

Cape Town Mining Indaba

1-4 February 2020



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Contents

1. Team and Shanta highlights
2. 2019 performance
3. Value priorities

Experienced African Management team

- ▶ >99% of the company's total employee base is Tanzanian

In attendance in Cape Town



Eric Zurrin
CEO

- Former CFO of Shanta Gold
- 18 years' experience in mining and investment banking including 7 years in Tanzania and Mongolia
- Formerly with UBS Investment Bank and BMO Capital Markets



Luke Leslie
CFO

- Former Co-head Trafigura-Origo
- Previously with UBS Investment Bank, Accenture
- 6 years in Tanzania and 4 years in China, Mongolia, Myanmar



Tony Durrant
Chairman

- Former Global Head of Metals & Mining at UBS Investment Bank
- Currently Chairman of the Investment Advisory Committee of Arias Resource Capital Management
- Longstanding links to East Africa



Honest Mrema
GM New Luika

- Tanzanian national, mining engineer with 20 years' experience
- Previously in Mali, DRC, Ghana
- Formerly with Anglo American, Barrick, Endeavour and Resolute



Philbert Rweyemamu
GM Singida

- Tanzanian national, mining engineer with 35 years' experience
- Previously in Tanzania, Botswana and South Africa
- Formerly with De Beers and Acacia

Shanta Gold – Highlights & Guidance

Q4 2019 performance

- Gold production of 19.6k oz at New Luika
- Cash costs of US\$638 /oz, AISC¹ of US\$902 /oz
- Incremental gold reserves of 135,438 oz at 4.07 g/t
- Net debt reduced 31% to US\$14.3m

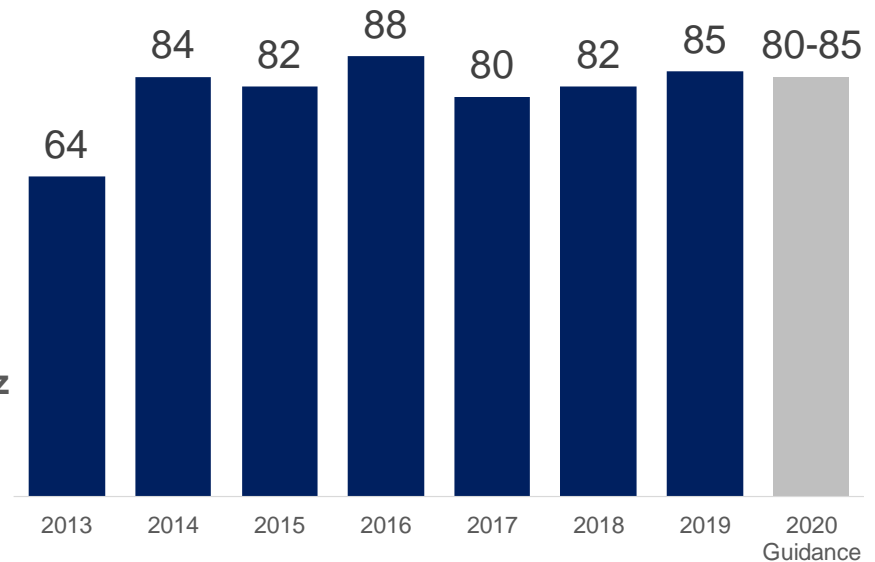
2019 production ahead of guidance

- Gold production: **84,506 oz, exceeds guidance 80-84koz**
- Cash costs of US\$544 /oz
- AISC¹: **US\$779/oz, in line guidance of US\$740-780/oz**
- **Exceptional safety record** with zero LTIs in 2019

2020 guidance

- Gold production: 80,000 – 85,000
- AISC^{1,4}: US\$830 – 880 /oz
- Exploration budget increased by 65% to US\$5.0 million

Reliable, low cost producer



Summary Capitalisation

Share Price (GBP) (22Jan2020)	10.5 p
Market capitalisation	US\$109 m
Net debt (31Dec2019)	US\$14 m

