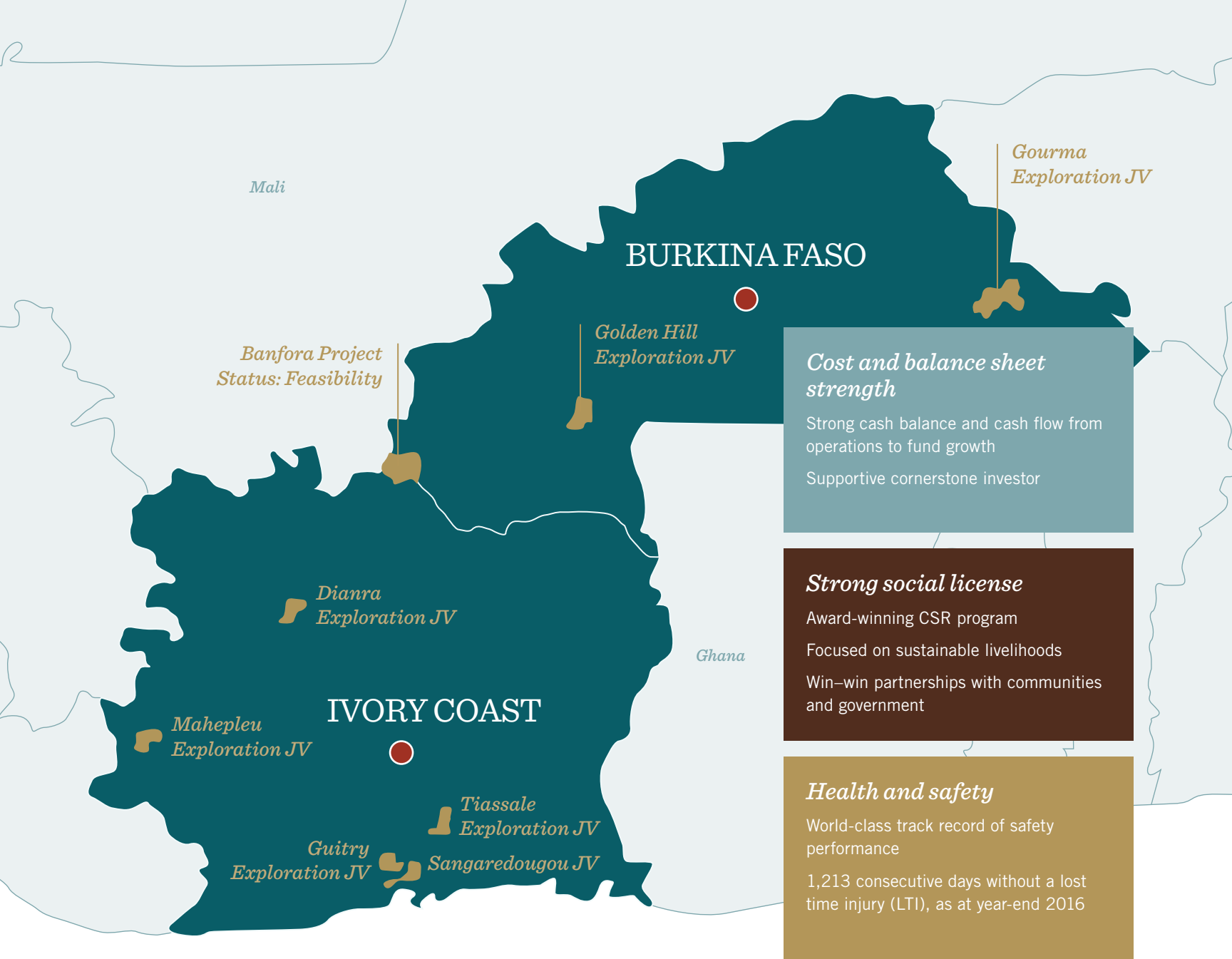
Community investments – Senegal:
\$1,467,047

Payments to Government of Senegal:
\$55,347,000

Number of employees (as at December 31, 2016):
1,333

**CANADA: 31
SENEGAL: 1,209
BURKINA FASO: 86
AUSTRALIA: 7**





ABOUT THIS REPORT

This is the sixth responsibility report published by Teranga Gold. Illustrating our Corporate Social Responsibility (CSR) strategy and achievements, this report presents specific facts and case studies showcasing our performance for 2016. Our CSR indicators are provided in a table at the end of the document.

This report focuses primarily on a number of case studies representing key features of our community development/ social responsibility framework in Senegal. We will provide more information about our community development priorities and activities at our Burkina Faso-based Banfora Gold Project, acquired in late 2016, as part of the 2017 Responsibility Report.

