



# SHANTA GOLD INVESTOR PRESENTATION

14 October 2020



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## EXPERIENCED MANAGEMENT AND BOARD

Management and directors own 8.6% of Shanta Gold (AIM:SHG)

### On today's call: Executive Directors



**ERIC ZURRIN**  
CEO

- 19 years' experience in mining including 6 years in Tanzania and 5 years in Asia
- Previously CFO of Shanta Gold
- Previously with UBS Investment Bank covering Metals & Mining Africa/ Middle East



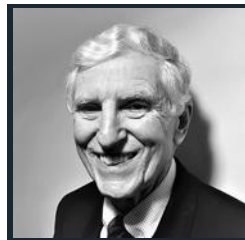
**LUKE LESLIE**  
CFO

- 19 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



**ROB FRYER**  
Non-Executive Director

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



**KEITH MARSHALL**  
Non-Executive Director

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



**KETAN PATEL**  
Non-Executive Director

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

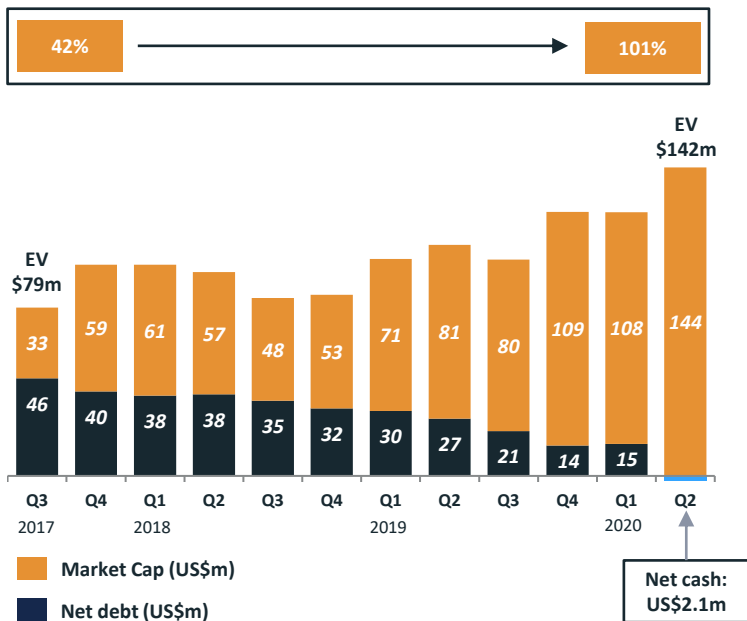


# SHANTA GOLD – MANAGEMENT TRACK RECORD

## Proven track record of delivering value to shareholders

### Shanta Gold Enterprise Value

EV (US\$m) = Net debt + Market Cap<sup>1,2</sup>



### Shanta's relative share price performance during the past three years, versus industry peers and gold spot price



1. Net debt and Market Cap based on the figures reported in quarterly results presentations since Q3 2017, rounded to the nearest US\$1million  
 2. Q2 2020 Market Cap calculated using 14.5p share price (15 July 2020)  
 3. Relative performance measured over 3-year period from 17 September 2017 to 17 September 2020  
 4. Industry peer index represents combined relative performances of HUM, PAF, CMCL, RSG, CGH, SRB and CEY  
 5. Gold NYMEX Near Term prices presented





# SHANTA GOLD OVERVIEW



# SHANTA GOLD OVERVIEW

## East-Africa focused portfolio with compelling growth pipeline

### NEW LUIKA GOLD MINE

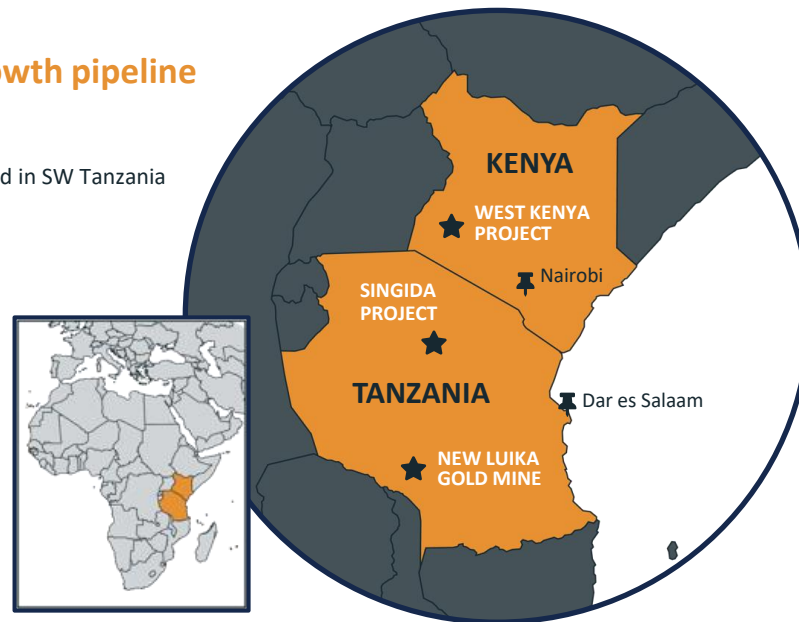
- High grade, low cost gold operation in the under-explored Lupa Gold field in SW Tanzania
- Mine Life through to at least 2025 (based on reserves)
- Reserves: 410 koz at 3.23 g/t
- Resources: 1,091 koz at 2.64 g/t
- 2020 Production Guidance: 80-85 koz
- 2020 AISC Guidance: US\$830-880/oz<sup>3</sup>

### WEST KENYA PROJECT

- Highly prospective gold project in the Lake Victoria gold field
- US\$63 m invested since 2010
- Resources: 1.18 Moz at 12.6 g/t
- Scoping study in place; Infill drilling to begin in Q4 2020
- LOM Avg Production: 105 koz
- LOM Avg AISC: US\$681/oz

### SINGIDA PROJECT

- Open pit gold project in prospective greenstone belt in Central Tanzania
- Reserves: 243 koz at 3.00 g/t (Est. 7 Year Mine Life)
- Resources: 0.90 Moz at 2.38 g/t
- LOM Avg Production: 32 koz
- LOM Avg AISC: US\$869/oz



#### Summary Capitalisation<sup>1</sup>

Share Price (GBP)	20.0p
<b>Market Capitalisation</b>	<b>US\$221 m</b>
Net Cash (Jun'20)	US\$2 m
<b>Enterprise Value</b>	<b>US\$219 m</b>

#### Top Shareholders<sup>2</sup>

Odey Asset Management	17.0%
Board & Management	8.6%
Sustainable Capital	6.5%
Barrick Gold	6.4%
Brooks Macdonald	2.5%

1. Market data as of 14 October 2020.  
 2. As of 30 June 2020.  
 3. Excludes underground development capex



# HIGH QUALITY PORTFOLIO OF GOLD ASSETS

Total resources of 3,177k oz grading 3.58 g/t and reserves of 653k oz grading 3.15 g/t

## Production

### New Luika

Gold Mine

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

#### Mine life through to at least 2025

(based on reserves)

Reserves:

**410 koz at 3.23 g/t**

Resources:

**1,091 koz at 2.64 g/t**

Q2 YTD production: **42 koz**

Q2 YTD AISC: **US\$817/oz**

2020 prod'n guidance:

