



A commercially robust, multi-site project in production with growth and significant upside

February 2014



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# Background - company highlights



## In Production

Strong production base at New Luika Gold Mine (NLGM)  
2013 gold production of 64koz, ahead of guidance;  
2014 targeted production of 80koz

## Stable Financial Position

Cash flow positive from operations, strong balance sheet  
Development capital at NLGM largely complete  
Debt Restructured  
Prudent hedging policy – 19,500oz sold forward at US\$1,331/oz

## High Quality Asset Base

High grade multi-deposit open pit gold resources totaling 2.3moz (1g/t cutoff)  
NLGM Primary Ore reserve of 479koz (6.1 g/t)  
Singida Development asset increasing company targeted production to >120koz by 2016

## Exploration Upside Potential

Over 1300 km in the highly prospective Lupa Goldfield  
Singida reserve statement due Q1 2014 and feasibility study due Q2 2014

## Proven Board & Management Team

Successful track record in the mining industry, capital markets and Tanzania  
Strong, diverse complementary skill base

# Tanzania – highly prospective and established mining destination



## ► Country overview

### Snapshot

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Population	44.9 million (2012)
Capital City	Dodoma ( <i>Dar es Salaam de facto commercial capital</i> )
Religion	Christian/Muslim,

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### Economy

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GDP (per capita)	US\$28 billion (official exchange rate)
Primary Industries	Agriculture, tourism, mining
2012 GDP Growth	6.9%

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### Political

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System	Parliamentary republic (democratic)
Elections	Every 5 years (next in Oct 2015)

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Source: World Bank, various

### Mining Destination

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- Africa's 3<sup>rd</sup> largest gold producer
- Two key goldfields: Lake Victoria & Lupa
- Sophisticated infrastructure network
- Stable political environment, pro-mining, position resources as key economic growth driver, workable tax and regulatory regime
- 100% Capital allowances
- Favourable corporate tax rate – 30%
- Dividend tax – 10%
- Royalty – 4%

# Current Operation and Exploration areas



## ► Highly prospective gold plays in under-explored regions

### Lupa Goldfield Characteristics

- 2<sup>nd</sup> largest goldfield in Tanzania after the Lake Victoria zone
  - Gold mineralisation hosted in a 2600 km<sup>2</sup> triangular block
  - Shanta holds 1313km<sup>2</sup> ground
- High grade ore bodies
- Opencast & low cost underground mining opportunities

### Singida

- Gold mineralisation hosted in a km – opencast and underground mining opportunities

### Songea

- Green Field



# New Luika Gold Mine – the principal producing asset



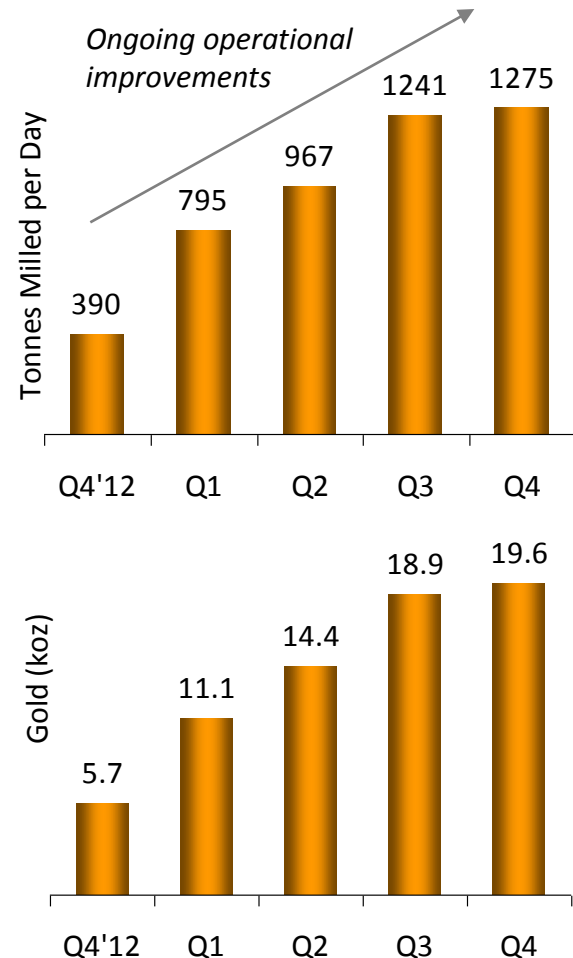
- ▶ **Shanta Gold's New Luika Gold Mine (NLGM) is the principal producing asset in the Lupa Goldfield**

