

Shanta Gold

Producing gold company with high grade resources across a regional portfolio

18 June 2020



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Experienced African Management and Board

► Management and directors own 9.3% of Shanta Gold (AIM:SHG)

On today's call

Executive Directors



Eric Zurrin
CEO

- 18 years' experience in mining including 7 years in Tanzania
- Previously CFO of Shanta Gold
- Formerly with UBS Investment Bank covering Metals & Mining Africa/ Middle East



Luke Leslie
CFO

- 18 years' experience in mining including 7 years in Tanzania and 4 years in China
- Previously with UBS Investment Bank covering Metals & Mining Africa/ Middle East
- Formerly management consultant at Accenture



Tony Durrant
Chairman

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

Non-Executive Directors:



Rob Fryer

- Led global mining practice at Deloitte
- 40 years' experience in audit/financial



Keith Marshall

- 35 years' experience 22 years with Rio Tinto
- Former President of Oyu Tolgoi in Mongolia and MD Palabora in South Africa



Ketan Patel

- MD of Export Trading Group, soft commodity trading in 22 countries across Africa
- Founder Shanta Gold

Shanta Gold – overview

- ▶ Total reserves and resources of 3.1 million ounces (inclusive of West Kenya Project)
- ▶ High grade, low cost mining company

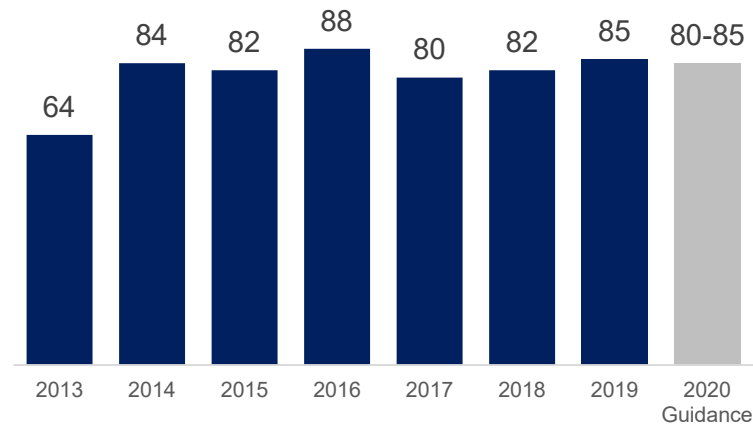
2019 highlights

- Gold production: 84.5 koz, better than guidance
- AISC¹ of US\$777/oz, better than guidance
- Cash costs of US\$544/oz
- EBITDA² of US\$48 m
- Net debt³ down 55% to US\$14.3m
- Mine life extended at New Luika

2020 guidance

- Gold production of 80–85k oz at New Luika
- AISC^{1,4} of US\$830-880/oz

Reliable, low cost producer (koz)



Summary Capitalisation

Share Price (GBP) (16Jun2020)	11.5 p
Market capitalization	US\$114 m
Net debt (31Mar2020)	US\$15 m
Enterprise Value	US\$129 m
2019A EBITDA*	US\$48 m
EV / 2019A EBITDA	2.7x

* Based on average 2019A realised price of US\$1,377/oz



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)

Shanta Gold: Cash generation with significant future value

► Strong cashflow (Q1 2020 annualised EBITDA of US\$60m)

Production

New Luika

Gold Mine

High grade, low cost gold operation in the under-explored Lupa Gold field in SW Tanzania

Mine Life through to at least 2024 (based on reserves)

Resources ¹:
1.02 Moz at 2.77 g/t

Cash costs 2019: US\$544 Koz 2019: 85

AISC 2019:
US\$777

Development

Singida

Gold Project

Open pit project in prospective greenstone belt in Central Tanzania

Est. 7 Year Mine Life (based on reserves)

