



Full Year 2018 Presentation Audited Results

28 February 2019



Disclaimer

This Document comprises an institutional update presentation (the “Presentation”) which has been prepared by and is the sole responsibility of Shanta Gold Limited (the “Company”).

This Presentation does not constitute or form part of an admission document, listing particulars or a prospectus relating to the Company or any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever or constitute an invitation or inducement to engage in investment activity under section 21 of the UK Financial Services and Markets Act 2000. This presentation does not constitute a recommendation regarding any decision to sell or purchase securities in the Company.

Notwithstanding the above, in the United Kingdom, this Presentation is only being given to persons reasonably believed by the Company to be investment professionals within the meaning of paragraph (5) of Article 19 persons in the business of disseminating information within the meaning of Article 47 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) or to high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529), and the Proposed Offer will only be available to such persons who are also qualified investors within the meaning of section 86(7) FSMA purchasing as principal or in circumstances under section 86(2) FSMA. This Presentation is only being sent to persons reasonably believed by the Company to be investment professionals or to persons to whom it may otherwise be lawful to distribute it. If you are not such a person (i) you should not have received this Presentation and (ii) please return this Presentation to the Company's registered office as soon as possible and take no other action. If you are not such a person you may not rely on or act upon matters communicated in this Presentation. By accepting this Presentation the recipient represents and warrants that they are a person who falls within the above description of persons entitled to receive this Presentation.

This document has not been approved by an authorised person under Section 21 of the Financial Services and Markets Act 2000 (“FSMA”).

This Presentation is not intended to be distributed, or passed on, directly or indirectly, to any other class of person and in any event under no circumstances should persons of any other description rely or act upon the contents of this Presentation. This Presentation and its contents are confidential and must not be distributed or passed on, directly or indirectly, to any other person. This presentation is being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person.

No representation or warranty, express or implied, is made or given by or on behalf of the Company, its advisers or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of the directors, officers or employees of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions or for any liability, howsoever arising (directly or indirectly) from the use of this Presentation or its content or otherwise in connection therewith. No person has been authorised to give any information or make any representations other than those contained in this Presentation and, if given and/or made, such information or representations must not be relied upon as having been so authorised. The contents of this Presentation are not to be construed as legal, financial or tax advice.

The information has not been verified nor independently verified by the Company's advisers and is subject to material updating, revision and further amendment.

The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of that Act. Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America or its territories or possessions (the “United States”), or distributed, directly or indirectly, in the United States, or to any U.S Person as defined in Regulation S under the Securities Act 1933 as amended, including U.S resident corporations or other entities organised under the laws of the United States or any state there of or non-U.S branches or agencies of such corporations or entities or into Canada, Australia, Japan, or the Republic of Ireland. Neither this Presentation nor any copy of it may be taken or transmitted into or distributed in Canada, Australia, Japan, or the Republic of Ireland, or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States or other national securities law. Forward-Looking Statements. Information contained in this Presentation may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business) are forward-looking statements.

Such forward-looking statements are based on a number of assumptions regarding the Company's present and future business strategies and the environment in which the Company expects to operate in future. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of factors. These forward-looking statements speak only as to the date of this Presentation and cannot be relied upon as a guide to future performance. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this Presentation to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Shanta Gold – 2018 highlights & 2019 guidance

- ▶ Cashflows used to reduce debt and de-risk the business
- ▶ Increasing focus on exploration and mine life extension in 2019

2018 highlights

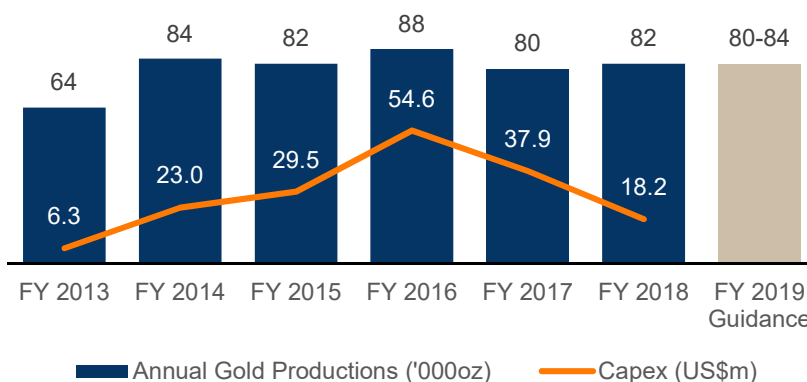
- **Gold production: 82 koz**, better than revised guidance of 80 koz
- **AISC¹ of US\$730/oz**, better than revised guidance of US\$750 /oz
- Cash costs of US\$538 /oz
- **EBITDA of US\$45.7 m**
- **Net debt reduced by 20% to US\$31.5m, lowest in Shanta's history as a producer**
- Total capex of US\$18.2 m, including US\$3.3 m for Ilunga
- Exceptional safety record with **zero LTIs in 2018**

2019 guidance

- Gold production of 80–84k oz at New Luika
- **AISC of US\$740-800/oz**

¹AISC does not include development costs from the Bauhinia Creek, Luika and Ilunga underground operations.