Notably, this report celebrates the 10-year anniversary of the Sabodala mine with a dedicated insert, which provides an overview of the history and the main successes achieved at Sabodala over the past decade since work commenced in 2006.

We continue to advance the United Nations' Sustainable Development Goals (initiated in 2015 in 191 countries) and believe that they provide an important framework for alignment at the global level with the various sustainable development players and that they encourage us to better communicate on the impact of our actions on the ground. Teranga was the recipient of the Global Compact Network Canada Sustainability Award in 2016 in recognition of its advancement of the following goals: Zero Hunger (#2), Quality Education (#4), Decent Work and Economic Growth (#8) and Partnerships for the Goals (#17).

Additional investor-based CSR reporting complementing this report can be found on our corporate website (i.e., Global Reporting Initiative G4 Index) and our community website in French (www.sabodalagold.com).



This responsibility report contains certain statements that constitute forward-looking information. Please refer to the cautionary note regarding the risks and uncertainties that may affect forward-looking statements on page 33 of Teranga's Annual Information Form dated March 29, 2017, and in other filings of Teranga with securities and regulatory authorities which are available at www.sedar.com. All amounts are in U.S. dollars unless otherwise stated.

MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT & CEO

Dear stakeholders,

2016 was a very busy and successful year for Teranga. From a single asset focused on Senegal, we grew to become an emerging mid-tier gold producer in West Africa, with presence in two new mining jurisdictions in West Africa: Burkina Faso and Ivory Coast. We achieved this growth thanks in part to our track record of responsible mining and the trust that it inspires for our stakeholders. Our continued growth benefits all our stakeholders and increases our scale of sharing the benefits of responsible mining.

We are very proud to report that in 2016 our CSR efforts were recognized at the international level, with four prestigious awards from the Global Compact Network Canada, CFI.co, the Prospectors & Developers Association of Canada and the Corporate Knights Future 40 Responsible Corporate Leaders (as detailed on the back cover). These awards and recognition mark an important milestone in the maturity of our CSR programs and encourage us to continue to make a strong impact within our communities.

We continue our journey of responsible mining by offering high-quality skills development programs to our employees, and by implementing impactful partnerships through our community investment programs. Among these programs, the Gora Fund, put in place to support the communities affected by the Gora project, is one of our finest accomplishments, fostering a long-lasting partnership with the communities based on trust. Our local procurement pilot program was also very successful in 2016, training dozens of entrepreneurs to leverage their trade into businesses in the Kédougou Region.

In 2016, Teranga achieved groundbreaking safety performance with more than 12 million hours worked without a lost time injury. In March 2017, we suffered our first-ever employee fatality at the Sabodala Gold Operations. The safety and well-being of Teranga employees is of paramount importance to the Company, and we continue to mitigate the risk of an event of this nature from occurring again.

Our growth strategy as a company does not mean that our focus and priorities are changing. We continue to believe that our success is tied to the success and long-term stability of our host communities and our reputation as a responsible partner in sustainable resource development. As we continue to grow, we will face even more challenges to earn and maintain our social license to operate, but regardless of what country we operate in, our primary focus remains supporting the long-term sustainable socio-economic development of the regions in which we operate, and ensuring that local communities are “better off” after we leave than before we came.



Alan R. Hill, Chairman



Richard Young, President & CEO

Two handwritten signatures in black ink. The signature on the left is for Alan R. Hill, and the signature on the right is for Richard Young.

Alan R. Hill
Chairman

Richard Young
President & CEO

6. *Mitigating Our Impacts*

Actively managing our impacts on our communities and the environment



12. *Sharing the Benefits*

Creating long-term socio-economic development opportunities for our communities

OUR APPROACH

In 2010, when Teranga first acquired Sabodala Gold Operations, our chairman and CEO had a vision of mining responsibly by mitigating our environmental and community impacts and sharing in the benefits to a standard capable of setting the benchmark for responsible mining within Senegal. In 2014, we launched the Teranga Regional Development Strategy (TDS) in order to develop a sustainable framework for our CSR activities by way of a multi-stakeholder consultative approach.

As we continue to mature as an organization, our core CSR pillars – Mitigating Our Impacts, Sharing the Benefits, Our People and Culture, and Good Governance – remain just as relevant today as they did at the commencement of the Sabodala operations. Having largely mitigated our impacts through our community development and environmental programs, we are now intensifying our focus at Sabodala on long-term community skills development and empowerment.



16. *Our People and Culture*

A safe work environment, and a focus on promoting and developing our employees



18. *Good Governance*

Transparency, open dialogue, and collaboration with all our stakeholders



MITIGATING OUR IMPACTS

Actively managing our impacts on our communities and the environment

Developing a mining project in a remote area is a very sensitive undertaking. It can have a long-lasting impact on the lives and livelihoods of those residing within the host communities, including potentially long-term environmental effects. While our mine investment can offer meaningful opportunities to boost the socio-economic development of these communities, at Teranga we believe that our main responsibility is to minimize our impacts on the environment and our host communities through upfront engagement and consultation at every stage of the mine's life cycle: during exploration, project design and development, construction, exploitation, closure and rehabilitation.

