

# 2018

responsibility report

## **ABOUT THIS REPORT**

This is the eighth responsibility report published by Teranga Gold. This report provides an overview of our Corporate Social Responsibility (CSR) strategy, guiding framework, community development work, resettlement action plans, and 2018 CSR performance. A full table of CSR performance indicators is provided at the end of this report.

This report and previous years' reports are available on Teranga's website at [www.terangagold.com/responsibility](http://www.terangagold.com/responsibility).

This report may contain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflect management's expectations. Forward-looking statements involve known and unknown risks, uncertainties and assumptions, and accordingly actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements as there can be no assurance that actual results will be consistent with such statements. Risks and uncertainties are disclosed under the Company's Amended and Restated Annual Information Form dated July 31, 2019 under "Risk Factors", and in other company filings with securities and regulatory authorities which are available at [www.sedar.com](http://www.sedar.com). Teranga does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

All currency figures are in U.S. dollars unless otherwise stated.

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# Teranga's Four CSR Pillars



## Good Governance

Fostering transparency, open dialogue and collaboration with all stakeholders



## Our People and Culture

Promoting and developing our employees in a safe work environment



## Mitigating Our Impacts

Actively managing our impacts on communities and the environment



## Sharing the Benefits

Creating long-term socioeconomic development opportunities

# about

A full-page background image showing a man in a yellow high-visibility work shirt, blue pants, a white hard hat, and sunglasses walking towards the camera in a mine tunnel. The tunnel has reddish-brown metal beams and concrete pillars. The lighting is warm and focused on the worker.

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## Our vision

Our vision is to become a multi-asset mid-tier West African gold producer.

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## Our mission

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



*teranga  
gold*

# Building a Multi-Asset Mid-Tier Gold Producer in West Africa

Teranga is a Canadian-based gold company with a portfolio of assets in production and exploration situated on 6,400 km<sup>2</sup> of land on prospective gold belts across West Africa.

The Company is uniquely positioned to leverage its existing operating experience and expand its footprint in West Africa. In each and every country in which Teranga operates, it is committed to creating value for all of its stakeholders through responsible mining and by setting the benchmark for corporate social responsibility.

## Sabodala Gold Operations

Teranga's flagship mine is the Sabodala Gold Operations (SGO), a multi open-pit gold operation located in eastern Senegal. Since 2010, SGO has produced over 1.8 million ounces of gold while sharing the benefits of responsible mining through its long-term development plan for the surrounding region. SGO has an 11-year mine life with opportunities to grow through continued exploration and development of known deposits on the mine lease. One such deposit is Niakafiri, which is expected to both extend the life of SGO and its contribution as a major development partner in the region.

## Wahgnion Gold Operations

Focused on diversification and organic growth towards becoming a mid-tier gold producer in West Africa, the Company is preparing for commercial production at its second mine. Wahgnion Gold Operations (WGO) is the 14th gold mine in Burkina Faso. With a current 13-year mine-life, WGO will help shape the future of the near-mine region for years to come through tax payments, job opportunities, and community programs.

## Exploration Projects

Teranga continues to unlock the value of its organic growth pipeline through early and advanced-stage exploration programs in Burkina Faso, Côte d'Ivoire, and Senegal. The most advanced exploration property is Golden Hill, a district-scale project situated in the heart of the Houndé belt in Burkina Faso. Test work and technical and economic assessments are being conducted to move Golden Hill into the feasibility stage of development.

In Côte d'Ivoire, Teranga has exploration properties located on prospective land packages where early-stage studies are underway. In conjunction with its exploration programs, Teranga is already engaging with key stakeholders and implementing risk mitigation measures.



-  Operating Mine
-  Exploration Project

# 2018 Financial Contributions

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Total Contributions to Senegal

**\$193.2M**

XOF 107 BILLION



Total Contributions to Burkina Faso

**\$63.4M**

XOF 35.4 BILLION

Contributions to the  
Government of Senegal

**\$43.6M**

XOF 23.9 BILLION

Contributions to the  
Government of Burkina Faso

**\$8.9M**

XOF 5 BILLION

Direct Community Investment

**\$1.1M**

XOF 0.6 BILLION

Direct Community Investment

**\$0.2M**

XOF 85 MILLION

Local Payroll

**\$8.8M**

XOF 4.9 BILLION

Local Payroll

**\$6.5M**

XOF 3.6 BILLION

Local Procurement

**\$139.7M**

XOF 77.6 BILLION

Local Procurement

**\$47.8M**

XOF 26.7 BILLION

*\*Numbers may not add due to rounding*

# Letter to Our Stakeholders

In 2018, Teranga significantly expanded its corporate social responsibility efforts in West Africa and we are pleased to be able to share with you our progress.

## **Sabodala Gold Operations: 10 Years Old and Still Going Strong**

In Senegal, where Sabodala Gold Operations (SGO) has been in operation since 2009, the surrounding villages have seen many improvements to their public infrastructure and way of life owing to our CSR efforts and contribution to the Social Fund.

### **Social Fund**

Since its inception, Teranga has supported many noteworthy projects chosen by the communities. In 2018, we continued to make investments and expand our support for education, health and youth, enrolling over 6,000 school children for universal health coverage, building an additional eight classrooms, and providing scholarships and school supplies. Income generation for women is another key tenant of our CSR program and last year we continued to support the efforts of more than 900 women working in 10 market gardens.

### **Gora Fund**

Teranga also contributes to the Gora Fund, which was named after a satellite deposit on SGO's mining concession. The fund was created to aid the villages impacted by mining at Gora. Building on past community development activities, in 2018 the Gora Fund financed a 64-person bus, which is being used to generate income for the community, as well as several other smaller livelihood restoration projects. While mining at the Gora deposit ended in July 2018, at which point the closure and reclamation phase officially commenced, Teranga will continue to finance the Gora Fund by supporting sustainable income-generating initiatives and readying the community for when payments come to an end in late 2020.