2019 production set to remain consistent with capex declining again



Summary Capitalisation

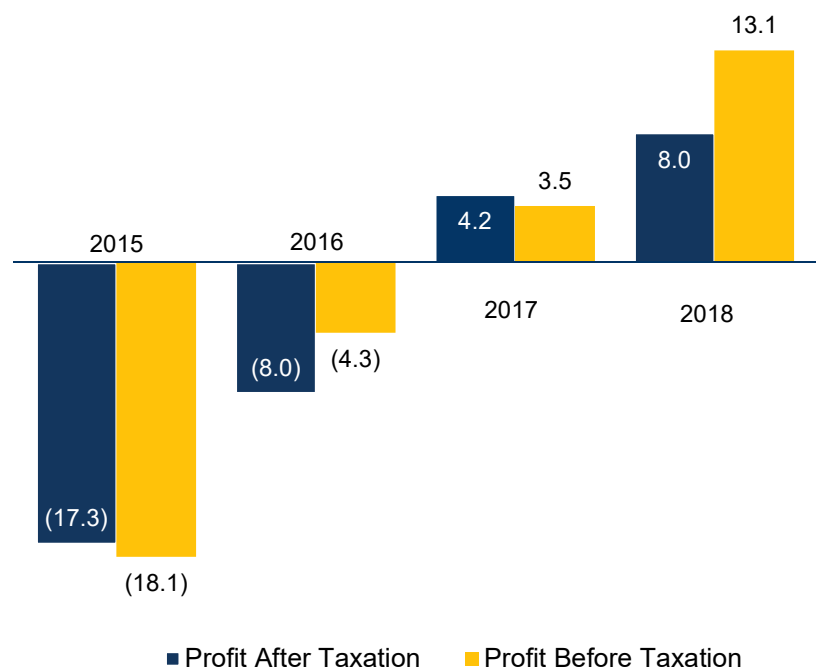
Share Price (GBP) ¹	5.35 p
Market capitalisation	US\$56 m
Net debt ²	US\$32 m

Enterprise Value US\$88 m

1. As of 26 February 2019
2. As of 31 December 2018

2018 Profitability

Profit/(Loss) (US\$ million)



Highlights

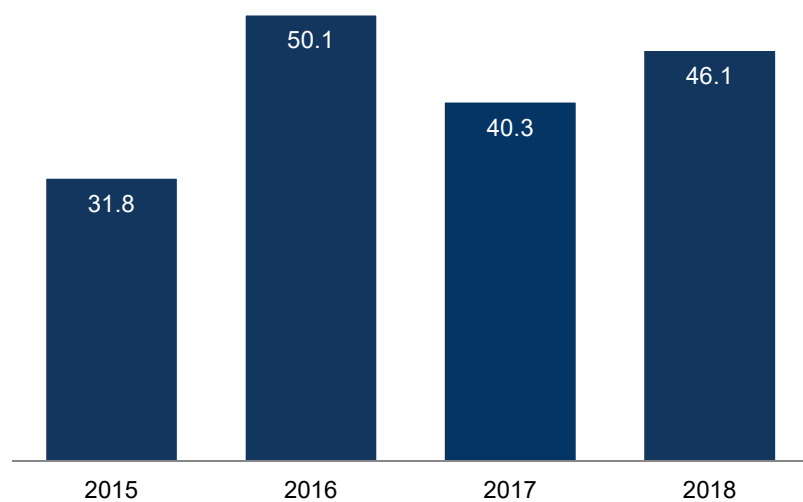
- Profit before tax of US\$13.1 million in 2018
 - highest level recorded by the Company in four years
- Benefits of cost efficiencies executed across the business realised
- EBITDA of US\$45.7 million, 21% increase from 2017