## NLGM Snapshot

Reserves:	479koz Au @ 6.1 g/t
Resources:	1,484koz Au @ 3.2 g/t *
Size:	3 mining licences (16 km <sup>2</sup> ) 1 prospecting licence (49km <sup>2</sup> )
Ownership:	100% (Shanta Mining Company Limited)
2013A Production:	64koz gold (6.2 g/t), ahead of guidance
2014E Production:	80koz gold
Optimisation Plans (H1 2014):	New Crusher Plant Elution & Electrowinning Plant
Long term potential:	Underground and opencast blending (estimated at 80koz at 5 g/t) – target + 10 year life

\* Based on 1.0 g/t cut-off; resources are inclusive of reserves

## NLGM Production (2013)



# Delivering operational improvements



## ► Pursuing lower cost structure and maximising plant efficiency with minimal capital spend

### Driving Cost Improvements *(modest capex)*

#### 2013 Highlights

- Power cost reduced
- HFO installed

#### 2014 Targets

- Longer term power solution –National Grid
- Opportunity for Hydro and/or solar
- Effective utilisation of power in operation

- Remote Location highlighting procurement / logistics challenges

- Procurement core business activity - management of major purchases/ logistics/contract management

- Streamlining service providers  
360° company wide review

- Ongoing review– camp rationalisation/explosives and drilling efficiencies/ sampling +assays

- Rationalising personnel  
Strengthening skill base

- Localisation drive /Restructured rewards to performance driven /Corporate OH

### Optimising Gold Production

- Modified crusher installed  
30% increased throughput

- Crusher upgrade (Q2-14)  
Increased Installed capacity
- Finer grind + 10% through mills

