

Q1 2020 Production and Operational Update

20 April 2020



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Shanta Gold – Highlights & Guidance

Q1 2020 performance

- **Zero lost time injuries** since December 2017
- Gold production of 20,167 oz (Q4 2019: 19,550 oz)
- **Acquisition of Barrick Gold’s Kenyan assets announced**
- Hedge book down to 30.3k oz (Q4 2019: 40k oz); **since March 31st, further reduced to 27.3k oz**
- **Gross debt: US\$20.4 m, down 7.3%**
- Cash costs of US\$630 /oz, AISC¹ of US\$833 /oz
- **EBITDA² of US\$15.0 m** (Q4 2019: US\$8.6 m)

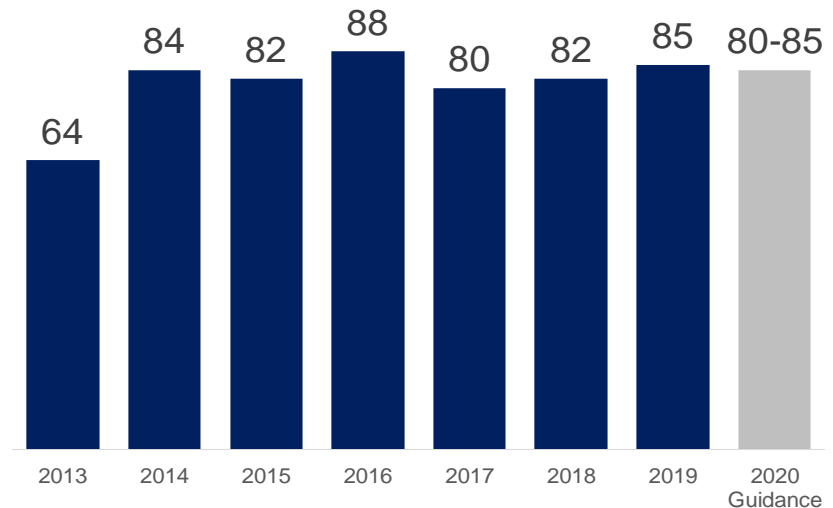
2020 guidance reiterated

- Gold production: 80,000 – 85,000 oz
- AISC¹ : US\$830 – 880 /oz
- Exploration budget increased by 65% to US\$5.0 m
- **West Kenya Project acquisition expected to close mid-2020**

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

Reliable, low cost producer



Summary Capitalisation

Share Price (GBP) ³	11.0p
Market capitalisation	US\$108 m
Net debt ⁴	US\$15 m

Enterprise Value US\$123 m

EV / 2019 EBITDA 2.6 x

3. As of 17 April 2020

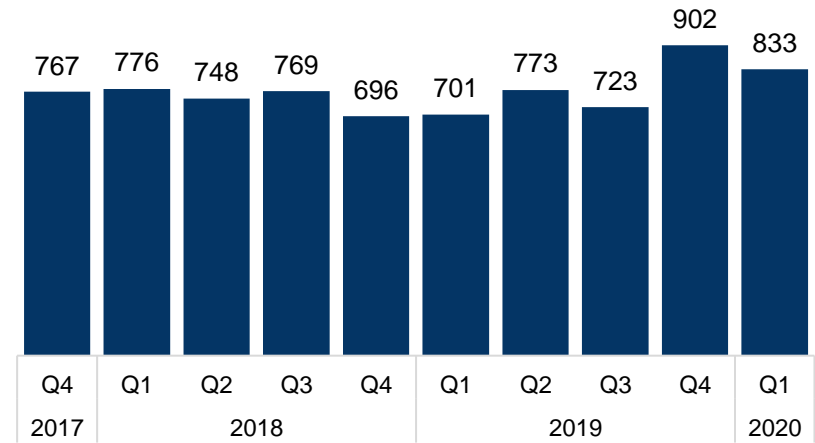
4. As of 31 March 2020

Q1 2020 performance

Quarterly gold production (000's oz)



Quarter on Quarter AISC^{1,2} (\$ /oz)



1. Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC
2. Q4 2019 AISC includes \$47 /oz for accelerated power station generator refurbishments