Enterprise Value **US\$123 m**

EBITDA ²	US\$48 m
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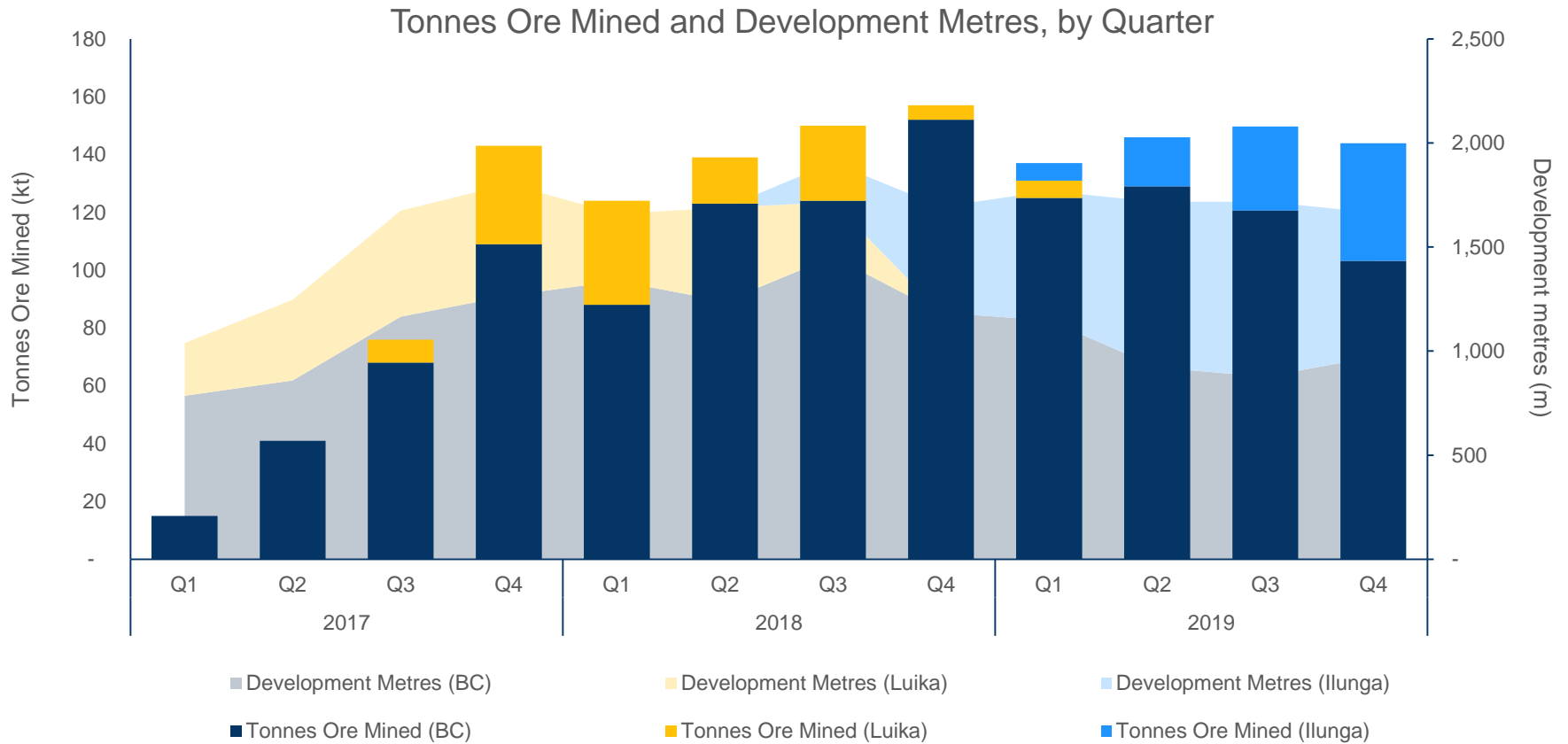
EV / 2019 EBITDA **2.6 x**



1. Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC
2. Before non-cash loss on unsettled forward contracts
3. Includes liquidity available from unsold doré at refinery
4. Includes non-cash impact of reduction in ROM stockpile (US\$/20/oz), higher royalties due to higher gold price (US\$/20/oz), open pit mining (US\$40/oz)

Underground mining update

▶ Q4 2019: 144 kt of ore grading 5.17 g/t mined from NLGM's active high-grade underground deposits



1. Includes ore from development and production
BC = Bauhinia Creek

FY 2019: New annual record of 702,336 tonnes milled

- ▶ A 3% increase in gold production in 2019 despite lowering the grade by 4%
- ▶ Tonnes milled up 10% year over year helps to preserve high grade ounces over the long term