Resources ¹:
0.90 Moz at 2.38 g/t

Growth

West Kenya

Gold Project

Highly prospective project in Lake Victoria greenstone gold field

US\$55 m invested since 2010

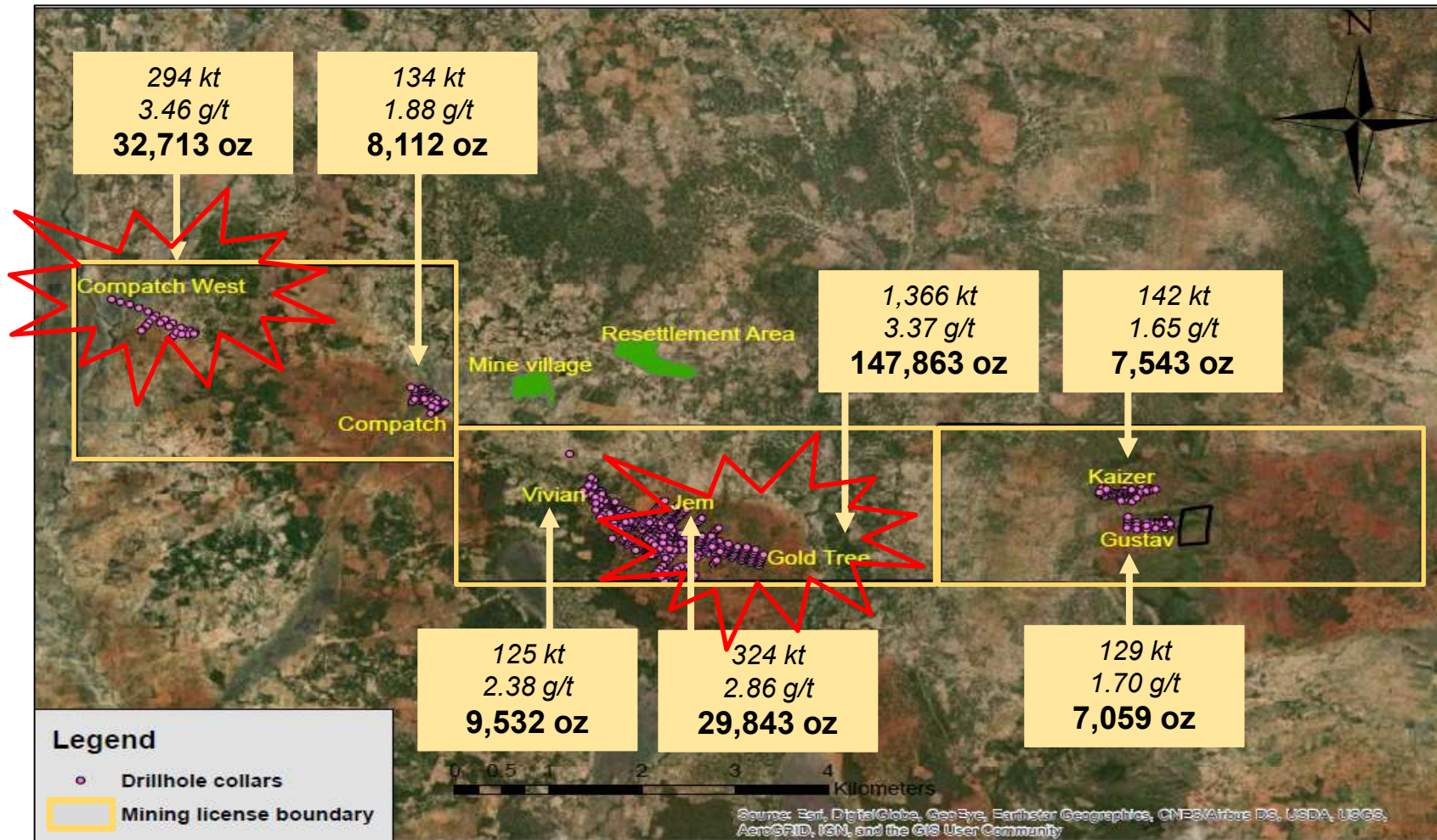
Resources:
1.18 Moz at 12.6 g/t

Scoping study to be progressed in 2020

1. Updated company-wide reserve and resource statement expected in H2 2020

Singida – Open Pit Reserve Summary

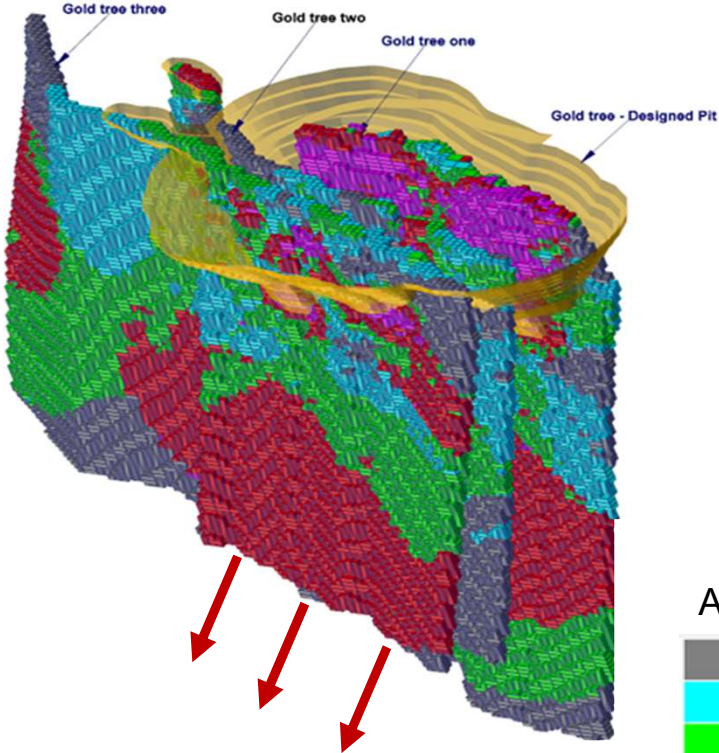
▶ Project covers an area of c.98 km² located within the Ikungi District in the Singida Region of Tanzania