Note: Shanta Gold audited financial statements

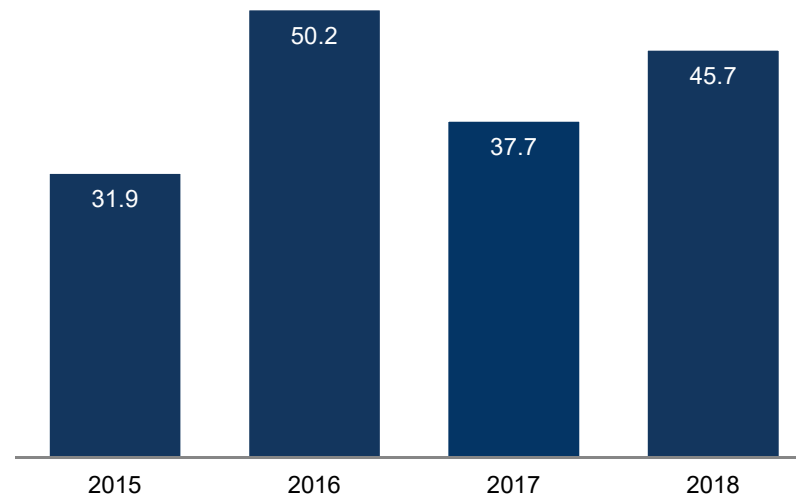


US\$46.1 million cash flow generated in 2018

Operating Cash Flow (US\$ million)



EBITDA (US\$ million)



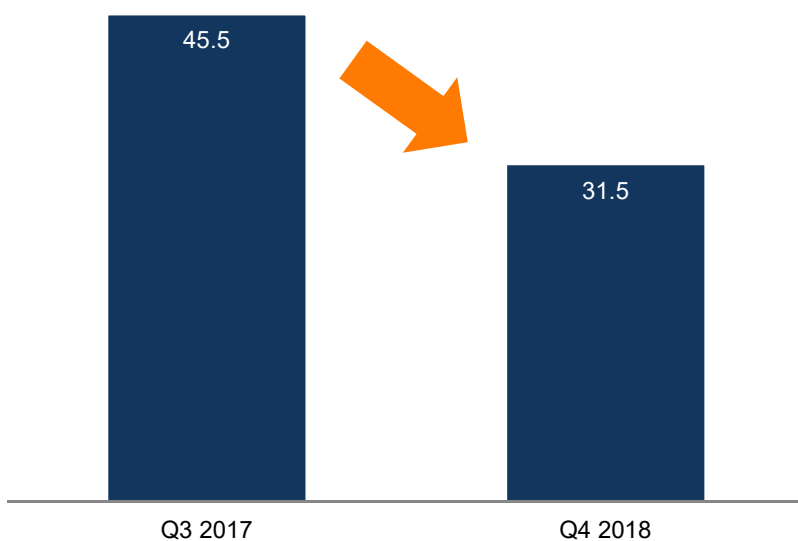
Note: Shanta Gold audited financial statements



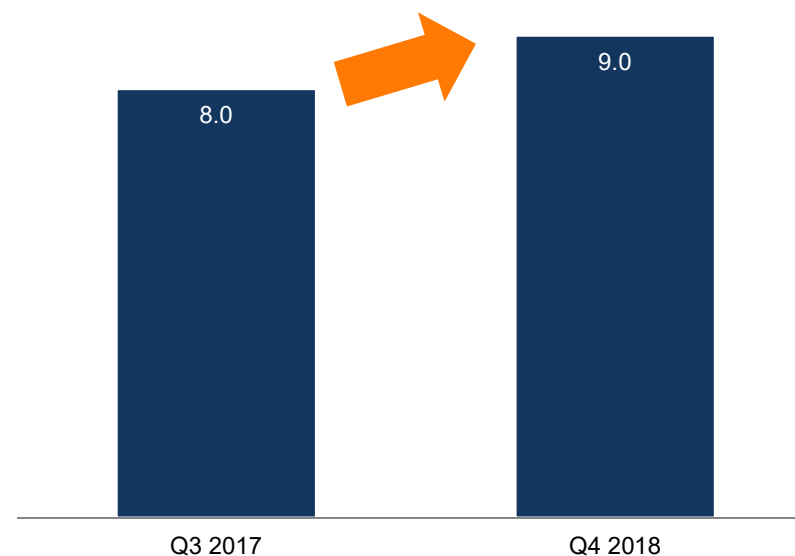
Net debt at lowest position in 6 years

- ▶ Healthy cash position at year end 2018 of US\$9 million
- ▶ Continued rapid deleveraging following management initiatives rolled out in Q3 2017

Net debt (US\$ million)



