

Shanta Gold Operations Update

3 September 2018



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Shanta Gold – Operations update

- ▶ Exploration strategy to replace reserves including from the conversion of existing resources

Highlights

- Ilunga underground decline development commenced, 3 months ahead of schedule. First ore expected in mid-2019
- Exploration drilling from underground, targeting at a minimum the replacement of reserves on an ongoing basis
- Singida phase two exploration begins in September, detailed project economics to be announced in Q4
- US\$1 m additional net saving expected from January 2019 following agreement to owner-operate Shanta's HFO power plant at NLGM
- 3rd pre-leach tank commissioning to start 12th September, targeting a 1.5-2% increase in recoveries to around 93%
- Further deleveraging expected in H2
- VAT receivable of \$19 m which, if reimbursed and resolved going forward, Shanta could expect to be net cash after June 2019



Shanta Gold – Highlights

- ▶ High grade, low cost gold producer generating strong cash flows

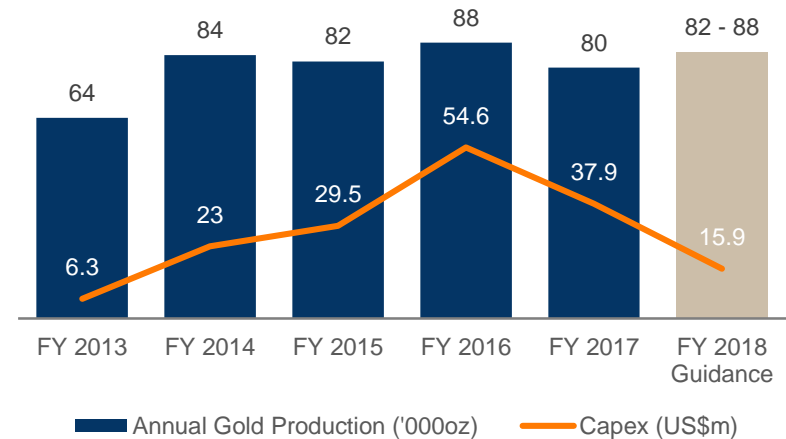
H1 2018 highlights

- Gold production of 38.2k oz at New Luika
- Tier 1 cash costs of US\$549 /oz
- Tier 1 AISC of US\$757 /oz
- Cash balance of US\$8.9 m and net debt of US\$38.1 m at Jun'18
- Capex of US\$7.8m
- Net profit after tax: US\$7.1 m
- EBITDA: US\$23.0 m
- Exceptional safety record: LTIFR: 0, TRIFR: 1.13

2018 guidance

- Gold production of 82–88k oz at New Luika
- AISC of US\$680-730/oz

6th year of steady gold production



Summary Capitalisation

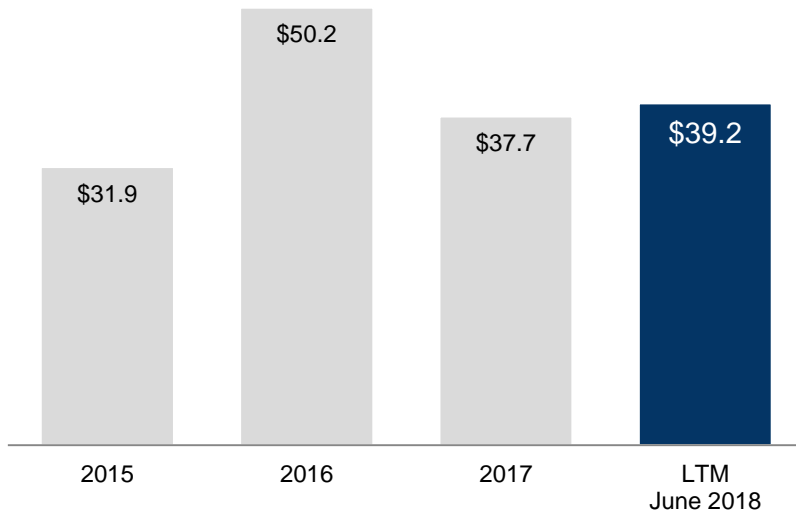
Share Price (GBP) ¹	5.3p
Market capitalisation	US\$53 m
Net debt ²	US\$38 m