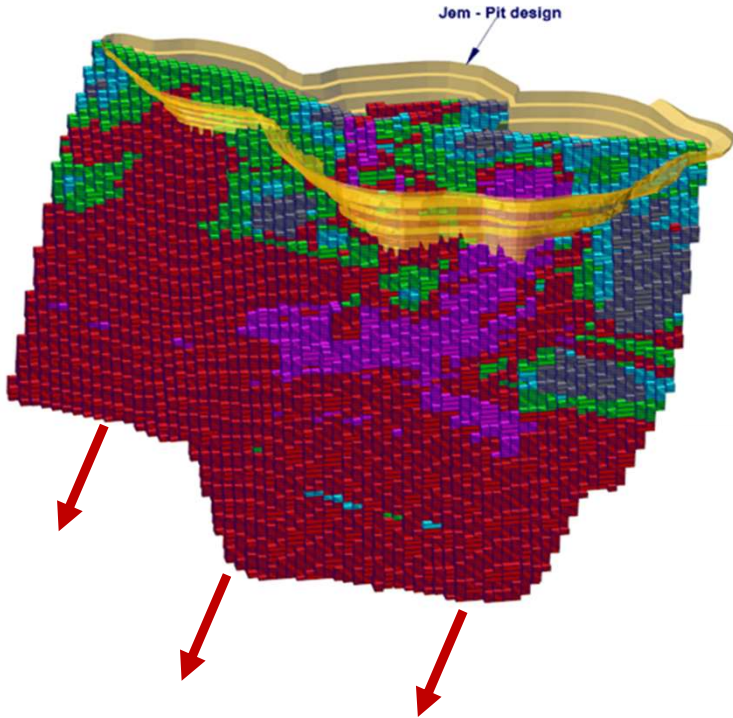
Singida – Potential for significant value upside

- ▶ 91% of contained ounces within Singida’s LOM reserve are less than 120 metres from surface
- ▶ High grade below the open pits suggests future underground mine potential

Gold Tree pit designed with depth of 165 m



Jem pit designed with depth of 120 m



Au_g/t

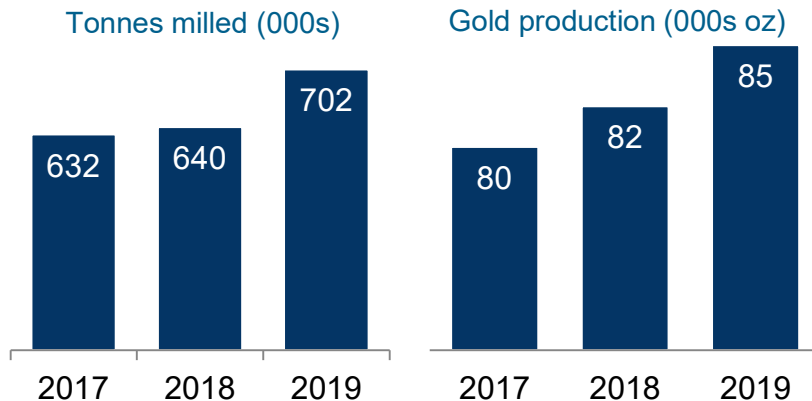
Grey	< 0.6
Cyan	0.6 to 1.1
Green	1.1 to 2.0
Red	2.0 to 4.0
Magenta	>= 4.0