Response to COVID-19

- ▶ New Luika currently one of the most safeguarded places in Tanzania in the fight against Coronavirus
- ▶ Shanta supports local communities with healthcare infrastructure, water, education and livelihood
- ▶ 99.4% of workforce at NLGM is Tanzanian based. No reliance on Fly-in Fly-out employees/contractors

Early adopter of best practices (in Feb 2020)

- ✓ Social distancing policies in place
- ✓ Isolation area erected at New Luika
- ✓ Health screening conducted for all mine-site arrivals
- ✓ Masks and sanitisers provided to travelling employees

Commitment to social responsibilities

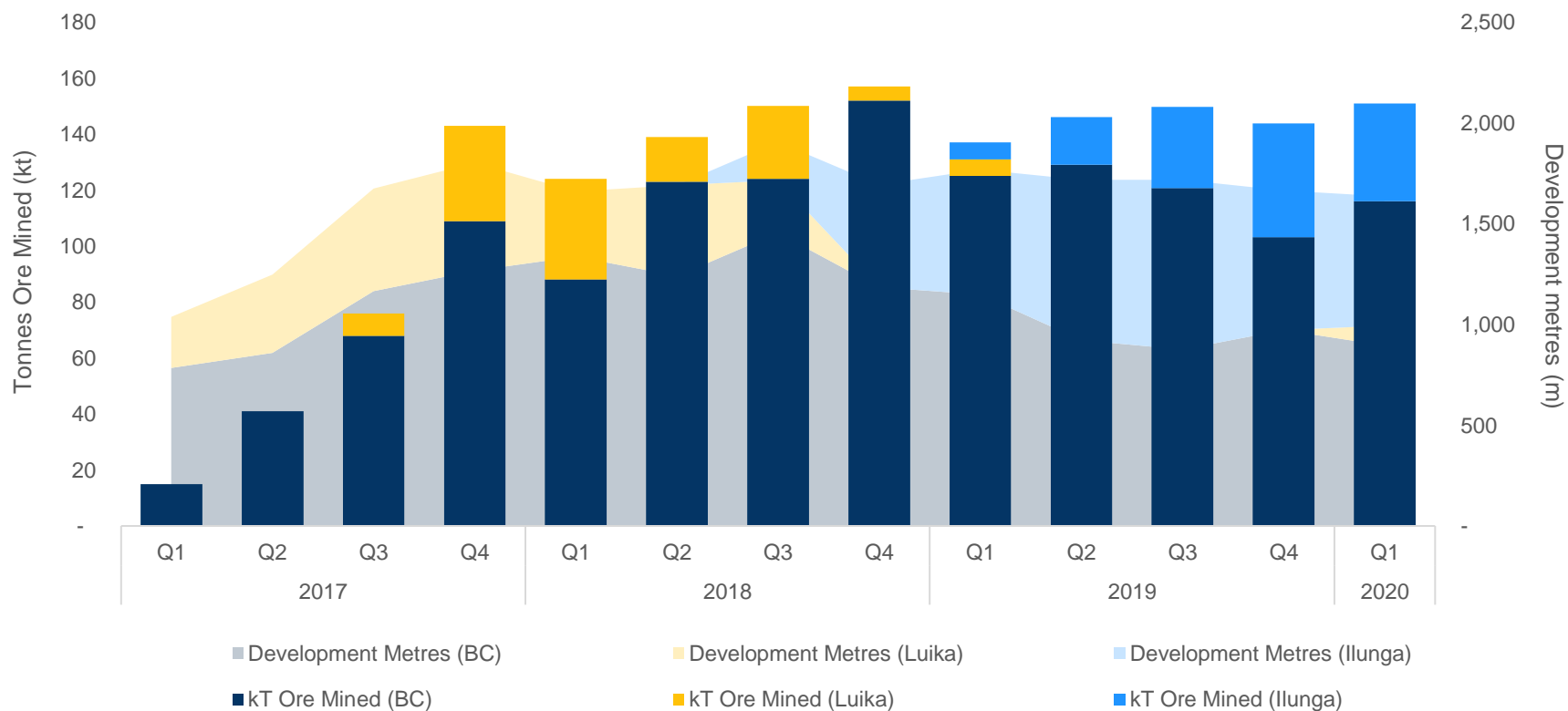
- ✓ Educating local communities to help protect them from contracting the virus
- ✓ Employees advised to stay home when not working
- ✓ TSH 100m of equipment pledged to the Government of Tanzania to assist with combatting the virus