	FY 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017
Tonnes ore mined (OP+UG)	603,373	144,206	166,772	155,779	136,616	677,734	638,088
Tonnes ore milled	702,336	177,913	174,132	177,647	172,644	639,678	632,287
Grade (g/t)	4.19	3.83	4.54	3.91	4.49	4.38	4.28
Recovery (%)	89.4	89.2	89.3	89.4	89.9	90.9	91.1
Gold production (ounces)	84,506	19,550	22,726	19,856	22,374	81,872	79,585
Gold sales (ounces)	80,758	17,311	22,477	19,780	21,190	82,457	80,365
Realised gold price (US\$ /oz)	1,378	1,440	1,462	1,303	1,309	1,259	1,263

FY 2019: US\$47.7 million EBITDA

EBITDA (US\$ million)



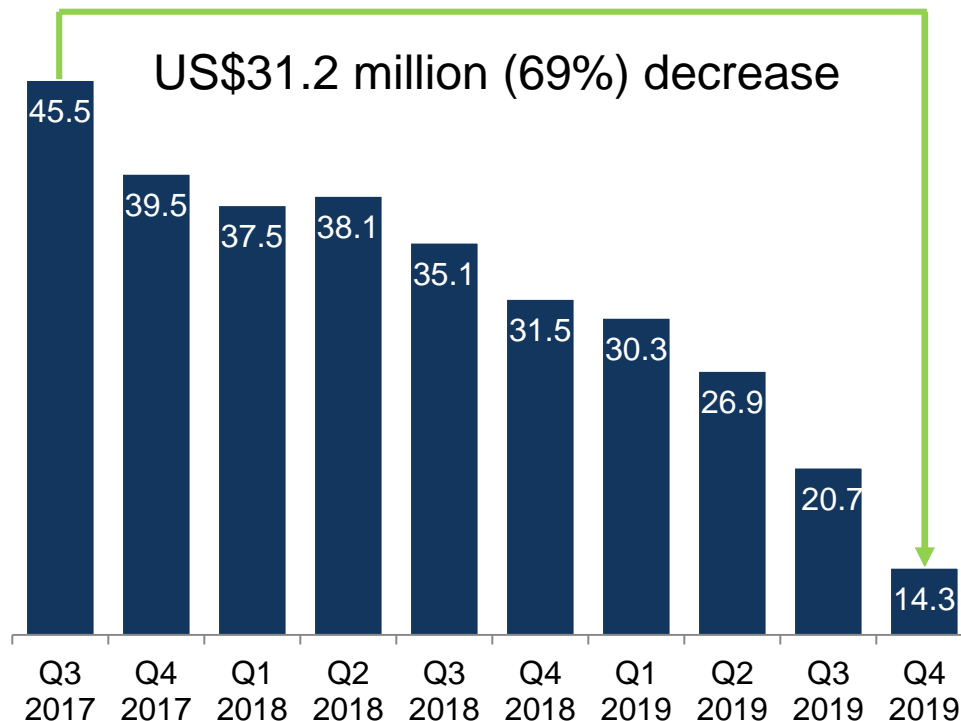
Operating cash inflow before movement in working capital (US\$ million)



Note: 2019 adjusted for non-cash loss on unsettled forward contracts
2015-2018 audited financial results are unadjusted

Balance sheet repair: 69% decrease in Net Debt since Q3 2017

Net debt¹ (US\$ million)



Q4 2019 highlights

- Sharp fall in quarterly net debt
- Unrestricted cash balance of US\$3.5 million plus US\$4.2 million bullion in Switzerland at 31 December 2019
- **Total liquidity of US\$13.7 million**, including US\$3.5 million of bullion available for sale in the New Luika gold room at 31 December 2019
- Gross debt at US\$22.0 m, the lowest in over 7 years