**80-85 koz**

2020 AISC guidance:  
**US\$830-\$880/oz**

2020E EBITDA<sup>2</sup>

**US\$69 million**

## Growth

### West Kenya

Gold Project

Highly prospective project in Lake Victoria greenstone belt; Scoping Study in place; PFS and DFS to follow after infill drilling campaign

#### US\$63 m invested since 2010

#### Estimated initial 9-yr mine life

Resources:

**1,182 koz at 12.6 g/t**

LOM production:

**105 kozpa**

LOM cash costs:

**US\$463/oz**

LOM AISC:

**US\$681/oz**

Post-tax NPV<sub>8%</sub>:

**US\$340 m<sup>1</sup>**

## Development

### Singida

Gold Project

Open pit, construction ready, project in prospective greenstone belt in Central Tanzania

#### Initial 7-yr mine life through to at least 2029

(based on reserves)

Reserves:

**243 koz at 3.00 g/t**

Resources:

**904 koz at 2.38 g/t**

LOM production:

**32 kozpa**

LOM cash costs:

**US\$843/oz**

LOM AISC:

**US\$869/oz**

Post-tax NPV<sub>8%</sub>:

**US\$56 m<sup>1</sup>**





## ESG INITIATIVES INTEGRAL TO BUSINESS MODEL

Shanta maintains a strong social license to operate with a long term sustainable approach

**Local expertise** 

**99.5%** employees recruited locally in country

New Luika staff recruited from nearby villages **40%**

- ✓ 100% of GM's are Tanzanian
- ✓ 98% of HOD's are Tanzanian


 **Top 10**  
Employer in Tanzania (2018)<sup>1</sup>

**Working together** 


**\$115m+** Paid to Government of Tanzania

 Zero MDA<sup>2</sup> participation by Shanta in its history


**Strong and open relationships with Senior Government Ministers**

**Positive local impact** 

**497** Tanzanian businesses supported<sup>3</sup>

**81%**  Recurring in-country procurement<sup>3</sup>

**\$161m** Paid to Tanzanian suppliers in the last 3 years

 **Environmental responsibility**

**Significant environmental incidents** **0**

- ✓ Home to the largest solar farm in Tanzania
- ✓ Renewables key to power and carbon strategy
- ✓ Carbon offsetting in local Patamela forest reserve

**% power drawn from grid**

2019	2020E	2021E
0%	14%	25%

1. Named by the Association of Tanzania Employers, a national award spanning all industries  
 2. MDA = Mine Development Agreement  
 3. Measured based on total spend over the period 2017-2019





# WEST KENYA PROJECT



# WEST KENYA GOLD PROJECT - OVERVIEW

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

- 1 HIGH QUALITY ASSET**

  - 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
- 2 LONG TERM EXPLORATION POTENTIAL**

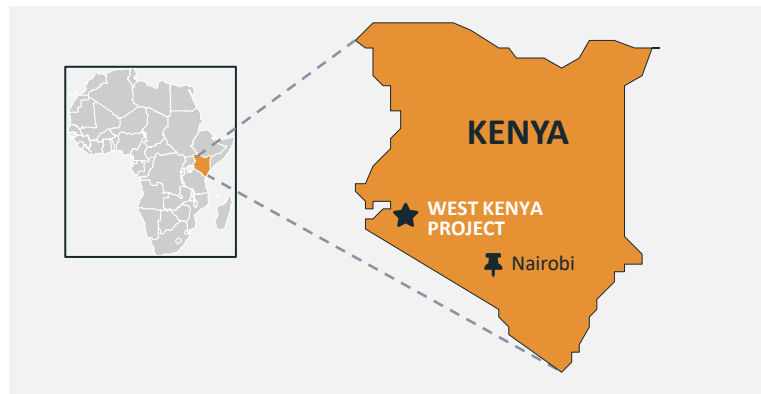
  - Major presence in a geologically rich and underexplored greenstone gold region
  - Within the globally recognised Lake Victoria gold fields, home to Global Tier 1 assets North Mara and Geita Gold Mine
- 3 DIVERSIFICATION**

  - Expands Shanta’s operating presence in East Africa across Tanzania and Kenya
  - Underground mining specialist with a diversified portfolio of assets delivering growth
- 4 GROWTH**

  - Increases Shanta’s gold resource inventory to over 3 Moz contained gold with the prospect of future growth
- 5 COMPLEMENTARY ASSET**

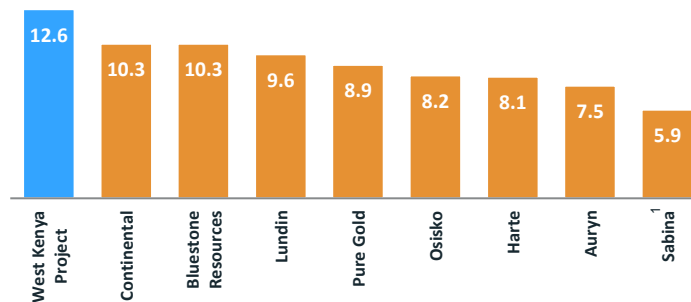
  - Established Centre of Excellence at New Luika to complement the West Kenya project team based in Kisumu, Kenya
  - Complementary language and legal systems between Tanzania and Kenya based on English law
- 6 HIGH RETURNS**

  - Post-tax NPV<sub>8%</sub> of US\$340m at US\$1,700/oz
  - Unlevered IRR of 100%
  - Average annual EBITDA of \$118m over initial 9-year mine life



## WEST KENYA GRADE BENCHMARKING <sup>2</sup>

West Kenya Project Has An Inferred Resource Grade Of 12.6 G/T



Sources: Corporate disclosure as of 1 September 2019

1. Sabina grades represent Black River Project

2. All grades are Measured & Indicated (JORC, NI 43-101) other than West Kenya which is Inferred (NI 43-101)



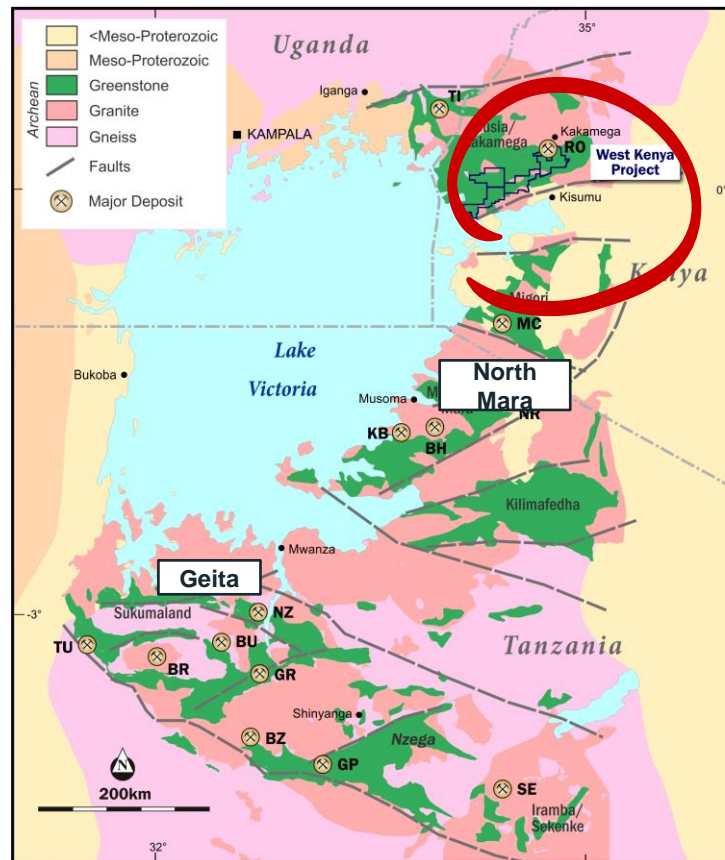


# WEST KENYA GOLD PROJECT – LAKE VICTORIA GOLD FIELD

The West Kenya project area covers the majority of the Archaean Busia-Kakamega Belt, the northern most greenstone belt in the Lake Victoria gold field