Enterprise Value **US\$91 m**

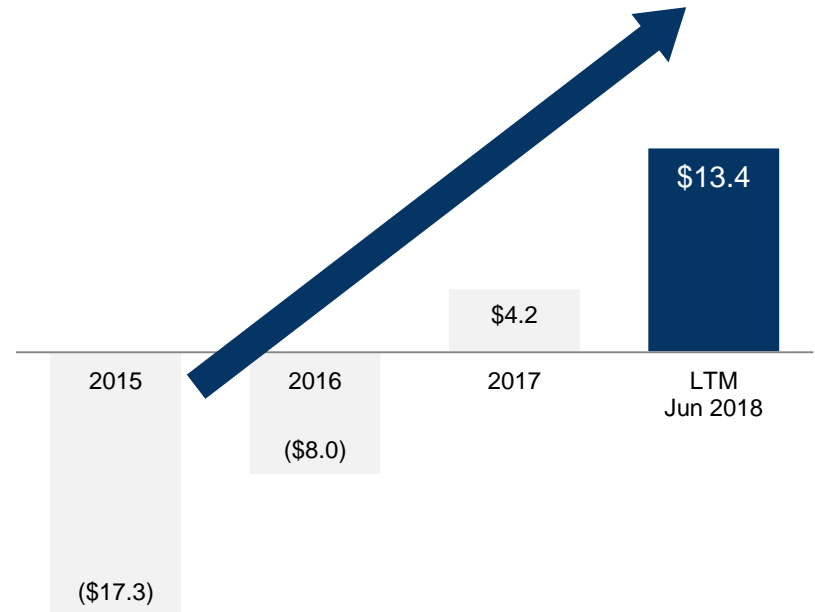
1. As of 31 August 2018
2. As of 30 June 2018
3. The AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek and Luika underground operations are not included in AISC

US\$13.4m Profit After Tax over the Last Twelve Months

EBITDA (US\$ million)



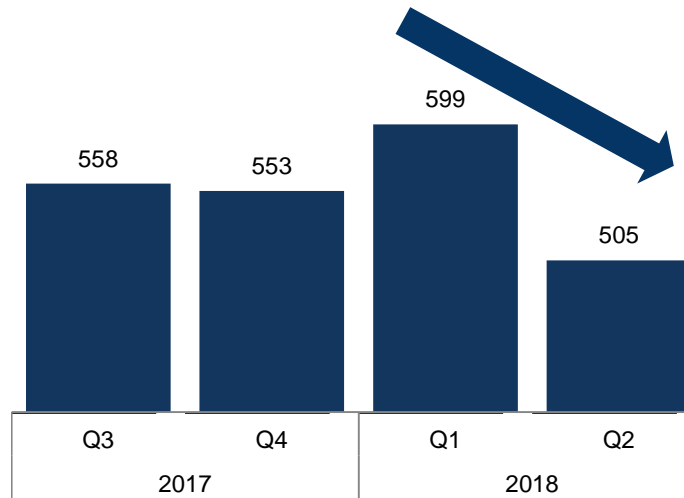
Profit/(Loss) after Taxation (US\$ million)