### **Niakafiri**

Following in-depth stakeholder consultations, the Niakafiri resettlement of approximately 650 households has commenced and is expected to be completed in 2020.

## **Wahgnion Gold Operations: Teranga's Newest Mine Brings Opportunities to Local Area**

In early spring 2018, we took a major step towards expanding Teranga's operations in West Africa with the commencement of construction of our second mine, Wahgnion Gold Operations (WGO), located in Burkina Faso. Upon completion in late 2019, WGO will be the country's 14th gold mine. Burkinabes comprised more than 90% of our total construction team. For construction, Teranga recruited and trained more than 650 unskilled workers, 70 of whom are transitioning from construction into operational roles.

To showcase the development of WGO and celebrate the beginning of the multi-phase resettlement, Teranga held the official groundbreaking ceremony in July 2018. More than 2,000 people took part in the festivities with honored guests including the Prime Minister, the Minister of Mines, local communities, dignitaries, and the media.

The WGO multi-phase resettlement will encompass moving nearly 500 households over the next six years. The new residences will provide improved living quarters equipped with access to potable water. As part of our livelihood restoration program, we are establishing long-term sustainable programs designed to offer income opportunities the affected community members. Our programs provide training in agriculture, animal husbandry, small business management and other income-generating activities focused on women. Last year saw the introduction of cassava to the region and training of women in the community on how to prepare the crop.

We continue to work with Environmental Resources Management (ERM), a leading global provider of environmental, health, safety, risk, and social consulting services, to ensure that our approach to resettlement, livelihood restoration and land acquisition is aligned with international standards and industry best practices.



## Expanding Our CSR Efforts in Burkina Faso and Côte d'Ivoire

Our goal during exploration is to establish a relationship of trust and to define the key areas where the intervention of Teranga can most effectively shape the future of our communities. We have increased the scope of our community relations activities in Burkina Faso at our most advanced-stage exploration project, Golden Hill, by deploying permanent staff for the projects and launching stakeholder engagement activities.

At Afema, our early-stage exploration property in Cote d'Ivoire, the CSR and environmental teams held exploratory meetings in 2018 with various community stakeholders to develop a baseline understanding of critical development areas and regional social and infrastructure needs. Health was identified as the primary area of focus. An action plan has been established as well as a \$1.5 million budget spanning over three years for Afema's overall CSR program. Other noteworthy initiatives in 2018 included an internship program for the youth from the community, local road rehabilitation, and supplies for several medical clinics.

## Setting the Benchmark for Responsible Mining

Our aim is to foster a strong social license and to leave a positive legacy that will continue to benefit local communities both now and for the future. We align our CSR activities with the life cycle of our mine. This approach broadly falls into our four strategic pillars: mitigating our impacts, sharing the benefits, our people and culture, and good governance.

We have a responsibility towards our communities: they are our employees, our suppliers, and our neighbours. Every year, we demonstrate our commitment to partnering with local communities and empowering them to shape their own future beyond the life of our mines.

We would like to thank our employees for their dedication and diligence in achieving our goals, as well as all of our stakeholders, and our commercial and governmental partners for making this year a success. We look forward to another productive year in 2019.



**ALAN R. HILL**  
Chairman



**RICHARD YOUNG**  
President and CEO



**ALAN R. HILL**  
CHAIRMAN



**RICHARD YOUNG**  
PRESIDENT AND CEO

*good*





# *governance*

**Committed to high standards & best practices.**

From our board of directors and management to our CSR team, site employees and community ambassadors, we are focused at every level on operating in accordance with our Corporate Code of Business Conduct and Ethics.

# Our Governance Framework

## Our Commitment

Teranga’s CSR strategy and program are predicated on a strong governance framework that is based on international standards and best practices. The tenets of our CSR work are transparency, respect and partnership. We strive to make it easy for our stakeholders to understand how our revenue is allocated and are committed to full transparency of our community spending and government payments. In each and every country in which we operate, we work with our partners, respecting all applicable mining codes, conventions and laws along the way as we strive to set the benchmark for responsible mining. At every level, from our board of directors and management to our employees and community liaison officers, we are committed to maintaining a strong social license. The Company has been recognized by many international organizations for its CSR efforts including the 2017 Prospectors & Developers Association of Canada Environmental & Social Responsibility Award.



### Participant in the UN Global Compact

Since 2015, Teranga has been a proud participant in the UN Global Compact, the world’s largest voluntary corporate sustainability initiative. As a participant, we ensure that our business continues to be aligned with principles on human rights, labour, environment and anti-corruption. Teranga is a past recipient of the United Nations Global Compact Network Canada Sustainability Award.



### United Nations Sustainable Development Goals

Teranga proudly supports the 2030 United Nations 17 Sustainable Development Goals (SDGs), which provide a shared blueprint for peace and prosperity. The SDGs recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. While our CSR programs touch on many of the areas outlined by the SDGs, we are focused on making a significant impact in four areas: #2 zero hunger, #4 quality education, #8 decent work and economic growth and #17 partnerships for the goals.

### 17 UN Sustainable Development Goals





## Teranga Joined the World Gold Council

The World Gold Council (WGC) is a market development organization for the gold industry. The WGC seeks to resolve industry issues and raise standards across the gold industry by supporting companies to operate responsibly and with transparency and to making a significant contribution to social and economic development. For more than 30 years, the WGC has supported greater understanding of gold's enduring value and global influence. Today, in a time of both uncertainty and unprecedented opportunity, the work of organisations such as WGC is of paramount importance.



## Voluntary Principles on Security in the Extractive Sector

Teranga's security practices are based on the guiding framework of the Voluntary Principles on Security and Human Rights, as well as the United Nations Code of Conduct for Law Enforcement Officials, the United Nations Basic Principles on Use of Force and Firearms and the United Nations Universal Declaration of Human Rights. These cornerstone references form the basis of the standard operating procedures used by protective services company-wide. Protective staff code and other specific policies are incorporated into training protocols to ensure that security activities are conducted safely and with respect.

## Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) seeks to strengthen public and corporate governance and promote better understanding of natural resource management by setting the global standard for open and transparent reporting in the extractives sector. In keeping with EITI standards, we report on an annual basis on Teranga's payments to government and how our revenues benefit the public.

Senegal has been an EITI member since 2013 and has achieved the maximum rating in 2018. Teranga was compliant for the 2014, 2015, 2016 and 2017 EITI reports and filed the 2018 report on time to EITI.

Burkina Faso became an EITI member in 2009 and has been compliant since 2013. The country has prepared a scoping study that defines beneficial ownership, offers an overview of the legal and regulatory framework and outlines reporting requirements for politically exposed persons. Teranga was compliant for the 2016 and 2017 report submissions and will be taking all necessary steps to be compliant as part the 2018 report submissions.



# our people

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## Employees are at the heart of Teranga.

We are focused on providing our employees with an environment that puts safety and security at the forefront and which emphasizes training, progression and promotion, particularly for local community members.



# *and culture*

# Employee Training & Development

## SGO

**95%**

OF SGO EMPLOYEES ARE SENEGALESE WITH MORE THAN 50% FROM LOCAL COMMUNITIES

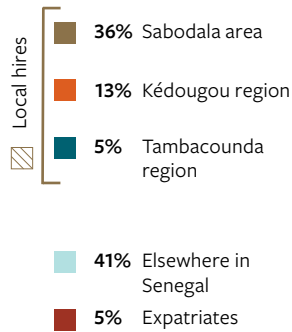
**247**

EMPLOYEES PROGRESSED (MOVED TO HIGHER JOB CATEGORY)

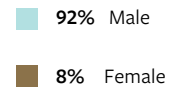
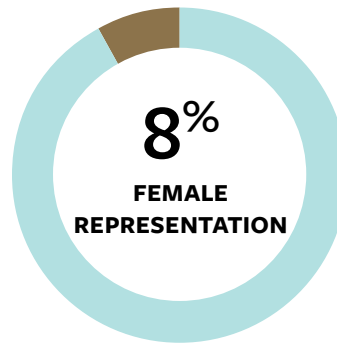
**19**

EMPLOYEES PROMOTED (CHANGED ROLE)

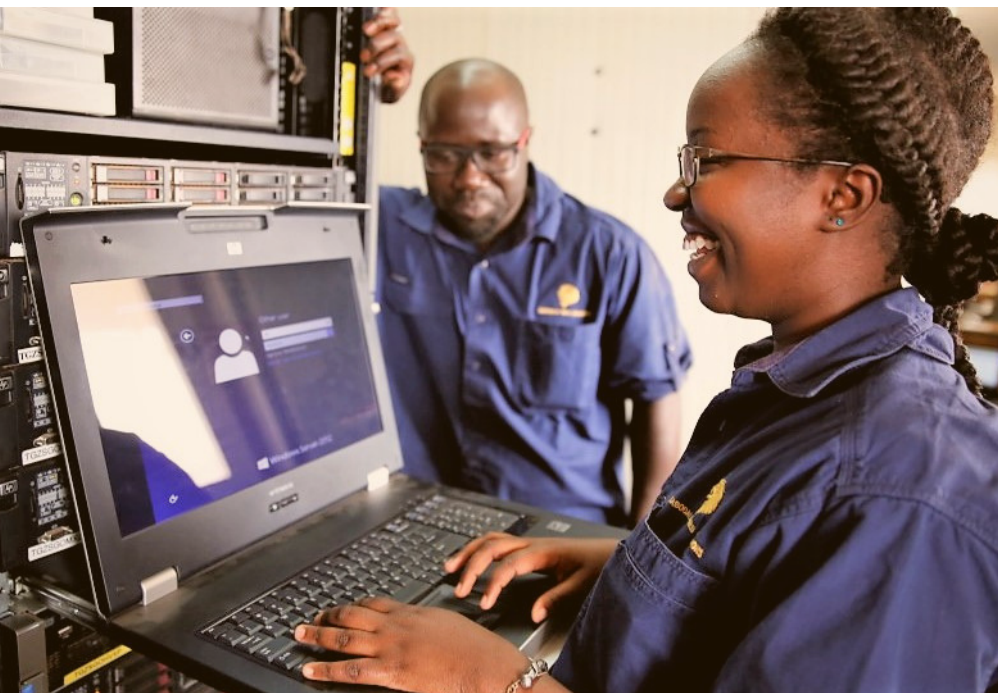
### FOCUSED ON HIRING LOCALLY



### FOCUSED ON ATTRACTING FEMALE EMPLOYEES



*SGO provides 11 months of maternity leave, well above local standards*



**8 vs 3**

HOURS OF LEADERSHIP TRAINING PER EMPLOYEE (2018 VS 2016)

**86 vs 43**

EMPLOYEE TRAINING COURSES AVAILABLE (2018 VS 2016)

SGO is focused on developing and training female employees.



## WGO

# 92%

OF EMPLOYEES ARE FROM  
BURKINA FASO

# 650

UNSKILLED LOCAL WORKERS  
RECRUITED AND TRAINED FOR  
CONSTRUCTION OF THE MINE

### VAST MAJORITY OF WGO EMPLOYEES ARE BURKINABE



8% Expatriates  
92% Burkinabe

### Maintaining Our Commitment to Local Recruitment

The construction of WGO has generated jobs and facilitated training in transferable work skills for hundreds of local Burkinabe from the region surrounding the project.

Teranga is managing construction of the resettlement housing and has hired local Burkinabe labour for the project. The construction of public infrastructure was outsourced to an external contractor who was encouraged to use local crews.



Maintaining our commitment to local recruitment.