Q1 2020 underground update

▶ 150.8 kt of ore grading 4.7 g/t mined from NLGM's active high-grade underground deposits

Tonnes Ore Mined and Development Metres, by Quarter



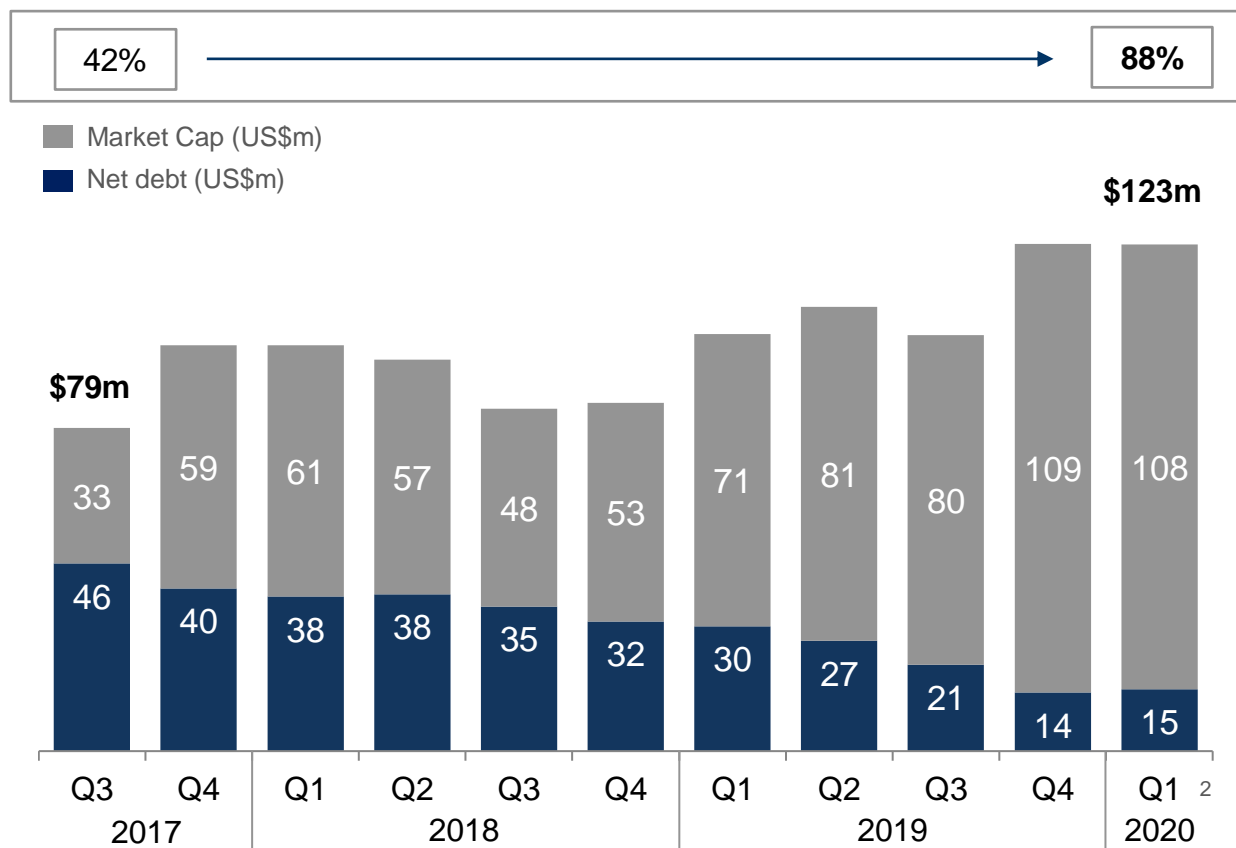
1. Includes ore from development and production
BC = Bauhinia Creek

