



SHANTA GOLD

Full Year 2017 Presentation Audited Results

16 April 2018

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Shanta Gold – 2017 highlights & guidance

▶ Strong operational performance, significant annual cost reductions resulting in rapid deleveraging

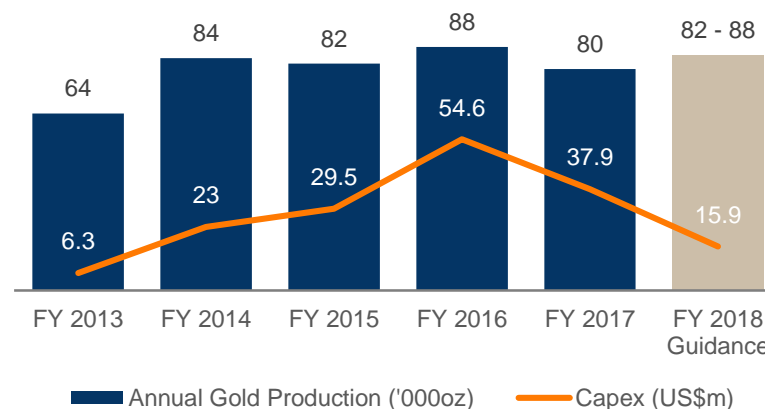
2017 highlights

- Gold production of 80k oz at New Luika
- **AISC of US\$743/oz**
- **Q4 cost savings of US\$8.7m p.a.** including:
 - US\$5.1m from suppliers + G&A
 - US\$3.6m from lower mining costs
- **Q4 net debt reduced by US\$6.0m to US\$39.5m**
- Year end cash increased by US\$5.6m to US\$13.6m

2018 guidance

- Gold production of 82–88k oz at New Luika
- **AISC of US\$680-730/oz**
- Suppliers + G&A p.a. **cost savings target increased to US\$7.0m** by Q3 2018
- Recoveries increased by 1.5 – 2% by H2 2018
- **Dividend policy evaluation scheduled for Q4**

2018 production set to increase with capex declining again



Summary Capitalisation

Share Price (GBP) ¹	5.0p
Market capitalisation	US\$55 m
Net debt ²	US\$40 m
Enterprise Value	US\$95 m

1. As of 13 April 2018

2. As of 31 December 2017

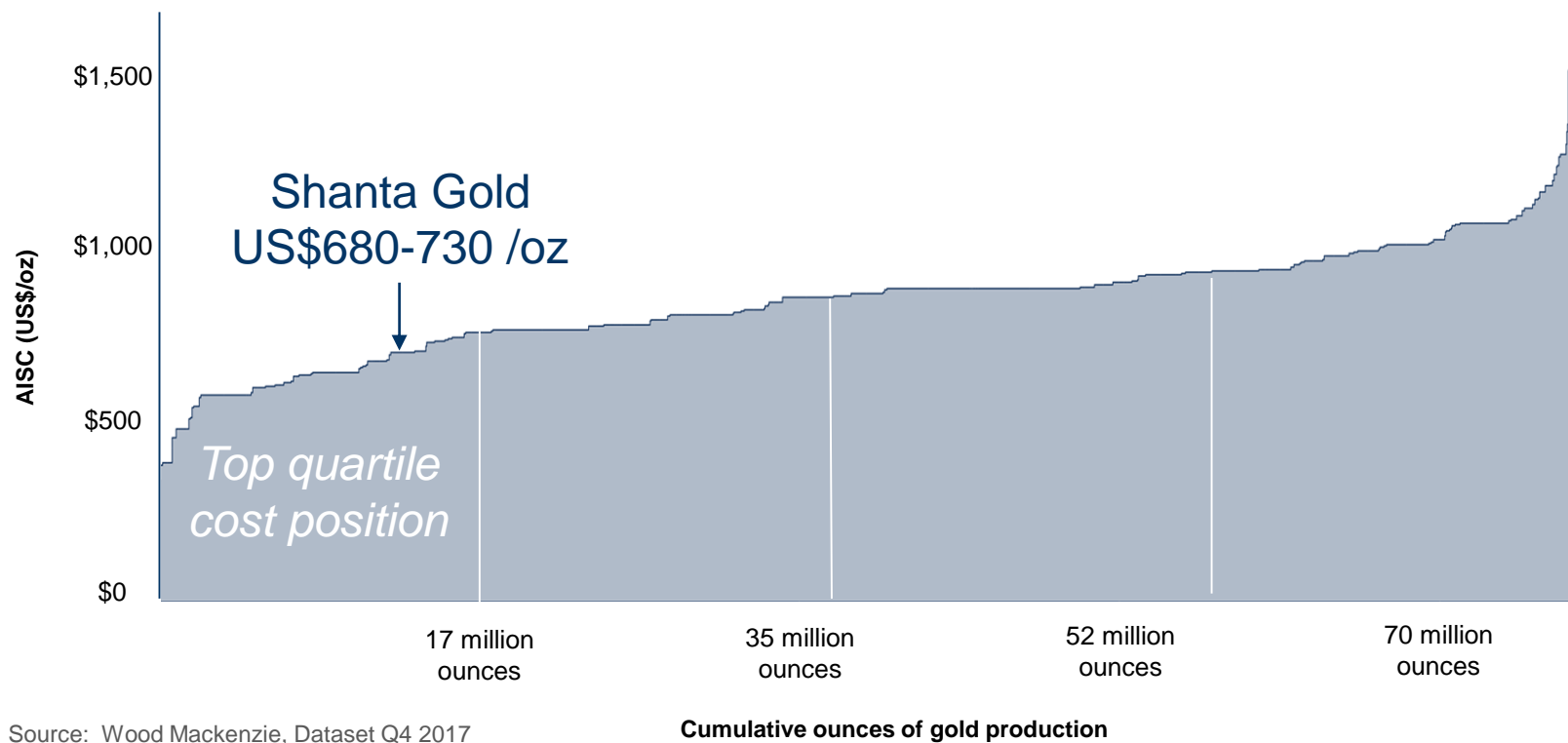
New Luika is a low cost, high quality asset