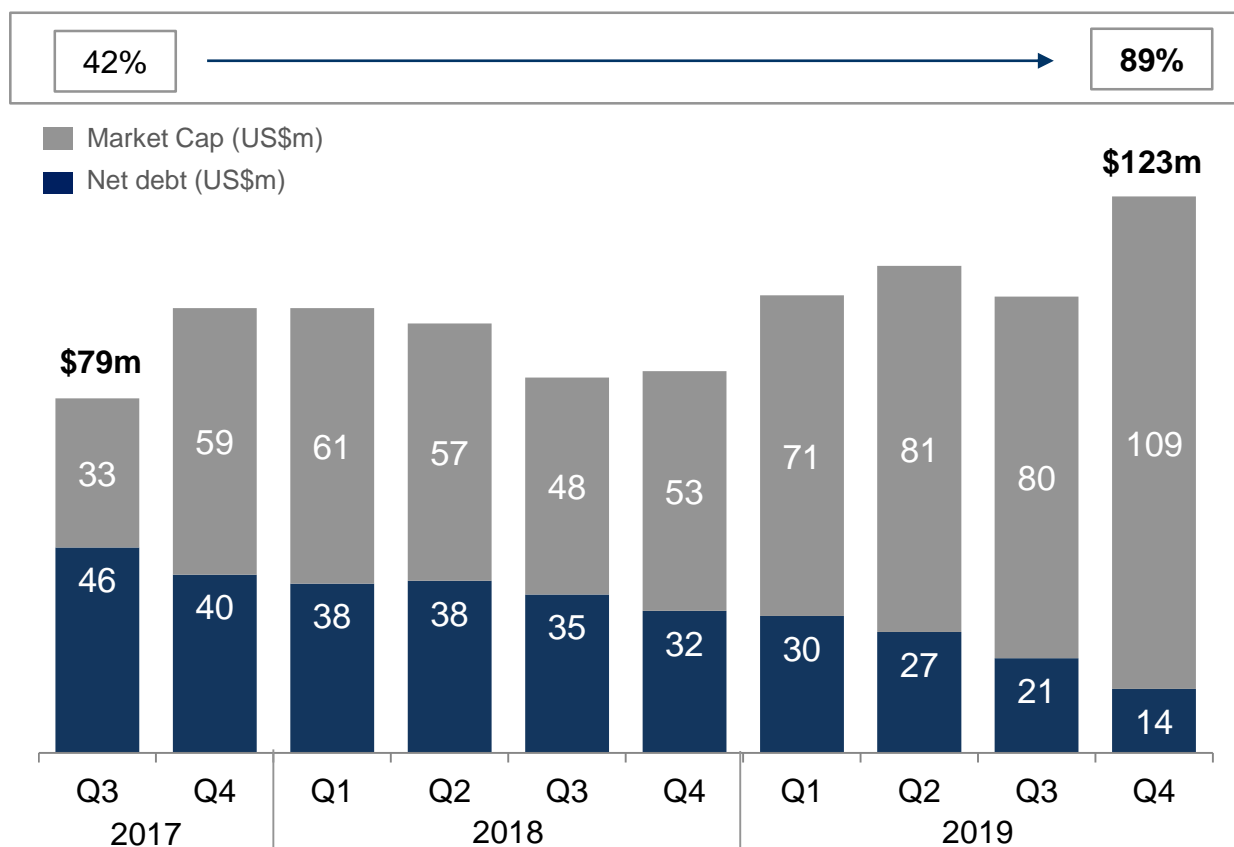
1. Includes liquidity available from bullion delivered to the refinery prior to 31 December 2019