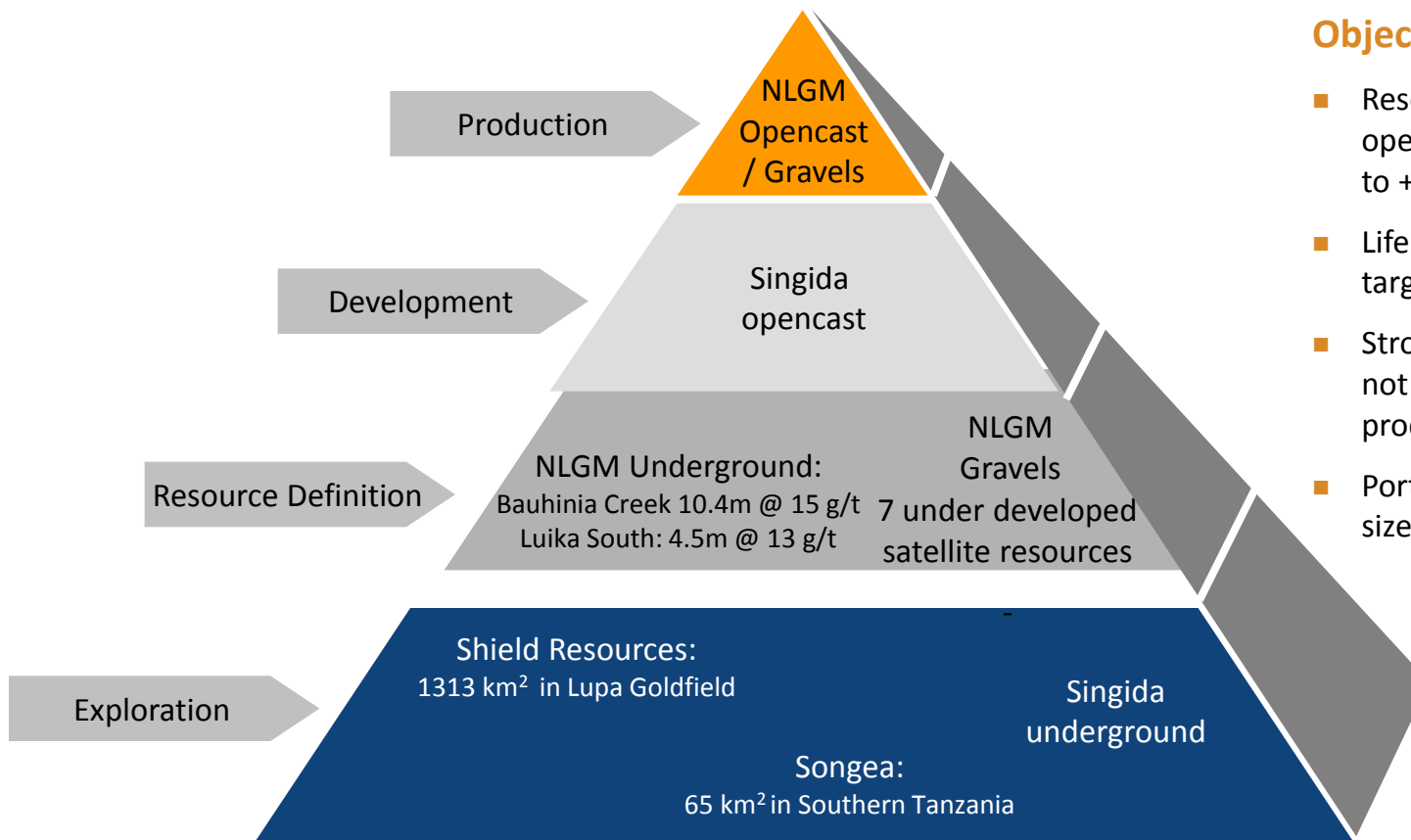
- Improved Optimisation of plant  
>6000 oz in all months of H2'13

- Elution electro-winning plant (Q2-2014)  
– improved gold and silver recovery and lower carbon costs
- Mill optimisation – power/liner design

# Growth and Life of Mine Extension Potential



- ▶ Shanta Gold targeting >120,000 oz annual production in the medium term with NLGM optimisation plus Singida
- ▶ Longer term life from opencast / underground and Lupa Goldfield exploration