All-in Sustaining Cost (AISC) curve

- 2018 guidance: **US\$680-730 /oz**
- 2017 actual: US\$743 /oz

High quality asset

- **Reserve** of 3.6 Mt ore at **4.4 g/t** for 515k oz ¹
- Includes underground reserve of **2.4 Mt at 5.8 g/t** for 445k oz ¹
- Underground deposits **open at depth**



Source: Wood Mackenzie, Dataset Q4 2017
1. As announced March 2017

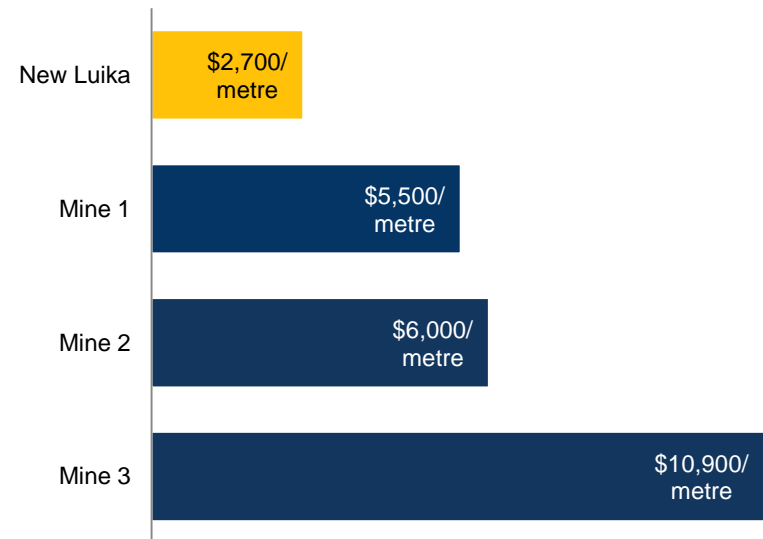
New operating records at NLGM Underground Mine

2017 underground mining highlights

- Commercial production from NLGM underground declared in June 2017
- Underground development of 5.7 kilometres
- Ore tonnes mined of 264,820 tonnes at 6.13 g/t from underground
- Advance per lateral metre cost of US\$2,700, significantly outpacing its Tanzanian peers
- Underground mining is owner-managed and comprises over 99% Tanzanian nationals
- Very strong safety record

Cost per lateral metre (US\$/ meter)

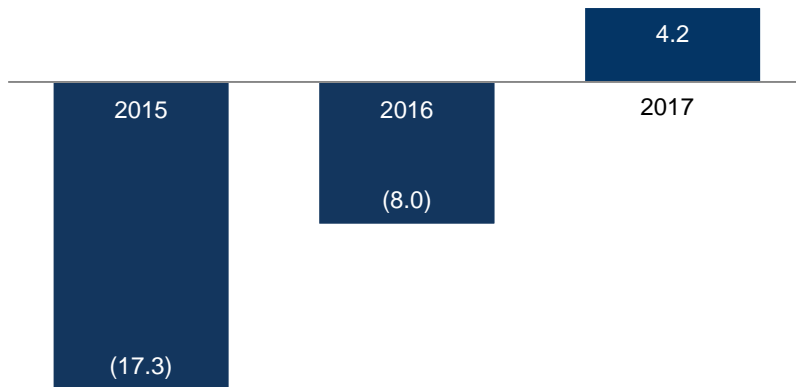
- Shanta's New Luika Gold Mine operates at 50% of its nearest Tanzanian peer in terms of cost, and 75% less than the cost of the most expensive underground mine in Tanzania