Value transfer to Shanta Gold shareholders

Significant transfer of value from debt to equity since Q3 2017

Shanta Gold Enterprise Value

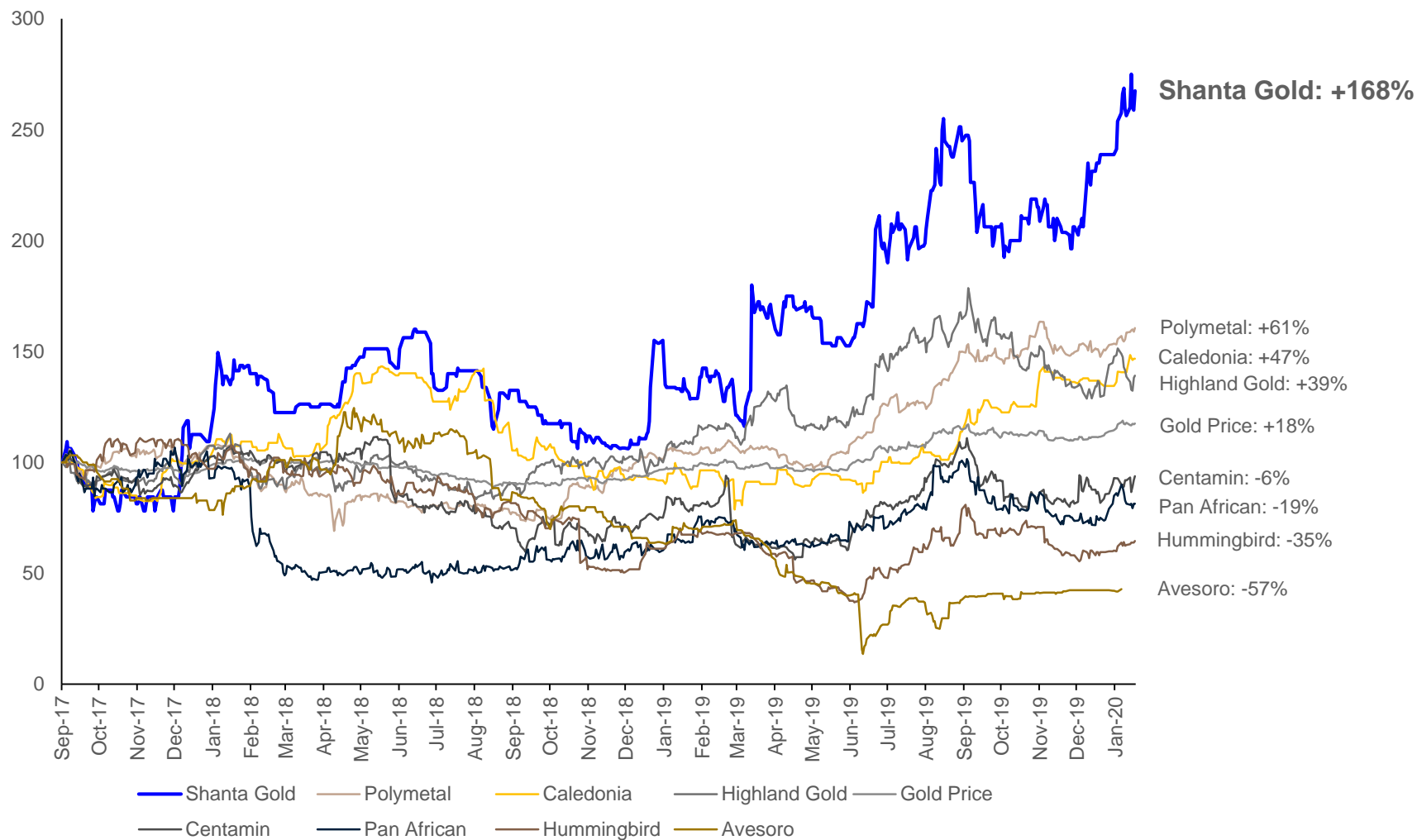
$EV (US\$m) = Net\ debt + Market\ Cap^1$



Highlights

- Shanta's market cap now accounts for 89% of Enterprise Value, up from 42% in Q3 2017
- SHG share price continues to re-rate, up 239% since Q3 2017 results (17 October 2017)

Shareholder returns (since September 2017) vs. all London Listed gold producer pure plays