# Health, Safety & Security

## SGO

**0.53**

**LTI/MILLION HOURS WORKED  
(LOST TIME INJURY  
FREQUENCY RATE)**

**3.8M**

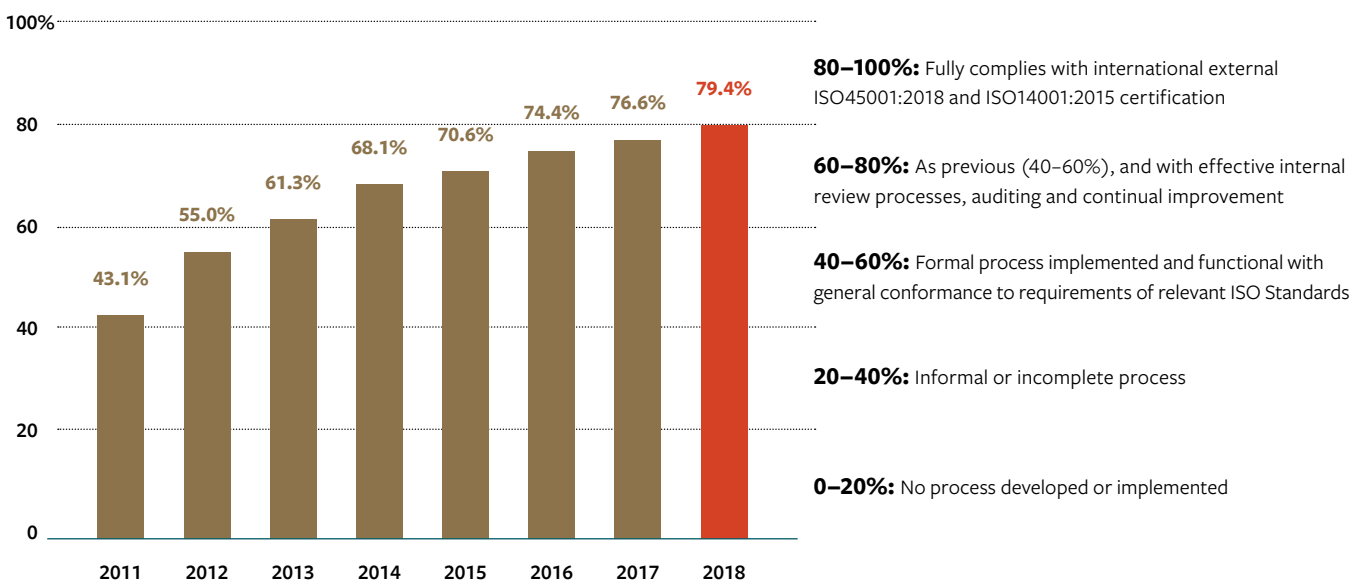
**HOURS WORKED IN 2018**

### 2018 HEALTH & SAFETY INDICATORS

	SGO
Health and safety committee meetings	64
Safety toolbox meetings	4,930
Inspections	2,276
Job safety analyses created	1,478
Hazard observation	3,778
Near misses	126
Alcohol and drug tests administered	3,432
Incidents	535
<b>Malaria</b>	
Villages benefiting	13
Structures sprayed	5,551
People covered	13,997

### CONTINUOUS IMPROVEMENT IN HEALTH & SAFETY

SGO Annual Occupational Health & Safety Audit



## WGO

# 0

**LTI/MILLION HOURS WORKED  
(LOST TIME INJURY  
FREQUENCY RATE)**

# 2.5M

**HOURS WORKED WITHOUT A  
LOST TIME INJURY AT PROJECT  
CONSTRUCTION STAGE IN 2018**

### 2018 HEALTH & SAFETY INDICATORS

	WGO
Health and safety committee meetings	85
Safety toolbox meetings	642
Inspections	1,590
Job safety analyses created	1,067
Hazard observation	2,799
Near misses	38
Alcohol and drug tests administered	47,416*
Incidents	60

\* tests administered daily during construction phase

### Protecting Our People and Our Assets Across Our Operations

The Company's protective services team continues to work closely with contractors and partners on the implementation of risk mitigation measures for operational procedures that are in keeping with the UN Voluntary Principles on Security & Human Rights. In 2018, no significant security related incidents negatively impacted Teranga's operations in either Senegal or Burkina Faso.

The protective services team closely monitors events and trends in the region in order to proactively advise site, regional and corporate leadership accordingly. Additional protective services guards, measures and procedures have recently been added to complement our existing security structure, especially at WGO. The security team will continue to liaise with all security partners, including the military/police/gendarmes, seeking best practice and continuous improvement throughout.



# mitigating

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**The cornerstones of Teranga's livelihood restoration and resettlement policy are transparency, trust and open dialogue.**

To facilitate Teranga's growth and to keep our mines running for years to come, we are working on two resettlements—one in Senegal and the other in Burkina Faso.

Resettlement efforts strive to develop alternative livelihood restoration programs for affected communities, while helping to improve overall agricultural yields through the introduction of both new crops and sustainable farming intensification methods.

Our program is built on international standards, including IFC Performance Standard 5 on land acquisition and resettlement.



*our*  
*impacts*



## Niakafiri Resettlement

### Includes the Sabodala and Medina Sabodala Villages

Following in-depth stakeholder consultations, the Niakafiri resettlement of approximately 650 households has commenced and is expected to be completed in 2020.

The new settlement provides many upgrades to residential homes, including family rooms, kitchens and improved ventilated double pit latrines. All residential plots will be fenced with brick walls for privacy. The village will also contain a full water supply system and all houses are being equipped with electrical wiring to take advantage of the power line installed by the Government of Senegal, which connects the new village to the public grid.

The village infrastructure is extensive and includes roads that ensure good traffic flow and drainage, four schools, three mosques, three health care facilities, a gathering place for youth, a women's centre, a radio station, market and commercial buildings as well as a municipal office, sub-prefecture and community meeting hall.

*Resettlement  
expected to be  
completed in 2020*

**650**

HOUSEHOLDS

LIVELIHOOD RESTORATION

**\$4M**

XOF 2B



# Wahgnion Resettlement

## Multi-Phase Resettlement

The development of WGO requires the relocation of 489 households over multiple phases and is scheduled to be completed in 2023. Additionally, the project will require livelihood restoration for an incremental 388 households of landowners and land users, encompassing nearly 2,000 hectares of land.