Source: Management estimates of other large underground mines in Tanzania

US\$4.2 million Profit after Tax in 2017

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



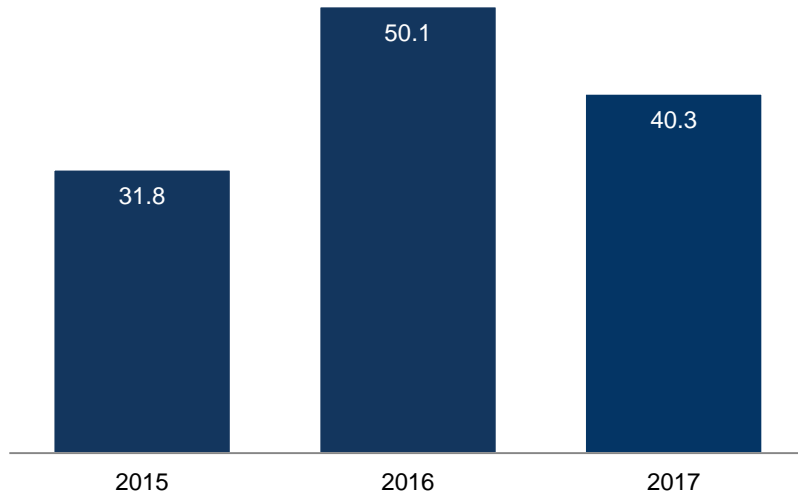
Highlights

- Profit after tax of US\$4.2 million in 2017
- New corporate strategy announced in September 2017
 - Focus on maximising shareholder returns through a modern and efficient mining approach
- Cost savings and acute focus on operational and financial excellence contributed to very strong results in H2
 - Loss after taxation in H1 2017 (unaudited) was US\$2.1 million

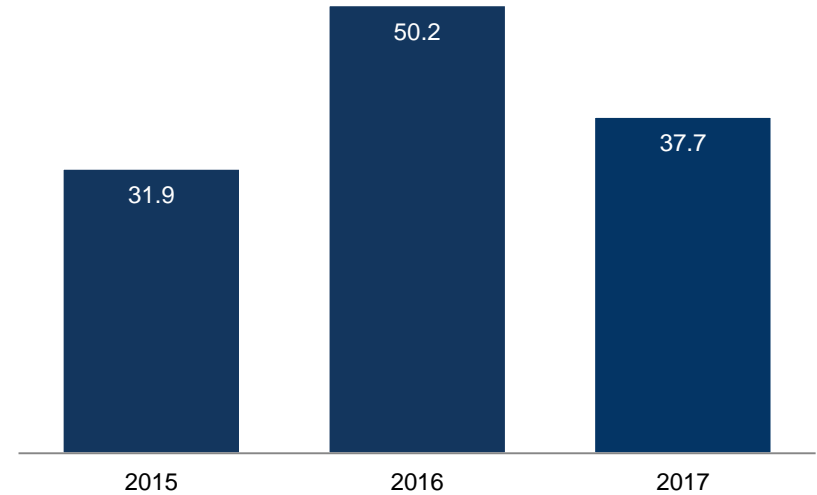
Note: Shanta Gold audited financial statements

US\$40.3 million cash flow generated in 2017

Operating Cash Flow (US\$ million)



EBITDA (US\$ million)