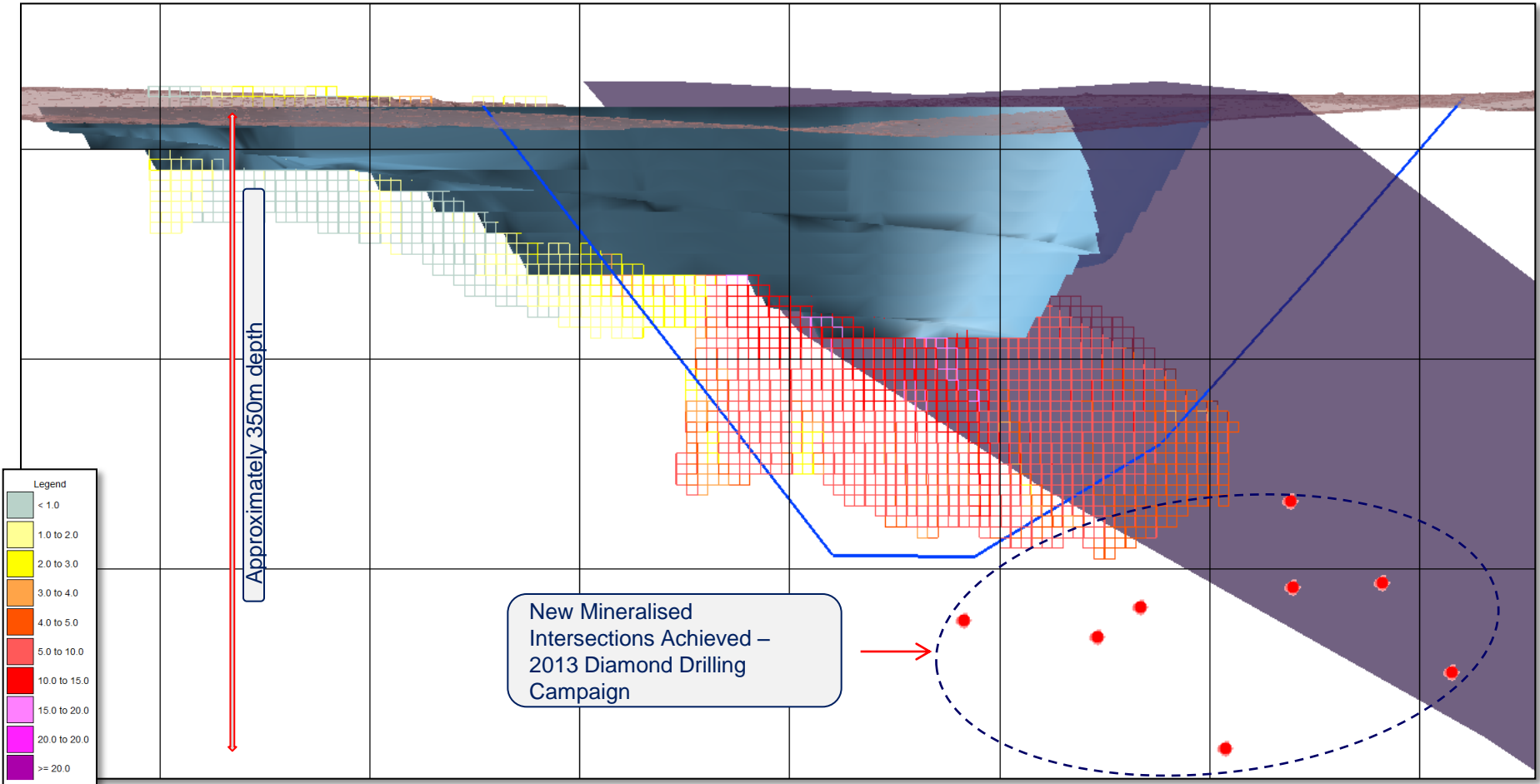
## Objectives

- Resource blending of opencast and underground to +/-5 g/t at NLGM
- Life of mine extension – target 10 year
- Strong cash flow and margin, not at the expense of higher production
- Portfolio of small to mid-sized mines