Value transfer to Shanta Gold shareholders

Significant transfer of value from debt to equity since Q3 2017

Shanta Gold Enterprise Value

$EV (US\$m) = Net\ debt + Market\ Cap^1$



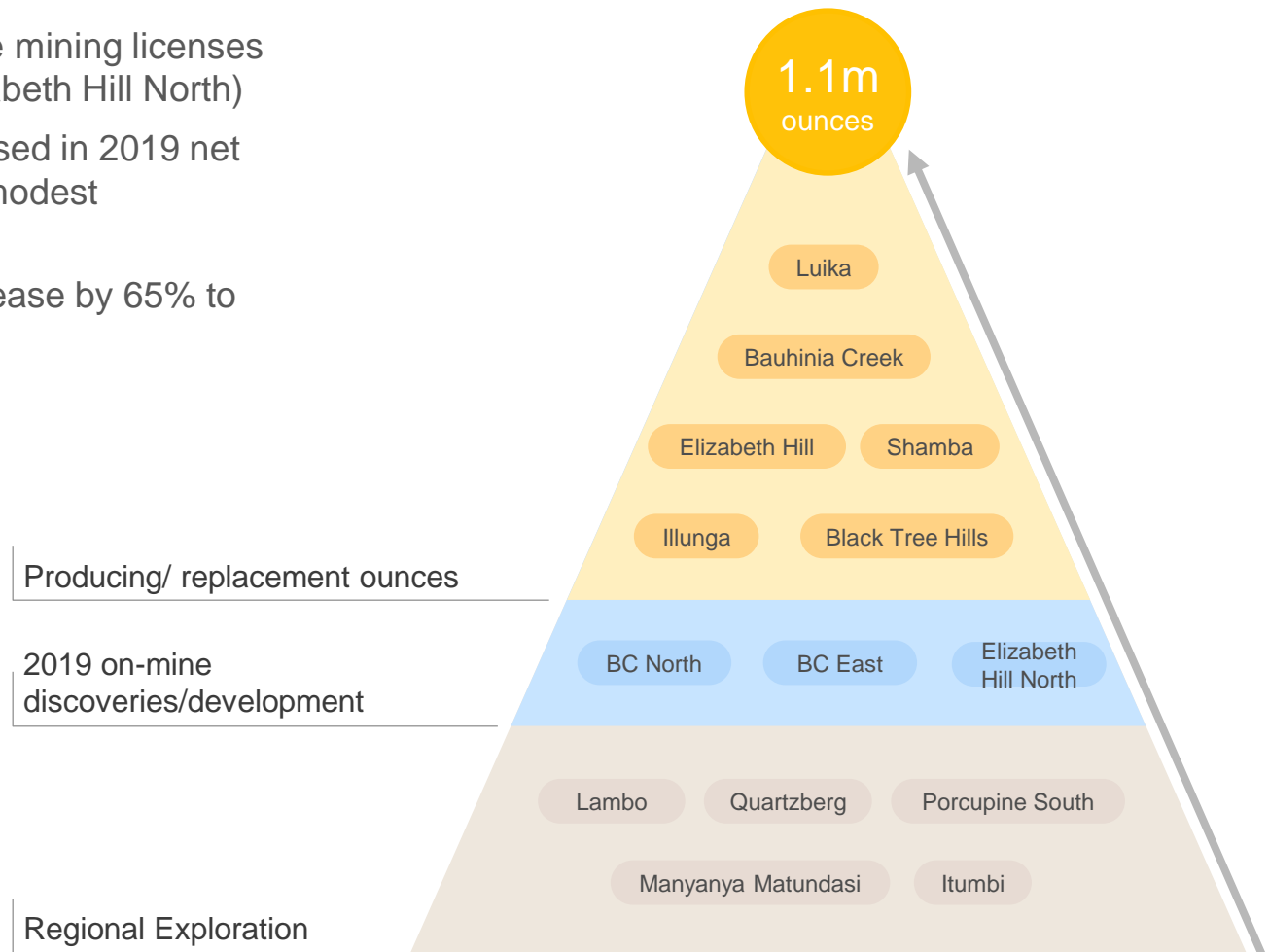
Highlights

- Shanta's market cap now accounts for 88% of Enterprise Value, up from 42% in Q3 2017
- SHG share price is up 327% since Q3 2017 results (17 October 2017)