In Mamakhono, Teranga has built a tree nursery fully equipped with solar water supply. This 10,000-plant-capacity nursery is operated by members of the community with the aim to ultimately transfer ownership to the community and provide them with a sustainable source of income.





ENVIRONMENT

OUR APPROACH

Our employees, our host communities, governments and all other stakeholders have a right to expect a high standard of environmental performance from Teranga.

We take a precautionary approach throughout the life of the mine to address any temporary or long-lasting effects that our mining operations may have on the environment. We first assess any potential environmental impact and then evaluate how to avoid or mitigate it, with the aim of preserving the long-term health, function and viability of the natural environments affected by our operations.

COMPLIANCE

Committed to the highest standards of environmental management, we conduct our activities in compliance with the laws and regulations of the countries we operate in. A legal register has been compiled and is updated regularly to ensure that we are kept abreast of regulatory changes and that our standards are in compliance with the best practices available.



The plants produced in the nursery are used for our rehabilitation efforts and are also donated to the community for their needs, promoting environmental awareness in the area.

BEYOND COMPLIANCE

Our environmental policy, as with our principles and standards, goes beyond regulatory obligations and reflects our commitment to reducing and mitigating our impacts on all areas affected by our activities: soil and air pollution; biodiversity; use of chemicals and hazardous substances; waste management; resource utilization (water, energy); and climate change. This policy reflects our commitment towards training our employees and contractors on environmental awareness and management.

In addition to these measures, our inspection program proactively monitors the environmental performance of each of our departments on site, and performance indicators are disseminated on a weekly basis to department managers. Incidents or failures in respect to the environmental management standards are addressed through corrective actions.

For a list of our environmental policies, refer to our website at www.terangagold.com/english/teranga/corporate-governance.



300
*bags of seeds
collected
for forestry
rehabilitation*



10,000
*trees planted
in 2016 as
part of land
rehabilitation*



46%
*water
recycling
rate in 2016*

BIODIVERSITY AT SABODALA

The Sabodala site is located approximately 40 kilometres from the Niokolo Koba National Park. We recognize that our activities have an impact on biodiversity and ecosystems and cannot be dissociated from them. Biodiversity is fully integrated into our Environmental Management System and is part of all Environment & Social Impact Assessments that we undertake.

As a result of the construction of permanent water dams (used to harvest rainwater for operations), a significant change in local biodiversity has occurred over time. Fish species started to appear naturally in the lakes, followed by indigenous and migratory bird species. Large fauna can now be spotted around these waters as well (e.g., crocodiles, pythons, jackals, warthogs). Cattle now have easy access to water in all seasons, and villagers have started to fish.

These bodies of water will be preserved as part of the rehabilitation strategy, offering great opportunities for economic activities beyond the life of the mine.



MITIGATING OUR IMPACTS



The projects financed through the Gora Fund are selected by a steering committee composed of village representatives. These projects target social services, income generation, and women; four grain mills were purchased to support them and ease their workload.

COMPENSATING FOR INCOME LOSS – THE GORA FUND

The Gora Fund is an example of successful collaboration between Teranga and the Gora communities, turning the loss of illegal artisanal mining into a long-term economic development solution.

The Gora deposit was discovered in 2010 by Teranga, and soon after, artisanal mining activity escalated at the site. In 2015, Teranga initiated the Gora Fund in response to opposition to the project from the local community, which was largely as a result of our curbing of illegal artisanal activity. In order to mitigate the loss of artisanal mining income, this community investment fund was created, dedicated to the six villages surrounding the Gora site, and with compensation tied to production from the Gora pit. As with the Sabodala Social Fund (see page 11), the communities themselves govern the fund, agreeing on the allocation of money and the implementation of projects. This has paved the path for a sustainable working relationship with the Gora communities and opportunities for sustainable economic development.

Since the implementation of the Gora Fund, the communities' perception of the project has changed dramatically, and trust has been established.

The Gora Fund – an example of successful collaboration between Teranga and communities to turn the loss of illegal artisanal mining into a long-term economic development solution.



Time for Global Action, a TV program partner of the UNDP, showcased the Gora Fund in its series of best practices towards the achievement of the United Nations SDGs. To see the video, visit www.terangagold.com/terangaglobalaction.



INVESTING IN THE COMMUNITY: THE DIALAKHOTABA MARKET GARDEN

The Dialakhotoba market garden was built in May 2014 by Teranga, following a request from the local communities. It is the sixth out of a total of 10 market gardens that we have built and the first one using micro-irrigation.