Lake Victoria is home to Global Tier 1 assets and over 35 million ounces of gold production since 1990

South West Kenya is underexplored and highly prospective



- BR - Buck Reef
- BH - Buhemba
- BU - Bulyanhulu
- BZ - Buzwagi
- GT - Geita
- GO - Gokona
- GP - Golden Pride
- GR - Golden Ridge
- KB - Kiabakari
- MC - Macalder
- NZ - Nyanzaga
- NG - Nyabigena
- NR - Nyabirama
- RO - Rosterman
- SE - Sekenke
- TI - Tira
- TU - Tulawaka

1. Gokona: North Mara underground mine  
 2. Nyabirama: North Mara open pit mine



# WEST KENYA - PROJECT HIGHLIGHTS

## Resource expansion at West Kenya would result in significant upside to the NPV

ROBUST FUNDAMENTALS		TRANSFORMATIONAL ECONOMICS <sup>1</sup>	
<p><b>Gold Resource (NI 43-101)</b></p> <p><b>1,182,000 oz</b></p> <p>Inferred NI 43-101 Mineral Resource Estimate spanning two significant deposits (Isulu and Bushiangala)</p>	<p><b>Exceptional grades</b></p> <p><b>12.6g/t</b></p> <p>Believed to be one of the highest grading +1 Moz gold deposits in Africa</p>	<p><b>NPV on existing resource only</b></p> <p><b>\$340m NPV</b> <b>110% IRR</b></p> <p>NPV calculated using LOM gold price of US\$1,700/oz and 8% discount rate</p>	<p><b>Initial Life of Mine ("LOM")</b></p> <p><b>9 yrs LOM</b></p> <p>Several value levers available to extend LOM and Project NPV. Secures Shanta's presence across East Africa in the long-term</p>
<p><b>Highly prospective ground</b></p> <p><b>1,161 km<sup>2</sup></b></p> <p>Within the Lake Victoria gold fields located in NW Tanzania and SW Kenya, home to Global Tier 1 assets including North Mara and Geita Gold Mine</p>	<p><b>Historical investment</b></p> <p><b>\$63m</b></p> <p>Investment in exploration activities since 2010 includes 221,000 metres of drilling and 80,000 soil samples</p>	<p><b>LOM EBITDA</b></p> <p><b>US\$1bn +</b></p> <p>Projected return on investment has the potential to be exceptional for shareholders</p>	<p><b>LOM AISC</b></p> <p><b>US\$681 /oz</b></p> <p>Shanta's experience of tight cost control expected to feed into an efficiently managed and highly cash generative operation</p>

1. Economics highlights prepared by independent consultant Bara Consulting Pty using a LOM gold price of US\$1,700 /oz

## PROJECT HIGHLIGHTS

*Using a LOM gold price of US\$1,700 /oz:*

- Post-tax NPV<sub>8%</sub> of US\$340 m
- Unlevered IRR of 110%
- Average EBITDA of US\$118 m
- Average annual gold production of 105koz for an initial 9-year mine life
- LOM C1 cash costs of US\$463/oz
- LOM AISC of US\$681/oz
- Estimated pre-production capital cost of US\$161 m

## West Kenya Mineral Resource Estimate – May 2018

	Prospect	Ore (Mt)	Grade (g/t Au)	Contained (koz Au)
Inferred	Isulu	2.5	13.0	1,060
Inferred	Bushiangala	0.4	9.9	122
	<b>Total</b>	<b>2.9</b>	<b>12.6</b>	<b>1,182</b>

## West Kenya Economics Summary - Assuming \$1,700/oz Au Price

Metrics	Units	Results
Mine life	years	9.0
Contained gold mined	koz	1,032
Mill throughput	ktpa	480
Milled tonnes	Mt	3.45
Gold recovery	%	92
Recovered content	koz	949
Recovered grade	g/t	8.56
Gold production	kozpa	105
C1 cash cost	US\$/oz	463
AISC	US\$/oz	681
Pre-production capex	US\$m	161
<b>NPV<sub>8%</sub> (post-tax)</b>	<b>US\$m</b>	<b>340</b>
<b>Unlevered IRR (post-tax)</b>	<b>%</b>	<b>110%</b>
<b>Average annual EBITDA</b>	<b>US\$m</b>	<b>118</b>

## West Kenya Economics Summary - Assuming \$1,900/oz Au Price

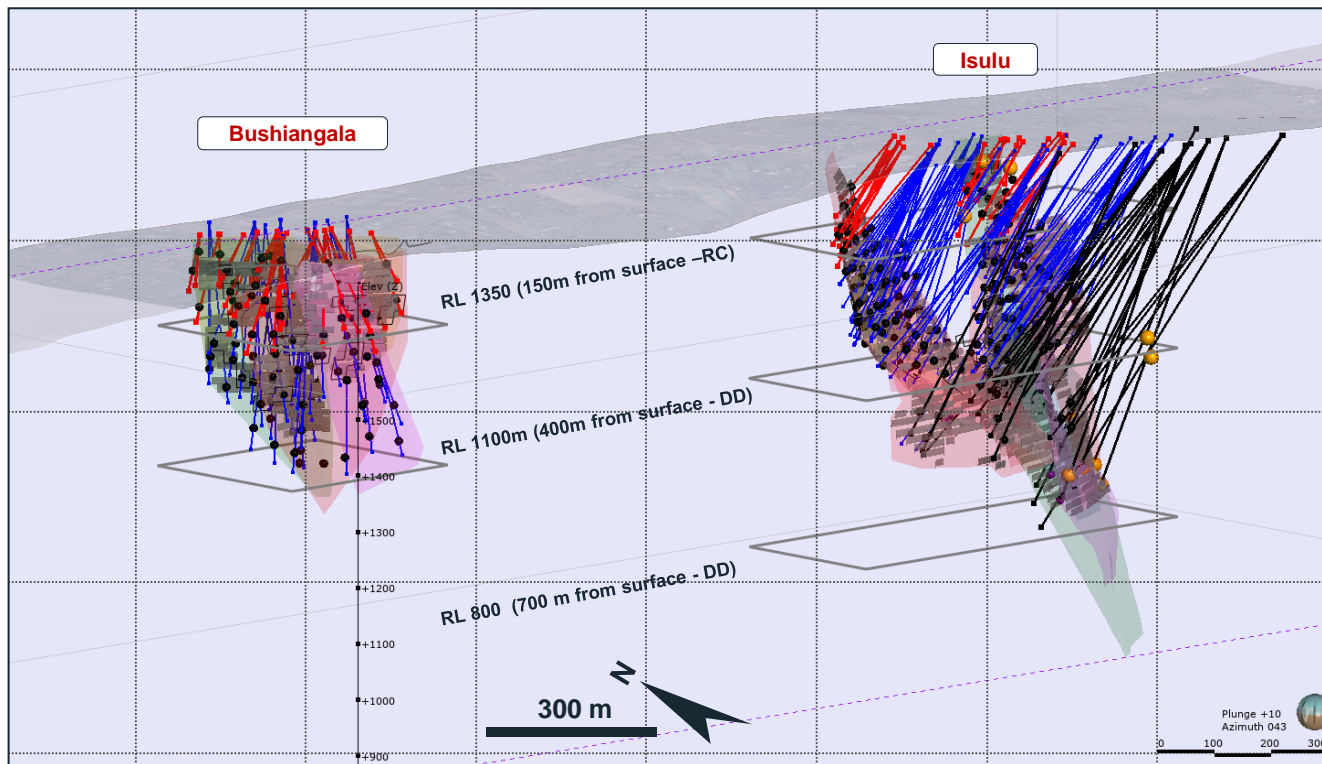
Metrics	Units	Results
<b>NPV<sub>8%</sub> (post-tax)</b>	<b>US\$m</b>	<b>425</b>
<b>Unlevered IRR (post-tax)</b>	<b>%</b>	<b>166%</b>
<b>Average annual EBITDA</b>	<b>US\$m</b>	<b>138</b>