The houses and supporting community structures being built reflect in-depth consultations through the negotiation committee, comprised of affected community members, local authorities and Teranga representatives. The community will enjoy new public facilities including several primary schools on the various resettlement sites and a mosque.

Houses will be equipped with casing for electrical wiring for the option to connect to the existing power line to Niankorodougou and Zegnedougou. Water supply is offered on the various resettlement sites, including foot-pumps and additional cattle drinking facilities. All roads within the village respect legal specifications allowing for proper traffic flow, and water drainage will be installed to improve sanitation.

*Multi-phase  
resettlement expected  
to be completed in 2023*

**489**

HOUSEHOLDS

LIVELIHOOD RESTORATION

**\$17M**

XOF 9B

# SGO Gora Fund

## \$0.2M

2018 GORA FUND

### The Gora Fund

The Gora Fund supported the community affected by the loss of revenues as we developed and mined the Gora satellite deposit at SGO between 2015 and 2018. The Gora Fund, designed to assist in developing new sustainable economic activities, was active throughout the year by investing in community

development initiatives such as the Gora bus. Although mining at the Gora pit ended in the second quarter of 2018, the Gora Fund will continue to support the local communities until the end of 2020.



The Gora Fund was used to purchase a 64-seat transport bus; the keys to the bus were presented to the president of the fund management committee.



# WGO Livelihood Restoration

10

IRRIGATED PERIMETERS  
PILOT PROJECTS

2,700

KILOGRAMS OF VEGETABLES  
PRODUCED FROM THREE  
MARKET GARDENS

112

TONNES OF FERTILIZER  
DISTRIBUTED TO  
135 HOUSEHOLDS

## Compensation Through Livelihood Restoration

Livelihood restoration projects are part of our compensation framework for the resettlement of communities. A key objective of the projects is to replace or develop sources of income for the communities affected, diversify their income sources, and to maintain or improve their livelihood. Our livelihood restoration and land intensification practices associated with land takes typically start with agricultural projects that aim to increase the amount of produce yielded, improve agricultural techniques and skill sets, and broaden the types of produce grown for harvest.

### Livelihood Restoration: Areas of Focus

- Development of irrigated agriculture
- Cattle management and crop production
- Donation of fertilizer
- Replacement land quality
- Establishment of vet clinics and animal training programs
- Animal husbandry
- Poultry program for vulnerable community members
- Training and support to launch small businesses
- Creation of new income-generating activities for women

## Revenue Generating Activities for Women

Teranga is working with nearly 800 women on programs relating to:

- Collection and commercialization of shea butter
- Enhancement of vegetables through drying, grinding and other methods
- Production of Soumbala, a food condiment used widely across West Africa
- High yield rice cultivation



Many of Teranga's livelihood restoration programs focus on women.

# Environmental Performance

SGO

**\$1.7M**

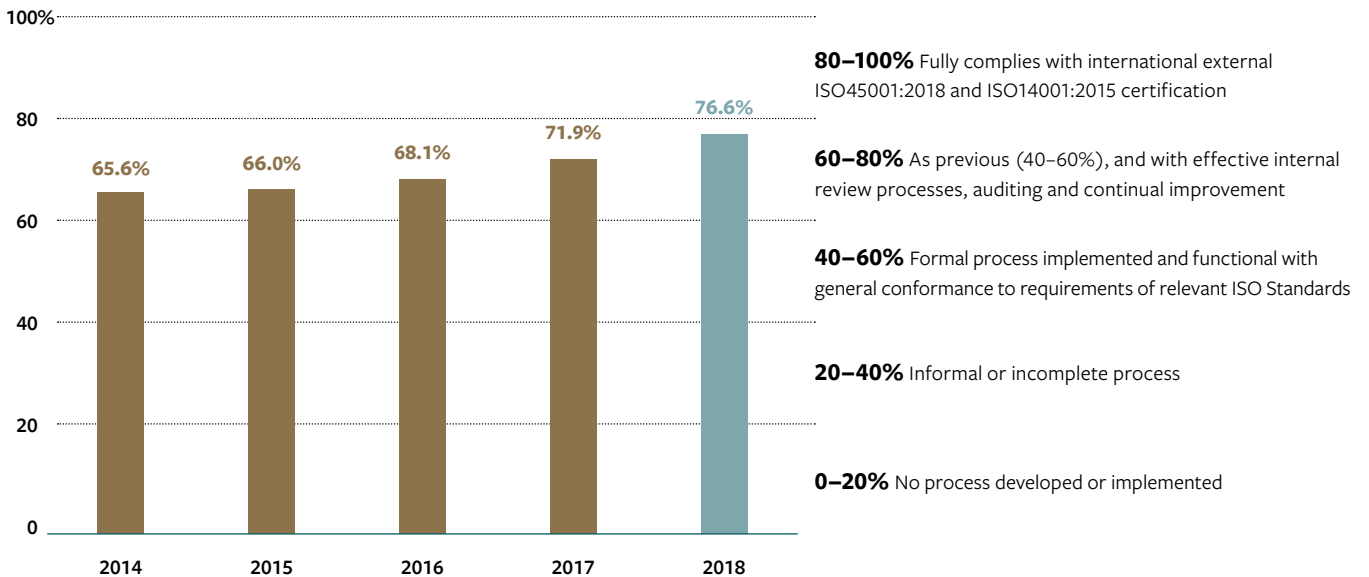
2018 SPEND (XOF 945M)

**101**

ENVIRONMENTAL INSPECTIONS

## IMPROVING OUR ENVIRONMENTAL PERFORMANCE

SGO Environmental Management System Audit



## The Progressive Rehabilitation of Gora

After mining ended in July 2018, the Gora deposit was partially backfilled and secured and nearly 8,400 seedlings were planted over a 13-hectare area. Through consultations with the community and all levels of government, a technical committee was established in August 2018 for the coordination of the rehabilitation and closure plan of Gora.

