

Q1 2019 Production and Operational Update

18 April 2019



SHANTA GOLD

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Shanta Gold – Highlights & Guidance

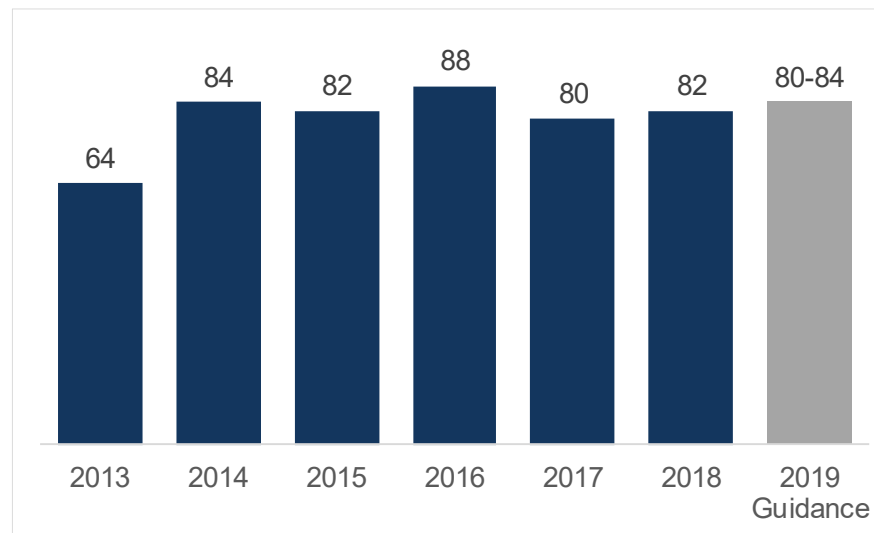
Q1 2019 performance

- Zero lost time injuries
- **Gold production of 22.4k oz at NLGM**
- Cash costs of US\$500 /oz, AISC³ of US\$701 /oz
- Healthy unrestricted cash balance of US\$8.4 m
- Strong **EBITDA of US\$11.4 m**
- **Net debt: US\$30.3 m, lowest in NLGM's producing history**
- **All-time daily throughput record**, up 2% from Q4 2018
- Singida targeting US\$20 m minimum equity offering on Dar es Salaam Stock Exchange
- >99% Tanzanian workforce

2019 guidance reiterated

- Gold production: 80,000 – 84,000
- AISC: US\$740 – 800 /oz

Comfortably on track to meet annual guidance



Summary Capitalisation

Share Price (GBP) ¹	6.8p
Market capitalisation	US\$71 m
Net debt ²	US\$30 m
Enterprise Value	US\$101 m
EV / 2018 EBITDA	2.2 x

1. As of 16 April 2019

2. As of 31 December 2018

3. The AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC

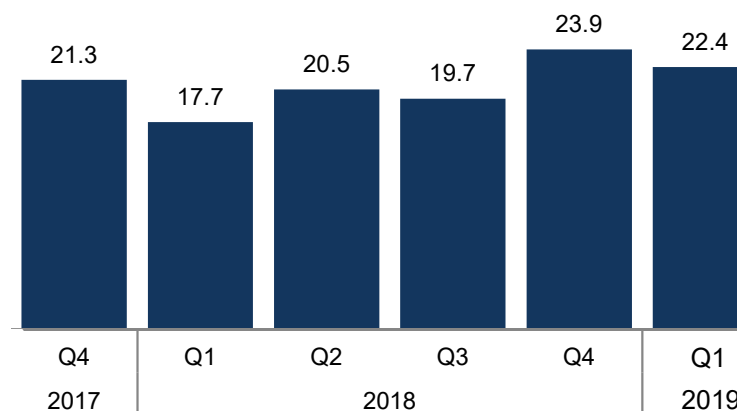
Q1 2019 performance

- **Zero lost time injuries; over 2.4 million hours since last LTI**
- Gold production of 22,374 oz (Q4 2018: 23,942 oz)
- **AISC of US\$701 /oz** (Q4 2018: US\$696 /oz)¹
- Cash operating costs of US\$500 /oz (Q4 2018: US\$514 /oz)
- Healthy unrestricted cash balance of US\$8.4 m
- Strong **EBITDA of US\$11.4 m**
- **Net debt: US\$30.3 m, lowest in NLGM's producing history**
- US\$2.5 m bullion available for sale at end of Quarter
- **All-time daily throughput record**, up 2% from Q4 2018
- Almost 6kt development mined ore from Ilunga, **at an average of 6.02 g/t**
- Singida targeting US\$20 m minimum equity offering on Dar es Salaam Stock Exchange