# DRILLING PROGRAMME – 3 PHASES TARGETING BETWEEN 0-700M BELOW SURFACE

Isulu and Bushiangala designed infill drilling targeting the potential for reserves of 786koz @ 12.82 g/t<sup>1</sup>

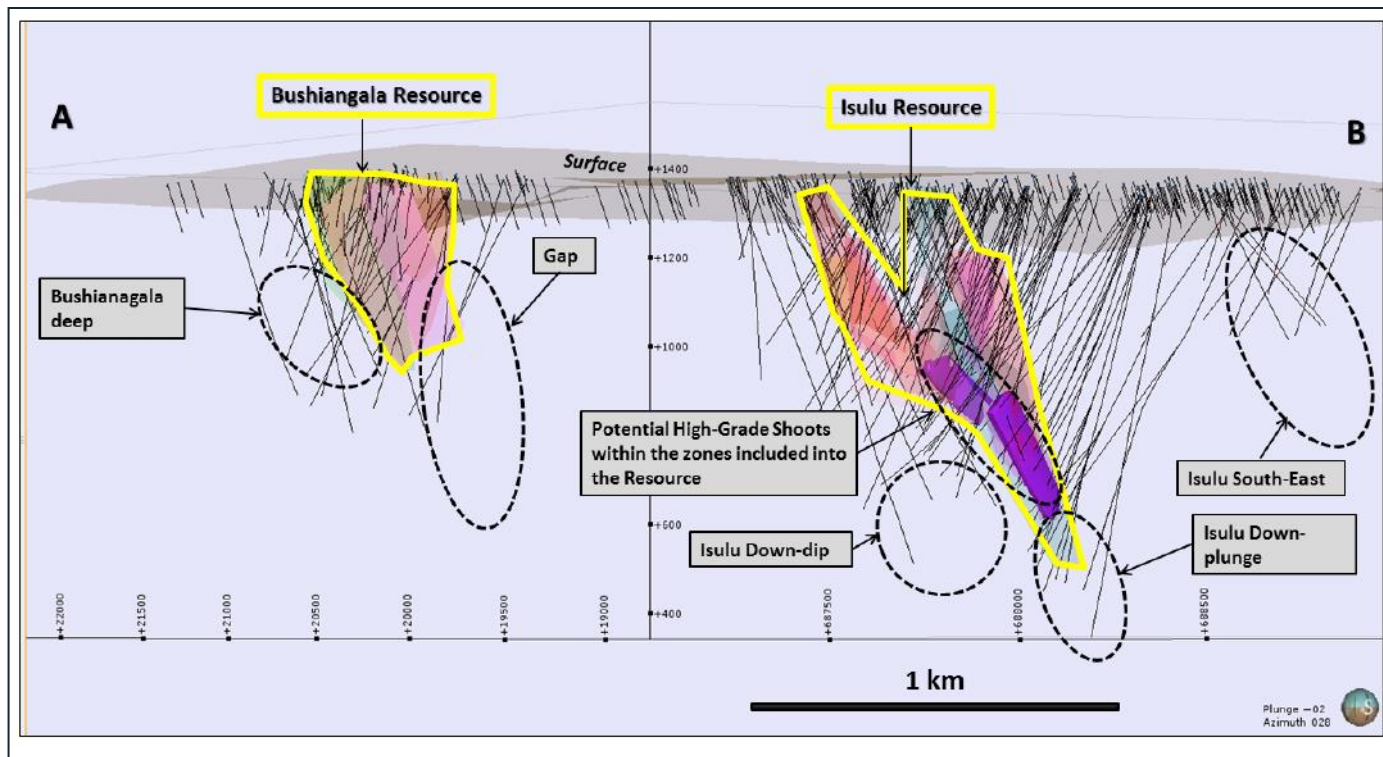


### 3 Drilling Phases

1. 0-150 meters deep
2. 150-400 meters deep
3. 400-700 meters deep

# WEST KENYA - UPSIDE POTENTIAL WITHIN THE EXISTING NI 43-101 RESOURCE

Numerous proximal targets for potential to significantly increase the gold resource







# TANZANIA DEVELOPMENT



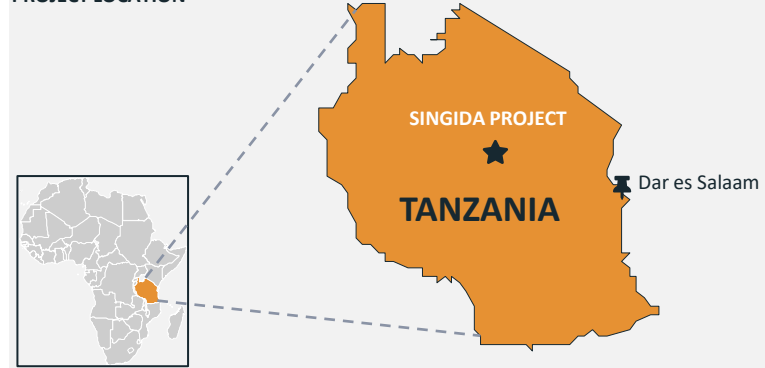
# SINGIDA GOLD PROJECT - OVERVIEW

**A complementary growth project with low capex requirements and attractive returns funded from existing cash flow in Tanzania**

## OVERVIEW

- Open pit gold project covering an area of c.98 km<sup>2</sup> located in prospective greenstone belt within the Ikungi District in the Singida Region of Central Tanzania
- Will become Shanta's second producing mine and a key contributor to the next stage of the company's growth
- In May 2020, announced JORC compliant gold reserve totaling 243 koz at 3.0 g/t
  - 91% of contained gold within reserves are less than 120 metres from surface, highlighting the potential for reserve expansion at depth
- High grade below the open pits suggests future underground mine potential
- The project is fully permitted and construction is underway