The 0.75-hectare market garden involves 94 women from the village. Teranga invested \$37,000 to build the infrastructure and provide the women with supplies to commence farming, including a borehole and a well, equipped with solar water pumps used for the micro-irrigation system. The women were trained to use and maintain the micro-irrigation system, and our agronomist continues to support them on a regular basis. Our agronomist also ensures that the various market gardens in the area produce different vegetables in the same season, to avoid competition and encourage trade. Since its construction, the Dialakhotoba market garden has provided astonishing results:

- a total of 72.5 tons of vegetables have been produced
- the produce has a market value of \$65,000, almost double the initial investment cost

On average:

- 40% of the produce is consumed by the farmers and their families
- 60% is sold at the local markets, representing \$39,000 of produce sold since the inception of the garden

Market gardens are one of the most successful projects that Teranga has implemented in the vicinity of the mine. These market gardens empower women by providing them with a source of income and building their own capacity for entrepreneurship. They are also a very important factor in improving nutrition in the area. Furthermore, by implementing new technologies such as micro-irrigation, we ease the women's workload and introduce innovative initiatives that can be replicated elsewhere in the region and around the country.

Teranga has now implemented 10 market gardens in total in the area, which are managed and operated by more than 900 women.

Market gardens are one of the most successful projects that Teranga has implemented in the vicinity of the mine.

MITIGATING OUR IMPACTS

SABODALA SOCIAL FUND

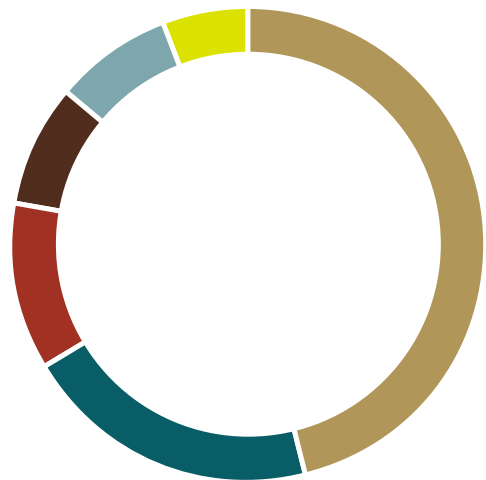
As part of our mining convention with the Government of Senegal, the Sabodala Social Fund provides a framework for supporting annual community investment projects that align with regional and local government development plans and with the needs of communities.

Working directly with the communes and the municipal councils, SGO participates in the annual Sabodala Social Fund budget consultation process. The selection and implementation of projects funded by SGO are based on community priorities that are aligned with our CSR strategy. Once projects have been selected, SGO and the mayors sign an annual partnership convention detailing the projects funded by SGO and the amount allocated to each project.

In 2016, five conventions were signed, for a total investment exceeding \$1 million. The investments focused on road rehabilitation, health posts, classrooms, water boreholes and market gardens, as well as the provision of one vehicle each for the communes of Sabodala and Khossanto.

Working closely with the municipal councils, SGO assists in the implementation of these investments through technical facilitation and project reviews. By year-end 2016, 95% of the investment projects funded in that year had reached completion – an outstanding result achieved through effective collaboration between Teranga and the communes, and a strong sense of community ownership for the projects selected.

SOCIAL FUND INVESTMENTS IN 2016 (\$)



Local Development Projects	\$614,555
Education	\$270,925
Income Generation	\$152,652
Water and Sanitation	\$111,104
Health	\$105,627
Sport and Culture	\$75,464
Total	\$1,330,327

In Sabodala, Teranga annually invests more than \$1.2 million in the communities through the Social Fund.



SHARING THE BENEFITS

Creating long-term socio-economic development opportunities for our communities

Beyond community investment, Teranga strives to create long-term partnerships with its stakeholders to develop solutions and projects that will support long-term socio-economic development in the countries we operate in. These partnerships also focus on sharing the benefits of responsible mining with our stakeholders.

We believe that mining companies have an opportunity to become partners of choice for local socio-economic development. They are able to successfully engage with international partners and be a catalyst for resources and skills to further benefit the region. This is successfully demonstrated in Senegal, where Teranga operates the first gold mine in the country, setting the benchmark for the industry in the country.



“At Teranga, local procurement is a priority and is an important part of the way we work. We understand the importance of purchasing from local suppliers to develop the regional economic activity, create job opportunities and build a stronger, more sustainable local economy.”

– Abdoulaye Deme, Supply Chain Coordinator

Through the introduction of new technologies (such as tractors) in the zone and continuous engagement with its stakeholders, Teranga creates long-term partnerships with its stakeholders, enabling the development of sustainable long-term solutions for the socio-economic development of the region.