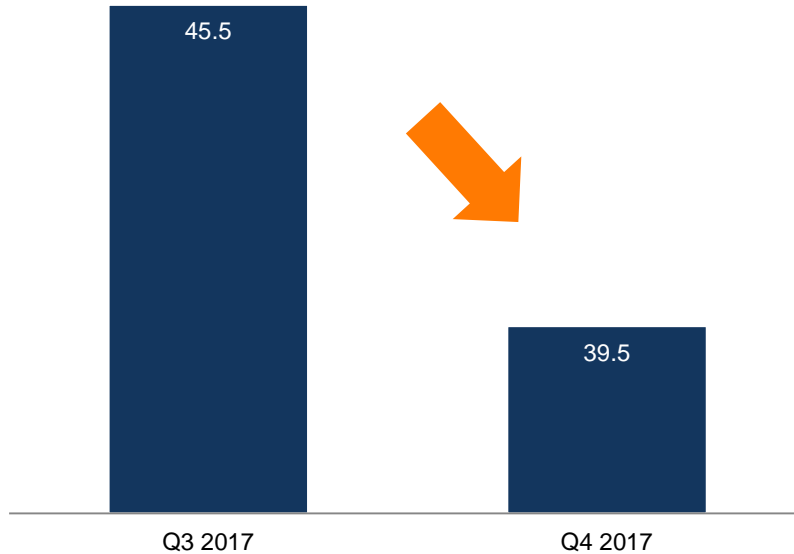


Note: Shanta Gold audited financial statements

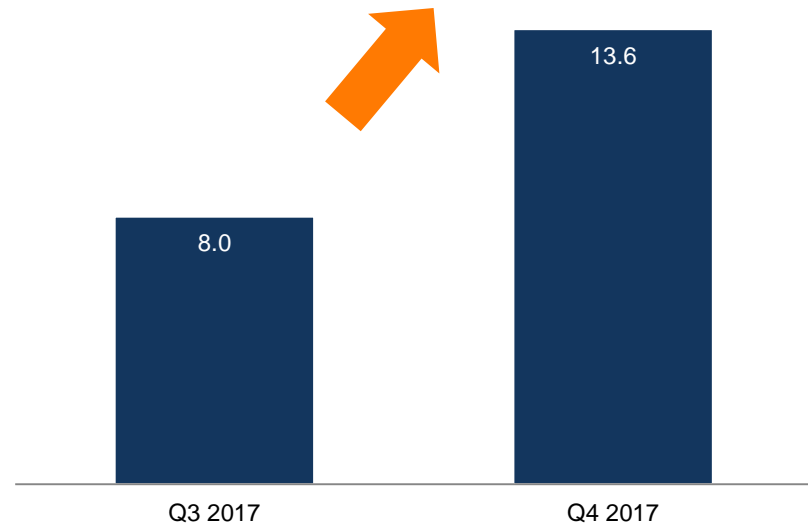
US\$13.6 million of cash on hand at YE 2017

- ▶ Strong cash position at year end 2017
- ▶ Q4 2017 marked the start of rapid deleveraging for Shanta

Net debt (US\$ million)



Cash (US\$ million)



Note: Shanta Gold audited financial statements at YE 2017

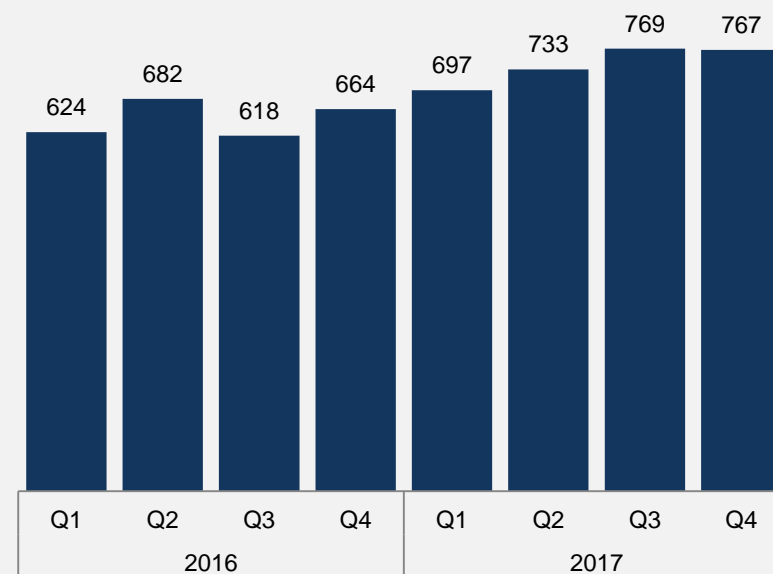
AISC of US\$743/oz in 2017

▶ Sustainable, robust and reliable operating mine

Quarterly gold production ('000 oz)

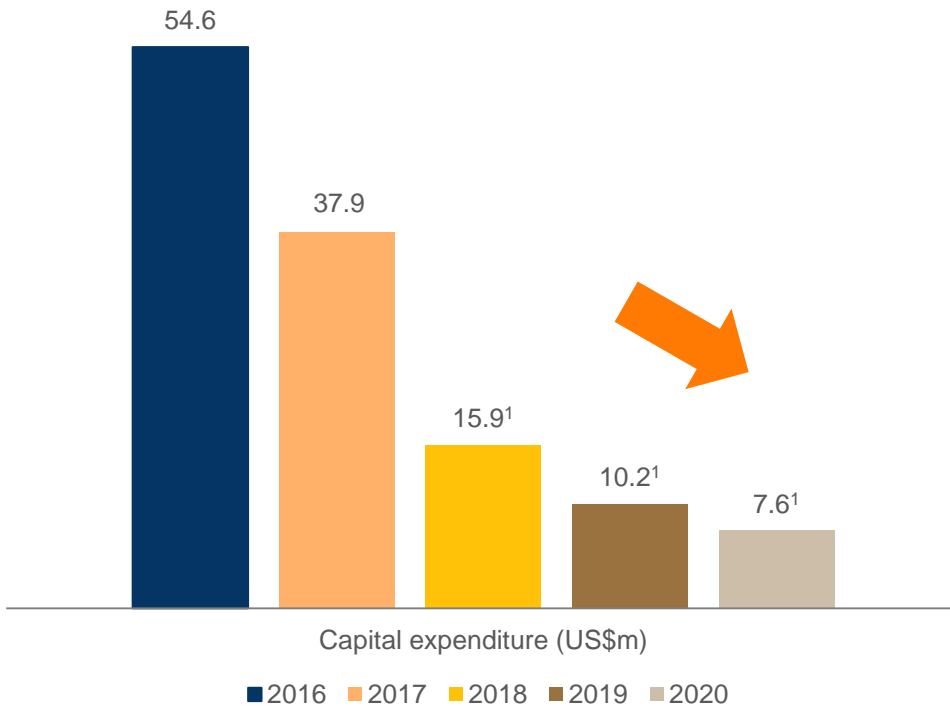


Quarterly AISC (US\$/oz)