## PROJECT LOCATION

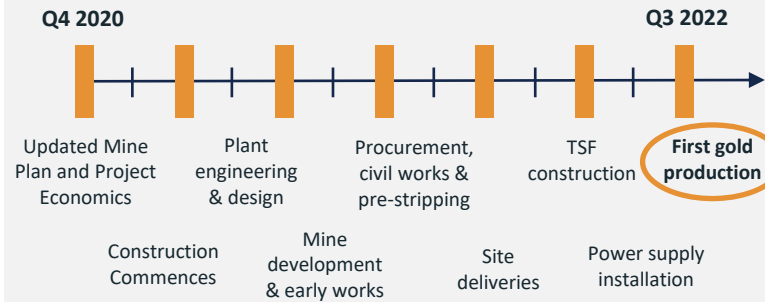


## JORC Reserves and Resources as at 26 May 2020<sup>1</sup>

	Ore (Mt)	Grade (g/t Au)	Contained (koz Au)
<b>Probable Reserves</b>	<b>2.51</b>	<b>3.00</b>	<b>243</b>
Measured	1.63	3.39	179
Indicated	4.02	2.36	306
<b>Measured &amp; Indicated</b>	<b>5.65</b>	<b>2.66</b>	<b>484</b>
Inferred Resources	6.15	2.12	418
<b>Total Resources</b>	<b>11.80</b>	<b>2.38</b>	<b>904</b>

1. Total Resources are inclusive of reserves.

## PROJECT DEVELOPMENT TIMELINE



# SINGIDA GOLD PROJECT – ECONOMICS SUMMARY

## Profitable and complementary construction ready growth project

### PROJECT HIGHLIGHTS

Using a LOM gold price of US\$1,700 /oz:

- Post-tax NPV<sub>8%</sub> of US\$56 m and unlevered post-tax IRR of 49%
- Project payback period of 3 years
- Average EBITDA of US\$27 m p.a. over the LOM
- Average annual gold production of 32koz for an initial 7-year mine life through to at least 2029
- LOM cash costs of US\$843/oz and AISC of US\$869/oz
- Estimated pre-production capital cost of US\$26 m for mine construction, plus US\$10 m for pre-stripping targeting a 1,000 tonne per day open pit operation

#### NPV (post-tax) sensitivity to Gold Price and Discount Rate (US\$m)

Gold Price	Discount Rates		
	0%	8%	10%
US\$1,500 /oz	69	39	34
US\$1,700 /oz	94	56	50
US\$1,900 /oz	119	73	65
US\$2,100 /oz	144	90	81

#### IRR sensitivity to Gold Price (%)

Gold price	IRR (%)
US\$1,500 /oz	38
US\$1,700 /oz	49
US\$1,900 /oz	59
US\$2,100 /oz	68

#### Singida Project Economics Summary – Assuming \$1,700/oz Au Price

Metrics	Units	Results
LOM (excluding construction)	years	7.0
Total material mined	t	36,711,000
Contained gold mined	oz	243,000
Strip ratio	w:o	14.2:1
Mill throughput	tpy	365,000
Head grade	g/t	3.0
Processing recovery – Gold	%	91.0
Gold production	koz	221
Cash costs	US\$/oz	843
AISC	US\$/oz	869
Pre-production capex	US\$m	36.8
Sustaining capex	US\$m	2.9
NPV <sub>8%</sub> (post-tax)	US\$m	56.3
Unlevered IRR (post-tax)	%	49%
Average annual EBITDA over LOM	US\$m	27.0

#### Singida Project Economics Summary – Assuming \$1,900/oz Au Price

Metrics	Units	Results
NPV <sub>8%</sub> (post-tax)	US\$m	73.3
Unlevered IRR (post-tax)	%	59%
Average annual EBITDA over LOM	US\$m	32.8



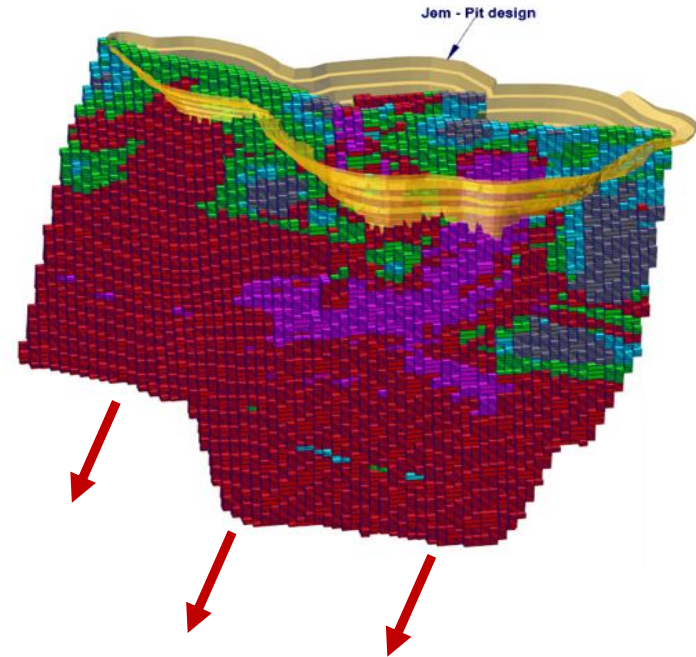
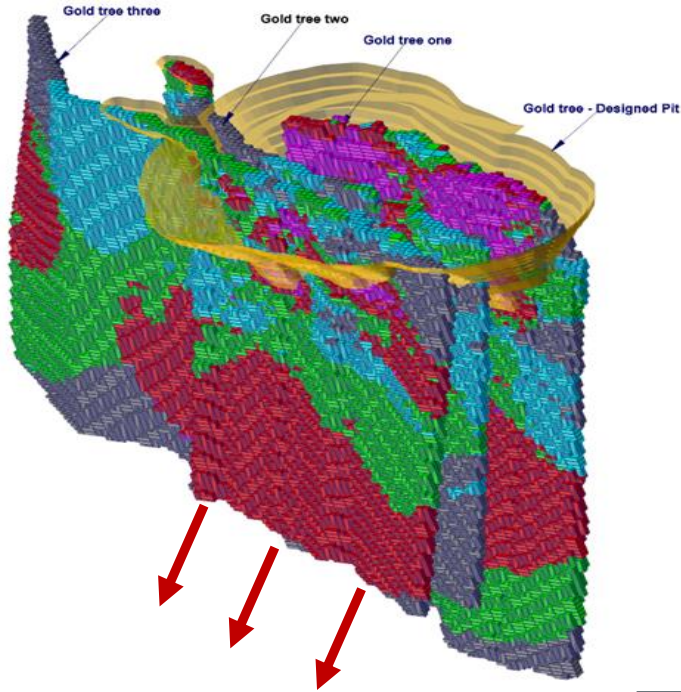


# SINGIDA – POTENTIAL FOR RESOURCE EXPANSION AND VALUE UPSIDE

91% of contained ounces within Singida’s LOM reserve are less than 120 metres from surface