WHAT SHARING THE BENEFITS MEANS FOR OUR STAKEHOLDERS



EXECUTIVE LEVEL: Ousmane Cisse, Director of Mines & Geology, Senegal: “The Government of Senegal has a very good relationship with Teranga based on a win-win approach and shared support of the mining industry. Teranga understands that we need to not only invest for our shareholders, but also invest in our local communities through agriculture, education and training.”



COUNTRY LEVEL: Philippe Barry, RSE Senegal: “Up until 2016, Teranga was the only company to present its CSR report in Senegal. We welcome this initiative from the Company, and its resolve in reporting transparently. Teranga is a pioneer company in this field in Senegal.”



COMMUNITY LEVEL: Mamadou Cissokho, Mayor of Sabodala: “Teranga is a strong supporter of the regional decentralization process. This is a win-win partnership between the Company and the commune, resulting in the achievement of major milestones in the area over the last 10 years.”



SITE LEVEL: Tamba Cissokho, Camp Electrician: “Since the inception of the mine, the area has been totally transformed. The Company has offered me a job and provided me training to further my development in the Company. They also do a lot for my relatives in the village. I am proud to be part of a company that provides so much to my region.”

\$139 MILLION

*spent on procurement
in Senegal in 2016*

71% INCREASE

*in procurement in
Kédougou Region, from
\$589,695 in 2015 to
\$1,005,670 in 2016*



Record production day at Bransan's market garden: more than a ton of onions was collected in one harvest. They will be consumed by households in the community or sold to the surrounding villages.

BUILDING CAPACITY OF REGIONAL ENTREPRENEURS

Through our local procurement program, Teranga currently sources 80% of its materials locally within Senegal. We have rolled out a number of training programs for local businesses who would like to be part of our supply chain, by identifying services and materials that can be sourced locally for use at the mine, and ensuring that these local businesses meet our quality assurance and other procurement service provider criteria.

Currently, Teranga is engaging with local providers of metal works, stationery, car seat repair, and transportation services, among others, to formalize their provision of materials to the mine.

In November 2015, 73 local entrepreneurs and business representatives attended a session led by Teranga, which provided them with an overview of our procurement procedures and our occupational health and safety standards. The session also included

presentations from local professionals from the legal, taxation and banking sectors to help raise awareness of the regulatory requirements for small businesses and the services available to support them.

In 2016, Teranga launched a comprehensive multi-module business coaching program targeting 25 local businesses. Current and potential suppliers received one-on-one support from qualified local training providers in subject areas relevant to health and safety and commercial capacity building.

Through our local procurement program, Teranga currently sources 80% of its materials locally within Senegal.

SHARING THE BENEFITS



REVITALIZING THE LOCAL COTTON INDUSTRY: WHITE GOLD FOR LIFE

As part of its commitment to support sustainable development, Teranga funded the White Gold for Life initiative, which aims to revitalize the cotton industry in Senegal.

Until the mid-1990s, Senegal had a robust textile industry, which all but disappeared over the following decades due to a variety of institutional and economic factors. As part of the Emerging Senegal Plan – the national strategy for medium- and long-term economic and social development – the cotton sector holds significant potential for the country's continued growth. Teranga and its partners see the revival of the national cotton value chain as a prime opportunity for job creation across the country.

The group is currently working on the evaluation of a pilot project that will see cotton grown in the Kédougou Region transformed into high-quality thread in Kaolack, and woven into natural fabric in Rufisque to be sold on the national and international markets. Teranga hopes to see the benefits and opportunities of the initiative shared with farmers, workers and artisans across the country.

To date, Teranga has contributed more than \$250,000 to provide training, investment guarantees, production incentives and equipment to the farmers in the area of the mine, employing up to 500 farmers in these activities. Teranga has been encouraged by the response from the farmers, for many of whom the cotton sector represents an alternative to artisanal mining as a source of income.

Teranga has contributed more than \$250,000 to provide training, investment guarantees, production incentives and equipment to farmers in the area of the mine.



Teranga strives to provide a thriving work environment, where local employees can develop to their full potential and grow with the company. More than 80 training programs are currently in place at the Sabodala mine.

OUR PEOPLE AND CULTURE

A safe work environment, and a focus on promoting and developing our employees

People are at the heart of Teranga. We are committed to providing a healthy and safe environment for all our employees, and we are putting an emphasis on recruiting, training and promoting local employees

within the regions in which we operate. Our main focus is on providing the opportunity for our employees to grow with the Company and into their roles and to develop a long-term career plan with Teranga.