➔ Representation of potential reserve expansion

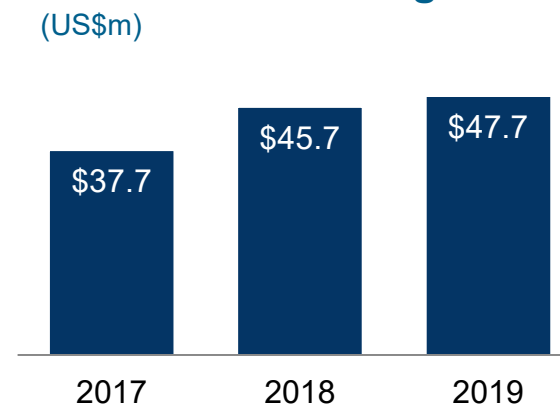
Background to acquisition in West Kenya

► Shanta's deleveraged balance sheet has increased flexibility to pursue value driven growth

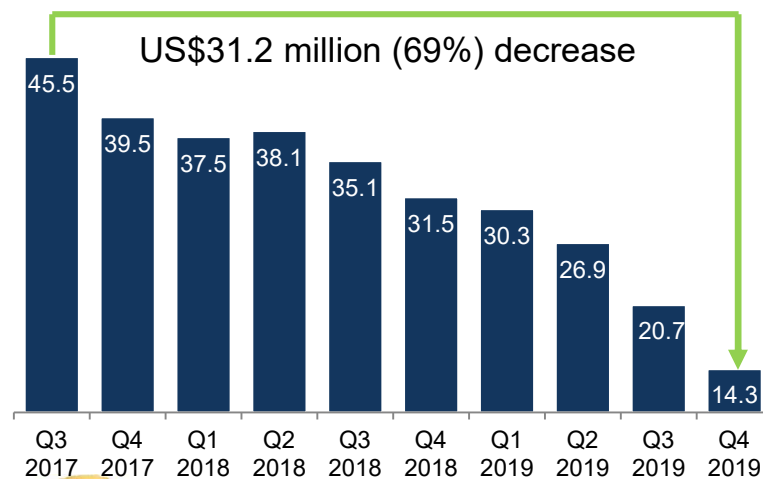
Production improvement...



...lower costs and higher EBITDA...