WGO

\$0.4M

2018 SPEND (XOF 222M)

193

ENVIRONMENTAL  
INSPECTIONS



As part of WGO's dust mitigation program, molasses is regularly sprayed on the roads to mitigate dust created by truck traffic.

# sharing



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## **Committed to long-term partnerships in the regions and countries where we operate.**

Across our operations, we prioritize projects that help us share the benefits of sustainable activities, including investments in agriculture, local procurement and other opportunities that help communities generate sustainable income.

We believe mining companies can facilitate long-term socioeconomic development when they successfully partner with local, national and international stakeholders.



*the  
benefits*

# Community Development

## SGO

**\$1.1M**

XOF 639M TOTAL ECONOMIC CONTRIBUTIONS TO COMMUNITIES

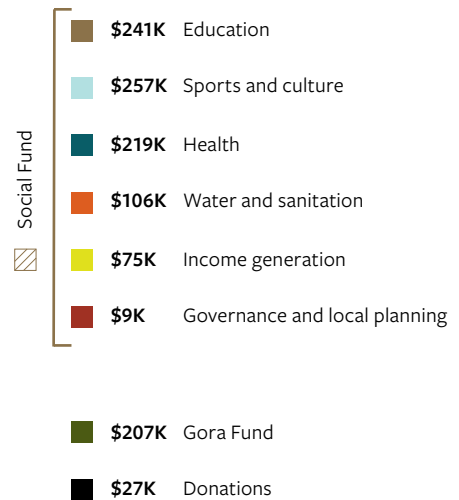
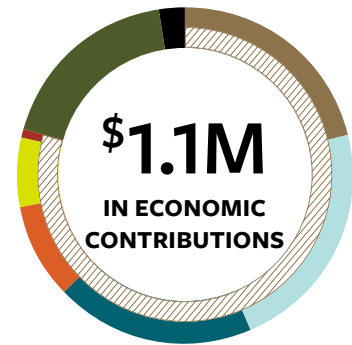
**6,325**

PUPILS ENROLLED IN UNIVERSAL HEALTH CARE



Many community development activities focus on women.

### ECONOMIC CONTRIBUTIONS TO THE SGO COMMUNITY IN 2018



## WGO

# \$153K

**XOF 90.6M DONATED TO AND  
INVESTED INTO COMMUNITY  
PROGRAMS IN NIANKORODOUGOU**

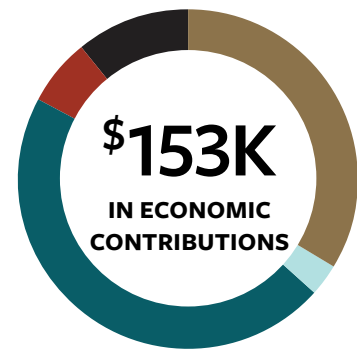
### Collaboration Protocol with Niankorodougou

At the end of 2018, WGO signed a collaboration protocol with the Commune of Niankorodougou, to fully fund the update of its Commune Development Plan. This strategic planning document sets the priorities for the socioeconomic development of the Commune and its villages for the next five years.



*The signing of a collaboration protocol with Niankorodougou.*

### ECONOMIC CONTRIBUTIONS TO THE WGO COMMUNITY IN 2018



- \$51K Education
- \$5K Sports and culture
- \$71K Health
- \$10K Governance and local planning
- \$16K Donations

# SGO Community Initiatives



## Supporting Local Women Entrepreneurs

Mariama Diallo is a member of the Madina Sabodala village women's market garden. In 2016, during the first market garden season, she produced 150 kg of onions and sold them to the SGO mine. With this money, she bought a goat. Today in 2018, she owns 15 goats thanks to ongoing vegetable production.

*"I pray that SGO will continue developing so that it can keep on helping the communities."*

**MARIAMA DIALLO, MADINA SABODALA VILLAGE**

## Giving Students a Greater Opportunity

To boost the education sector in the Kédougou region, we strengthened infrastructure through the construction and renovation of classrooms, leased accommodations for 200 regional students in Dakar, and sponsored internships. SGO is also providing scholarships to successful students at the end of the middle school cycle, in partnership with a local educational organization in the Sabodala district.

*"We did not think that a pupil from the bush could ever hope for a scholarship. We hope SGO reaches its objectives and that God guides the students."*

**EL HADJI BEMBA CISSOKHO, PARENT OF STUDENTS FROM KHOSSANTO**







### Mill Profits Funded New Mosque

Through the past four years, the community of Dindifa was able to turn a profit from a grain mill donated by SGO. In 2018 they used the money to build a new mosque for the community. This has given the community a great sense of pride and accomplishment.

*“SGO spares no time or energy in graciously supporting the community and I trust that we will be able to count on them in the future as well.”*

**MADY CISSOKHO, DINDIFA VILLAGE CHIEF**

### A Big Clean Up! Sanitation Campaign

SGO supported youth and community organizations in a major sanitation campaign to clean up neighbouring communities. The campaign was successful in cleaning multiple villages. The day dedicated to the village of Sabodala saw a particularly large number of young people mobilized, as well as many SGO employees with equipment helping in the efforts.

*“The partnership with SGO, who supported us financially and with equipment, allowed us to organize and succeed in this campaign of sanitation in the villages. We are thankful.”*