Contents

1. Team and Shanta Highlights

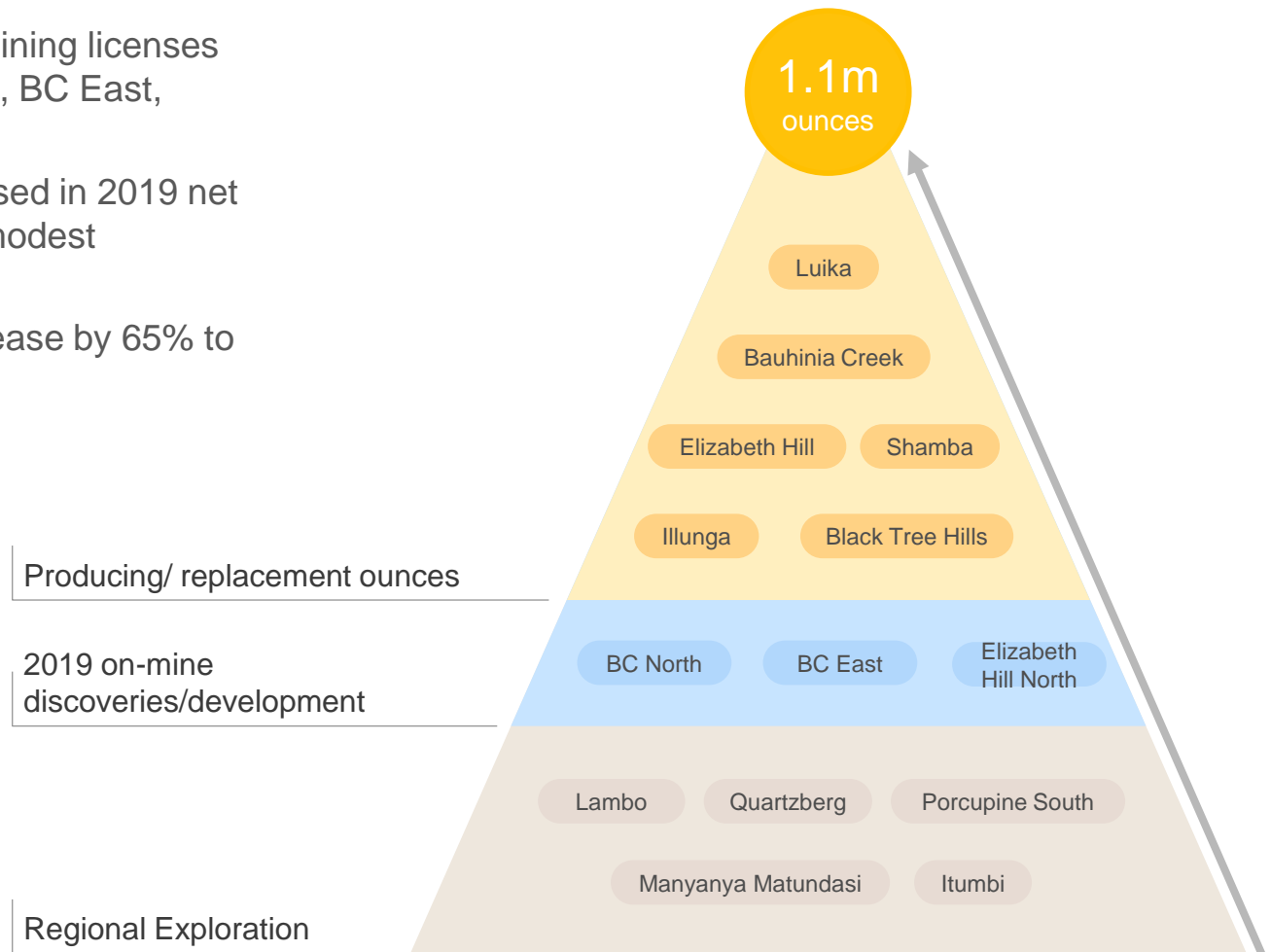
2. 2019 performance

3. Value priorities

1 New Luika exploration portfolio

- New discoveries on the mining licenses during the year (BC North, BC East, Elizabeth Hill North)
- Mineable reserves increased in 2019 net of depleted ounces with modest exploration expenditure
- Exploration spend to increase by 65% to US\$5m in 2020

Reserves and resources



1 Q4 2019 Exploration: 135k oz new gold reserves added to the mine plan (as at Oct 1st 2019)¹

- ▶ 6-month drilling campaign, 81 holes, 8.5km, costing c. US\$1 million
- ▶ 135k oz new probable reserves added to the mine plan
- ▶ All within 4 kilometres of the processing plant

Incremental Probable Reserves announced 18 November 2019

Deposit	Mine ²	COG (Au_g/t)	Tonnes	Au_g/t	Ounces
Bauhinia Creek	UG	1.9	361,821	6.32	73,471
Bauhinia Creek North	OP/UG	0.6/1.9	174,651	3.21	18,037
Black Tree Hill	OP	0.6	292,395	1.33	12,469
Elizabeth Hill	OP	0.6	205,054	4.77	31,460
Total			1,033,920	4.07	135,438

* Reserve figures converted during a period of Jan to Sept 2019 by source

1. Excludes reduction of 44k oz reserves at Ilunga following additional grade control drilling since 2017

2. OP denotes Open pit; UG denotes underground

1 Q4 drilling update

- ▶ 66 holes totalling 7,410 metres drilled between October and December at a cost of US\$0.7 million
- ▶ Included the intersection of high grade mineralisation at encouraging widths
- ▶ All drilling on existing mining licences

Selected intersections announced in December 2019:

BC North deposit

Hole #	Intersection
29	11 m @ 8.55 g/t Au
31	10 m @ 10.93 g/t Au
28	10 m @ 9.18 g/t Au
21	6 m @ 11.41 g/t Au
24	5 m @ 6.21 g/t Au
25	4 m @ 5.04 g/t Au

BC East deposit

Hole #	Intersection
538	7 m @ 6.86 g/t Au
546	4 m @ 10.83 g/t Au
545	4 m @ 4.86 g/t Au

Elizabeth Hill

528	9 m @ 2.31 g/t Au
531	2 m @ 2.46 g/t Au

BC Deep West

Hole #	Intersection
131	7.3 m @ 4.52 g/t Au
132	1.65 m @ 14.27 g/t Au

Phase 2 drilling is ongoing with encouraging results having been received since December 16th