OUR 2016 SAFETY RECORD

Lost time incidents:

0

OHS Committee meetings:

65

Safety Toolbox meetings:

5,395

Inspections (formally recorded):

2,704

OUR FRAMEWORK FOR EMPLOYEE DEVELOPMENT

Because Teranga was the first industrial gold mine in Senegal and the first mine in the Kédougou Region, it was important to implement a comprehensive training program to build local capacity in the highly regulated mining sector. Teranga is committed to local employment and to helping our employees grow into more senior roles within the Company. We provide an onboarding program to help employees adapt to the workplace culture.

To attract and retain women, we provide 11 months of maternity leave, which is well above the Senegalese standard.

Over the years, Teranga has developed a full training program for our Sabodala site, including practical, technical leadership training in areas relevant to the mining industry, such as health and safety and business improvement. This program is part of our employee development framework and is a key tool that supports our employees' progress and promotion.

In 2016:

- more than 80 different types of training were provided, both internal and external
- an average of 3.45 hours of training per employee was provided
- 130 Senegalese employees progressed within their role
- 40 Senegalese employees were promoted to a new position

Teranga has a diverse workforce composed of individuals from varying education backgrounds, and in 2016 signed an agreement with ONFP (National Agency for Professional Training) outlining a mutual framework for commitment and responsibility with respect to training programs tailored specifically for Teranga's employees. With ONFP's technical support, we delivered two main programs: literacy training and cooking training for the camp.

- 136 employees completed the literacy training
- 21 employees completed the cooking training

Teranga has also partnered with a number of educational institutions to support students and provide them with practical experience in our world-class operation. In 2016, we welcomed 104 interns on site, to support programs and initiatives in various departments.

GOOD GOVERNANCE

Transparency, open dialogue, and collaboration with all our stakeholders

At Teranga, we are committed to conducting our activities in compliance with applicable laws and the highest ethical standards as set out in our Code of Business Conduct and Ethics. We require that all our employees and business partners adhere to the same duty of care.

We believe that our success depends on our ability to earn the trust of our stakeholders by conducting our operations transparently, and we work towards better communicating on what we do. We are a strong advocate of the Extractive Industries Transparency Initiative (EITI) and also a member of the United Nations Global Compact.

FOCUSED AND DEDICATED AT EVERY LEVEL

Teranga has implemented a governance structure that supports its comprehensive CSR strategy, where CSR is a priority at all levels of the Company.

BOARD

Board-appointed CSR committee composed of three members; meets three times a year.



Dr. Jendayi Frazer, Chair of the CSR Board committee:
“It has been a real pleasure for me to watch this company grow, and the results accomplished in maintaining a social license to operate.”

EXECUTIVE

Executive and senior management compensation includes CSR components.



Sepanta Dorri, VP, Stakeholder & Corporate Development:
“At Teranga, we lead with CSR in the strategic decisions that define our company. How we set and deliver our strategy is a function of the impacts to our communities.”

COUNTRY

Internal CSR committee composed of executives and CSR team (site and corporate); meets weekly.



Maimouna Guembre, Deputy Country Manager, Burkina Faso:
“What attracted me to Teranga was its stellar global CSR reputation. I’m looking forward to Teranga’s positive impact on our communities through the development of the Banfora Gold Project.”

SITES

Quarterly bilingual internal magazine, Diokko, distributed to our employees. Provides information on our business as well as CSR achievements.



Aissatou Diagne Diop, Senior Communications Coordinator, Sabodala:
“As a communication specialist, my role is to raise awareness about Teranga and our CSR achievements. We still have a lot to do to show people what Teranga has achieved so far.”

COMMUNITY

Quarterly town halls, led by our CEO and General Manager. Our employees and stakeholders are our best advocates.



Allison Fedorkiw, Community Development Consultant, Banfora:
“It is exciting to see the Banfora Gold Project taking shape and progressing through to development. My role is to consult upfront with all relevant stakeholders to ensure our long-term community investments are targeted and impactful.”



Our community team in Sabodala. Community engagement and dialogue are key to maintaining our social license and developing long-term, trustful relationships with our stakeholders.



David Mimran, Member of the Board and Cornerstone Investor:
 “Teranga’s commitment to maintaining a strong social license in West Africa was a key reason I invested in the Company.”



Aziz Sy, General Manager:
 “I am convinced of the importance of CSR to the success of each and every mining operation. It is our commitment to earn our social license and deliver long-term value for our stakeholders in the countries in which we operate.”



Christian Mace, Regional Director, Environment & Community:
 “With important resettlement activities commencing in 2017, we have a great opportunity to leverage our CSR platform even further in offering truly sustainable livelihoods to the affected communities.”



Nico Uys, Site Operations Manager, Sabodala:
 “Our employees are our main asset, and it is key to support their professional growth and provide them with a safe work environment. We are guests in this country, and building strong relationships with the communities consisting of our employees is mandatory for us to be successful.”