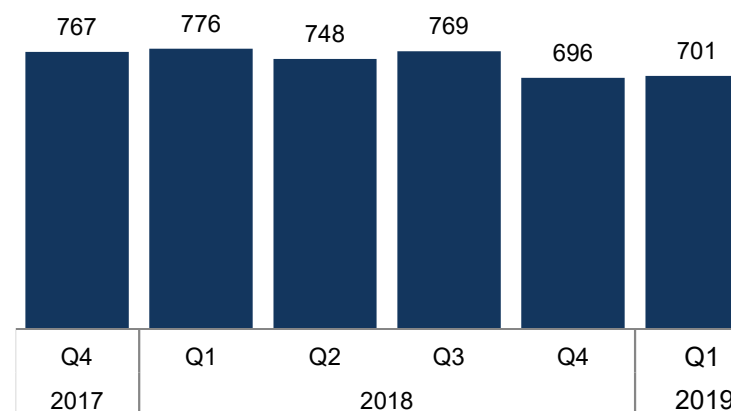
¹ AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC



Quarterly gold production (000's oz)



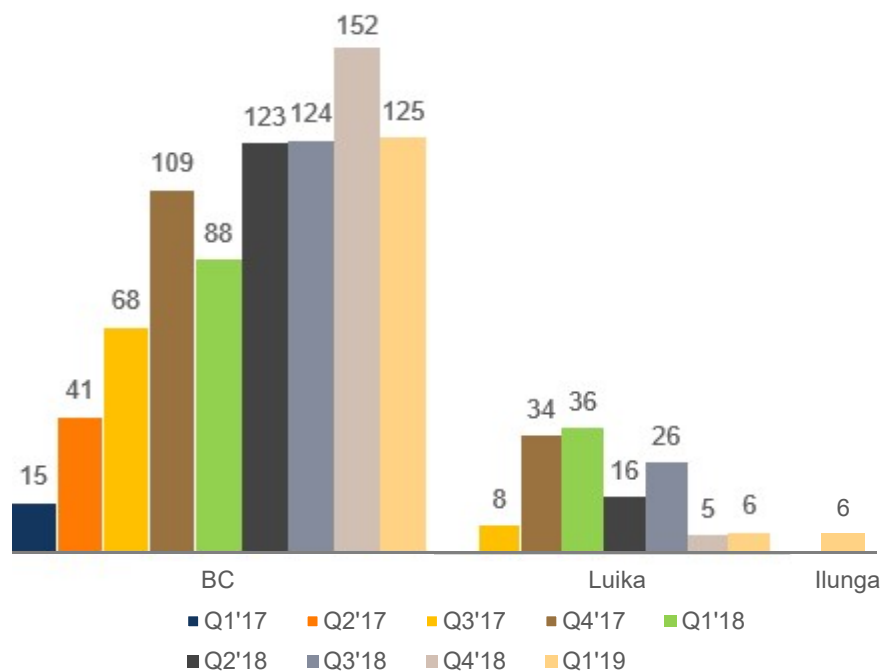
Quarter on Quarter AISC (\$ /oz)