2 Singida – asset level financing

▶ External US\$15-20 million asset level financing for Singida gold project

Singida Overview ²

- Stand-alone gold project located in Central Tanzania
- Greenstone belt
- Gold resources of 12.3Mt @ 1.84 g/t for 728k oz (JORC 2012), including M&I resources of 381k oz grading 2.1 g/t
- Three mining licences, major permitting received, EIA permit received
- Significant amount of historical studies have been completed
- 26,000 oz pa at cash cost of US\$794/oz
- US\$19 million pre-production capital expenditure and working capital

NPV (post-tax) sensitivity to Discount Rate (US\$m):

Gold price	Discount rates		
	5%	8%	10%
Forward Curve ¹	36	31	28
US\$1,500 /oz	47	41	38
US\$1,600 /oz	55	49	45

IRR sensitivity to Gold Price (%):

Gold price	IRR (%)
Forward Curve ¹	67
US\$1,500 /oz	91
US\$1,600 /oz	106

¹Gold forward curve as at announcement of project economics (5 December 2018), based on a spot gold price of US\$1,225 /oz

²Project estimates are based on estimates prepared internally by the Project Owners Team and have not been independently verified

2020 deliverables

1

Safe Operational Delivery

80-85k oz in 2020 at AISC of US\$830-880 /oz

2

Exploration

Reserve addition and mine life extension at New Luika
11,000 metres of drilling is planned

3

Deleveraging

Net cash balance sheet in 2020

4

Unlocking value

Singida asset level financing
(US\$41 million NPV(8%) based on US\$1500 /oz flatline gold
price generating a 91% IRR

Near term catalysts and news

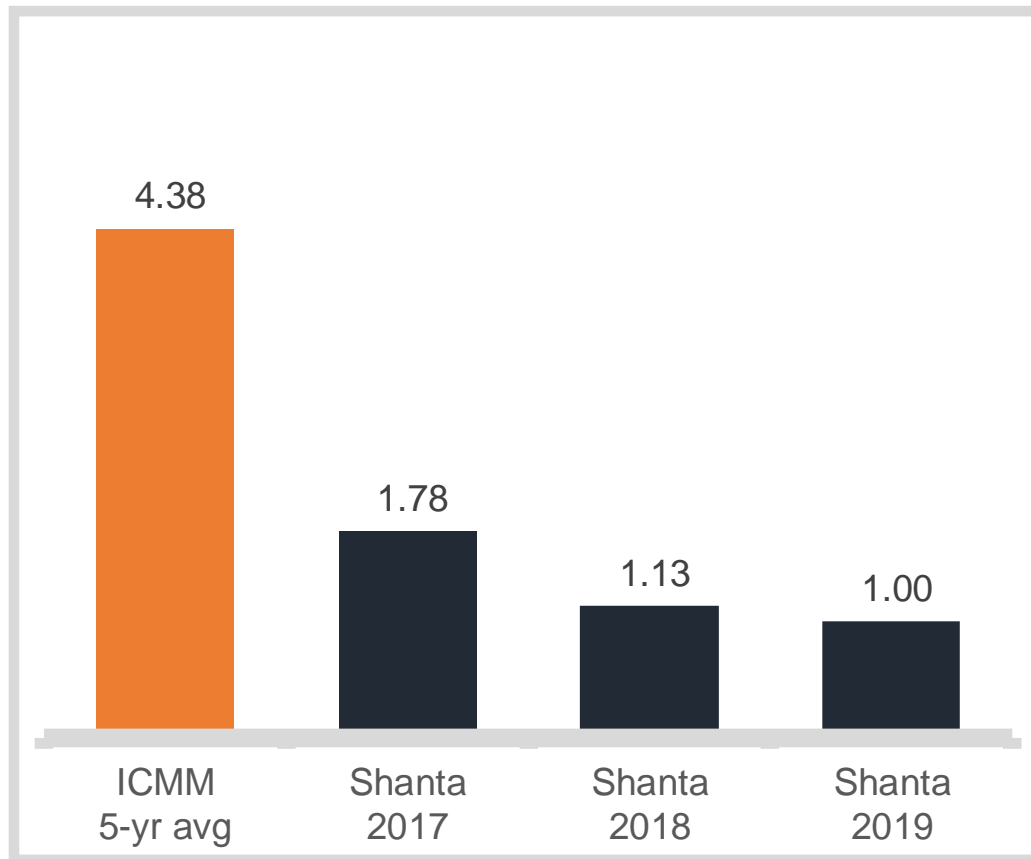
Date	Event
February 2020	2019 Full Year Results
February 2020	Singida update
February/ March 2020	Phase 2 drilling update from BC Deep, BC East
March 2020	Updated reserves and resources
21 April 2020	Q1 2020 results: deleveraging and VAT update
April 2020	Repayment of convertible loan notes
Q2 2020	Singida financing update
21 July 2020	Q2 2020 results