Issa Dabo, Community Relations Superintendent, Sabodala:
 “We spend a lot of time in the villages discussing the best ways to partner with our communities to achieve sustainable socio-economic development. It is great to know that our top management and Board put a strong emphasis on these activities.”

PAYMENTS TO THE GOVERNMENT OF SENEGAL

Total contribution:
\$55,347,000*

Direct taxes:
\$20,291,000

Indirect taxes:
\$11,609,000

Mining royalties:
\$21,080,000

Social security and pension:
\$344,000

Advance royalties:
\$1,228,000

Institutional support:
\$793,000

*Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided.

DETAILED CSR PERFORMANCE INDICATORS – SABODALA GOLD OPERATIONS

Our main performance indicators are described in the table below. For more details and to see our GRI G4 index, please visit our website: www.terangagold.com/responsibility.

PILLAR	THEME	INDICATOR	UNITS	2014	2015	2016
ECONOMIC CONTRIBUTION	Economic contribution to Senegal	Total contributions to Senegal (of which):*	\$000s	164,756	179,840	205,795
		- Total payment to government*	\$000s	32,269	42,751	55,347
		- Total local payroll (direct SGO employees only)	\$000s	7,266	9,166	10,005
		- Total local procurement	\$000s	124,347	126,658	138,976
		- Total CSR contributions	\$000s	874	1,265	1,467
	Direct taxes	Income tax ¹	\$000s	1,202	–	13,873
		Withholding tax	\$000s	3,822	3,767	4,178
		Business tax ¹	\$000s	–	–	1,206
		Registration fees	\$000s	–	–	1,034
	Indirect taxes	Non-recoverable VAT ¹	\$000s	–	2,151	3,713
		Customs duties ¹	\$000s	474	2,560	3,765
		Fuel taxes ^{1, 2}	\$000s	8,074	12,879	4,131
	Other payments	Mining royalties	\$000s	15,089	11,012	21,081
		Gold reserves	\$000s	925	–	–
		Water and forestry	\$000s	31	50	–
		Dividends paid in advance	\$000s	–	–	–
		Social security and pension	\$000s	354	294	344
	Advance royalties	OJVG advance royalty	\$000s	1,534	4,954	1,228
		Gora advance royalty	\$000s	–	4,200	–
	Institutional support	Local institutional support	\$	61,955	24,151	21,381
		Ministry of Mines support fund (includes IST Support)	\$	456,000	518,946	521,952
		Ministry of Environment support fund	\$	106,000	337,600	250,000
	Procurement	Foreign suppliers	\$000s	32,030	32,978	30,424
		Local suppliers (registered in Senegal) total:	\$000s	124,377	126,658	138,976
		- Including subsidiaries of foreign companies	\$000s	97,481	93,449	99,828
		- Including suppliers with more than 50% capital from Senegal	\$000s	26,866	33,209	39,148
	Local procurement by sector	Utilities	\$000s	56,605	41,846	36,357
		Mining services and mining equipment	\$000s	35,261	49,715	54,809
		General trade	\$000s	7,952	9,011	9,930
		Transport and logistics	\$000s	5,854	7,525	12,462
		Staffing	\$000s	6,399	5,542	6,722
		Other B2B services	\$000s	4,340	3,254	4,097
		Industrial equipment, spare parts and maintenance	\$000s	5,812	6,973	9,704
		Vehicles: rental, spare parts and maintenance	\$000s	693	701	1,030
		Construction	\$000s	1,269	1,876	3,590
		Various	\$000s	163	216	274
	Social fund	Total social fund (of which):	\$	844,228	1,218,274	1,467,047
		- Water and sanitation	\$	172,770	119,877	111,104
		- Income generation	\$	137,077	458,290	152,652
		- Health	\$	173,794	134,071	105,627
		- Education	\$	144,147	229,700	270,925
		- Local development projects and planning	\$	206,880	231,174	614,555
		- Sport and culture	\$	9,560	46,162	75,464
	Gora Fund	Gora Fund contributions	\$	–	–	123,776
	Donations	Donations	\$	29,773	46,843	12,944

Footnotes:

1. The Company's tax exemption status ended May 2, 2015. From this point forward, the Company is subject to higher rates for customs duties, non-refundable value-added tax on certain expenditures, petroleum tax on light fuel oil and income tax at a rate of 25%.
2. 2014 and 2015 fuel taxes include FSIPP and PSE levies. 2016 fuel taxes include petroleum tax only.