... and deleveraging (Net Debt in US\$m) ¹



Key achievements over last 3 years

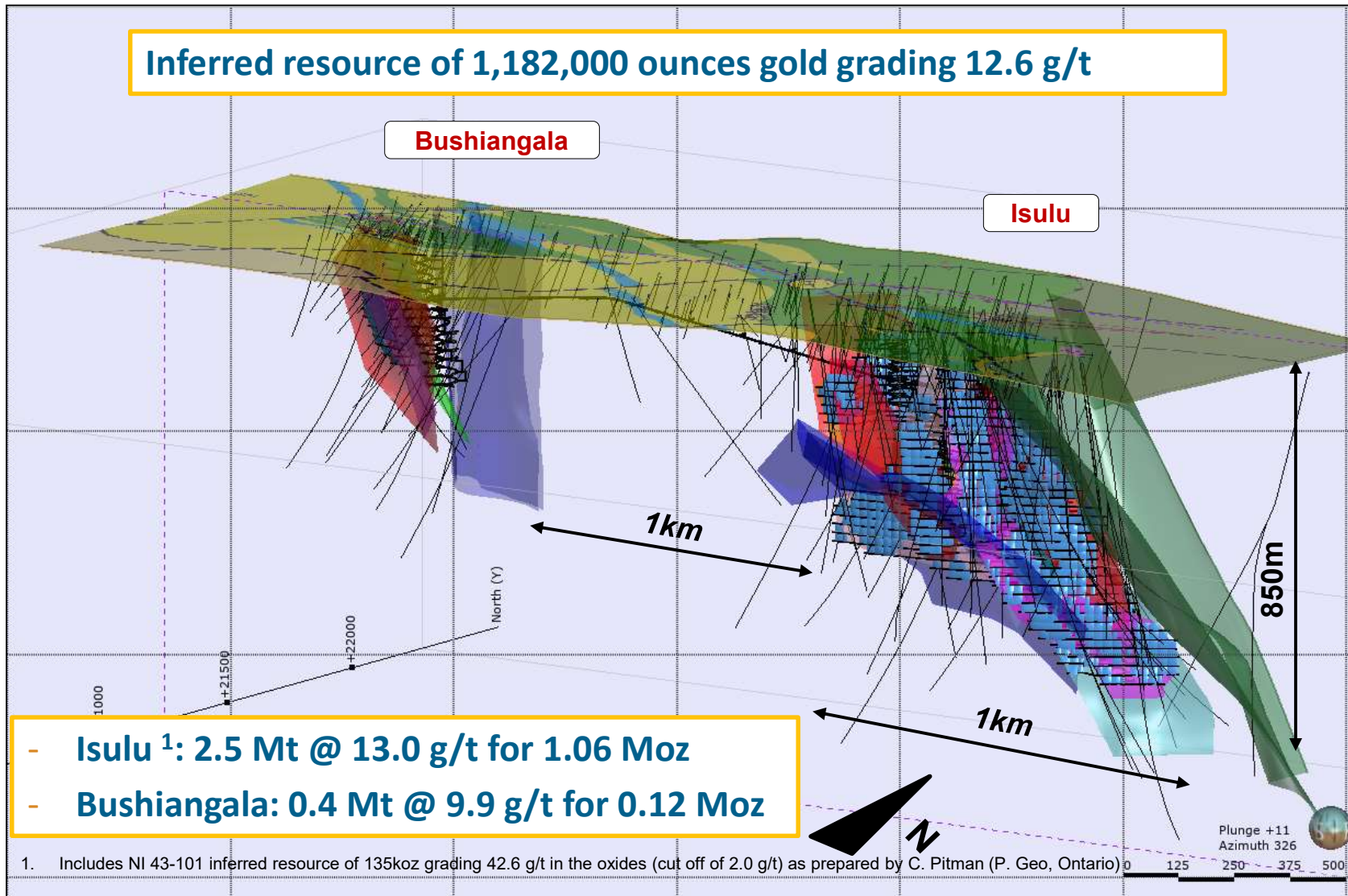
- ✓ Achieved US\$8.9 m p.a. cost savings in 2018
- ✓ Beat cost guidance in 2018
- ✓ Exceeded gold production guidance in 2019
- ✓ US\$31 m (69%) reduction in net debt
- ✓ Successfully built the Ilunga underground mine on budget and ahead of schedule in 2019
- ✓ Mine life extension at New Luika Gold Mine
- ✓ Singida Mineral Resource and Reserve Estimate
- ✓ 44% reduction in TRIFR since 2017; No LTIs in 25 months; no fatalities

Acquisition highlights: *High Grade West Kenya Project*

► **Highly complementary to Shanta's existing production and development portfolio**