Cash (US\$ million)



Note: Shanta Gold audited financial statements at YE 2018



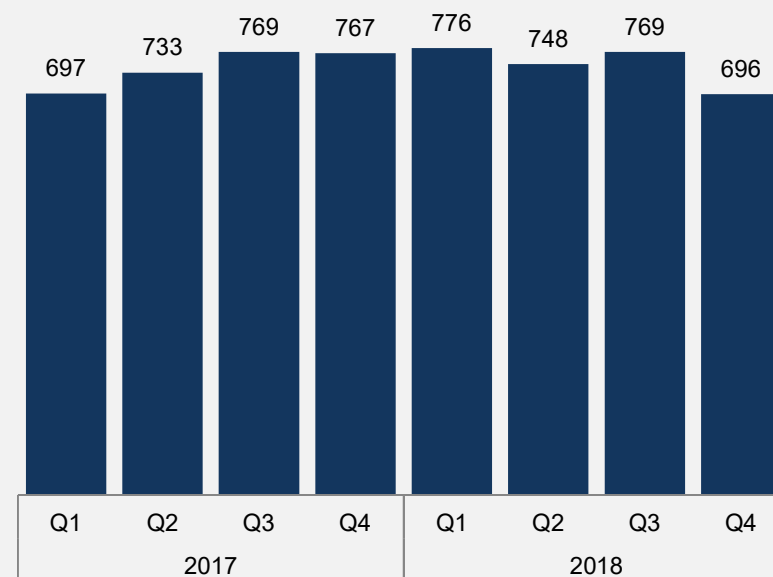
AISC of US\$730/oz in 2018

- ▶ Sustainable, robust and reliable operating mine
- ▶ Q4 2018 production and cost results provide excellent momentum leading into 2019

Quarterly gold production ('000 oz)



Quarterly AISC (US\$/oz)

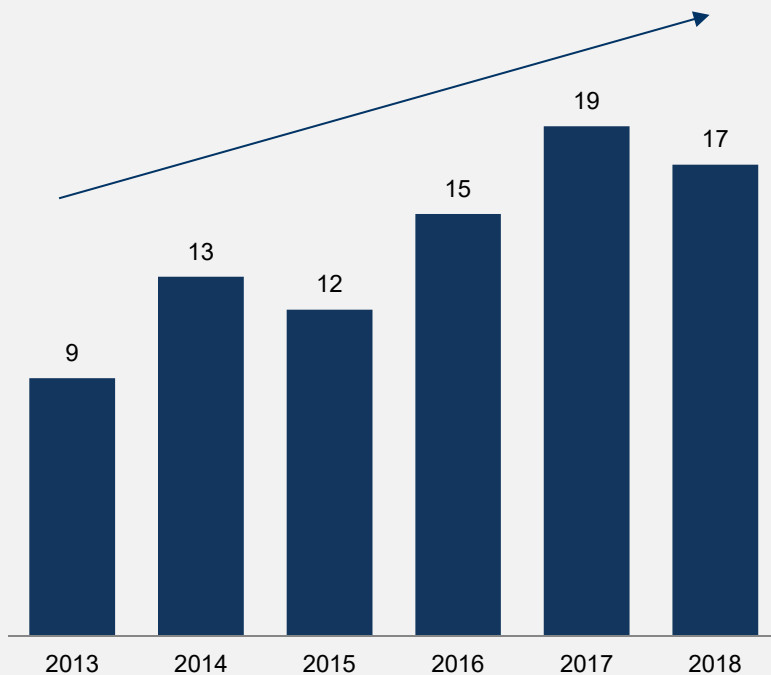


Note: Q3 2017 and onwards includes the impact of higher royalties (c. US\$40/oz)
AISC does not include development costs from the Bauhinia Creek, Luika and Ilunga underground operations.