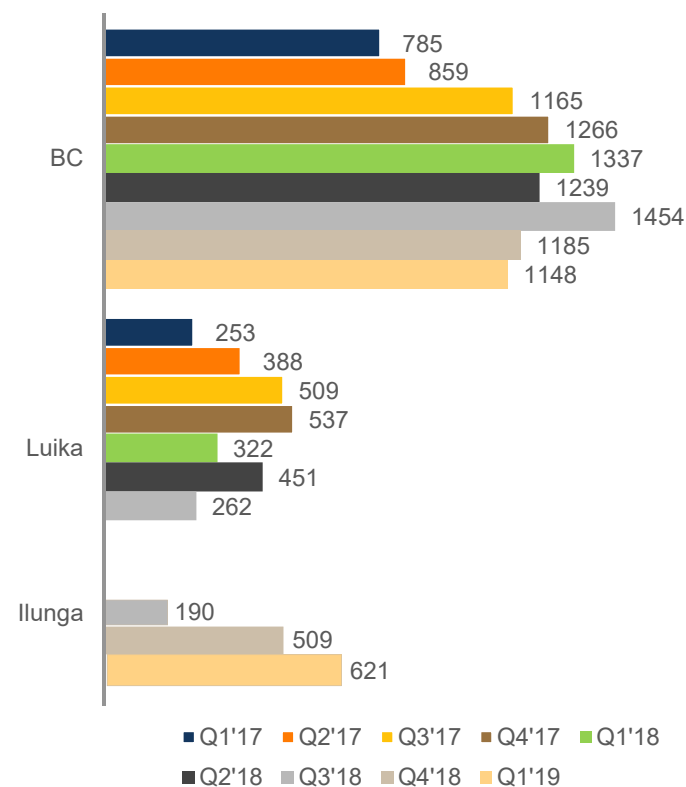
Q1 2019 underground update

- ▶ Ilunga underground development ore intersected and mined from March 2019, three months ahead of schedule
- ▶ 137 kt of ore grading 5.72 g/t mined from NLGM's three active high-grade deposits

Tonnes ore mined¹ (000s)



Development metres (m)

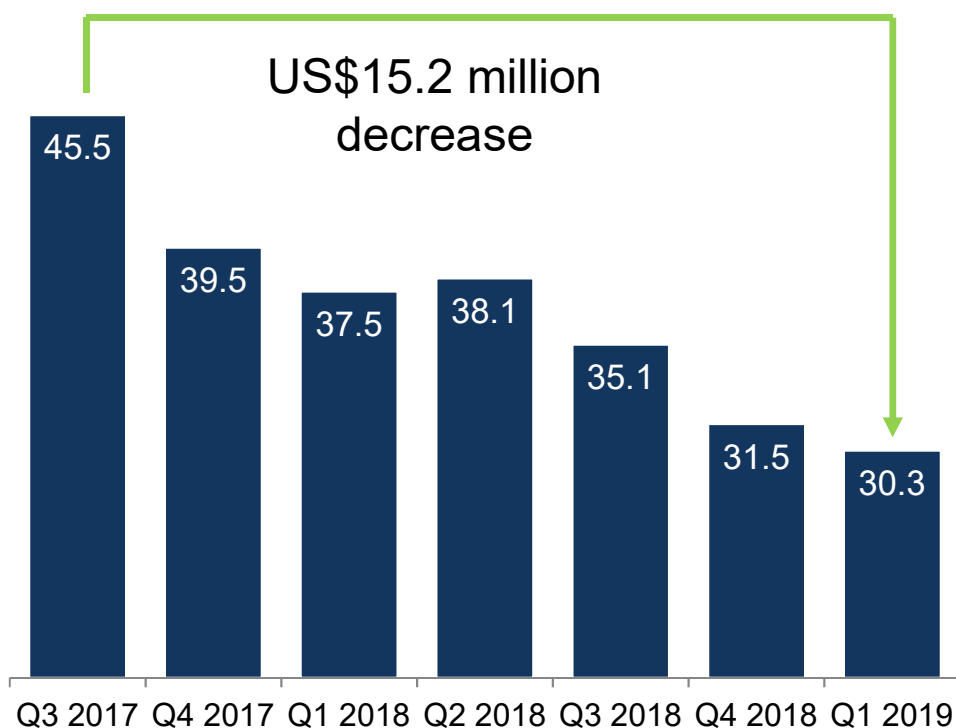


1. Includes ore from development and production
BC = Bauhinia Creek



Balance sheet repair: 33% decrease in Net Debt since Q3 2017

Net debt (US\$ million)