**CHEIKHOU SOUMARE, CHAIRMAN OF THE MUNICIPAL YOUTH COUNCIL OF SABODALA AND SABODALA EMPLOYEE**





# *performance*



# *indicators*

## SGO: ECONOMIC CONTRIBUTION

PILLAR	THEME	INDICATOR	UNITS	2016	2017	2018	2018
				US\$	US\$	US\$	XOF
ECONOMIC CONTRIBUTION	Economic contribution to Senegal	Total economic contributions to Senegal	\$/XOF (000s)	205,795	203,648	193,246	107,086,507
		- Payments to government	\$/XOF (000s)	55,347	55,800	43,551	23,861,298
		- Local payroll	\$/XOF (000s)	10,005	10,570	8,865	4,946,513
		- Local procurement	\$/XOF (000s)	138,976	136,294	139,688	77,639,606
		- CSR contributions	\$/XOF (000s)	1,467	984	1,142	639,090
	Direct taxes	Income tax <sup>1</sup>	\$/XOF (000s)	13,873	20,184	8,115	4,114,826
		Withholding tax	\$/XOF (000s)	4,178	4,386	4,661	2,597,486
		Business tax <sup>1</sup>	\$/XOF (000s)	1,206	1,302	14	8,145
		Registration fees	\$/XOF (000s)	1,034	2,705	-	-
	Indirect taxes	Non-recoverable VAT <sup>1</sup>	\$/XOF (000s)	3,713	2,750	3,001	1,663,059
		Customs duties <sup>1</sup>	\$/XOF (000s)	3,765	3,997	4,094	2,275,589
		Fuel taxes <sup>1,2</sup>	\$/XOF (000s)	4,131	4,811	4,469	2,481,746
	Other payments	Mining royalties	\$/XOF (000s)	21,080	13,372	15,936	8,910,427
		Gold reserves	\$/XOF (000s)	-	-	-	-
		Water and forestry	\$/XOF (000s)	-	173,605	180,337	101,670-
		Dividends paid in advance	\$/XOF (000s)	-	-	-	-
		Social security and pension	\$/XOF (000s)	344	417	472	262,102
	Advance royalties	OJVG advance royalty	\$/XOF (000s)	1,228	877	1,481	827,487
		Gora advance royalty	\$/XOF (000s)	-	-	-	-
	Institutional support	Local institutional support	\$/XOF (000s)	21	33	26	14,560
		Direction of mines and geology support fund	\$/XOF (000s)	494	514	819	447,731
		Ministry of environment support fund	\$/XOF (000s)	250	250	254	140,834
	Procurement	Foreign suppliers	\$/XOF (000s)	30,424	27,944	40,886	22,724,736
		Total paid to local suppliers (registered in Senegal):	\$/XOF (000s)	138,976	136,294	139,688	77,639,606
		- Subsidiaries of foreign companies	\$/XOF (000s)	99,828	97,619	98,756	54,889,303
		- Suppliers with more than 50% capital from Senegal	\$/XOF (000s)	39,148	38,675	40,932	22,750,303
	Local procurement by sector	Utilities	\$/XOF (000s)	36,357	39,671	45,431	25,250,880
		Mining services and mining equipment	\$/XOF (000s)	54,809	53,978	49,640	27,590,273
		General goods and supplies	\$/XOF (000s)	9,930	9,160	9,240	5,135,659
		Transport and logistics	\$/XOF (000s)	12,462	7,482	7,996	4,444,235
		Staffing	\$/XOF (000s)	6,722	8,120	7,779	4,323,625
		Other B2B services	\$/XOF (000s)	4,097	5,002	7,106	3,949,566
		Industrial equipment, spare parts and maintenance	\$/XOF (000s)	9,704	8,240	10,158	5,645,890
		Vehicles: rental, spare parts and maintenance	\$/XOF (000s)	1,030	526	576	320,145
		Construction	\$/XOF (000s)	3,590	2,985	1,030	572,481
		Various	\$/XOF (000s)	274	319	731	406,295
	Social Fund	Total contribution to Social Fund	\$/XOF	1,330,327	879,045	907,675	509,633,305
		- Water and sanitation	\$/XOF	111,104	75,502	106,470	58,559,950
		- Income generation	\$/XOF	152,652	73,708	74,786	42,799,657
		- Health	\$/XOF	105,627	116,270	219,349	124,780,850
		- Education	\$/XOF	270,925	302,206	241,432	135,184,522
		- Governance and local planning	\$/XOF	614,555	257,943	9,087	4,762,017
- Sport and culture		\$/XOF	75,464	53,417	256,550	143,546,309	
Gora Fund	Gora Fund contributions	\$/XOF	123,776	71,999	207,256	114,665,193	
Donations	Donations	\$/XOF	12,944	33,411	26,764	14,791,898	

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. 2015 fuel taxes include Fonds de Sécurisation des Importations de Produits Pétroliers (FSIPP) and Plan Sénégal Emergent (PSE) levies. 2016 fuel taxes include petroleum tax only.