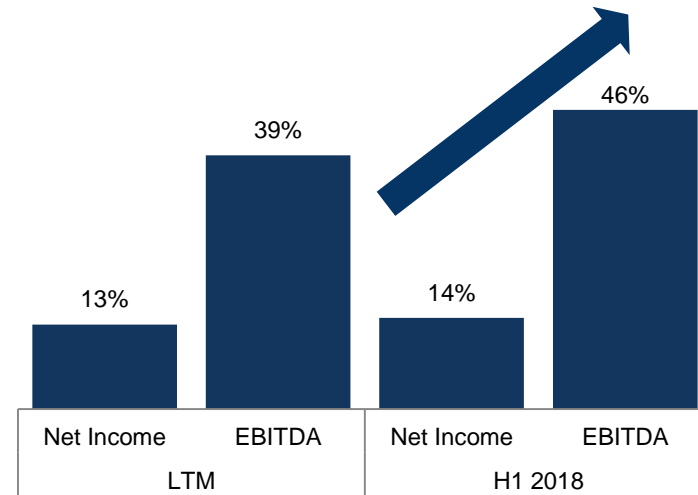
Note: LTM refers to Last Twelve Months (July 2017-June 2018)
2015-2017 audited financial results

Low cost, high margin gold producer

Quarter on Quarter Cash Costs (US\$ /oz)



Profitability margin (%)



Note: LTM refers to Last Twelve Months (July 2017-June 2018)

Ilunga development is now underway

- ▶ Ilunga will shortly be the third active source of high grade underground ore feed from NLGM

Ilunga highlights

- Located 3.5 km from the NLGM processing plant
- Probable reserve: 660,500 tonnes at 5.56 g/t for 118,000 oz contained
- Underground development now underway