Q1 2019 highlights

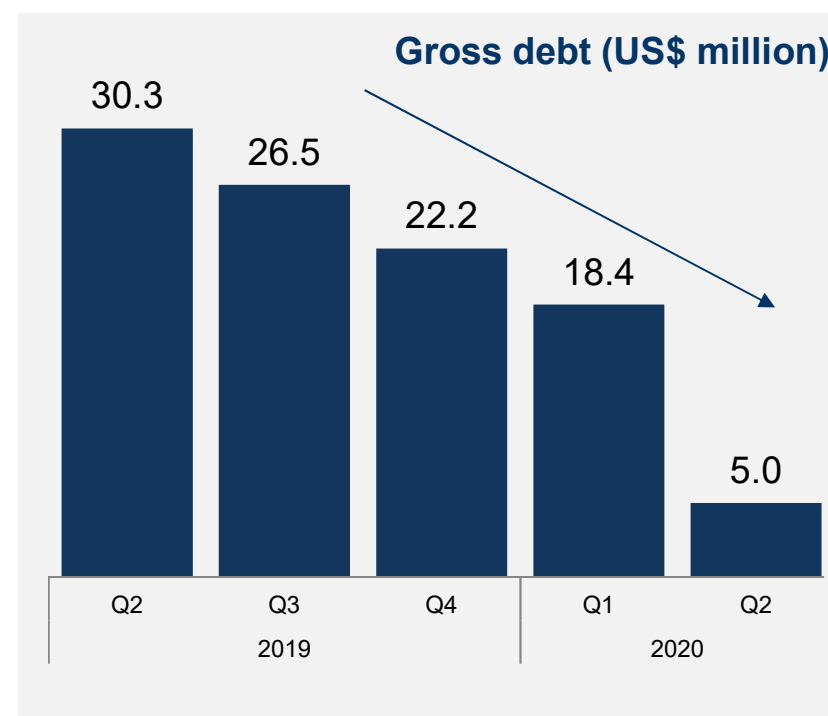
- Unrestricted cash balance of US\$8.4 million at 31 March 2019
- Total liquidity of US\$10.9 million
- Excludes US\$2.5 million bullion available for sale at the end of Q1
- Deleveraging despite US\$5.2 million spent on Ilunga, US\$3 million increase in ROM stockpile, and US\$7.8 million increase in VAT receivable since Q3 2017
- Gross debt at US\$38.7 m, the lowest in over 6 years
 - Post-period end, announced buy-back of US\$4.9 million convertible loan note