Gold Tree pit designed with depth of 165 m

Jem pit designed with depth of 120 m



➔ Representation of potential reserve expansion





# SUMMARY



# SHANTA GOLD: INVESTMENT CASE

## 3.1 million ounces of high grade reserves and resources across a regional portfolio

- 1 Cash generative gold producer**
  - Very cash generative (2020A EBITDA<sup>2</sup> of approximately US\$69m at US\$1,533/oz received Au price)
  - Attractive annualised free cash flow yield of around 20%
- 2 High quality portfolio of gold assets**
  - Three assets across two countries
  - Reserves of 653koz at 3.15 g/t and resources of 3.2Moz at 3.58 g/t
  - Low cost assets - 2020 AISC Guidance of \$830 - 880/oz at NLGM
- 3 Highly compelling growth prospects**
  - West Kenya: scoping study with 105koz p.a. production potential
  - Singida: low capital intensity construction project resulting in 32koz p.a. production funded from existing Tanzanian cash flow
- 4 Management track record**
  - 3-year performance of meeting or exceeding production and cost guidance
  - Disciplined cost control enabling \$42m gross debt reduction since 2017
  - Company realised net cash in 2020, first time in its producing history
- 5 Underground gold mining (LHOS)<sup>1</sup> experts**
  - One of the lowest cost practitioners of Long Hole Open Stopping underground mining, the expected mining method for the West Kenya Project
- 6 ESG initiatives integral to business model**
  - 20-year successful track record in Tanzania
  - Established social license to operate
  - ESG considerations are core to management decision making

1. LHOS = Long Hole Open Stopping  
2. 2020 Annualised ("2020A") figures based on Q2 2020 YTD results



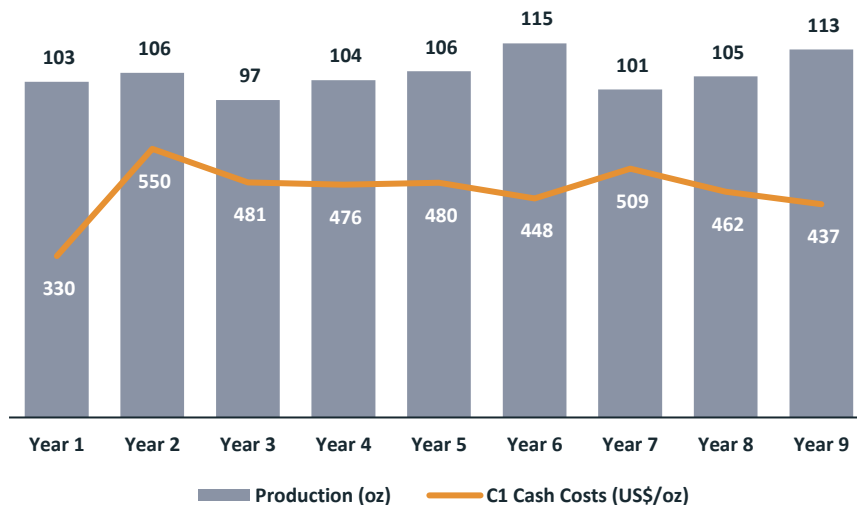


# WEST KENYA – LIFE OF MINE PLAN SUMMARY

A long life, low cost gold producer

LOM OPERATING METRICS	UNITS	RESULTS
LOM (excluding construction)	years	9
Mined tonnes (Underground)	kt	3,086
Mined tonnes (Open pit)	kt	364
Mined tonnes (Total)	kt	3,450
Mined gold content	koz	1,032
Mined grade	g/t	9.30
Mill capacity	ktpa	480
Process recovery	%	92.0
Recovered grade	g/t	8.6
Recovered content	koz	949

LOM Projections - Production and C1 Cash Costs



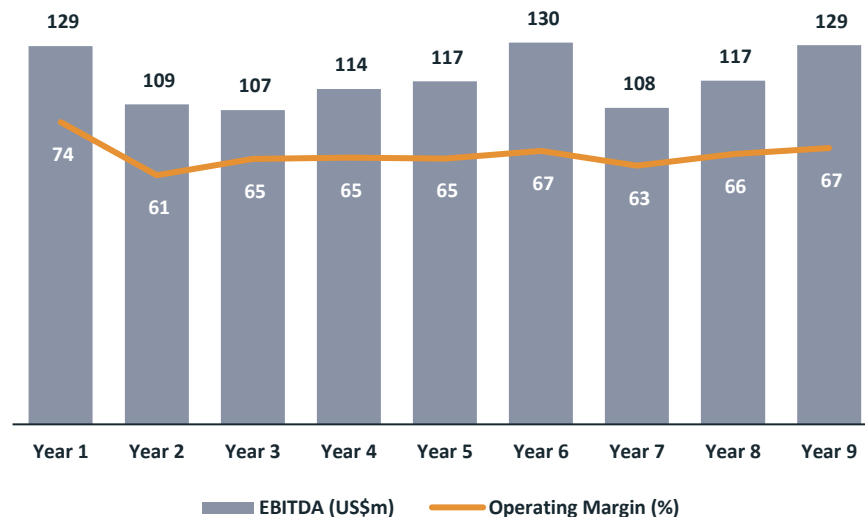


# WEST KENYA – ECONOMICS SUMMARY

NPV<sub>8%</sub> (post-tax) of US\$340m at US\$1,700/oz gold price

LOM FINANCIAL METRICS	UNITS	RESULTS
Gold Price	US\$/oz	1,700
Revenue	US\$m	1,614
Operating Cost	US\$m	553
Total Capital Cost	US\$m	266
Free Cashflow (Pre-Tax)	US\$m	795
LOM C1 Cash Cost	US\$/oz	463
LOM AISC	US\$/oz	681
Pre-Tax Project NPV <sub>8</sub>	US\$m	507
Post-Tax Project NPV <sub>8</sub>	US\$m	340
Operating Margin	%	66

LOM Projections<sup>1</sup> – EBITDA and Operating Margin %<sup>2</sup>



Source: Data summarized from internal scoping study, prepared by Bara Consulting

1. Figures prepared using a LOM gold price of US\$1,700 /oz
2. Derived as the differential between revenue and C1 cash costs, as a proportion of revenue

## WEST KENYA – LOM CAPITAL AND OPERATING COSTS

High grade, low tonnage allows for small scale plant and infrastructure and lower opex

LOM CAPITAL COSTS	ESTIMATED SPEND (US\$m)
Mining	141
Processing	63
Infrastructure	32
Sustaining Capital	18
Other	12
<b>Total Capital Costs</b>	<b>266</b>

LOM OPERATING COSTS	ESTIMATED SPEND (US\$/tonne)
Mining	87
Processing	30
General and administration	10
<b>Operating Costs</b>	<b>127</b>

Post Tax NPV <sub>8%</sub> Sensitivity (US\$m) <sup>1</sup>			
Variance	Capex	Opex	Revenue
(40%)	412	424	51
(35%)	403	413	87
(30%)	394	403	123
(25%)	385	392	159
(20%)	376	382	195
(15%)	367	371	231
(10%)	358	361	268
(5%)	349	350	304
<b>0%</b>	<b>340</b>	<b>340</b>	<b>340</b>
5%	331	329	376
10%	322	319	412
15%	313	308	448
20%	303	298	484
25%	294	287	520
30%	285	277	556
35%	276	266	592
40%	267	255	628