 - brought forward by 12 months reflecting compelling business case
- First ore expected by mid-2019
- Estimated up to 25,000 tonnes per month of ore feed
- 100% owner-managed team sharing expertise and equipment, while ensuring development costs are tightly controlled
- Very low capital intensity (US\$75 /oz pre-production) and high return on investment
 - pre-tax IRR estimated at 129% (in March 2017 at US\$1,200 /oz)
- Testing of the underground extensions at depth estimated to take place in 2020

Ilunga underground portal (August 2018)



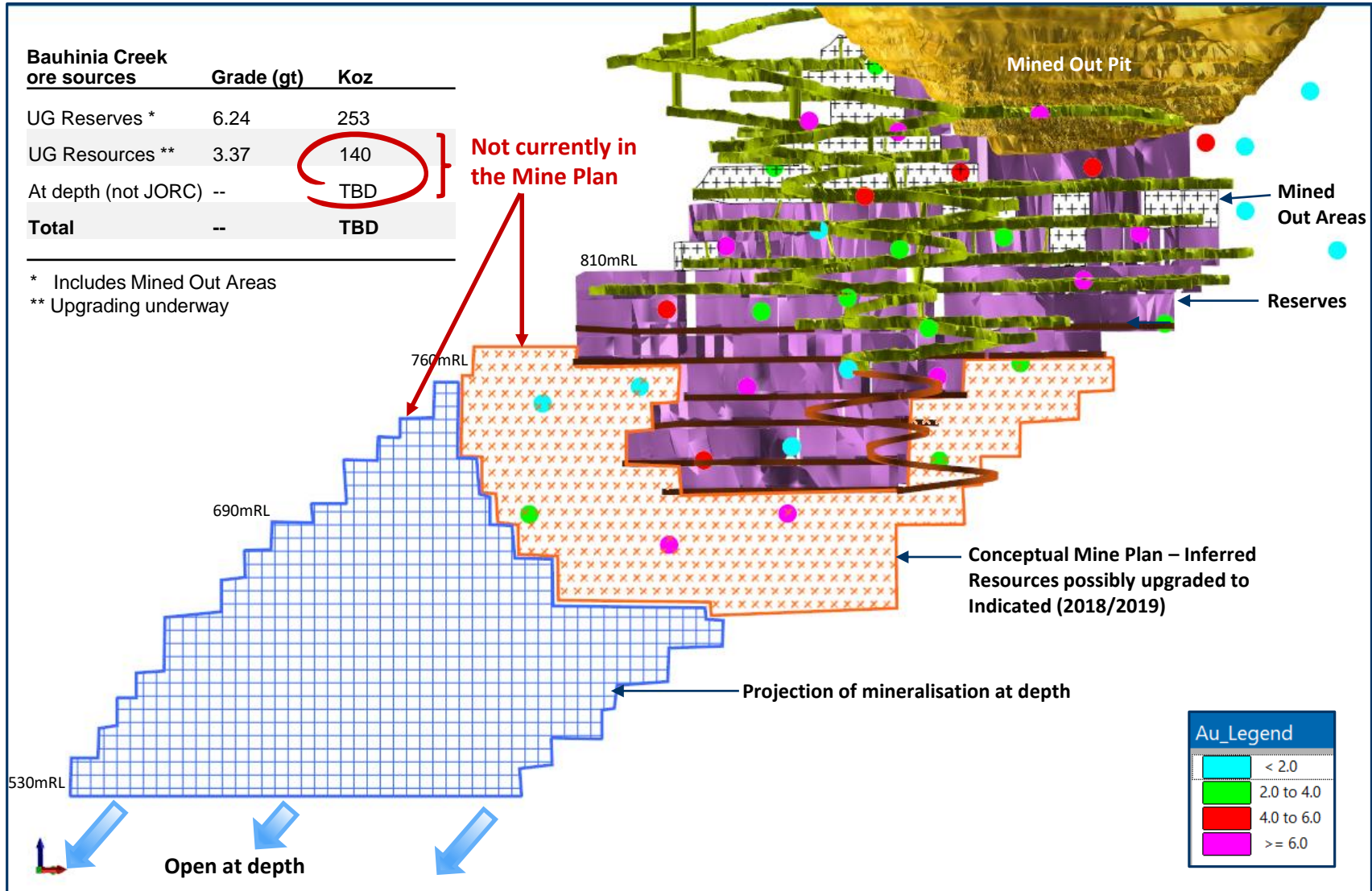
Exploration: Bauhinia Creek Life of Mine extension