Note: Q3 and Q4 2017 includes the impact of higher royalties (c. US\$40/oz)

All key long life infrastructure is in place



1. Revised Mine Plan estimates, excluding Singida
2. Expected commissioning in Q2 2018

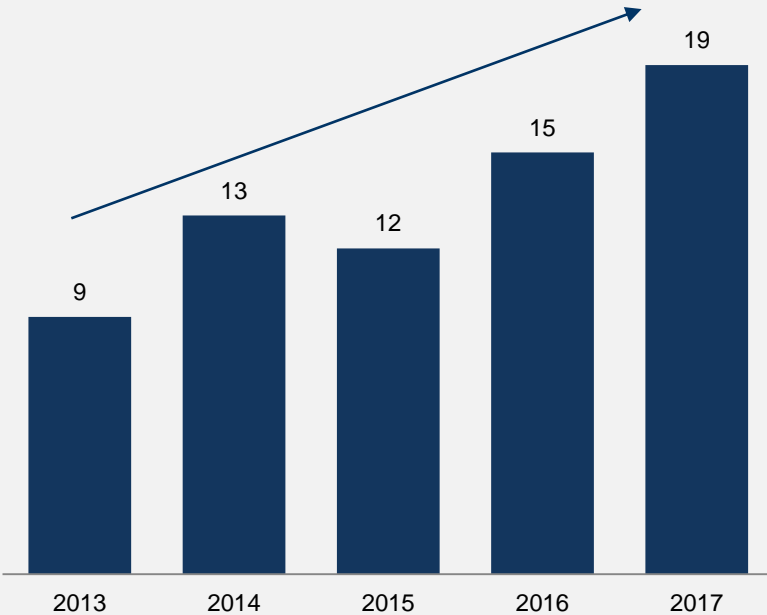
Key capital projects completed in 2017



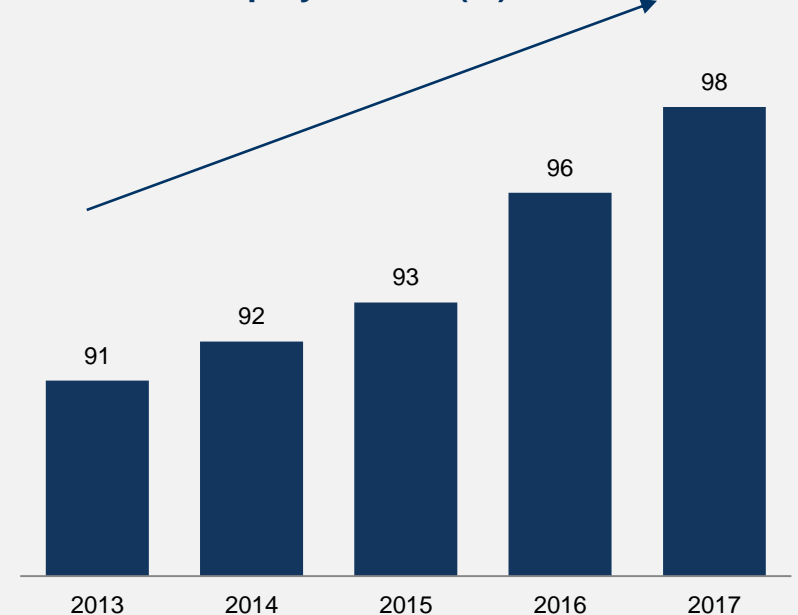
Shanta is committed to Tanzania

- ▶ US\$68 million contributed to the Government of Tanzania by Shanta over the last 5 years
- ▶ 98.2% of Shanta's talented workforce is Tanzanian national

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



Tanzanian employee base (%)

