

Shanta Gold Acquisition of Barrick Gold's Kenya Projects

High grade resources added to Shanta Gold's regional portfolio

10 February 2020



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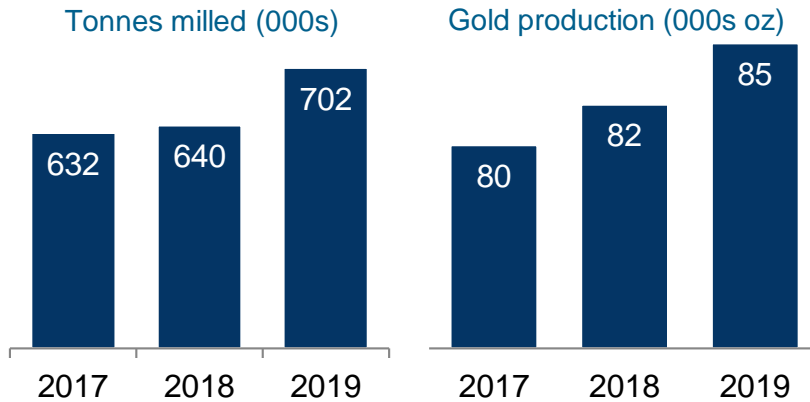
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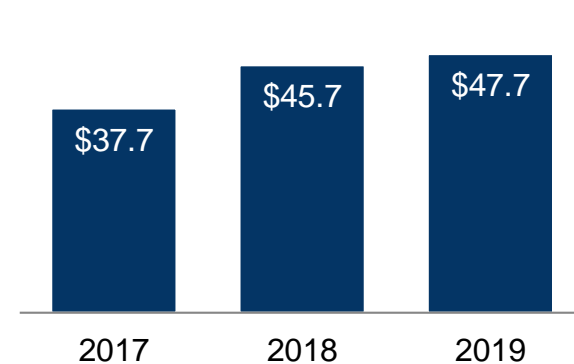
Background to acquisition

- ▶ Shanta's deleveraged balance sheet has increased flexibility to pursue value driven growth

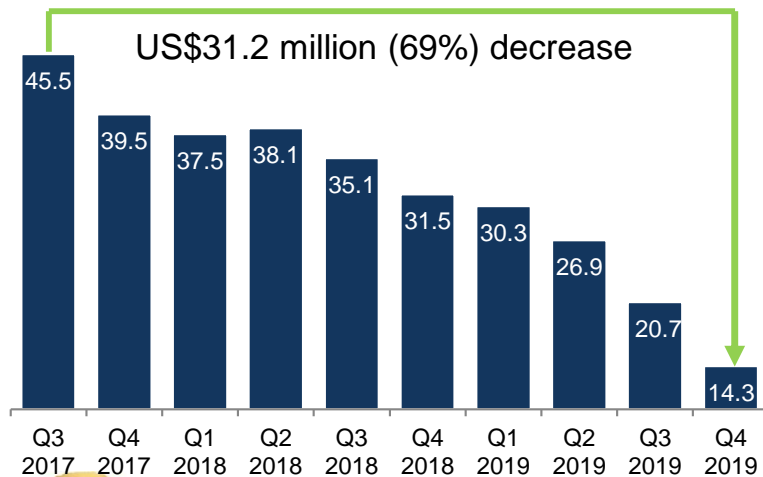
Production improvement...



...lower costs and higher EBITDA...



... and deleveraging (Net Debt in US\$m) ¹



Key achievements over last 3 years

- ✓ Achieved US\$8.9 m p.a. cost savings in 2018
- ✓ Beat cost guidance in 2018
- ✓ Exceeded gold production guidance in 2019
- ✓ US\$31 m (69%) reduction in net debt
- ✓ Successfully built the Ilunga underground mine on budget and ahead of schedule in 2019
- ✓ Mine life extension at New Luika Gold Mine
- ✓ Singida Mineral Resource Estimate
- ✓ 44% reduction in TRIFR since 2017; No LTIs in 25 months; no fatalities

Acquisition highlights:

High Grade West Kenya Project

► **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 meters 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



Transaction summary

► Shanta cash and available liquidity¹ of US\$13.7 million as at 31 Dec 2019

Transaction	<ul style="list-style-type: none">▪ Shanta Gold has entered into a definitive agreement pursuant to which it will acquire 100% of the shares of Barrick's subsidiary Acacia Exploration (Kenya) Ltd. ("AEKL") from two subsidiaries of Barrick Gold Corporation ("Barrick"). AEKL's primary asset is a 100% interest in licences held by Afriore ("West Kenya", "Project")
Consideration	<ul style="list-style-type: none">▪ US\$7 million cash▪ US\$7.5 million shares<ul style="list-style-type: none">- Barrick to become Shanta's fifth largest shareholder with 6.4% interest▪ 2% life of mine NSR covering the Project Licences▪ Shanta to inherit certain liabilities and to adjust for certain working capital items, for up to an additional US\$4 m in cash consideration to settle third party liabilities on or after Closing
Conditions	<ul style="list-style-type: none">▪ Required regulatory approvals in Kenya include<ul style="list-style-type: none">- standard consents from the Mining Authorities to the assignment of interests and the transfer of Prospecting Licences- approval of the Transaction by the Competition Authority of Kenya- registration of the Company's interest in the Project Licences by the Mining Authorities
Timeline	<ul style="list-style-type: none">▪ Transaction announcement: 10 February 2020▪ Transaction expected to close around mid-2020