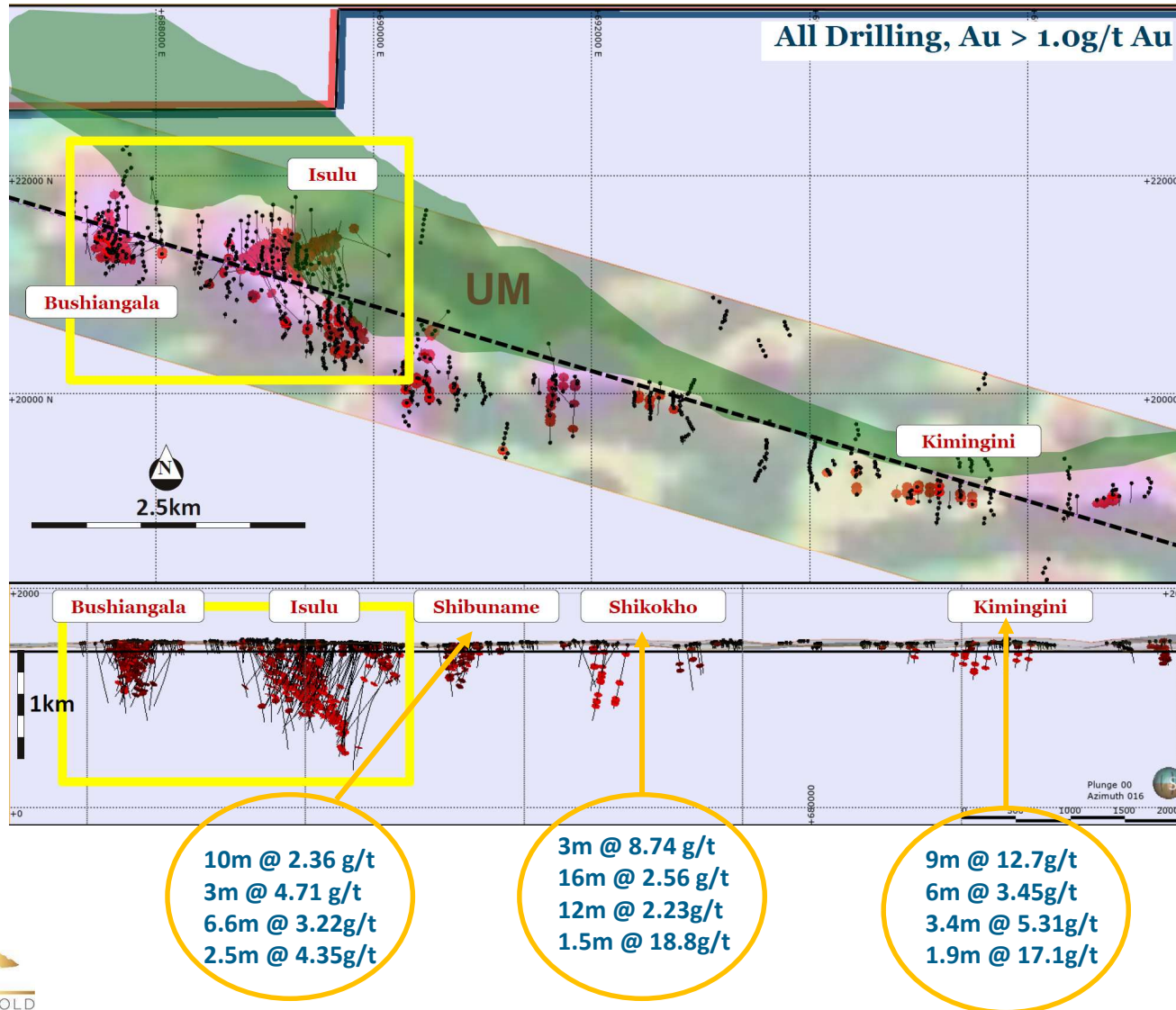
- ✓ **Inferred NI 43-101 Mineral Resource Estimate of 1,182,000 ounces gold grading 12.6g/t**
 - Believed to be one of the highest grading +1 Moz gold deposits in Africa
- ✓ **Covers 1,161 sq km within the highly prospective Lake Victoria greenstone gold fields located in NW Tanzania and SW Kenya**
 - Home to Global Tier 1 assets including North Mara and Geita Gold Mine
- ✓ **Approximately US\$55 m invested in exploration activities since 2010**
 - 221,000 meters drilling, 80,000 soil samples, regional IP
- ✓ **Historical gold production of approx. 259 Koz at 12.3 g/t from Rosterman mine**
 - Included in the West Kenya Project, 9 km from main site in Liranda Corridor
- ✓ **Scoping Study and project economics to be progressed**
 - Shanta focused on unlocking value and progressing project