Rapid deleveraging

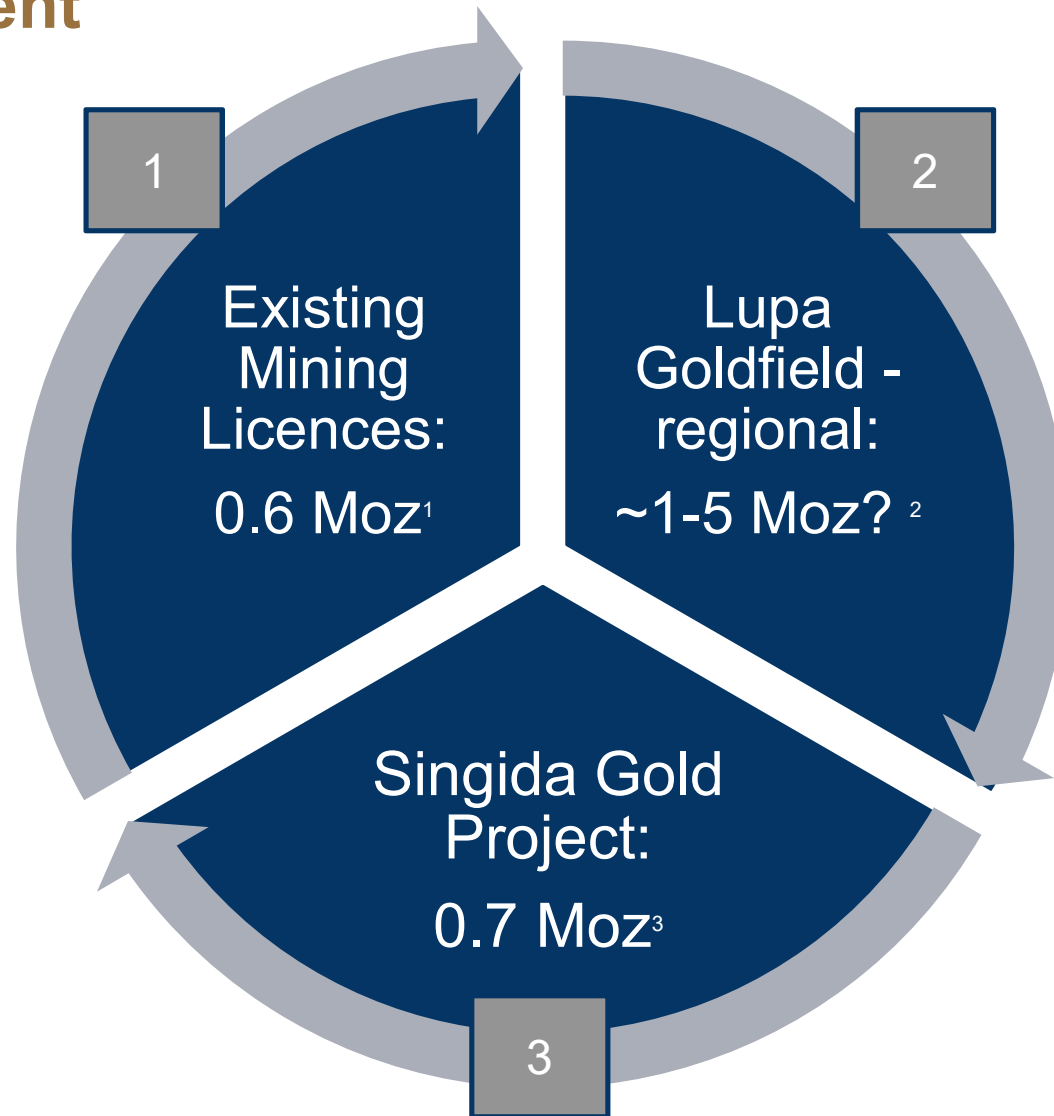
By Q2 2020, Shanta's gross debt expected to be down to approximately US\$5.0 million

Contractual debt principal repayments (April 2019 – Q2 2020) (US\$ million)

	Principal Repayments	Gross Debt
Q2 2019	(8.4)	30.3
Q3 2019	(3.8)	26.5
Q4 2019	(4.3)	22.2
Q1 2020	(3.8)	18.4
Q2 2020	(13.4)	5.0