Appendix

Excellent safety: 44% improvement since 2017

TRIFR rate

(Total Recordable Injury Frequency Rate)



2019 Shanta highlights

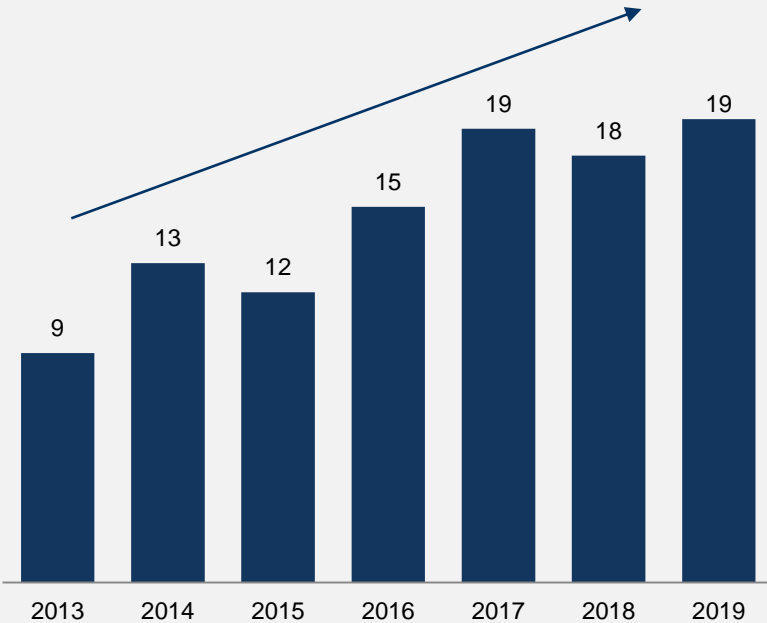
- No fatalities
- No LTIs
- 3.9 million hours since last LTI (Dec 2017)
- Industry leading safety record

Note: The International Council on Metals & Mining's (ICMM) members comprise 27 of the largest global metals & mining companies

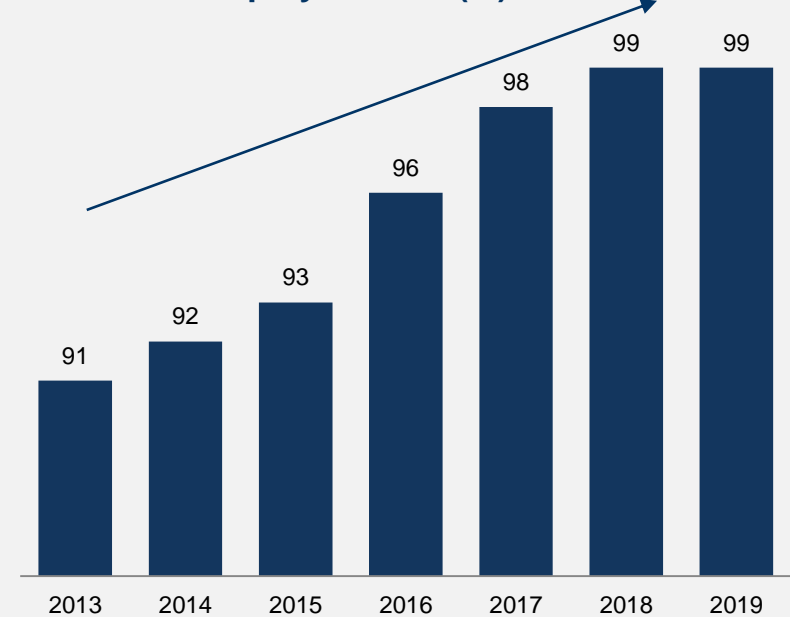
Shanta is committed to Tanzania

- ▶ Over US\$100 million contributed to the Government of Tanzania and >99% Tanzanian workforce
- ▶ Extensive CSR programme across all major disciplines
- ▶ Strong and open relationships with Senior Government Ministers

Payments to government^{1,2} (US\$m)



Tanzanian employee base (%)



1. Includes corporate income tax, employment taxes, statutory contributions, service levies, royalties. Excludes VAT receivable
2. Audited figures (except for 2019)

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