Gold Price Sensitivity	
Gold Price (US\$/oz)	NPV <sub>8%</sub> (US\$m)
1,200	127
1,250	149
1,300	170
1,350	191
1,400	212
1,450	234
1,500	255
1,550	276
1,600	297
1,650	318
<b>1,700</b>	<b>340</b>
1,750	361
1,800	382
1,850	403
1,900	425
1,950	446
2,000	467

Source: Data summarized from internal scoping study, prepared by Bara Consulting

1. Figures prepared using a LOM gold price of US\$1,700 /oz





# NEW LUIKA GOLD MINE - OVERVIEW

## An established cash generative operation with substantial mine life extension potential

### OVERVIEW

- The New Luika Gold Mine is located in the Lupa Goldfield of southwest Tanzania
- With production commencing in 2012 New Luika is an established, low cost, cash generating operation boasting high grade resources
- In 2017, the mine successfully transitioned from an open pit operation to an underground operation
- In 2019, Shanta was successful in extending the mine life at New Luika to 2024 based on reserves with further exploration / extension potential at depth
- In 2020, Shanta was successful in extending the mine life at New Luika to 2025 based on reserves
- Shanta's strategy at New Luika is to maintain a rolling life of mineable ounces which balances the cost of exploration with visibility on future production
- 2020 production and AISC<sup>2</sup> guidance of 80-85 koz and US\$830-880/oz, respectively

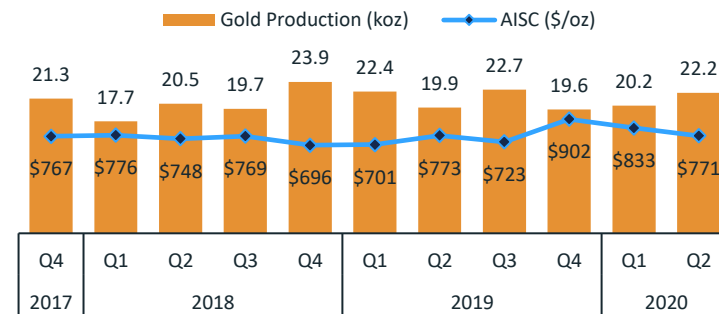
### MINE LOCATION



### JORC Reserves and Resources as at 30 June 2020<sup>1</sup>

	Ore (Mt)	Grade (g/t Au)	Contained (koz Au)
<b>Probable Reserves</b>	<b>3.9</b>	<b>3.23</b>	<b>410</b>
Measured	1.0	3.22	101
Indicated	7.3	2.93	690
<b>Measured &amp; Indicated</b>	<b>8.3</b>	<b>2.97</b>	<b>791</b>
Inferred Resources	4.6	2.05	301
<b>Total Resources</b>	<b>12.9</b>	<b>2.64</b>	<b>1,091</b>

### QUARTERLY GOLD PRODUCTION AND AISC<sup>2,3</sup> (\$/OZ)



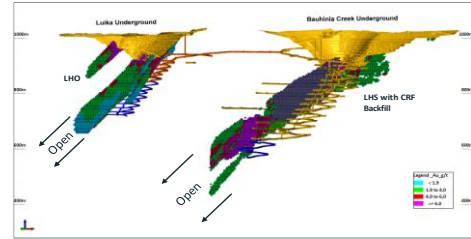
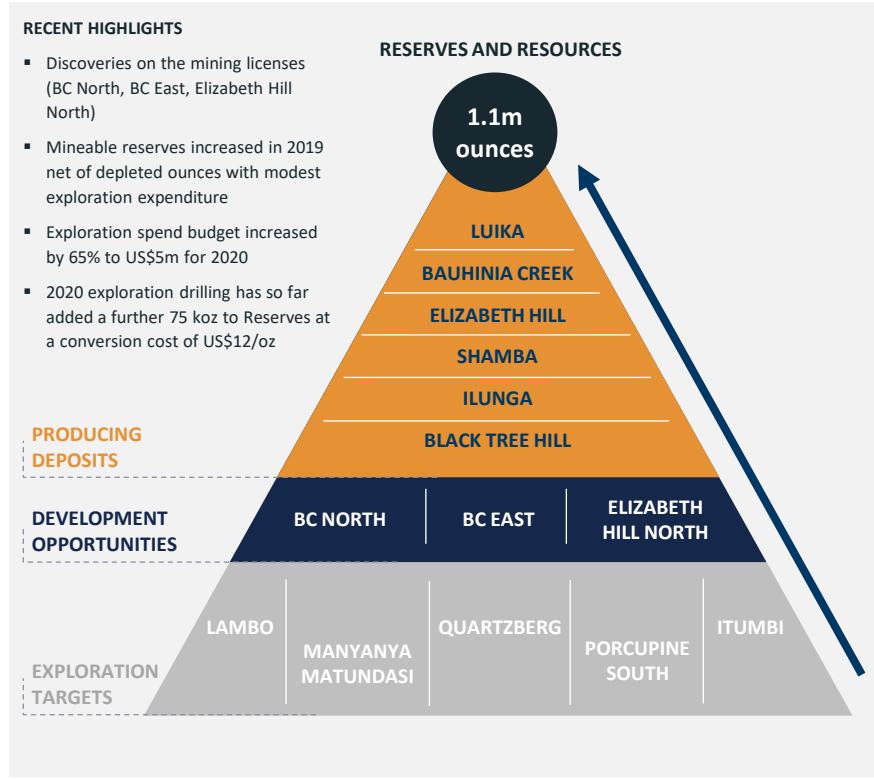
1. Total Resources are inclusive of reserves.
2. Development costs at the BC, Luika and Ilunga underground operations are not included in AISC
3. Q4 2019 AISC includes \$47 /oz for accelerated power station generator refurbishments



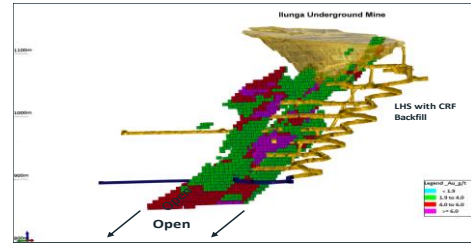


# NEW LUIKA GOLD MINE – MINE LIFE EXTENSION POTENTIAL

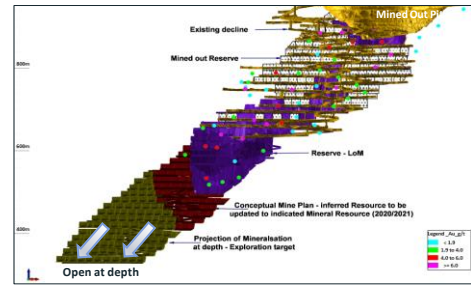
Extensive pipeline outside of existing mine plan, with potential to extend life through exploration