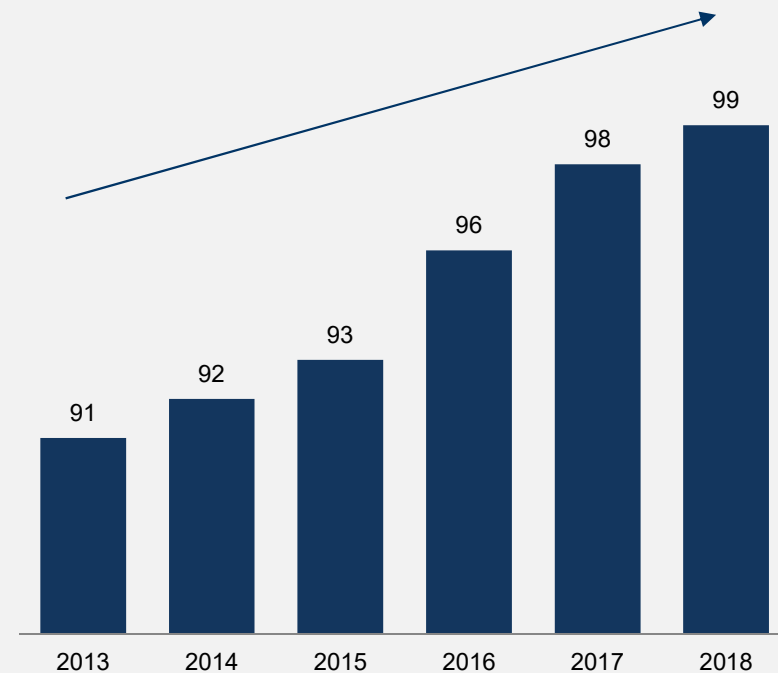
Shanta is committed to Tanzania

- ▶ US\$85 million contributed to the Government of Tanzania by Shanta over the last 6 years
- ▶ 99% of Shanta's talented workforce is Tanzanian national

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



Tanzanian employee base (%)



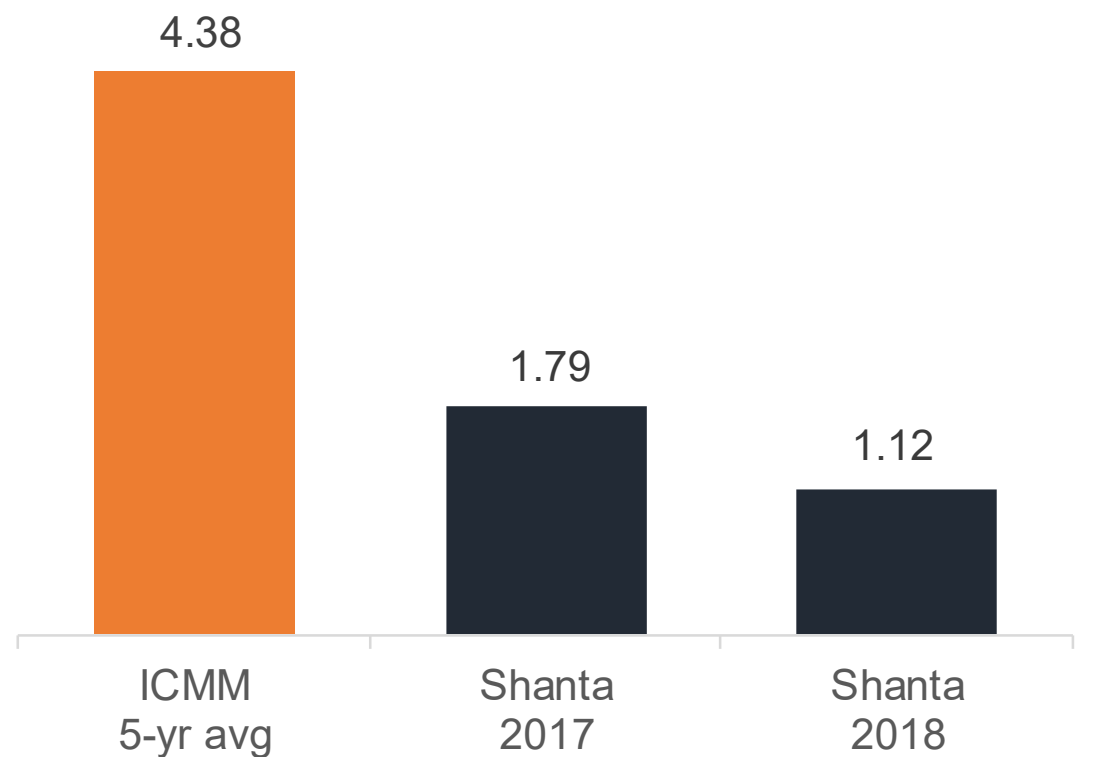
1. Includes employment taxes, statutory contributions, service levies, taxes, royalties. Excludes VAT receivable
2. Audited figures



Excellent safety: 37% improvement since 2017

TRIFR rate

(Total Recordable Injury Frequency Rate)



Shanta highlights

- No fatalities
- No LTIs
- Approximately 1.9 million hours since last LTI (at December 2018)