- ▶ UG mining over the last 18 months at Bauhinia Creek has led to a better understanding of the orebody and increased confidence that the orebody extends

Bauhinia Creek ore sources	Grade (gt)	Koz
UG Reserves *	6.24	253
UG Resources **	3.37	140
At depth (not JORC) --	--	TBD
Total	--	TBD

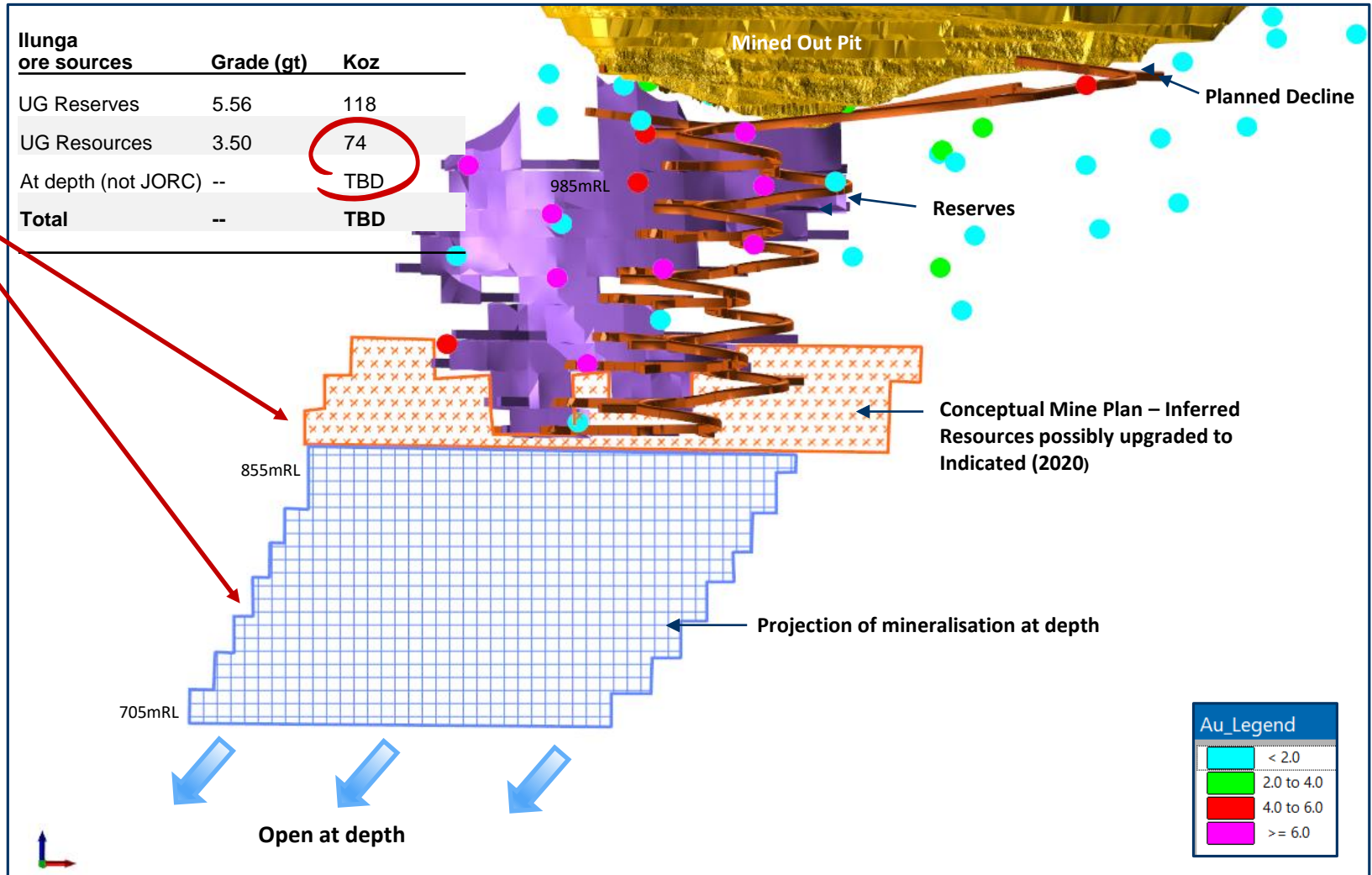
* Includes Mined Out Areas
 ** Upgrading underway