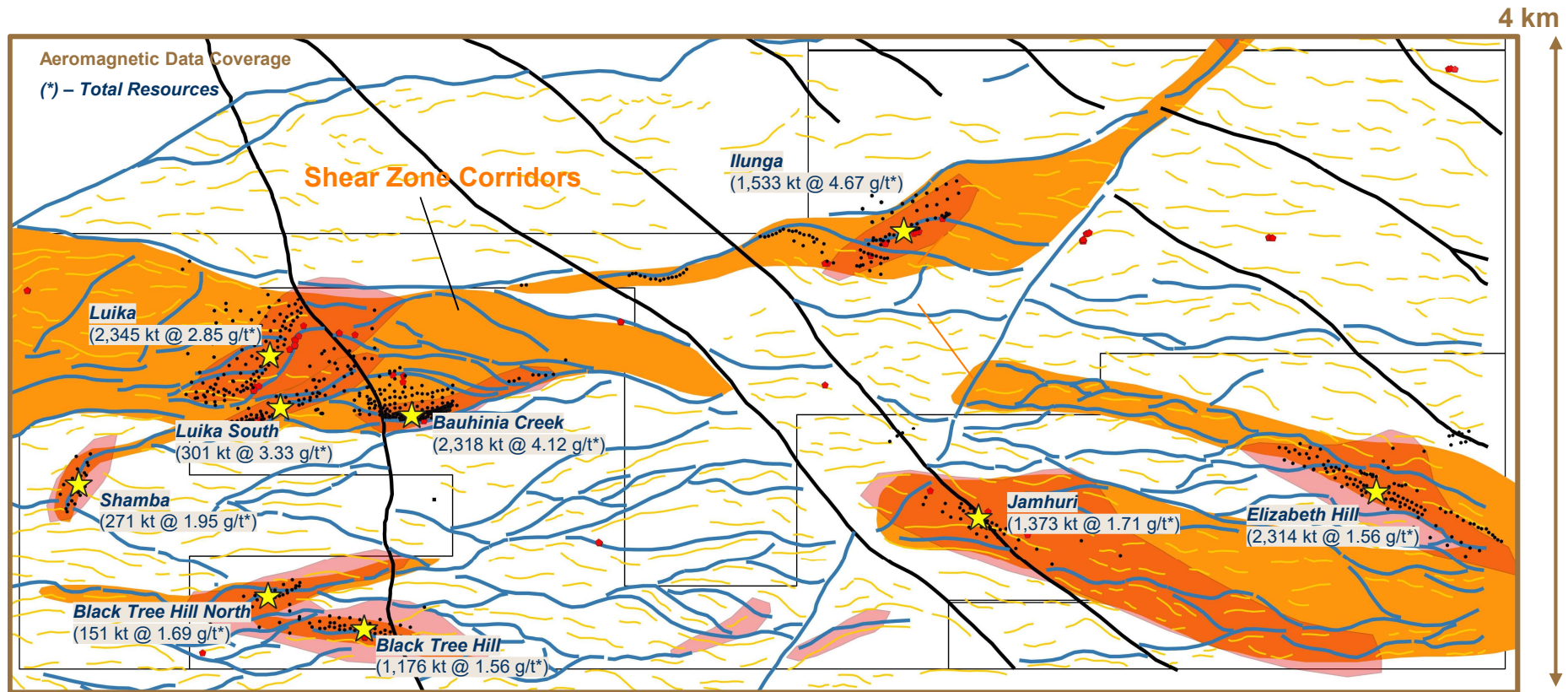


Significant Upside Potential through Exploration and Development



1 Exploration: NLGM Mining Licences across 30 km²

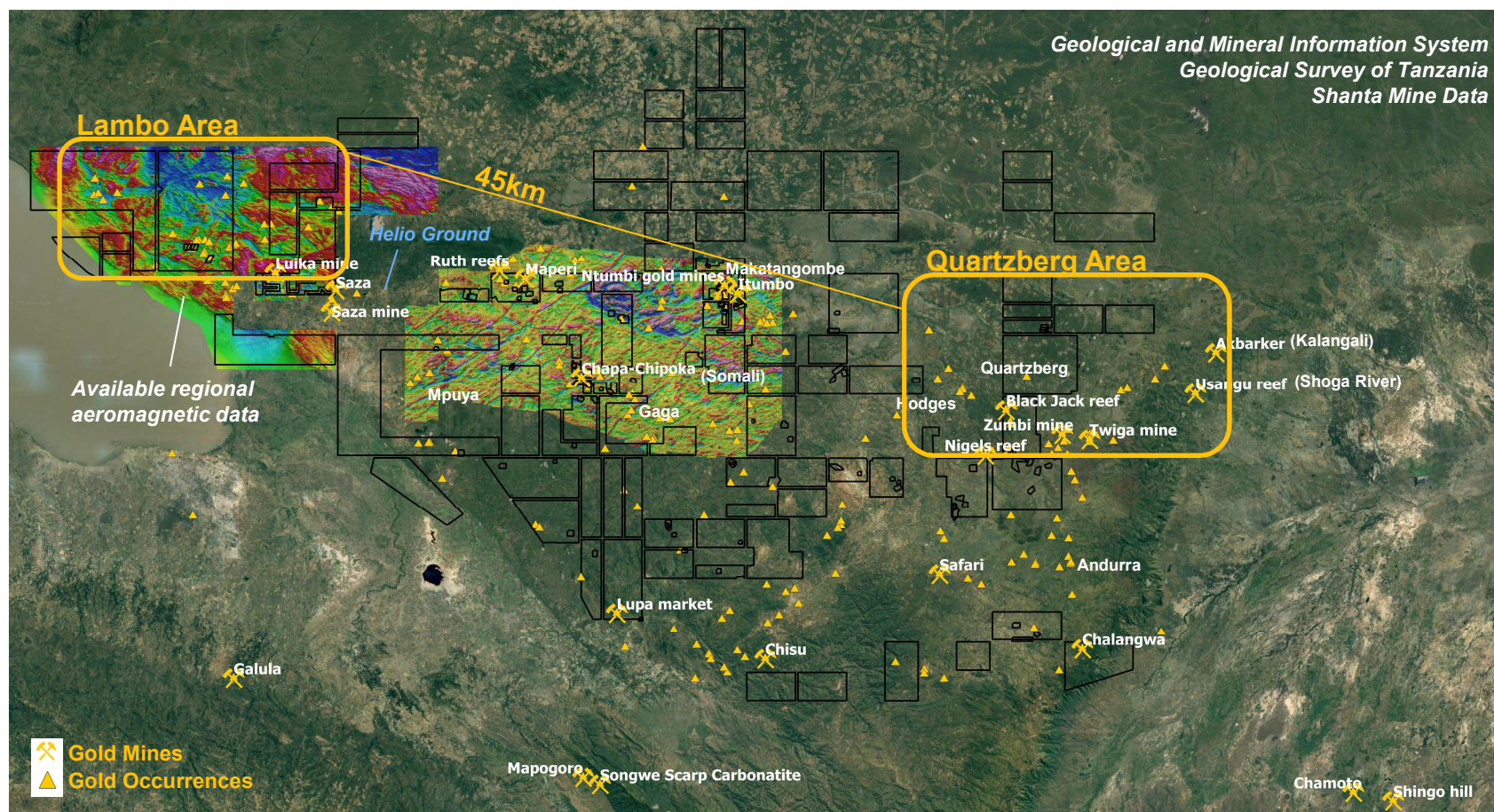
Targeting mine life extension which would be accretive to NAV and generate cash flow for shareholders