1. Derived as unrestricted cash, restricted cash and the sale value of bullion available for sale at the end of the Period (net of royalties and expected selling costs and including 2,841 oz Au delivered to Switzerland for refining prior to 31 December 2019, for which proceeds remained unremitted at the end of December 2019

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 early April 2020 following end of Q1 reserve depletion and additions

Experienced African Management and Board

► Management and directors own 9.3% of Shanta Gold (AIM:SHG)

Executive Directors



Eric Zurrin
CEO

- 18 years' experience in mining including 7 years in Tanzania
- Previously CFO of Shanta Gold
- Formerly with UBS Investment Bank covering Metals & Mining Africa/ Middle East



Luke Leslie
CFO

- 18 years' experience in mining including 7 years in Tanzania and 4 years in China
- Previously with UBS Investment Bank covering Metals & Mining Africa/ Middle East
- Formerly management consultant at Accenture



Tony Durrant
Chairman

- Former Global Head of Metals & Mining at UBS Investment Bank
- Currently Chairman of the Investment Advisory Committee Arias Resource Capital Management

Non-Executive Directors:



Rob Fryer

- Led global mining practice at Deloitte
- 40 years' experience in audit/financial



Keith Marshall

- 35 years' experience 22 years with Rio Tinto
- Former President of Oyu Tolgoi in Mongolia and MD Palabora in South Africa



Ketan Patel

- MD of Export Trading Group, soft commodity trading in 22 countries across Africa
- Founder Shanta Gold

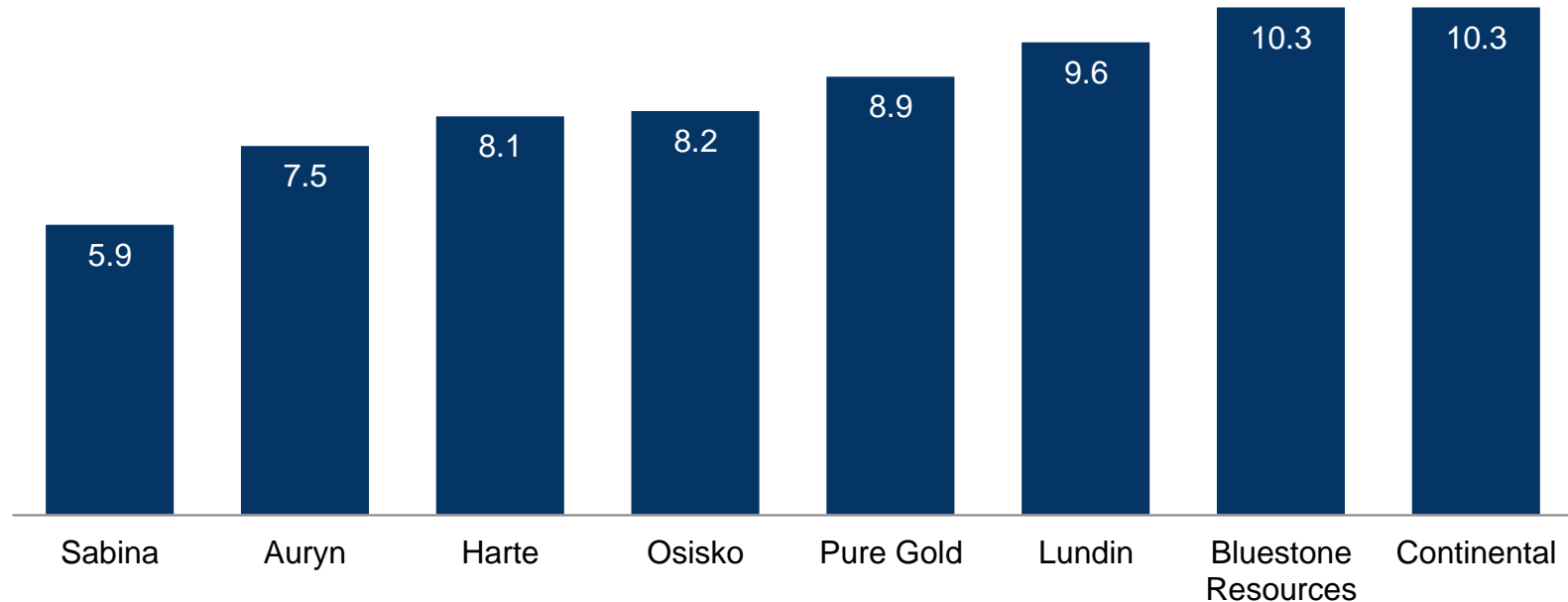
West Kenya Gold Project

Asset Overview

Selected global high grade gold resources

M&I Resource Grade (g/t)