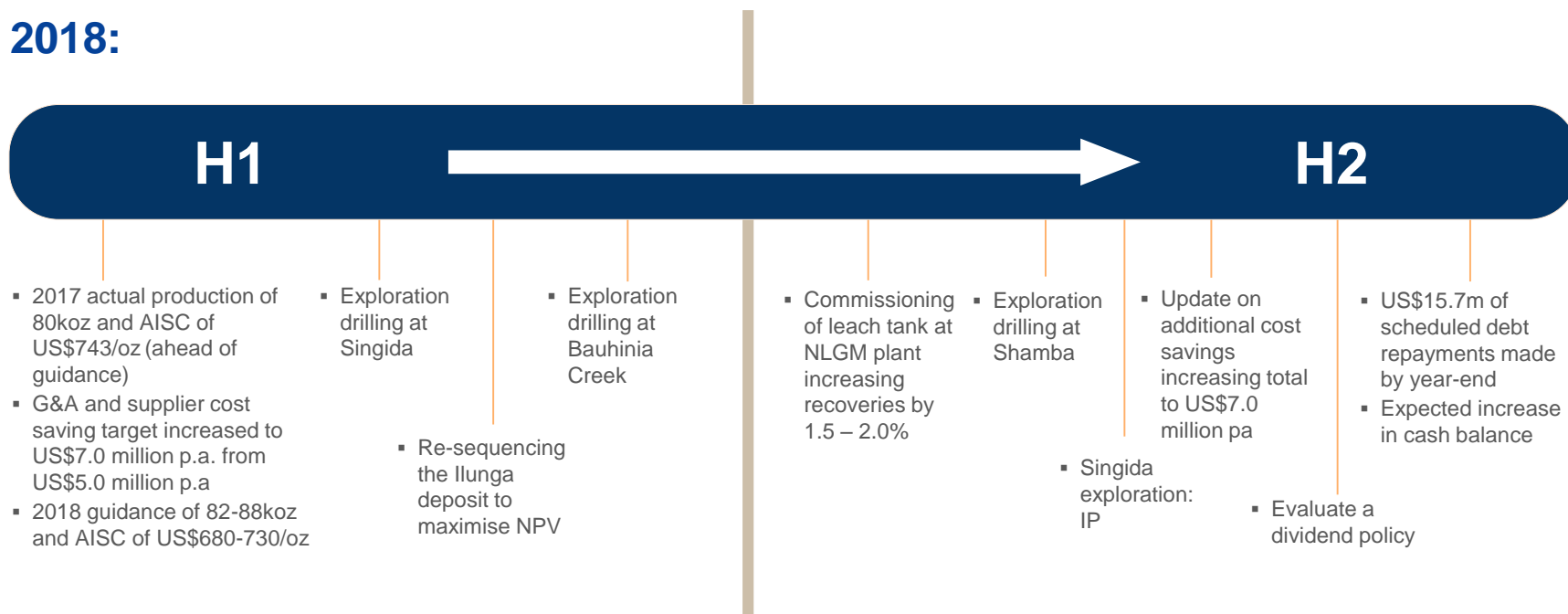


1. Includes employment taxes, statutory contributions, service levies, taxes, royalties. Excludes VAT receivable
2. Audited figures

Shareholder value catalysts 2018

▶ Operational improvements and resource expansion are expected to drive shareholder return in 2018

2018:



Discussions with the Government of Tanzania to repay the US\$14.5 million VAT receivable (at Dec 2017) are ongoing. Shanta received a VAT refund of \$3.4 million in Nov 2017

2018 priorities

1

Operational excellence: 82-88k oz in 2018 at AISC of US\$680-730 /oz

2

Rapid balance sheet deleveraging

3

Targeted growth including exploration drilling

Appendix

Corporate updates in 2017

Board and management changes

- Keith Marshall appointed as a non-executive director in June 2017. Mr Marshall is a mining engineer with over 35 years' experience and was formerly the President of Oyu Tolgoi and MD of Palabora Mining Company
- Eric Zurrin appointed as CFO in March 2017 and subsequently CEO and director in August 2017. Mr Zurrin has over 15 years' experience in mining (including 5 years in Tanzania) and investment banking previously with UBS Investment Bank in London
- Luke Leslie appointed as Interim CFO in September 2017 and subsequently permanent CFO in January 2018. Mr Leslie has been a non-executive director of Shanta Gold since 2012 with 15 years' experience in mining and finance
- Honest Mrema appointed as General Manager New Luika Gold Mine in September 2017

Financings

- US\$14 million gross equity proceeds raised in June 2017 at 6 pence per share, providing a strengthened financial platform to deliver the Revised Mine Plan
- US\$10 million power station equipment financing was completed with Exim Bank (Tanzanian) Limited in May 2017
- US\$2.1 million underground equipment financing was agreed with Sandvik Mining and Construction OY in May 2017

Resource updates

- Total JORC resources of 3.973 million tonnes, grading 1.1 grams per tonne containing 140,894 ounces of gold was achieved in March 2017 at the Nkuluwisi deposit, 13 km from the New Luika Gold Mine
- Total JORC resources of 12.3 million tonnes, grading 1.84 grams per tonne containing 728,000 ounces of gold was achieved in November 2017 at the Singida Gold Mining Project in Central Tanzania

New Sustainability partnerships formed in 2017

- ▶ New sustainability partnerships were established in 2017 to support Shanta's CSR program
- ▶ Phase 2 of ETG partnership initiated for 2018



UK-based charity

UK-based charity

Sustainability Pillar	Alternative Livelihood	Education/ Health	Education
Base	Global	UK	UK