- ★ Mine/Deposit
- ◆ High-grade Grab Sample (Shanta Gold)
- High-grade Soil Anomaly (Shanta Gold)
- Collars (Drilling and Trenches)
- Structural Fabric: Gneissosity (Archaean)
- Structural Fabric: Mylonite/Shears (Lupa Mineralization)
- (*) – Total Resources

2 Regional Exploration: Strategy

- ▶ Generation of high confidence targets are being prepared for further testing in 2019
- ▶ The Lupa Goldfield is home to numerous existing and historical gold mining operations



3 IPO of Singida Resources PLC announced in Q1 2019

Proposed listing on the Dar es Salaam stock exchange

\$31
million USD

NPV announced in December 2018

67%

IRR over an initial 6-year mine plan

26,000
oz

Average annual gold production over mine plan at a cash cost of US\$794 /oz

\$19
million USD

Pre-production capital expenditure and working capital

**Significant
upside**

Total inferred resources outside of the project economics amount to 6.57 Mt at 1.63 g/t for 344,000 oz

**Next 6-12
months**

Progressing and completing the IPO of Singida Resources PLC on the Dar es Salaam Stock Exchange

2019 priorities

1

Safe Operational Delivery

80-84k oz in 2019 at AISC of US\$740-800 /oz

2

Exploration

Resource conversion and mine life extension at New Luika

3

Deleveraging

Continued rapid balance sheet deleveraging

4

Unlocking value

-VAT Receivable of US\$23.6 million = 33% of SHG market cap
-Singida asset level financing



Near term catalysts and news

Date	Event
April 2019	Repayment of US\$5 million convertible loan notes
Q2 2019	Exploration update and strategy
Q2 2019	Drilling at Bauhinia Creek Central Potential mine life extension
Q2 2019	Rapid deleveraging with US\$10 million debt payments falling due
Q2/Q3 2019	Increased drilling across extensive regional portfolio of licences
Throughout 2019	Ongoing updates regarding Singida financing

Ongoing engagement with the Ministry of Mines and Finance to repay and/or offset the US\$23.6 million VAT receivable (at March 2019)