Bauhinia Creek and Luika deposits open at depth



Ilunga deposit open at depth



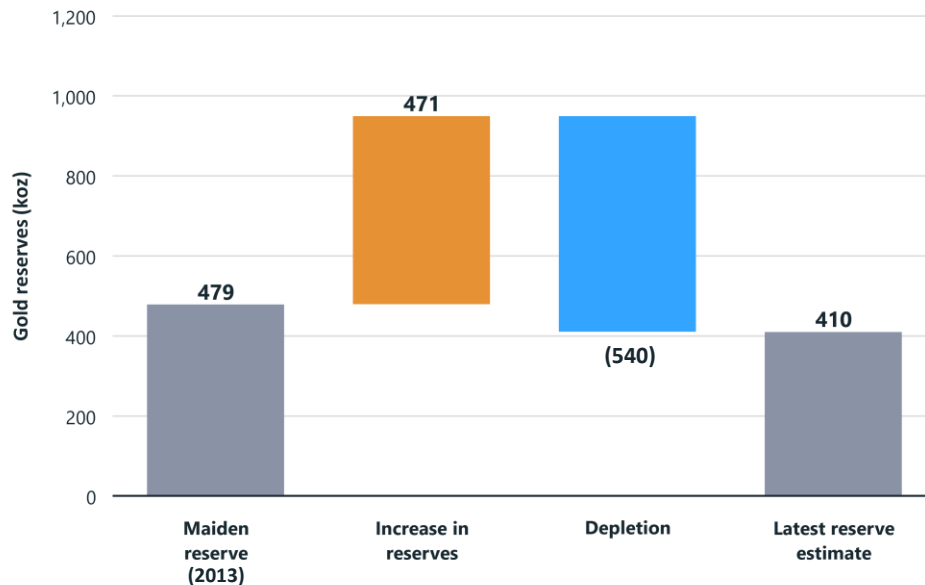
BC Longitudinal Section – Looking NW



# NEW LUIKA GOLD MINE – RESOURCE CONVERSION SUCCESSES

Implied 60% conversion rate from resources to reserves<sup>1</sup>

Movement in NLGM reserves (2013 – June 2020)



## Track record of low cost reserve increases

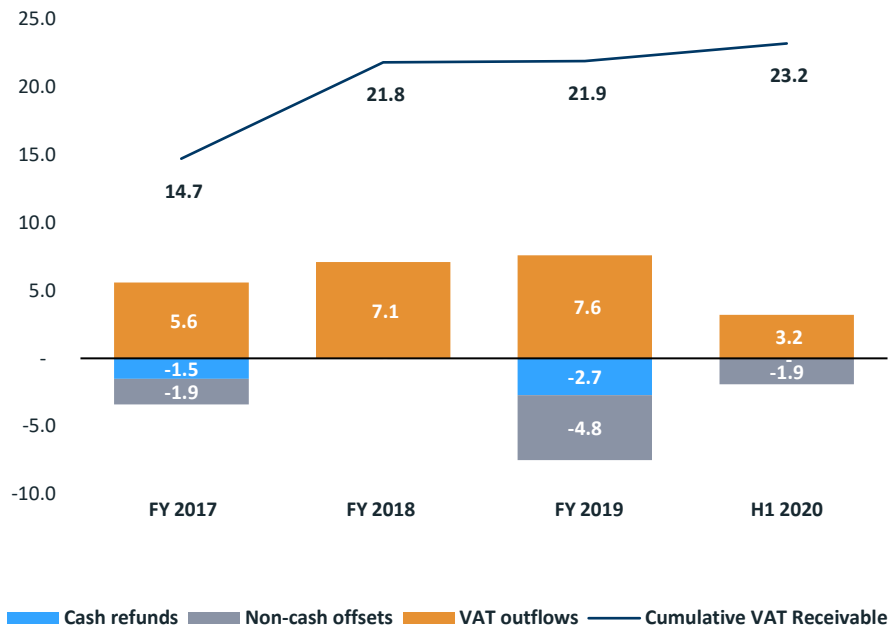
- Since 2013, the group has spent an average of US\$3 m p.a. on exploration on the mining licences, replacing 87% of reserves
- This equates to an average conversion cost of \$49/oz.
- 2020 exploration has so far converted 75 koz of additional reserves at New Luika at a conversion cost of \$12/oz

1. Using January 2014 resource estimate at New Luika Gold Mine of 794 koz

# VAT RECEIVABLE IN TANZANIA

## Outstanding VAT continues to be a headwind for Shanta

VAT RECEIVABLE GROWTH (US\$m)<sup>1</sup>



### July 2017 amendment to the VAT Act 2014

- Since July 2017, any exportation of raw minerals is treated as an exempt supply for which no input tax is deductible
- The Group exports doré bars which does not meet the definition of a raw mineral. Input VAT on gold doré exported by Shanta is therefore claimable (officially acknowledged since July 2020)
- There is an express legislative framework in Tanzania to apply VAT due to a taxpayer by way of setoff against tax due to the TRA
- Shanta has offset all of its approved VAT refunds and remaining VAT refunds remain subject to an audit by the TRA, prior to being available for offsets

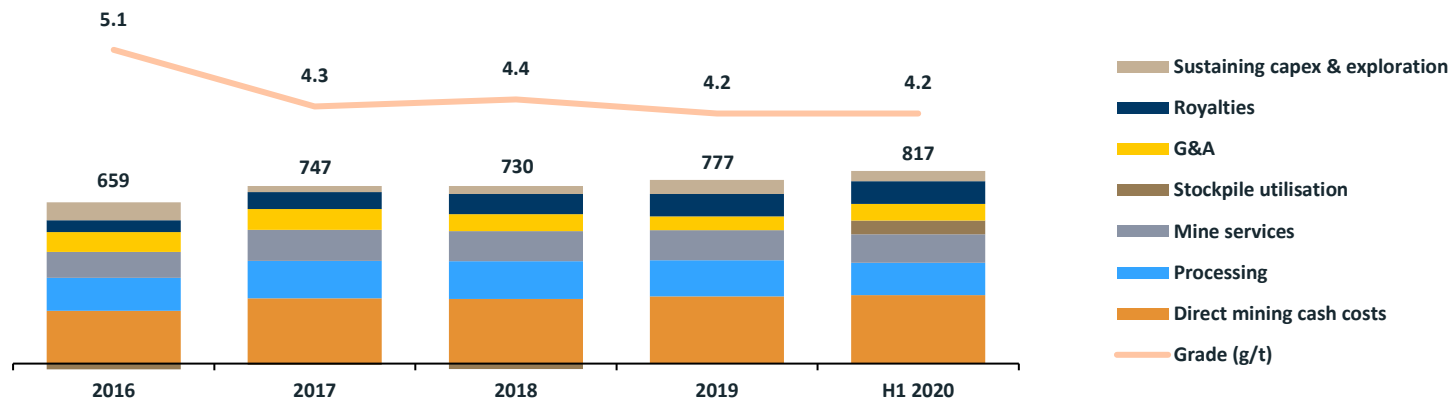
Input VAT contributors	VAT outflow - proportional contribution
Mining equipment (Sandvik)	19%
Heavy fuel oil ("HFO")	17%
Mining contractor	11%
Explosives contractor	9%
Drilling contractor	7%

1. 2017-2019 figures per audited annual financial statements, H1 2020 figures per unaudited interim financial statements

## MAINTAINING A DISCIPLINED COST BASE

Tight cost control continues to be a core focus for driving shareholder value

NLGM ALL IN SUSTAINING COSTS<sup>1</sup> (US\$/oz) AND GRADE (g/t)



Operating metrics	Unit	2016	2017	2018	2019	H1 2020
Tonnes mined (UG)	tonnes	-	275	568	571	304
Tonnes mined (OP)	tonnes	623	363	110	27	-
Direct cash cost / tonne mined	US\$/tonne	31	34	33	40	41

1. Development costs at the BC, Luika and Ilunga underground operations are not included in AISC



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