

# Proactive Investors One2One Forum – Chesterfield Mayfair Hotel

22 January 2020





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# Agenda

**1. Team**

**2. Intro to Shanta Gold**

**3. 2019 performance**

**4. Value priorities**

# Experienced African Management team

- ▶ 99% of the employees are Tanzanian; Only 8 expats across the company

*In attendance today in London*



**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

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



**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



**Calvin Mlingi**  
Head of Country Affairs

- Tanzanian national and trained lawyer
- Corporate affairs experience in Tanzania
- Formerly with Export Trading Group

# Shanta Gold – Highlights & Guidance

## Q4 2019 performance

- Gold production of 19.6k oz at New Luika
- Cash costs of US\$638 /oz, AISC<sup>1</sup> of US\$902 /oz
- Incremental gold reserves of 135,438 oz at 4.07 g/t
- Net debt reduced 31% to US\$14.3m

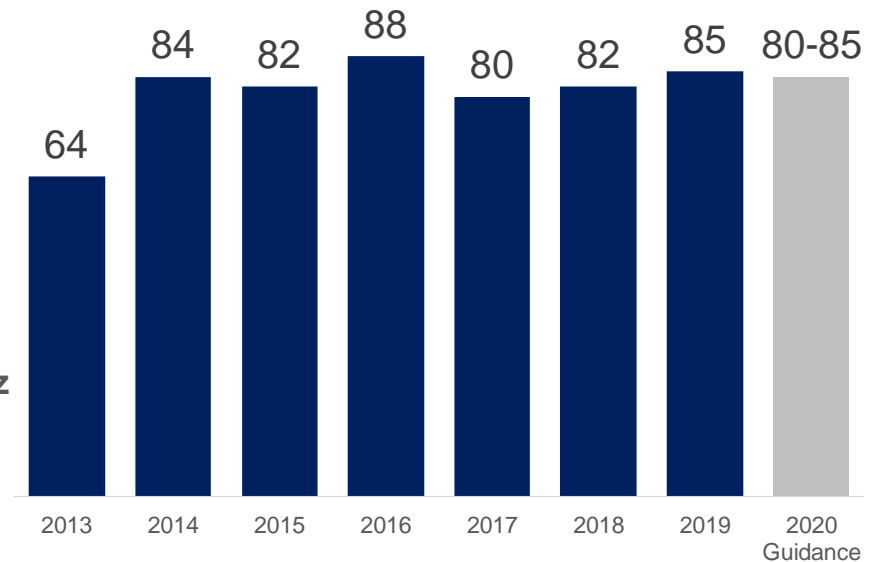
## 2019 production ahead of guidance

- Gold production: **84,506 oz, exceeds guidance 80-84koz**
- Cash costs of US\$544 /oz
- AISC<sup>1</sup>: **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<sup>1,4</sup>: US\$830 – 880 /oz
- Exploration budget increased by 65% to US\$5.0 million

## Reliable, low cost producer



## Summary Capitalisation

Share Price (GBP) (17Jan2020)	10.7 p
Market capitalisation	US\$109 m
Net debt (31Dec2019)	US\$14 m

## Enterprise Value **US\$123 m**

EBITDA <sup>2</sup>	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)

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

	<b>FY 2019</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>	<b>Q1 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>
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\$46.5 million cash flow generated

## EBITDA (US\$ million)



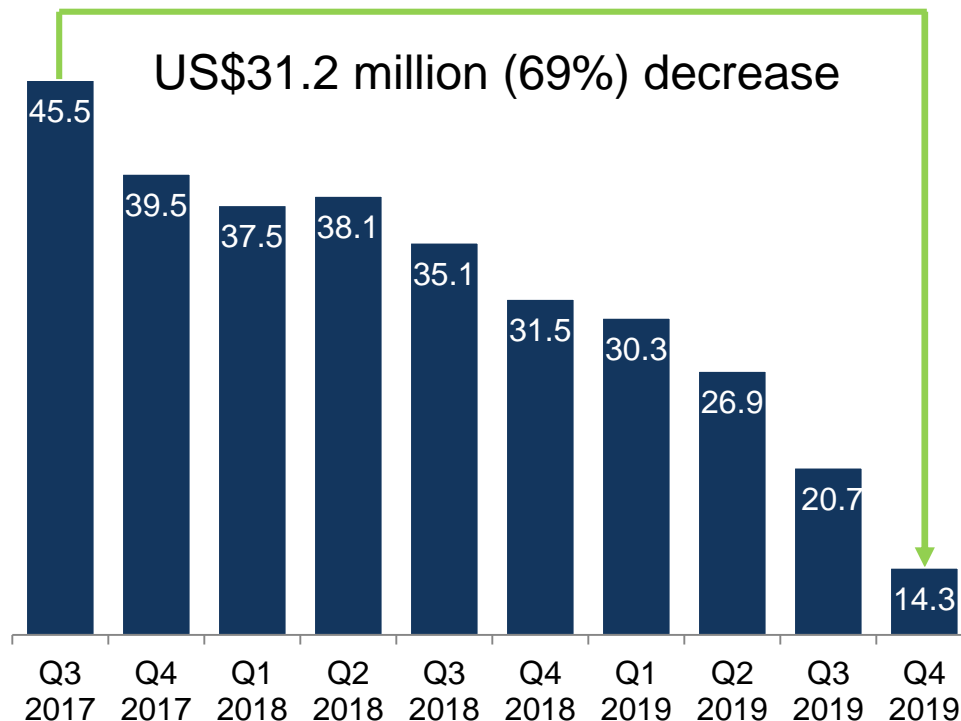
## Operating cash inflow before movement in working capital (US\$ million)