New Luika exploration portfolio

- Recent discoveries on the mining licenses (BC North, BC East, Elizabeth Hill North)
- Mineable reserves increased in 2019 net of depleted ounces with modest exploration expenditure
- Exploration spend to increase by 65% to US\$5m in 2020

Reserves and resources



High grade West Kenya Project to be acquired from Barrick

Acquisition highlights:

► 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 metres 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

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



Shanta Gold: Gold production and compelling growth

► Strong cashflow (2019 EBITDA of US\$48m) supporting a highly compelling growth pipeline

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 ²:

1.02 Moz at 2.77 g/t

Cash costs 2019: US\$564 Koz 2019: 85

AISC 2019: US\$779

Development

Singida

Gold Project

Open pit project in prospective greenstone belt in Central Tanzania

Est. 6 Year Mine Life (resources; reserve to be declared in Q1'20)

Resources ²:

0.92 Moz at 2.25 g/t

Cash costs ¹: US\$794 Koz pa ¹: 26

Growth

West Kenya

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. Announced 5 Dec 2018 before resource upgrade
2. Updated company-wide reserve and resource statement expected in Q2 2020

2020 priorities

1

Safe Operational Delivery

- 80-85k oz in 2020 at AISC of US\$830-880 /oz

2

Exploration

- Reserve addition and mine life extension at New Luika
- 11,000 metres of drilling planned

3

Deleveraging

- Net cash balance sheet in 2021

4

Unlocking value

- Closure of West Kenya Project transaction
- West Kenya Project economics to be published
- Updated Singida economics to be published
- Singida asset level financing

Appendix

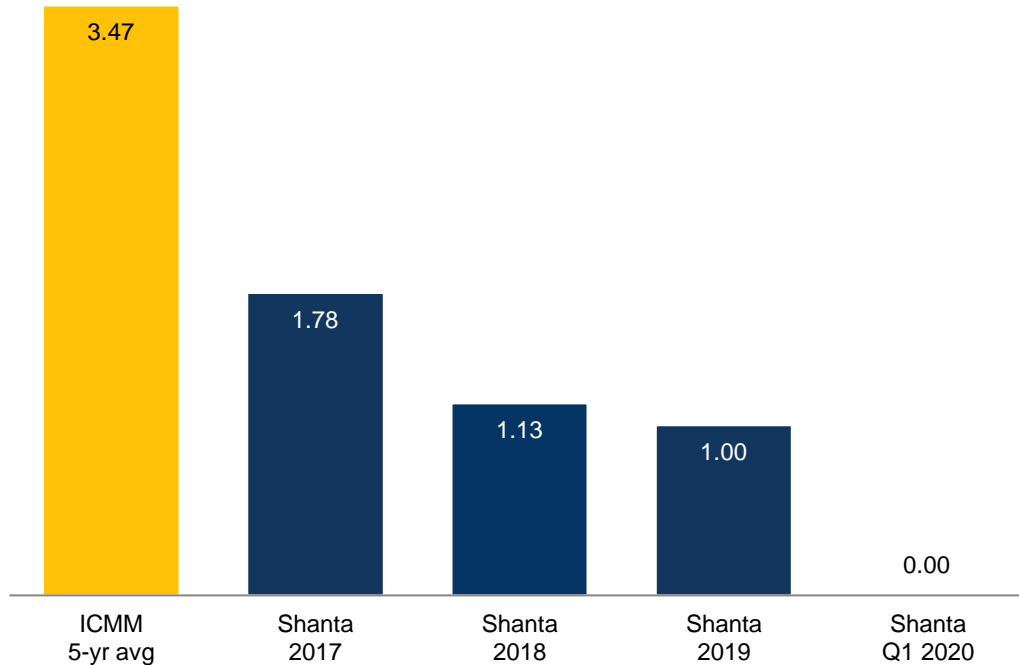
Production performance

	Q1 2020	FY 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2018
Tonnes ore mined (OP+UG)	150,842	603,373	144,206	166,772	155,779	136,616	677,734
Tonnes ore milled	174,069	702,336	177,913	174,132	177,647	172,644	639,678
Grade (g/t)	4.03	4.19	3.83	4.54	3.91	4.49	4.38
Recovery (%)	89.1	89.4	89.2	89.3	89.4	89.9	90.9
Gold production (ounces)	20,167	84,506	19,550	22,726	19,856	22,374	81,872
Gold sales (ounces)	20,086	80,758	17,311	22,477	19,780	21,190	82,457
Realised gold price (US\$ /oz)	1,414	1,378	1,440	1,462	1,303	1,309	1,259