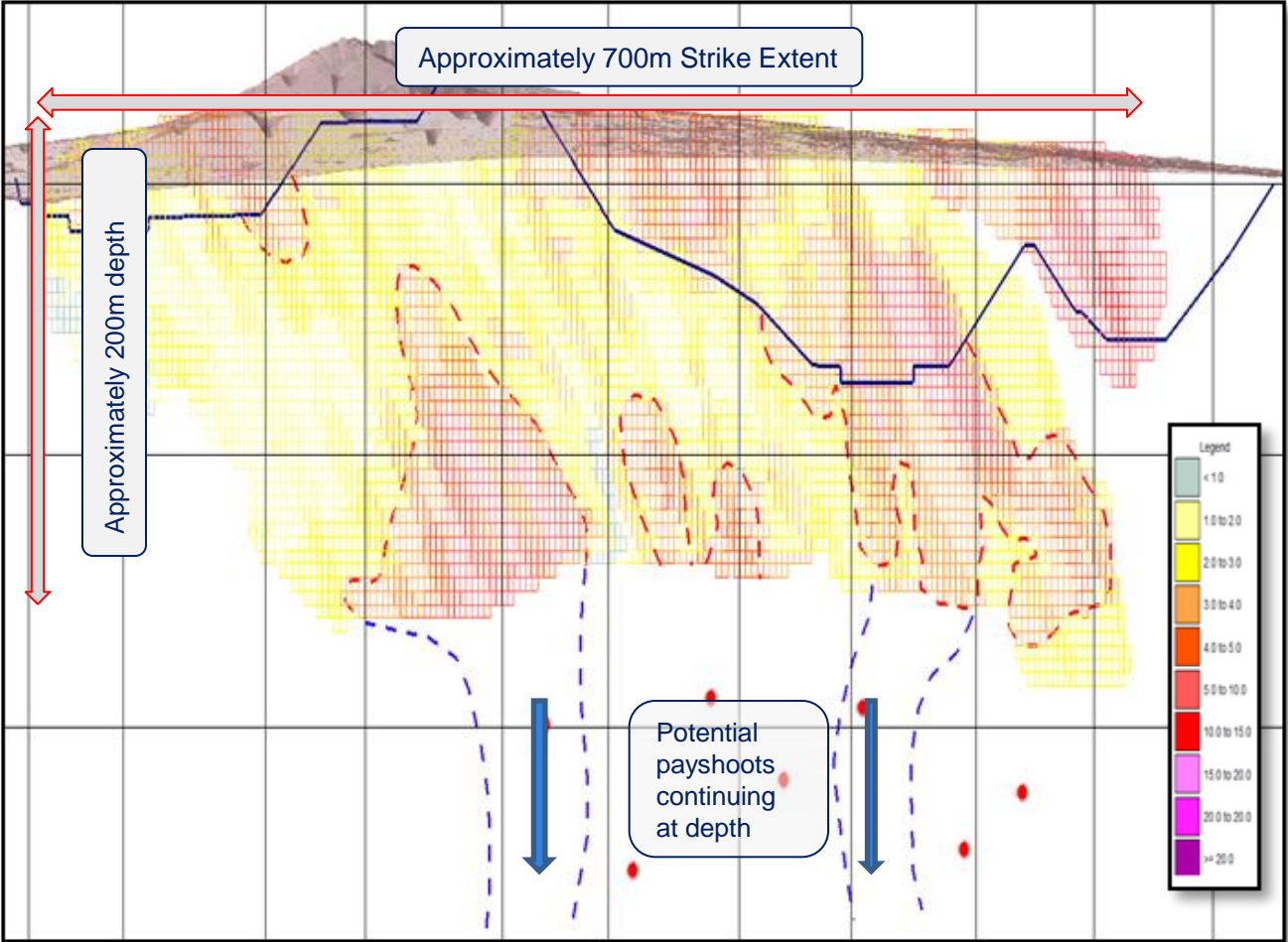


# Bauhinia Creek

## ► Strong mineralisation results at depth at Bauhinia Creek- Resource Announcement Q4

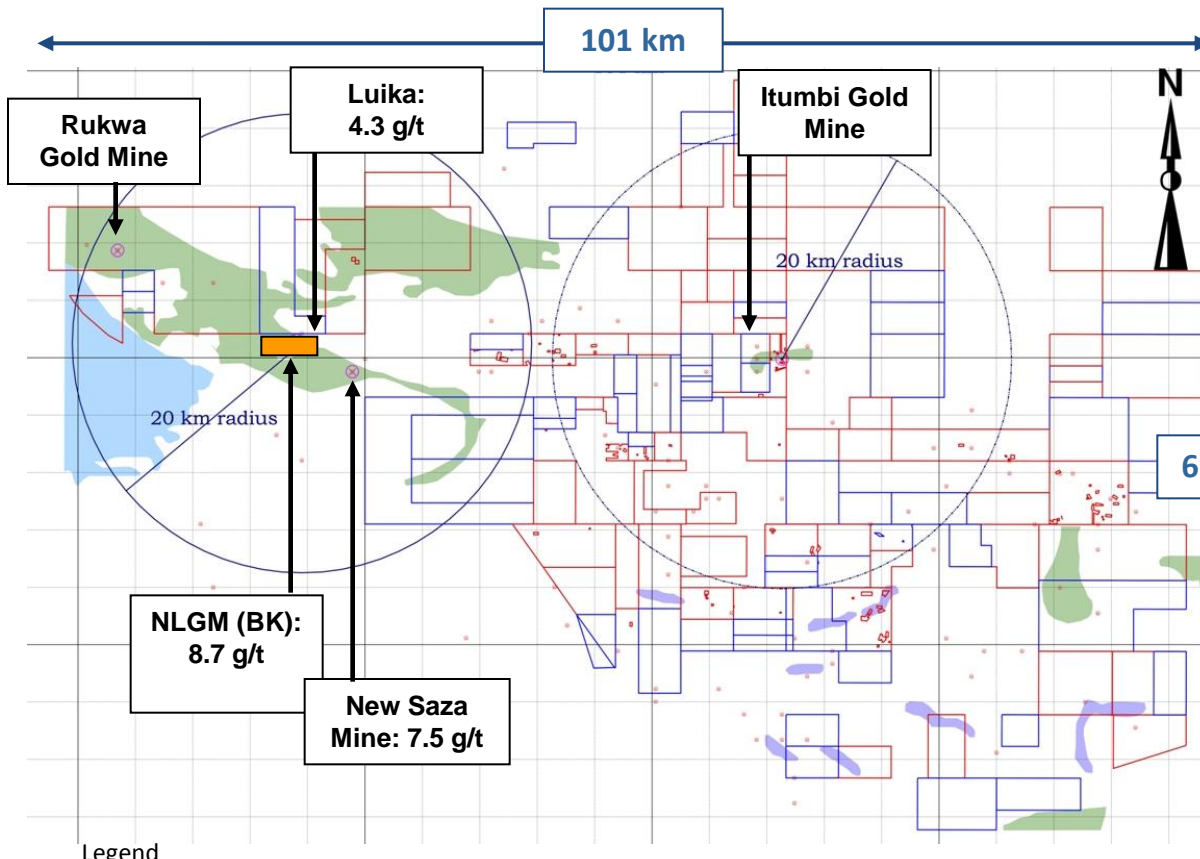


# Luika Mine



# Lupa Goldfield Exploration

- ▶ 1313 sq km of prospective ground with further 1,237 sq km under application
- ▶ 20km radius focus to provide additional feed sources to NLGM
- ▶ Upside potential with over 57 known artisanal or colonial gold mining operations



## Exploration Strategy

- Findings to date
  - Encouraging early-stage drilling results within 8 km of NLGM
  - Evaluating Nkuluwisi shear zone – positive geochem along 16km strike.
- Exploration programme
  - 400 sq km aeromagnetic survey completed in Q1 2013 highlighting significant additional exploration targets
  - Ground truthing

### Legend

- Red: Active Licences
- Blue: Under Application
- Note: 20km radius denotes approximate feasible range for trucking ore to plant

# Singida – offering significant exploration upside



- ▶ **Highly commercial project**
- ▶ **Significant positive impact on Shanta cost profile and group margin**
- ▶ **Low estimated operating cost structure with minimal incremental overheads anticipated**