## SGO: KEY PERFORMANCE METRICS

PILLAR	THEME	INDICATOR	UNITS	2016	2017	2018
EMPLOYEES	Workforce profile	Number of employees	Number	1,209	1,158	1,311
		Women in the workforce	Percent	10	9	8
	Origin of employees working in Senegal	Employees from Sabodala area	Percent	30	32	36
		Employees from Kédougou region	Percent	13	13	13
		Employees from Tambacounda region	Percent	5	6	5
		Employees from elsewhere in Senegal	Percent	45	49	41
		Expatriates	Percent	7	6	5
	Learning and development	Employees benefiting from an annual performance review	Percent	100	90	77
Training per employees trained		Hours/employee trained	3.45	3.00	8.00	
OCCUPATIONAL HEALTH & SAFETY	OH&S management	Overall rating of HSE management system external audit	Percent	74	76	79
		Workforce represented in joint management-worker OH&S committee	Percent	100	100	100
	Key lagging indicators	Fatalities	Number	-	1	-
		Lost time injury rate	LTI per million hours worked	-	1.32	0.53
		Total incidents	Number	539	622	535
	Occupational disease	Number	-	1	-	
ENVIRONMENT	Compliance	Environmental incidents	Number	13	24	9
		Environmental fines	Number	-	-	-
		Total inspections	Number	65	76	101
		Non-compliances reported	Number	99	122	173
		Non-compliances addressed by the end of the year	Number	68	113	115
		Percentage of non-compliances addressed	Percentage	69	93	66
	Climate change	CO <sub>2</sub> emissions (power station)	Tons	79,134	87,165	87,270
		CO <sub>2</sub> emissions (power station) intensity	Kilograms/tons milled	19.66	20.65	21.40
	Energy use	Electricity use	kWh	131,910,455	140,819,478	141,012,255
		Fuel Oil 180 (KG) HFO	Litres	29,417,938	32,403,386	32,442,276
		Gasoil LFO	Litres	22,348,328	26,836,204	22,099,510
		Fuel consumed (mining)	Litres	20,375,811	24,961,387	21,153,340
		Electricity efficiency	kWh/tons milled	33	33	35
		Fuel consumption efficiency (mining only)	Litres/tons mined	0.57	0.62	0.57
	Water use	Water use (raw water & recycled water)	m <sup>3</sup>	4,534,432	4,672,452	4,005,994
		Water withdrawal (from our dams)	m <sup>3</sup>	2,475,213	1,902,957	1,060,897
		Volume of recycled water	m <sup>3</sup>	2,059,219	2,769,495	2,945,097
		Water recycling rate (process only)	Percent	46	59	73
	Raw material usage	Sodium cyanide	Tons	1,326	1,265	1,108
		Sodium hydroxide	Tons	195	285	410
		Lime quick calcium oxide	Tons	5,482	5,902	5,326
		Lubricants	Litres	808,521	928,203	903,681
		Grease	Kilograms	71,424	72,194	102,776
	Rehabilitation	Surfaces rehabilitated (cumulative)	Hectares	16.75	17.81	14.44
	Waste	Used oil and sludge	Litres	1,190,000	1,295,000	1,260,000
		Tailings produced	Tons	4,024,736	4,221,482	4,068,523
	COMMUNITY	Stakeholder engagement	Formal grievances total:	Number	6	3
- Property damaged by Teranga			Number	1	-	1
- Land non-compensated			Number	-	-	3
- Field flooding due to road rehabilitation			Number	5	1	-
- Cattle death			Number	-	2	-
Grievances related to resettlement			Number	NA	NA	245

## WGO: ECONOMIC CONTRIBUTION

PILLAR	THEME	INDICATOR	UNITS	2018	2018
				US\$	XOF
ECONOMIC CONTRIBUTION	Economic contribution to Burkina Faso	Total economic contributions to Burkina Faso:	\$/XOF (000s)	63,339	35,398,415
		- Payments to government	\$/XOF (000s)	8,852	4,961,312
		- Local payroll	\$/XOF (000s)	6,529	3,628,602
		- Local procurement	\$/XOF (000s)	47,806	26,723,648
		- CSR contributions	\$/XOF (000s)	152	84,853
	Direct taxes	Income tax	\$/XOF (000s)	-	-
		Withholding tax	\$/XOF (000s)	2,378	1,360,418
		Business tax	\$/XOF (000s)	1,944	1,061,630
		Registration fees	\$/XOF (000s)	1,128	607,105
	Indirect taxes	Non-recoverable VAT <sup>1</sup>	\$/XOF (000s)	422	241,341
		Customs duties <sup>2</sup>	\$/XOF (000s)	2,307	1,306,691
		Fuel taxes	\$/XOF (000s)	365	209,537
	Other payments	Mining royalties	\$/XOF (000s)	-	-
		Gold reserves	\$/XOF (000s)	-	-
		Water and forestry	\$/XOF (000s)	5	2,727
		Dividends paid in advance	\$/XOF (000s)	-	-
		Social security and pension	\$/XOF (000s)	268	152,863
	Institutional support	Local institutional support	\$/XOF (000s)	34	19,000
		Direction of mines and geology support fund	\$/XOF (000s)	-	-
		Ministry of environment support fund	\$/XOF (000s)	-	-
	Procurement	Foreign suppliers	\$/XOF (000s)	73,313	40,930,726
		Total paid to local suppliers (registered in Burkina Faso):	\$/XOF (000s)	47,806	26,723,648
		- Subsidiaries of foreign companies	\$/XOF (000s)	32,732	18,376,253
		- Suppliers with more than 50% capital from Burkina Faso	\$/XOF (000s)	15,074	8,347,395
	Local procurement by sector	Utilities	\$/XOF (000s)	-	-
		Mining services and mining equipment	\$/XOF (000s)	275	153,925
		General goods and supplies	\$/XOF (000s)	6,224	3,465,042
		Transport and logistics	\$/XOF (000s)	3,444	1,954,778
		Staffing	\$/XOF (000s)	4,106	2,313,761
		Other B2B services	\$/XOF (000s)	6,652	3,644,688
		Industrial equipment, spare parts and maintenance	\$/XOF (000s)	188	104,424
		Vehicles: rental, spare parts and maintenance	\$/XOF (000s)	352	197,089
		Construction	\$/XOF (000s)	26,564	4,889,941
Various		\$/XOF (000s)	-	-	
CSR contributions	Total CSR contributions:	\$/XOF	152,666	84,852,832	
	- Water and sanitation	\$/XOF	-	-	
	- Income generation	\$/XOF	-	-	
	- Health	\$/XOF	70,511	39,190,507	
	- Education	\$/XOF	51,469	28,606,830	
	- Governance and local planning	\$/XOF	9,734	5,410,225	
	- Sport and culture	\$/XOF	4,548	2,527,810	
	- Donations	\$/XOF	16,405	9,118,014	

1. On December 20, 2017, WGO received exoneration from the Burkinabe government from VAT directly related to mining services during the construction phase for the WGO.

2. On December 27, 2017 WGO also received an exemption from customs duties in relation to import of goods during construction phase of WGO.

## **GLOSSARY OF TERMS**

<b>CSR</b>	Corporate Social Responsibility
<b>EITI</b>	Extractive Industry Transparency Initiative
<b>ERM</b>	Environmental Resources Management
<b>HFO</b>	Heavy Fuel Oil
<b>IFC</b>	International Finance Corporation
<b>LFO</b>	Light Fuel Oil
<b>LTI</b>	Lost Time Injury
<b>SDG</b>	Sustainable Development Goals
<b>SGO</b>	Sabodala Gold Operations
<b>WGC</b>	World Gold Council
<b>WGO</b>	Wahgnion Gold Operations



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