Not currently in the Mine Plan

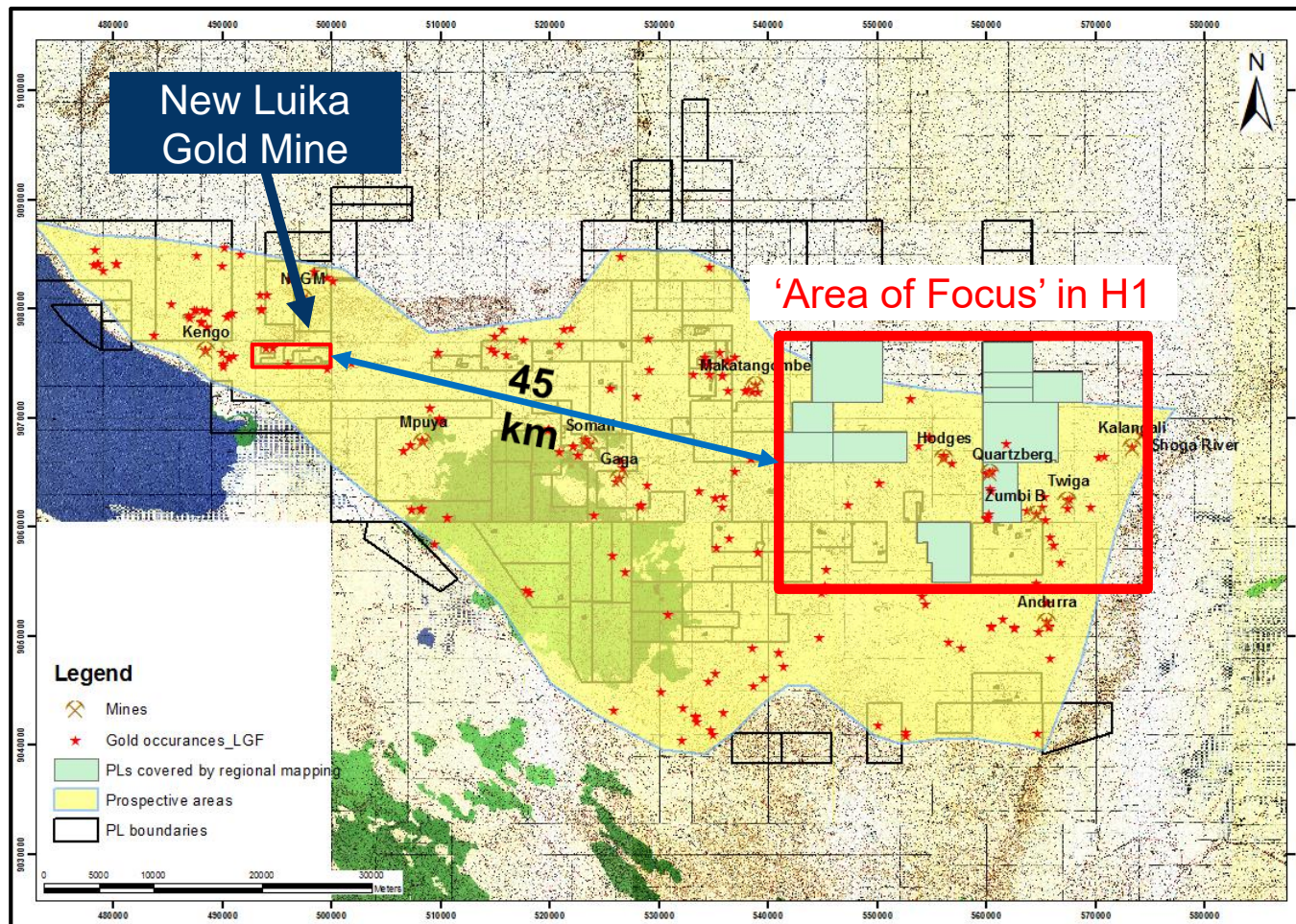


Exploration: Ilunga underground extension

- ▶ Potential upgrading of resources planned for 2020
- ▶ Strike length increases at depth with potential for resource conversion and continuation below the reserves