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 debt<sup>1</sup> (US\$ million)



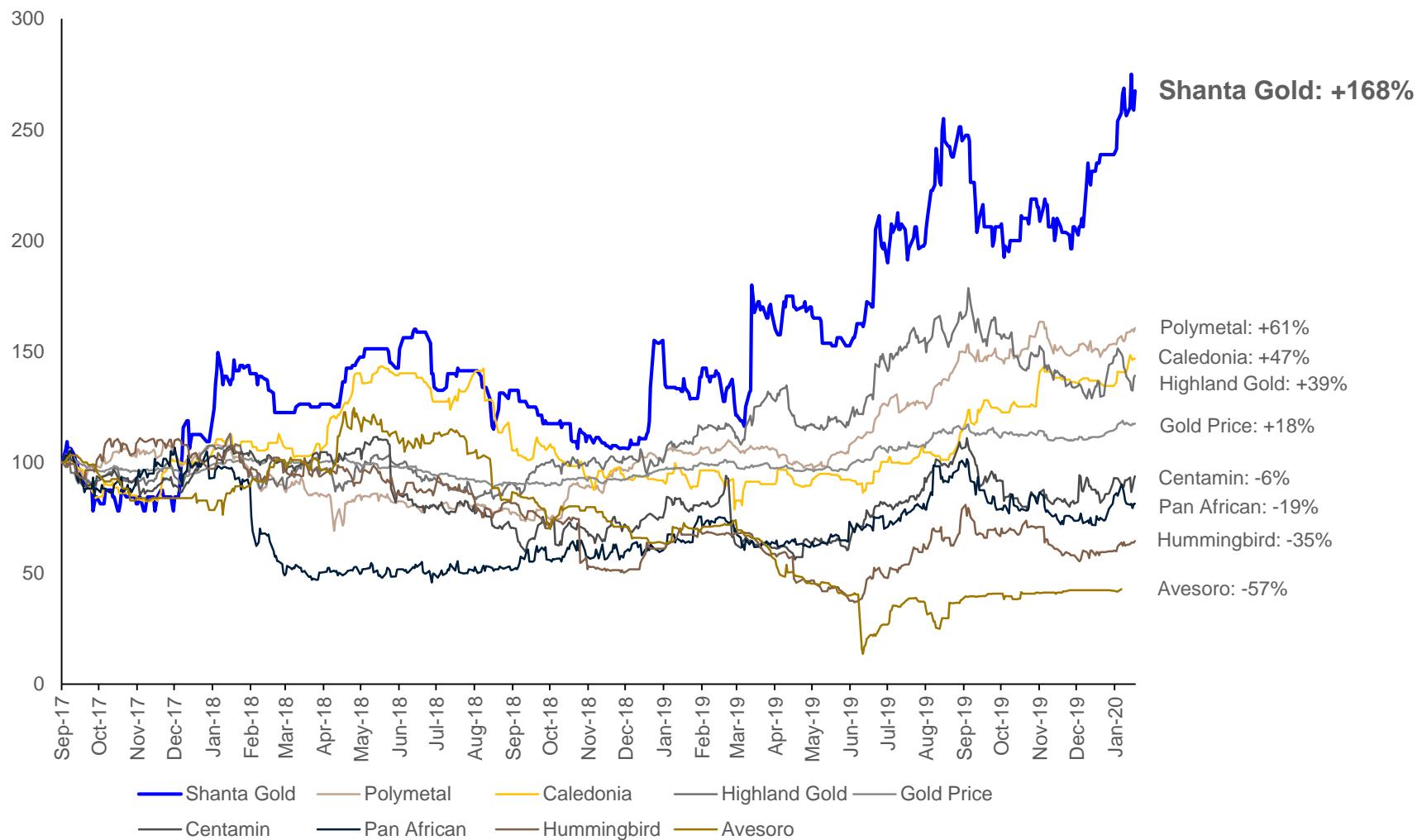
## Q4 2019 highlights

- 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



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



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# Agenda

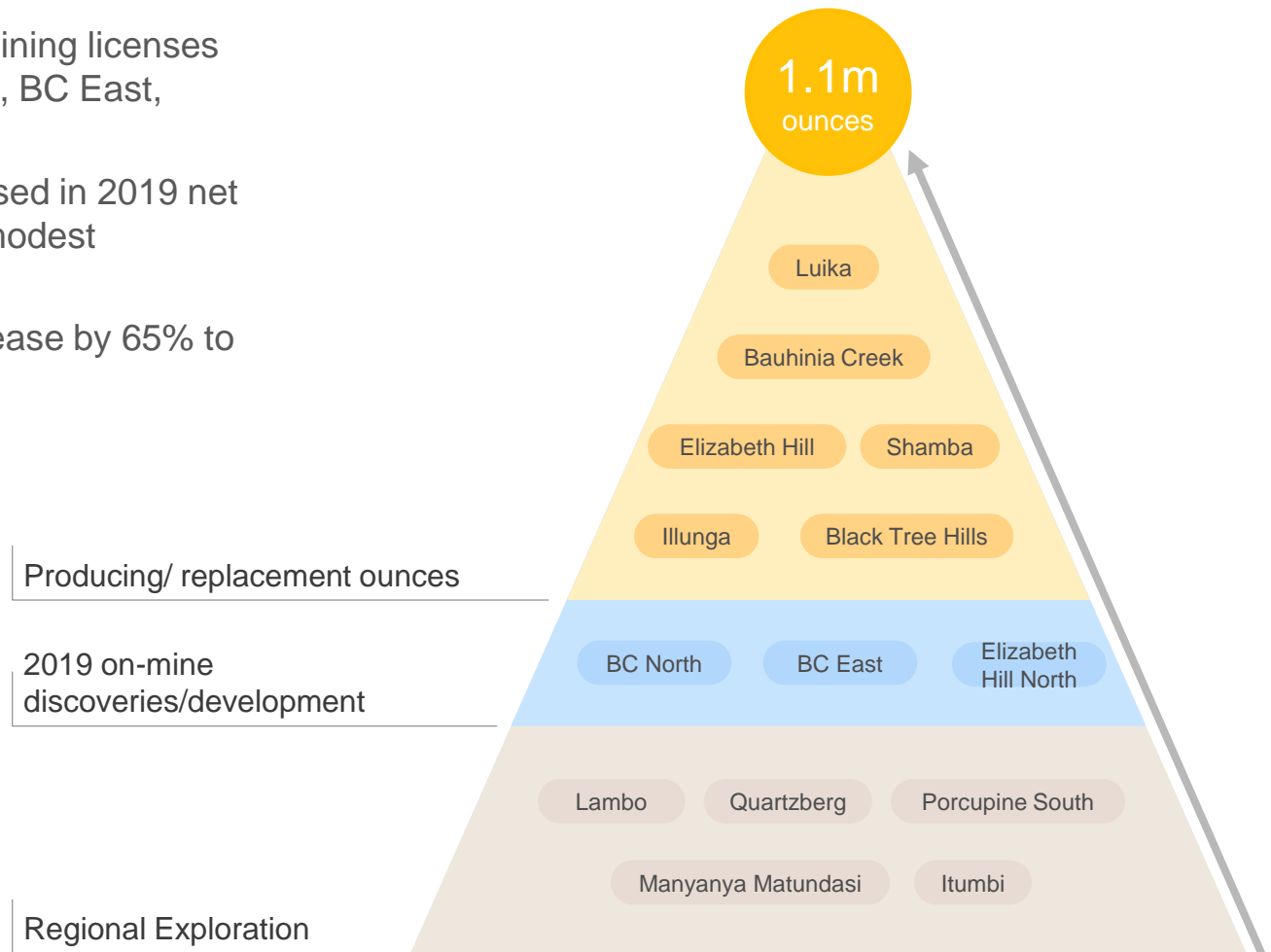
1. Team
2. Intro to Shanta Gold
3. 2019 performance

## **4. 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 1<sup>st</sup> 2019)<sup>1</sup>

- ▶ 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 <sup>2</sup>	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
<b>Total</b>			<b>1,033,920</b>	<b>4.07</b>	<b>135,438</b>

\* 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 16<sup>th</sup>



## 2 Singida – asset level financing

### Singida Overview

- 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

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

Gold price	Discount rates		
	5%	8%	10%
Forward Curve <sup>1</sup>	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 <sup>1</sup>	67
US\$1,500 /oz	91
US\$1,600 /oz	106

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

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

# 1 IPO of Singida Resources PLC

## *Proposed listing on the Dar es Salaam stock exchange*

**\$31**  
million USD

NPV announced on 5 December 2018 (using Forward Curve at a spot price of US\$1225/oz)

**67%**

IRR over an initial 6-year mine plan (using Forward Curve at a spot price of US\$1225/oz)

**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

**Next 6-12  
months**

Progressing and completing the IPO of Singida Resources PLC on the Dar es Salaam Stock Exchange

<sup>1</sup>Project estimates are based on estimates prepared internally by the Project Owners Team and have not been independently verified

# 2020 priorities

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\$31 million NPV at Dec 2018 gold forward curve, based on  
spot gold price of US\$1,225 /oz)

## 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

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