PILLAR	THEME	INDICATOR	UNITS	2014	2015	2016
OUR PEOPLE	Workforce profile	Number of employees	Units	1,061	1,145	1,209
		Women in the workforce	Percent	9	9	10
	Origin of employees working in Senegal	Employees from Sabodala area	Percent	31	30	30
		Employees from Kédougou outside Sabodala area	Percent	13	12	13
		Employees from Tambacounda Region	Percent	8	6	5
		Employees from elsewhere in Senegal	Percent	41	44	45
		Expatriates	Percent	9	8	7
	Learning and development	Employees benefiting from an annual performance review	Percent	100	100	100
		Hours of training per employee	Hours/employee trained	3	20	3
OCCUPATIONAL HEALTH & SAFETY	OH&S management	Overall rating of HSE management system external audit	Percent	67	68	71
		Workforce represented in joint management-worker OH&S committee	Percent	100	100	100
	Key lagging indicators	Fatalities	Number	–	–	–
		Lost time injury rate	LTI per million hours worked	–	–	–
		Total incidents	Number	396	401	539
		Occupational disease	Number	–	–	–
ENVIRONMENT	Compliance	Environmental incidents	Number	7	11	13
		Environmental fines	Number	–	–	–
		Total inspections	Number	28	32	65
		Non-compliances reported	Number	39	62	99
		Non-compliances addressed by the end of the year	Number	33	41	68
		Percentage of non-compliances addressed	Percentage	85	66	69
	Climate change	CO ₂ emissions (power station)	Tons	78,756	71,410	79,134
		CO ₂ emissions (power station) intensity	Kg/tons milled	22	21	20
	Energy use	Electricity use	kWh	127,655,285	113,690,250	131,910,455
		Fuel oil 180 (KG) HFO	Litres	29,277,438	26,546,644	29,417,938
		Gasoil LFO	Litres	19,958,573	17,192,127	22,348,328
		Fuel consumed (mining)	Litres	18,257,730	16,487,229	20,375,811
		Electricity efficiency	kWh/tons milled	35.24	33.23	32.77
		Fuel consumption efficiency (mining only)	Litres/tons mined	0.62	0.52	0.57
	Water use	Water use (raw water and recycled water)	m ³	4,715,133	4,947,368	4,534,432
		Water withdrawal (from our dams)	m ³	2,815,276	3,144,467	2,475,213
		Volume of recycled water	m ³	1,899,858	1,802,901	2,059,219
		Water recycling rate (whole site)	Percent	40.3	36.2	45.4
		Water recycling rate (process only)	Percent	59.4	51.2	46.2
	Raw material usage	Sodium cyanide	Tons	1,156	1,002	1,326
		Sodium hydroxide	Tons	152	158	195
		Quicklime calcium oxide	Tons	4,755	4,123	5,482
		Lubricants	Litres	708,419	566,914	808,521
		Grease	Kg	53,076	49,477	29,160
	Rehabilitation	Surfaces rehabilitated (cumulative)	Hectares	15.0	15.40	16.75
	Waste	Used oil	Litres	711,000	787,000	980,000
		Sludge	Litres	–	30,000	35,000
		Tailings produced	Tons	3,622,472	3,421,442	4,024,736
COMMUNITY	Stakeholder engagement	Formal grievances (of which):	Number	3	7	6
		- Property damaged by Teranga	Number	1	4	1
		- Land non-compensated	Number	2	–	–
		- Field flooding due to road rehabilitation	Number	–	–	5
		- Cattle death	Number	–	3	–

MINING RESPONSIBLY IN SENEGAL – SABODALA GOLD OPERATIONS



300

bags of seeds collected for forestry rehabilitation



928

women working in 10 market gardens have produced 350 tons of vegetables since inception



93%

Senegalese employees out of 1,209 site employees in 2016



10,000

trees planted in 2016 as part of land rehabilitation



\$139M

in local procurement in 2016



170

progressions and promotions of national employees in 2016



725

farmers supported in 2016



\$1.7M

in sustainable investments in 2016 as determined by the communities



11,000+

people benefiting from malaria spray program in 2016

AWARDS AND RECOGNITION

2016 was a very successful year for Teranga. Our approach to responsible mining and our achievements have been recognized internationally.



2017 ENVIRONMENTAL AND SOCIAL RESPONSIBILITY AWARD from the Prospectors & Developers Association of Canada for outstanding initiative, leadership and accomplishment in establishing and maintaining good relations with local communities



2016 U.N. SUSTAINABLE DEVELOPMENT GOALS AWARD from Global Compact Network Canada for efforts to advance the U.N. SDGs



2016 BEST ESG-RESPONSIBLE MINING MANAGEMENT WEST AFRICA AWARD from CFI.co for setting the gold standard for mining operations in the region



Recognized by **CORPORATE KNIGHTS FUTURE 40 RESPONSIBLE CORPORATE LEADERS** in Canada for three consecutive years



TERANGA
GOLD CORPORATION

CORPORATE WEBSITE:
WWW.TERANGAGOLD.COM/RESPONSIBILITY

COMMUNITY WEBSITE:
WWW.SABODALAGOLD.COM