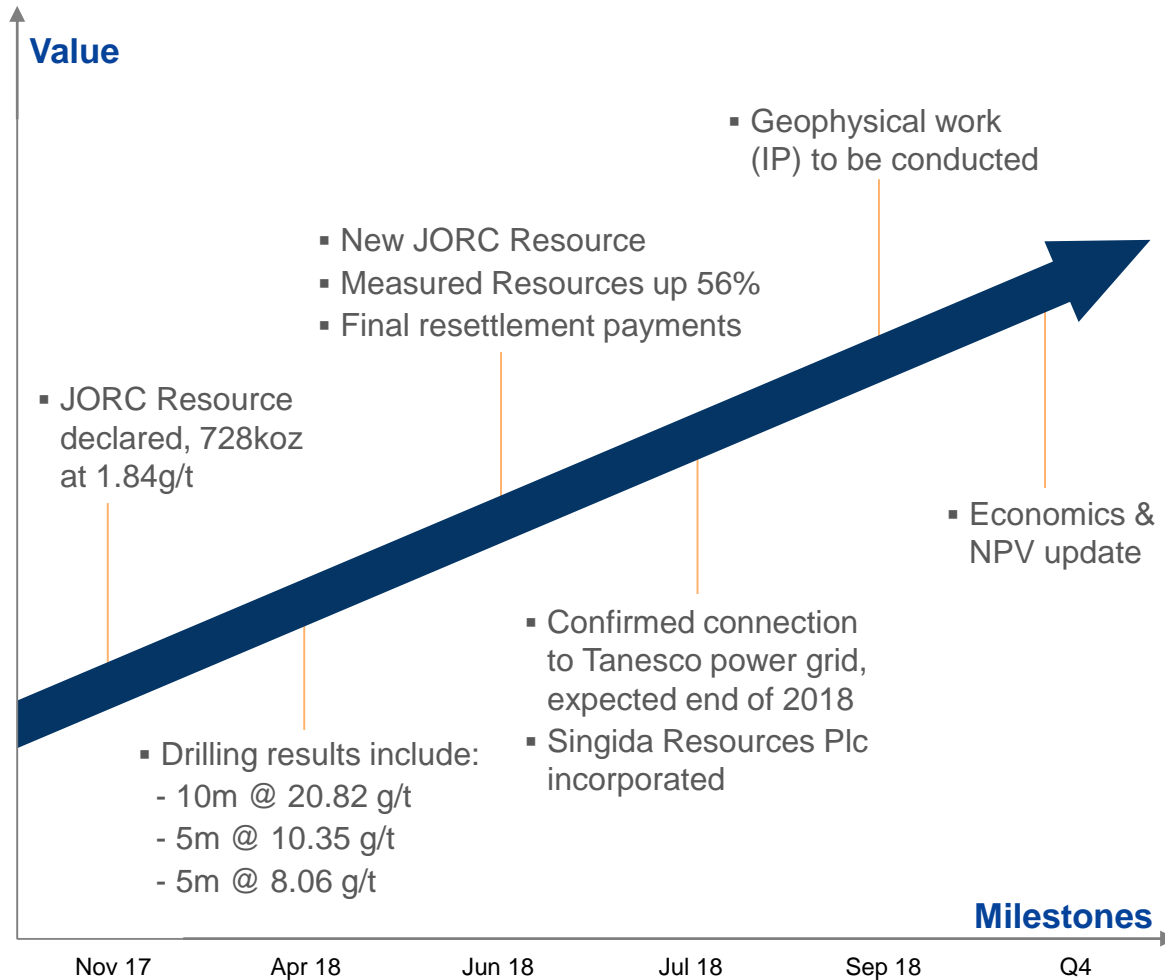
Exploration: Regional work is returning interesting results



Area of Focus

- High grade mineralisation trends have been observed
- 234 rock chip grab samples have been collected, results returned include:
 - 27.2 g/t
 - 19.9 g/t
 - 17.8 g/t
- 57 known artisanal or colonial gold mining operations have existed on Shanta's licences in the past
- 7 privately-owned mining operations engaged in production within this region together with a number of other aspiring developers and explorers