Excellent safety record

TRIFR rate

(Total Recordable Injury Frequency Rate)



Shanta highlights

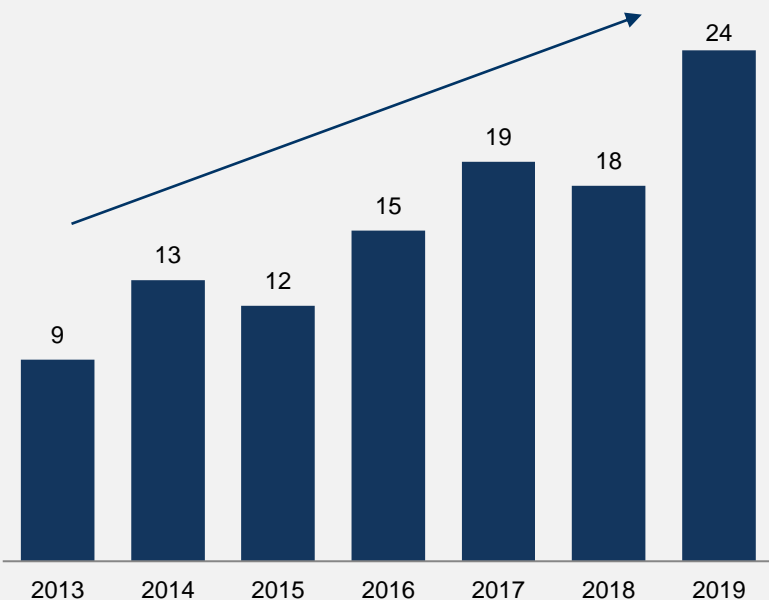
- No fatalities
- No LTIs
- 4.4 million hours since last LTI
- Industry leading safety record

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

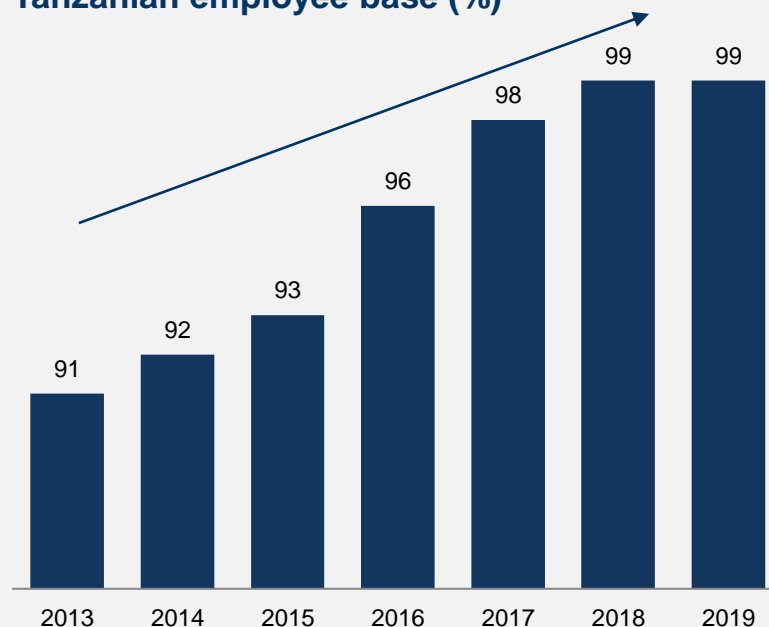
Shanta is committed to Tanzania

- ▶ Over US\$105 million contributed to the Government of Tanzania and >99% Tanzanian workforce
- ▶ Extensive CSR programme across all major disciplines
- ▶ Strong and open relationships with Senior Government Ministers

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



Tanzanian employee base (%)



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

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