Believed to be one of the highest grading +1 Moz gold deposits in Africa



3 Moz target along the Liranda corridor

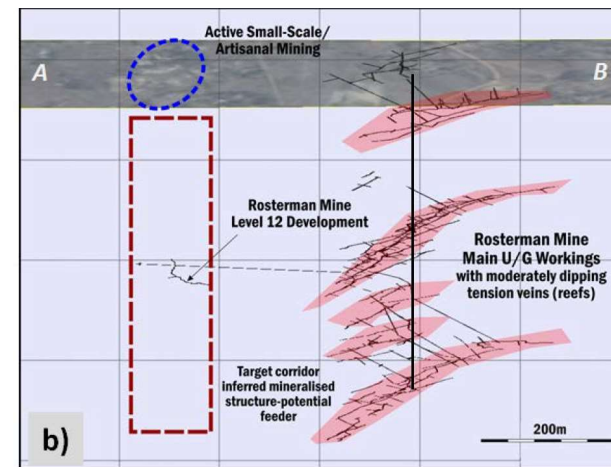
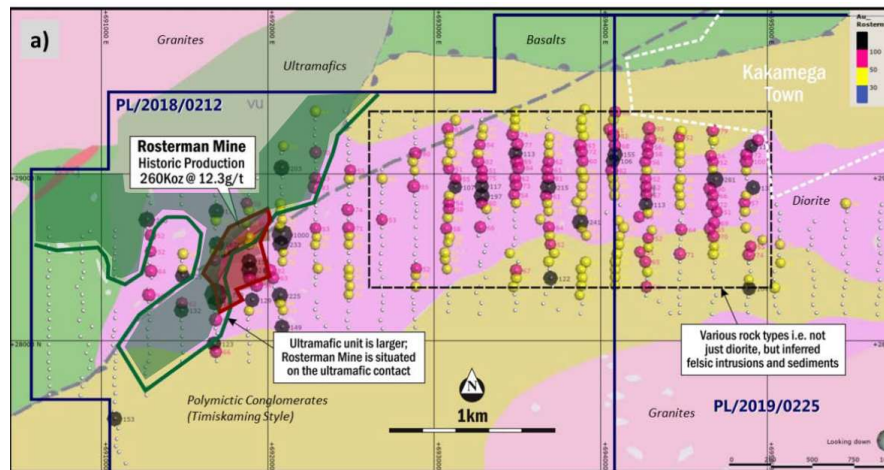
- Multiple high grade discoveries surrounding the existing Isulu resource



Note: drilling intersections as reported and verified by Acacia Mining plc

Acquisition of the Rosterman Mine within 10km of Isulu

- ▶ 2019 gold-in-soil results around Rosterman were encouraging



Rosterman 2019 soils sampling results:

- Chromium anomaly indicating the presence of the ultramafic rocks
- Indication of an inferable layer of sedimentary rock along the possible orogenic structure
- Bismuth anomaly, coincided with gold anomalism, which is a common feature for greenstone gold systems including the Isulu deposit
- Tungsten anomaly indicating a possible enriched intrusion or/and a hanging wall of the mineralized system similar to the Isulu deposit

Transaction rationale

- ▶ Shanta is one of the lowest cost practitioners of Long Hole Open Stopping underground mining, the expected mining method for the West Kenya Project

High quality asset	<ul style="list-style-type: none"> ▪ Acquisition of a high-quality gold project with high grade gold resource ▪ Inferred NI 43-101 resource of 1,182,000 ounces gold grading 12.6 g/t
Long term exploration potential	<ul style="list-style-type: none"> ▪ Major presence in a geologically rich and underexplored greenstone gold region
Diversification	<ul style="list-style-type: none"> ▪ Expands Shanta's operating presence in East Africa across Tanzania and Kenya ▪ Underground mining specialist with a diversified portfolio of assets delivering growth
Growth	<ul style="list-style-type: none"> ▪ Increases Shanta's gold resource inventory to over 3 Moz contained gold with the prospect of future growth
Complementary asset	<ul style="list-style-type: none"> ▪ Established Centre of Excellence at the New Luika Gold Mine to advance the West Kenya Project and complement the project team based in Kisumu, Kenya ▪ Complementary language and legal systems between Tanzania and Kenya based on English law