Maize growing in Songwe



Development of football leagues underway



Teacher training commenced in H1 2018

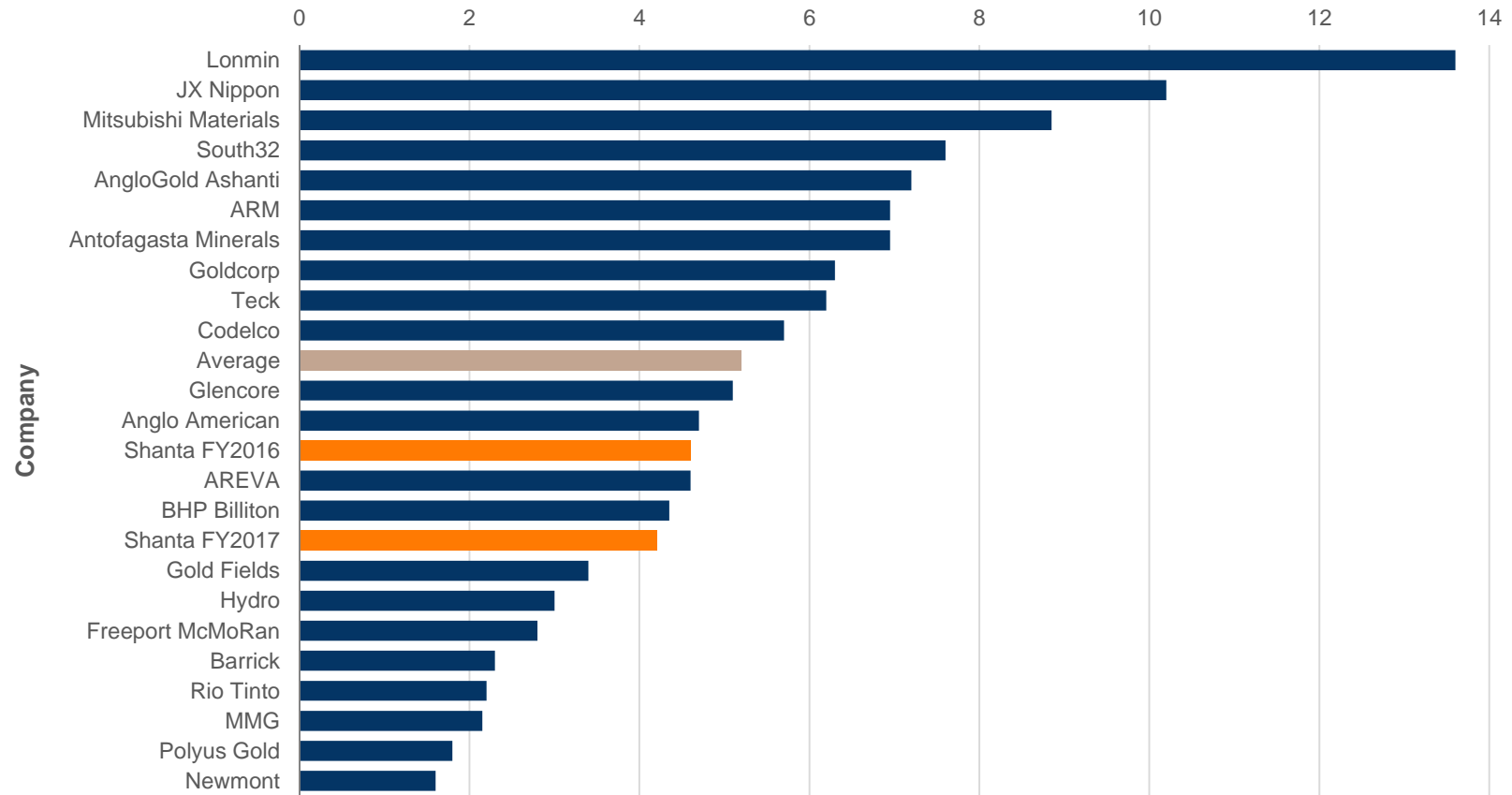


Status

Safety

- ▶ Top corporate priority on safe working conditions
- ▶ TIFR rate of 4.02 in 2017

Total recordable injury case rate (per 1 million hours worked) (TIFR)