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



Near term catalysts and news

Date	Event
Next few months	Exploration update and strategy
March 2019	Singida financing update
March 2019	Ilunga first ore, ahead of schedule
April 2019	Repayment of US\$5 million convertible loan notes
Q2 2019	Drilling at Bauhinia Creek Central
Q1/Q2 2019	Rapid debt reduction of over US\$10 million repaid from cash flow
Q2/Q3 2019	Increased drilling across regional portfolio of licences

Ongoing engagement with the Ministry of Mines and Finance to repay and/or offset the US\$21.9 million VAT receivable (at December 2018)

2019 priorities

1

Safe Operational Delivery

80-84k oz in 2019 at AISC of US\$740-800 /oz

2

Exploration

Resource conversion and mine life extension at New Luika

3

Deleveraging

Continued rapid balance sheet deleveraging

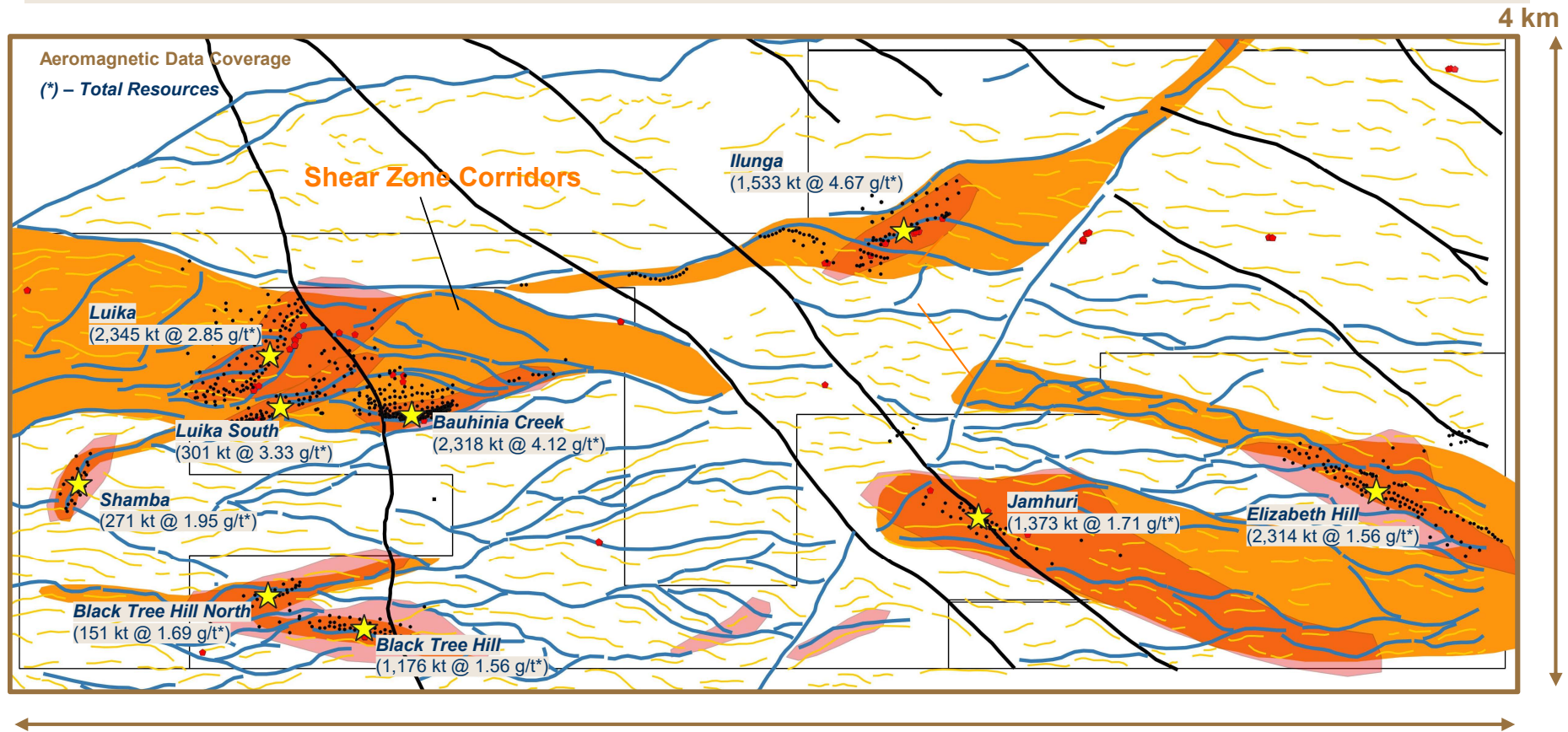
4

Unlocking value

-VAT Receivable of US\$21.9 million = 40% of SHG market cap
-Singida asset level financing