Appendix

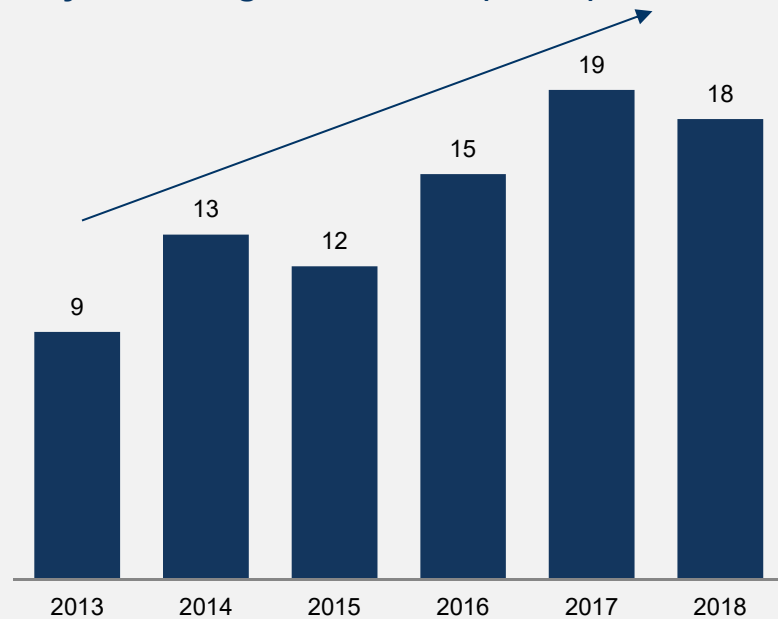
Production performance

	Q1 2019	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Tonnes ore mined (OP + UG)	136,616	677,734	157,952	179,978	197,020	142,784	638,088	143,092	177,416	196,454	121,127
Tonnes ore milled	172,644	639,678	172,902	159,640	157,426	149,710	632,287	162,233	163,109	155,567	151,378
Grade (g/t)	4.49	4.38	4.74	4.26	4.44	3.94	4.28	4.48	3.83	4.28	4.57
Recovery (%)	89.9	90.9	90.9	90.3	91.5	91.7	91.1	91.1	90.9	90.9	92.0
Gold Production (ounces)	22,374	81,872	23,942	19,723	20,544	17,663	79,585	21,288	18,225	19,657	20,415
Gold sales (ounces)	21,290	82,457	24,893	19,737	19,475	18,352	80,365	20,644	18,487	17,982	23,252
Realised gold price (US\$ /oz)	1,305	1,259	1,225	1,218	1,302	1,303	1,263	1,273	1,267	1,265	1,249

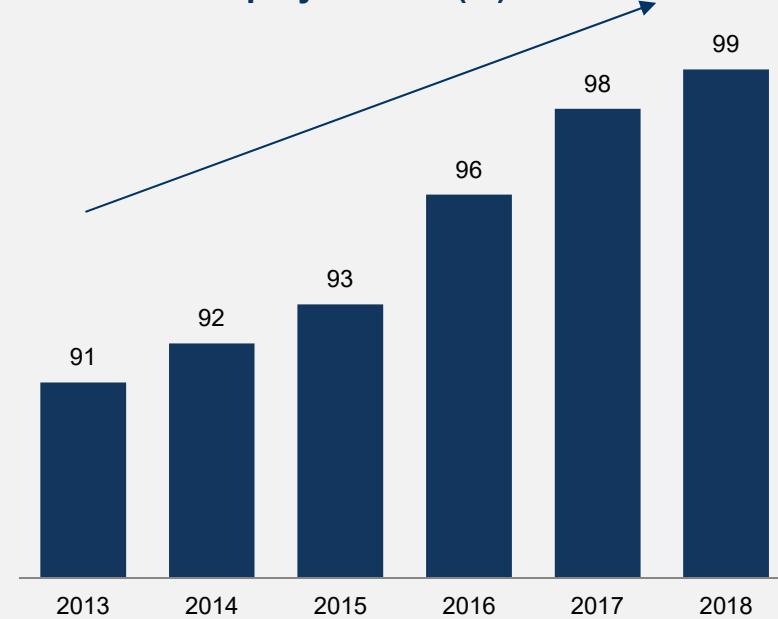
Shanta is committed to Tanzania

- ▶ US\$86 million contributed to the Government of Tanzania in 2018 and >99% Tanzanian workforce
- ▶ Extensive CSR programme across all major disciplines
- ▶ Strong and open relationships with Senior Government Ministers
- ▶ Discussions on refunding or offsetting the current VAT receivable of US\$23.6 million continue

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

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