Source - the ICMM (International Council on Mining & Metals) icmm.com

Strong supportive shareholders

▶ High quality institutional shareholder base

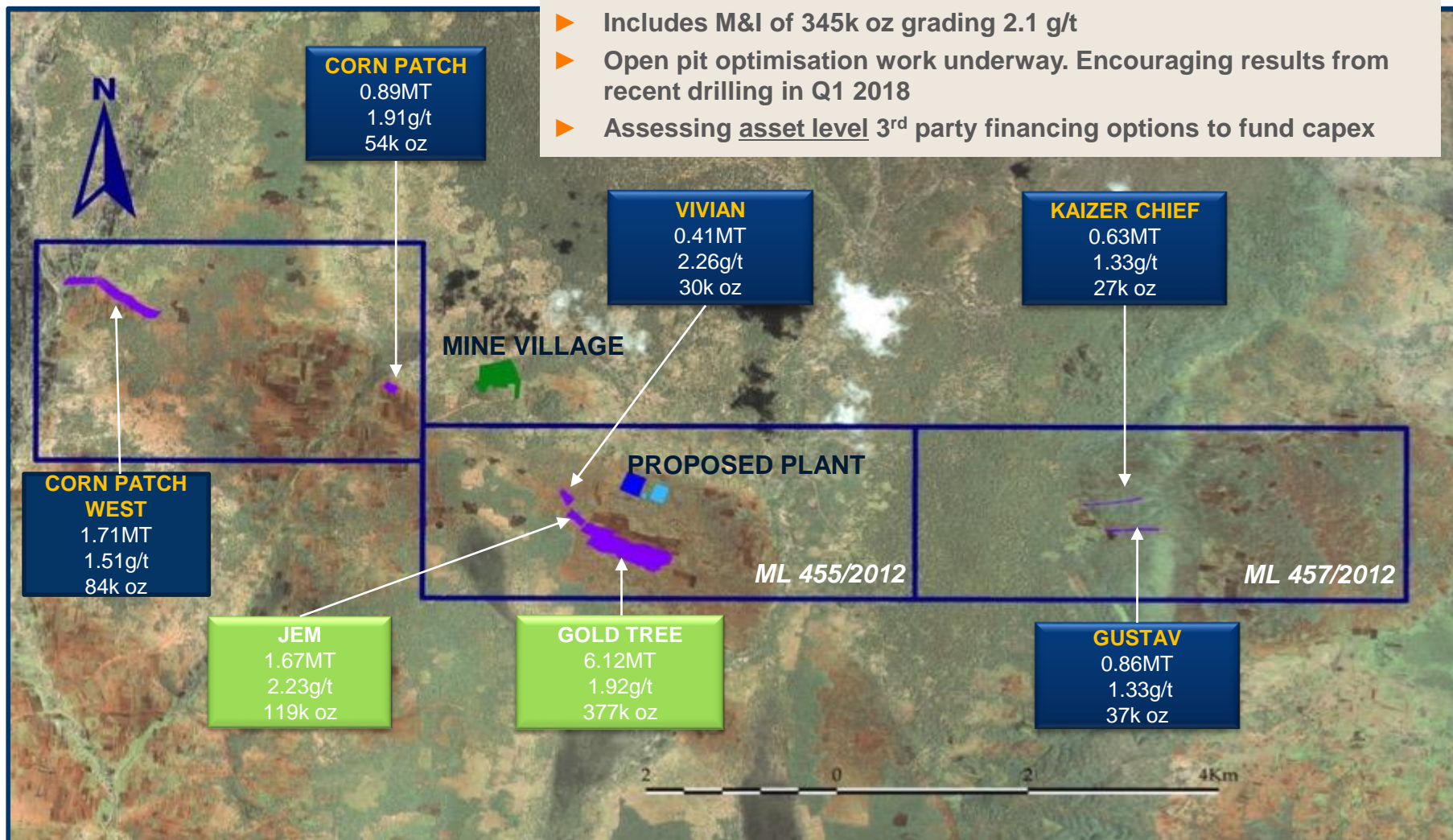
Shareholder	# shares (m)	%
Odey	185	24
Majedie	76	10
River & Mercantile	53	7
Sustainable Capital	51	7
Ketan Patel	46	6
Brooks Macdonald	37	5
Hargreaves Lansdown	37	5
Hargreave Hale	28	4
Sub-total	513	66
Other	265	34
Total shares outstanding	778	100

Source: Equiniti

1. Includes Contract for Differences (CFD) position

Singida: approaching development decision

- ▶ Resource 12.3Mt @ 1.84g/t for 728k oz (JORC 2012)
- ▶ Includes M&I of 345k oz grading 2.1 g/t
- ▶ Open pit optimisation work underway. Encouraging results from recent drilling in Q1 2018
- ▶ Assessing asset level 3rd party financing options to fund capex



Production performance (last two years)

	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Tonnes ore mined	638,088	143,092	177,416	196,454	121,127	622,853	63,192	99,417	266,686	193,558
Tonnes ore milled	632,287	162,233	163,109	155,567	151,378	597,583	151,827	144,930	151,698	149,128
Grade (g/t)	4.28	4.48	3.83	4.28	4.57	5.01	4.26	4.90	5.48	5.69
Recovery (%)	91.1	91.1	90.9	90.9	92.0	89.9	90.8	90.2	89.5	89.3
Gold Production (ounces)	79,585	21,288	18,225	19,657	20,416	87,713	18,897	20,580	23,896	24,341
Gold sales (ounces)	80,365	20,644	18,487	17,982	23,252	86,331	15,285	23,426	26,134	21,486
Realised gold price (US\$ /oz)	1,263	1,271	1,267	1,265	1,249	1,217	1,187	1,301	1,246	1,132

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