Exploration: NLGM Mining Licences across 30 km²

Each additional year of mine life contributes EBITDA¹ which is approximately equivalent to Shanta's current market cap



★ Mine/Deposit

◆ High-grade Grab Sample (Shanta Gold)

● High-grade Soil Anomaly (Shanta Gold)

— Structural Fabric: Gneissosity (Archaean)

— Structural Fabric: Mylonite/Shears (Lupa Mineralization)

● Collars (Drilling and Trenches)

(*) – Total Resources

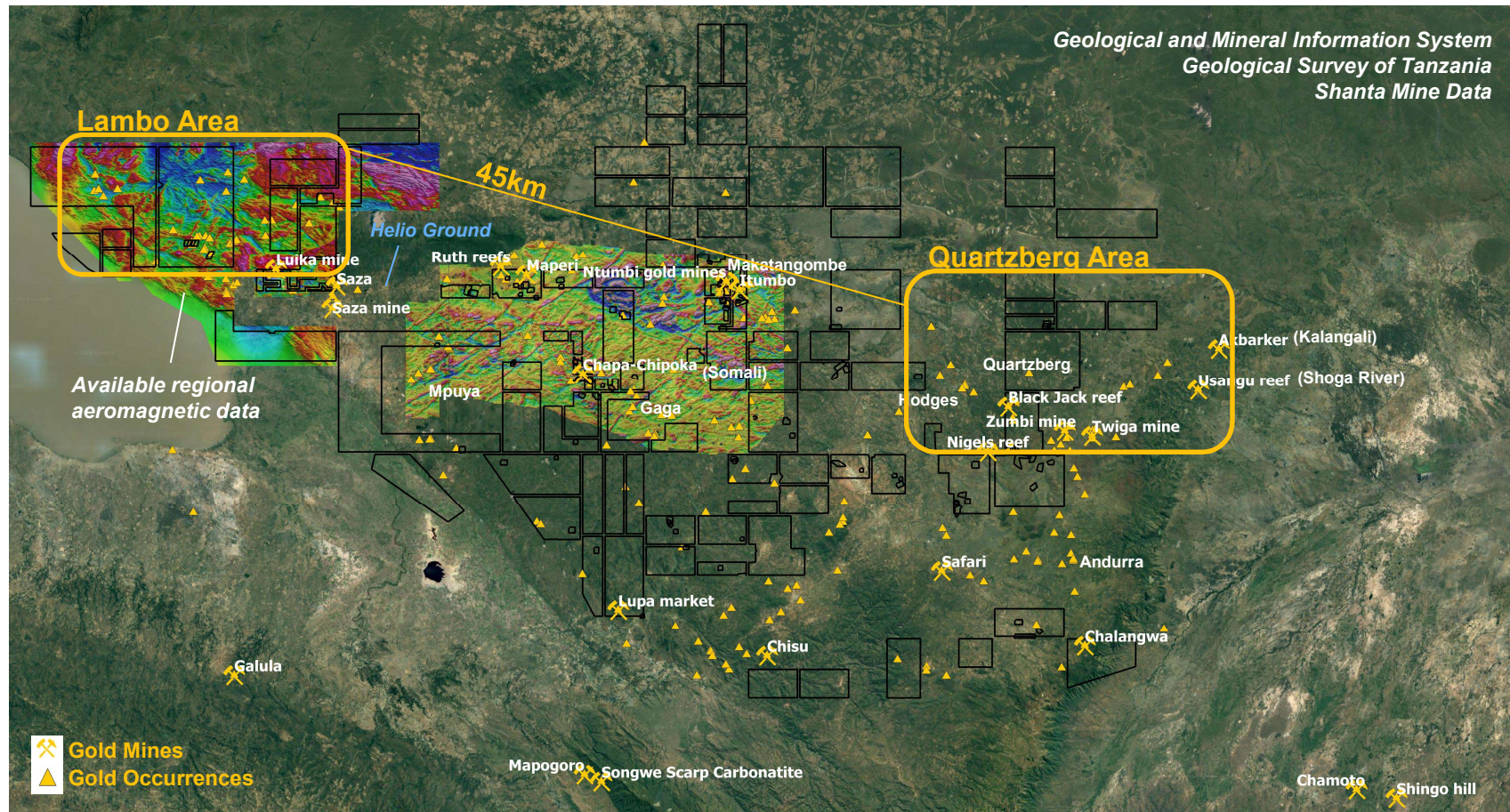
1. Indicative estimate based on the 2018 production and cost profile and using the current spot gold price of US\$1,325/oz. Does not represent forward guidance.