Shanta Gold: 3 assets containing 3.1 Moz across East Africa



Transaction summary

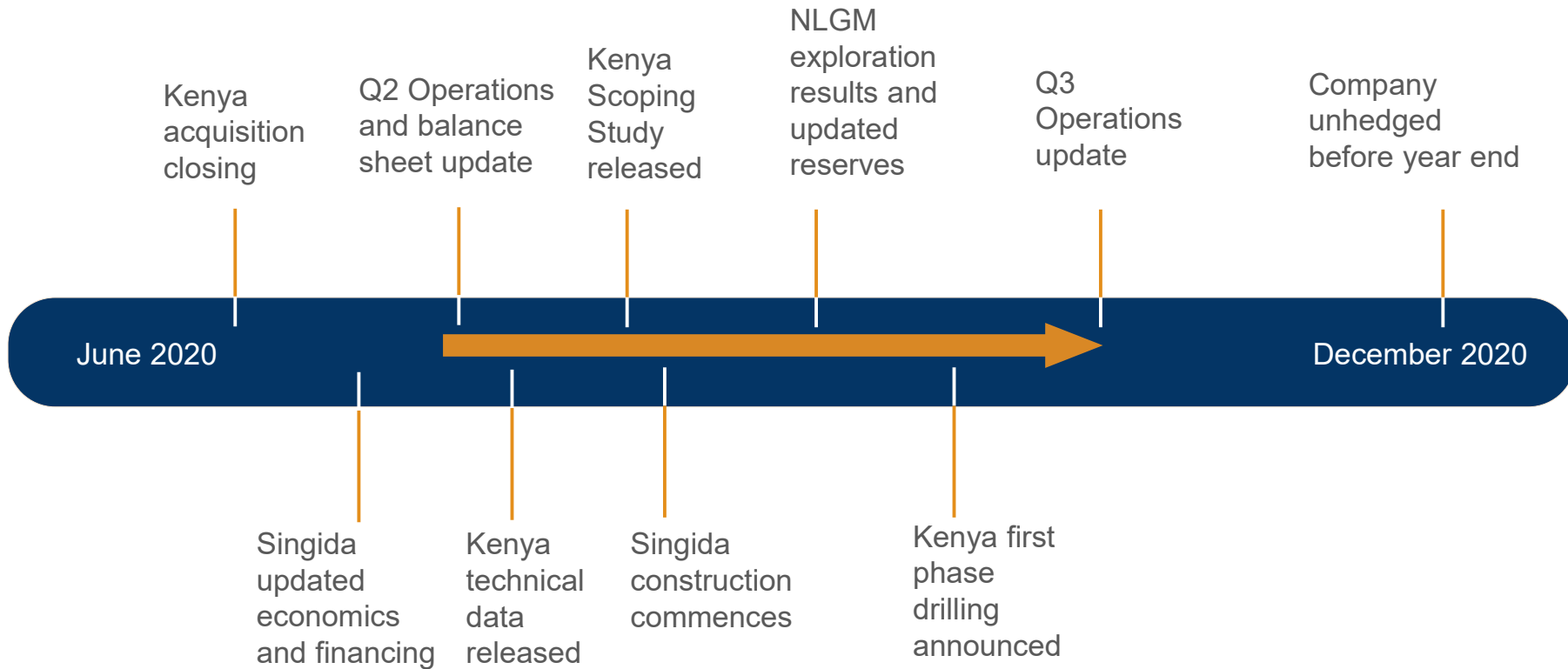
► Shanta cash and available liquidity¹ of US\$13.7 million as at 31 Dec 2019

Transaction	<ul style="list-style-type: none"> Shanta Gold has entered into a definitive agreement pursuant to which it will acquire 100% of the shares of Barrick's subsidiary Acacia Exploration (Kenya) Ltd. ("AEKL") from two subsidiaries of Barrick Gold Corporation ("Barrick"). AEKL's primary asset is a 100% interest in licences held by Afriore ("West Kenya", "Project")
Consideration	<ul style="list-style-type: none"> US\$7 million cash US\$7.5 million shares <ul style="list-style-type: none"> Barrick to become Shanta's fifth largest shareholder with 6.4% interest 2% life of mine NSR covering the Project Licences Shanta to inherit certain liabilities and to adjust for certain working capital items, for up to an additional US\$4 m in cash consideration to settle third party liabilities on or after Closing
Conditions	<ul style="list-style-type: none"> Required regulatory approvals in Kenya include <ul style="list-style-type: none"> standard consents from the Mining Authorities to the assignment of interests and the transfer of Prospecting Licences approval of the Transaction by the Competition Authority of Kenya registration of the Company's interest in the Project Licences by the Mining Authorities
Timeline	<ul style="list-style-type: none"> Transaction announcement: 10 February 2020 Transaction expected to close around mid-2020



1. Derived as unrestricted cash, restricted cash and the sale value of bullion available for sale at the end of the Period (net of royalties and expected selling costs and including 2,841 oz Au in transit at the year-end)

Value catalysts



A number of significant share price catalysts for Shanta through to year end

www.shantagold.com

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