Singida: Momentum is building

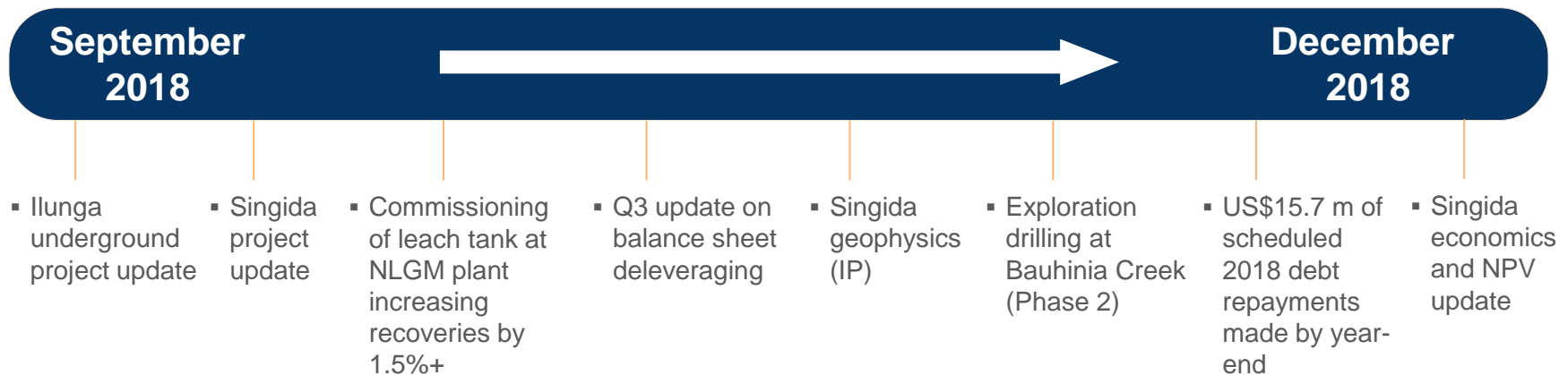


Upward trajectory at Singida

- Project activity ramping up with no incremental YTD costs to Shanta
- All work being carried out internally, led by the Owners Team established in Q1 2018
- Gearing up for potential asset-level financing
- Unlocking value for Shanta shareholders with no additional investment from shareholders



Near term shareholder value catalysts

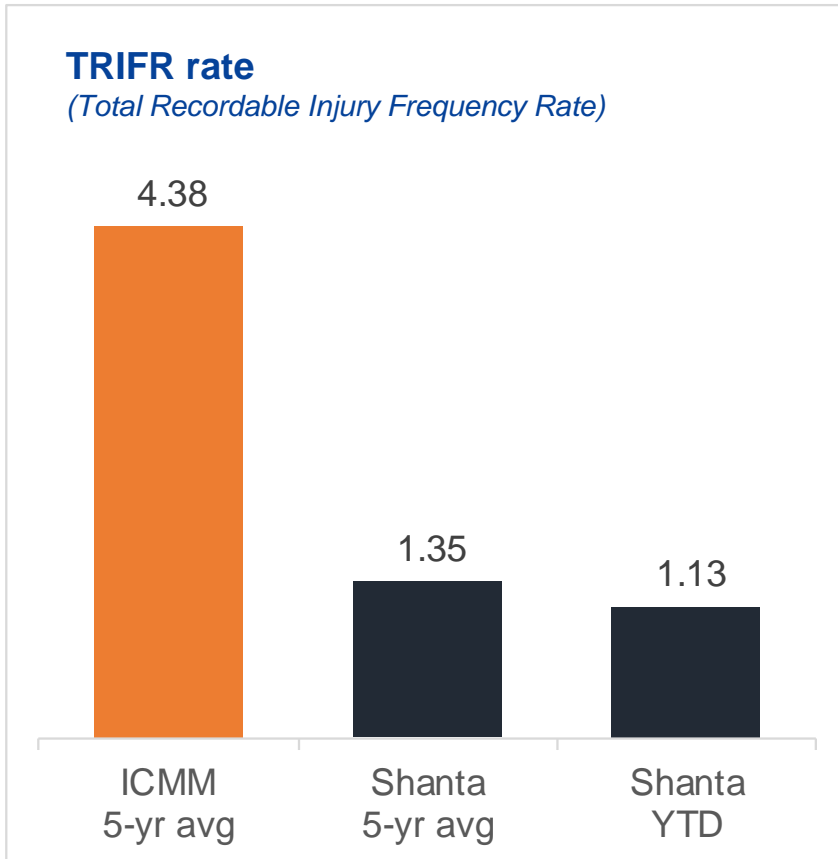


Constructive engagement with the Government of Tanzania to repay and/or offset the US\$19 million VAT receivable (at August 2018)

Industry leading safety record

TRIFR rate

(Total Recordable Injury Frequency Rate)



Shanta highlights

- No fatalities
- No LTIs YTD
- TIFR rate is within the lowest quartile of the ICMM industry members

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

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