FY 2018 Audited Results

Exploration: Regional targets across 1500 km²

- ▶ Generation of high confidence targets are being prepared for further testing in 2019
- ▶ The Lupa Goldfield is home to numerous existing and historical gold mining operations

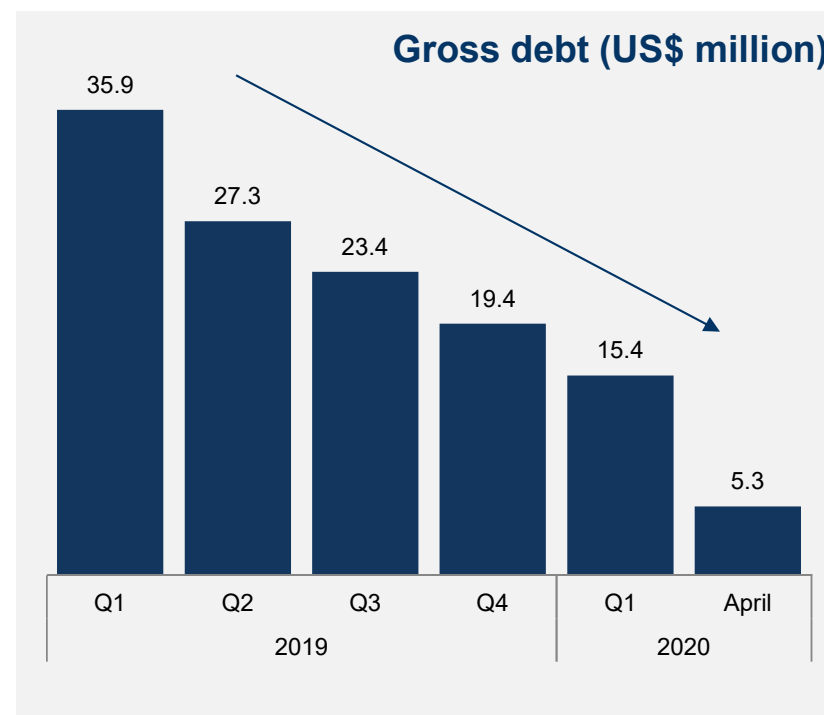


Rapid deleveraging

By April 2020, Shanta's gross debt expected to be down to approximately US\$5.0 million

Contractual debt repayments (March 2019 - April 2020) (US\$ million)

	Principal Repayments	Gross Debt
March 2019	(3.3)	35.9
Q2 2019	(8.6)	27.3
Q3 2019	(3.9)	23.4
Q4 2019	(4.1)	19.4
Q1 2020	(4.0)	15.4
April 2020	(10.1)	5.3



Singida Project Economics Announced in Q4 2018

\$31
million USD

NPV announced in December 2018

67%

IRR over an initial 6-year mine plan

26,000
oz

Average annual gold production over mine plan at a cash cost of US\$794 /oz

\$19
million USD

Pre-production capital expenditure and working capital

**Significant
upside**

Total inferred resources outside of the project economics amount to 6.57 Mt at 1.63 g/t for 344,000 oz

Q1
2019

Site visits held in Q4 and at term sheet stage. Funding progressing



Appendix

Production performance

	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016
Tonnes ore mined (OP + UG)	677,734	157,952	179,978	197,020	142,784	638,088	143,092	177,416	196,454	121,127	622,853
Tonnes ore milled	639,678	172,902	159,640	157,426	149,710	632,287	162,233	163,109	155,567	151,378	597,583
Grade (g/t)	4.38	4.74	4.26	4.44	3.94	4.28	4.48	3.83	4.28	4.57	5.08
Recovery (%)	90.9	90.9	90.3	91.5	91.7	91.1	91.1	90.9	90.9	92.0	89.9
Gold Production (ounces)	81,872	23,942	19,723	20,544	17,663	79,585	21,288	18,225	19,657	20,415	87,713
Gold sales (ounces)	82,457	24,893	19,737	19,475	18,352	80,365	20,644	18,487	17,982	23,252	86,332
Realised gold price (US\$ /oz)	1,259	1,225	1,218	1,302	1,303	1,263	1,273	1,267	1,265	1,249	1,220

www.shantagold.com

twitter.com/shanta_gold