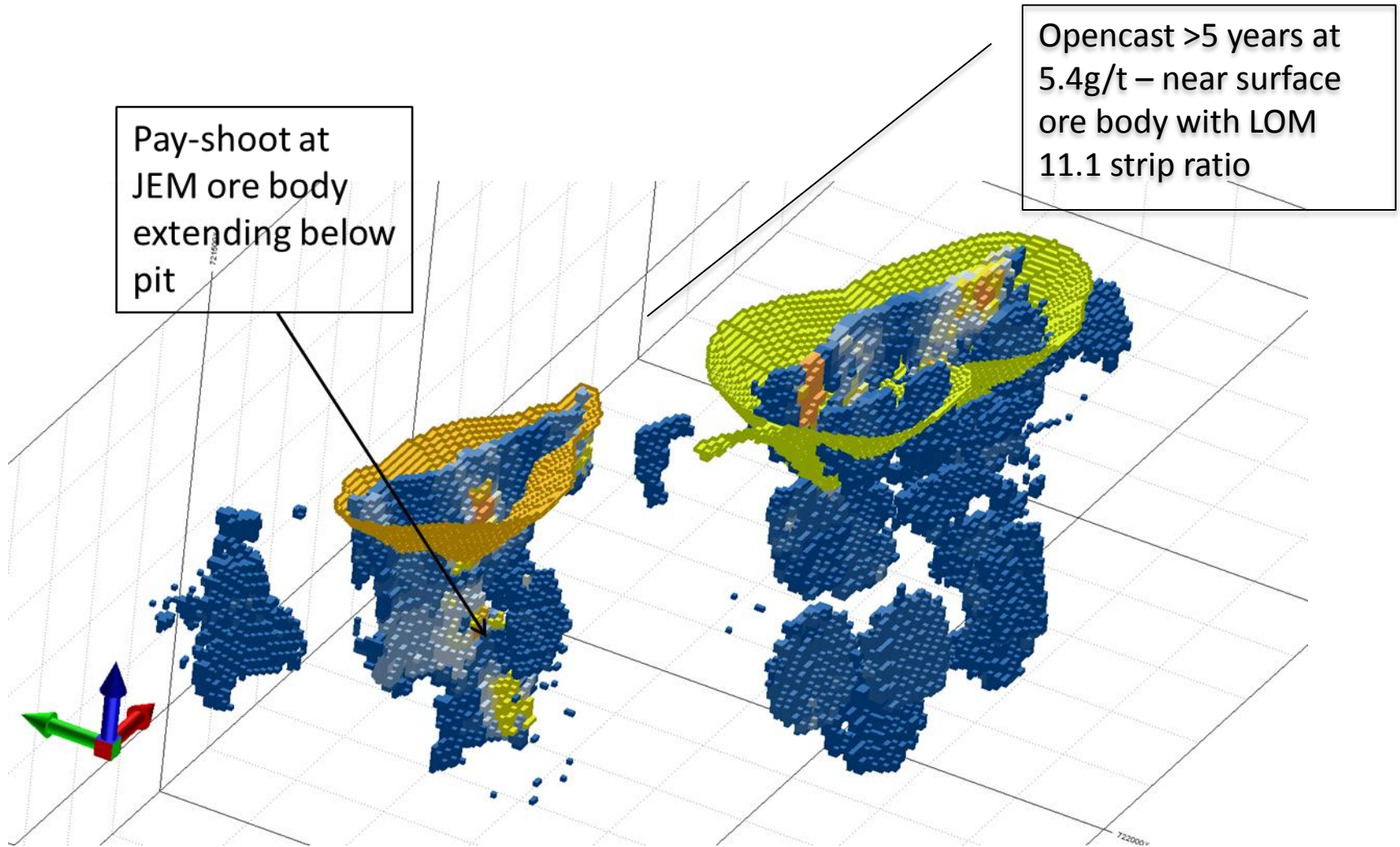
## Background

- Stand-alone gold project in central Tanzania
- Well defined resource - stated at 858,485oz at 2.9g/t - with over 45,000 metres drilled
- Similar profile to NLGM with high grade ore body
- Opencast extension potential
- Longer term underground potential (open at depth)
- Definitive Engineering Study completed in 2011 currently undergoing upgrading

## Project Update

- Developing a comprehensive internal feasibility study -target to reach project financing decision in H1
- Reserve announcement -1.4mt at 5.4g/t – 215,000 ounces
- Phase 1 opencast operation targeting LOM of 5.4 years at 5.4 g/t with 11:1 stripping ratio
- Hydrological study, plant flow and design, power, tailings dam and infrastructure work in progress
- Relocation programme in progress – minimal movement of people
- Evaluation of LOM extension both opencast and underground ongoing

# Singida Opencast with underground potential



- ▶ **Strong balance sheet achieved from positive operating cash flow**
- ▶ **Estimated all-in sustaining costs of \$1,049/oz in 2013 reducing to – \$1000/oz in 2014**

## Key Financial Highlights (Sep'13)

- Cash flow positive from operations for 2013
- Cash balance of \$22 million
- Debt restructured
  - repayment holiday to 31/12/13
  - reduced cost of borrowing
  - extension of repayment period
- Hedge book in the money
  - 19,500oz at \$1,331/oz through to June 2014

## Capitalisation <sup>1</sup> (US\$ million)

Market capitalization (13p)	\$100 m
Convertible notes	\$25 m
Loan (FBN & RK)	\$39 m
Cash	\$22 m
Enterprise Value	\$137 m

## Loan Repayments

2013	\$15 m
2014	\$14 m

1. As at 20 January 2013

# Annexure 1 - Board and Management Team



- ▶ **Strong track record and diverse skill sets**
- ▶ **All board members are non-executive (other than CEO)**

	<b>Name</b>	<b>Discipline</b>	<b>Background</b>
Management	Mike Houston CEO	Financial, technical	35 years mining experience including Anglo American Former COO, CEO and subsequently Chairman of Zimplats
	Patrick Shayawabaya CFO <sup>1</sup>	Financial	Chartered Accountant, former CFO of Zimplats
Non-Executive Directors	Anthony Durrant Chairman	Financial, governance	Chairman of Arias Resource Capital Management investment committee Former Global Head of Mining at UBS Investment Bank
	Nick Davis	Legal	Corporate lawyer with 12 years experience in corporate finance and M&A
	Robin Fryer	Accounting	Chartered Accountant, former Global Head of Deloitte mining practice
	Paul Heber	Capital Markets	Former investment manager and stockbroker with 25 years experience
	Luke Leslie	Financial, technical	Head of Origo Partners Metals & Mining private equity
	Ketan Petal	Government & community relations	Founding member of Shanta Mining Company Limited Extensive commercial interests in Tanzania
	John Rickus	Technical	35 years mining experience, former Rio Tinto Global Head of Technical Services
	Jonathan Leslie <sup>1, 2</sup>	Financial, technical	Over 40 years mining experience including 26 years with Rio Tinto

<sup>1</sup> Not a board member

<sup>2</sup> Strategic Adviser with Board Observer Status

# Annexure 2 - Share Price Performance



- ▶ Robust capital structure and strong consolidated shareholder base
- ▶ Share price performance surpasses peer group

## Top Shanta Gold Shareholders (Sep'13)

Odey Asset Management	15%
Directors & Insiders	14%
Blakeney Management	9%
Brooks MacDonald AM	8%
Investec	5%
<b>Sub-total</b>	<b>51%</b>

## Relative Share Price Performance (Jan'13-date) <sup>1</sup>



1. Peer Gold Companies Index includes: Amara Mining, Ampella, Asanko, Aureus, Avocet Mining, Banro Corp, Gryphon, Hummingbird, Nyota, Orbis, Orezone, Papillon, PMI, Roxgold, Teranga, TRUE Gold  
Index based on share prices since January 1, 2013 converted to GBP at prevailing daily fx rate





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