West Kenya Project has an Inferred resource grade of 12.6 g/t

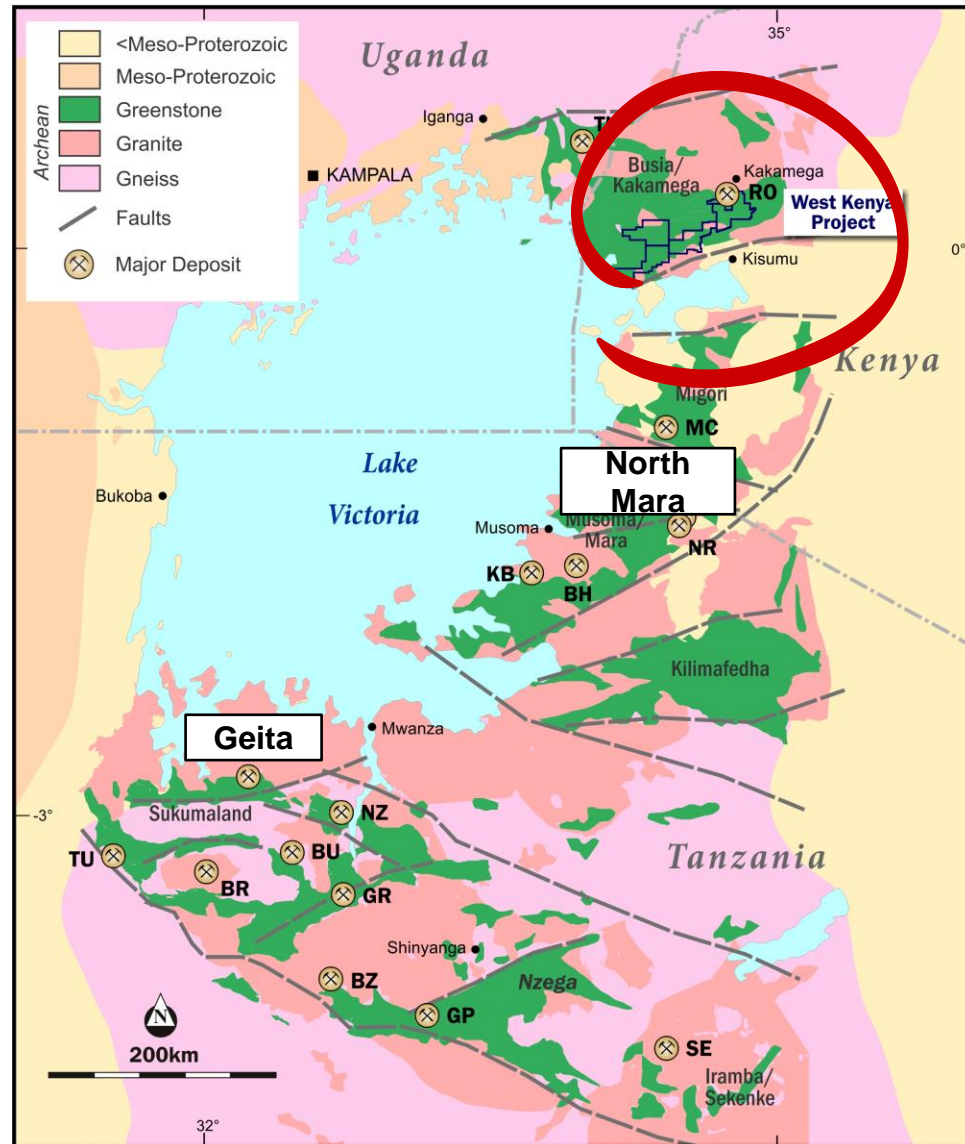


Sources: Corporate disclosure as of 1 September 2019

1. Sabina grades represent Black River Project

Lake Victoria Gold Fields

- ▶ The West Kenya project area covers the majority of the Archaean Busia-Kakamega Belt, the northern most greenstone belt in the Lake Victoria gold field
- ▶ Lake Victoria is home to Global Tier 1 assets and over 35 million ounces of gold production since 1990
- ▶ South West Kenya is underexplored and highly prospective



- BR - Buck Reef
- BH - Buhemba
- BU - Bulyanhulu
- BZ - Buzwagi
- GT - Geita
- GO - Gokona¹
- GP - Golden Pride
- GR - Golden Ridge
- KB - Kiabakari
- MC - Macalder
- NZ - Nyanzaga
- NG - Nyabigena
- NR - Nyabirama²
- RO - Rosterman
- SE - Sekenke
- TI - Tira
- TU - Tulawaka

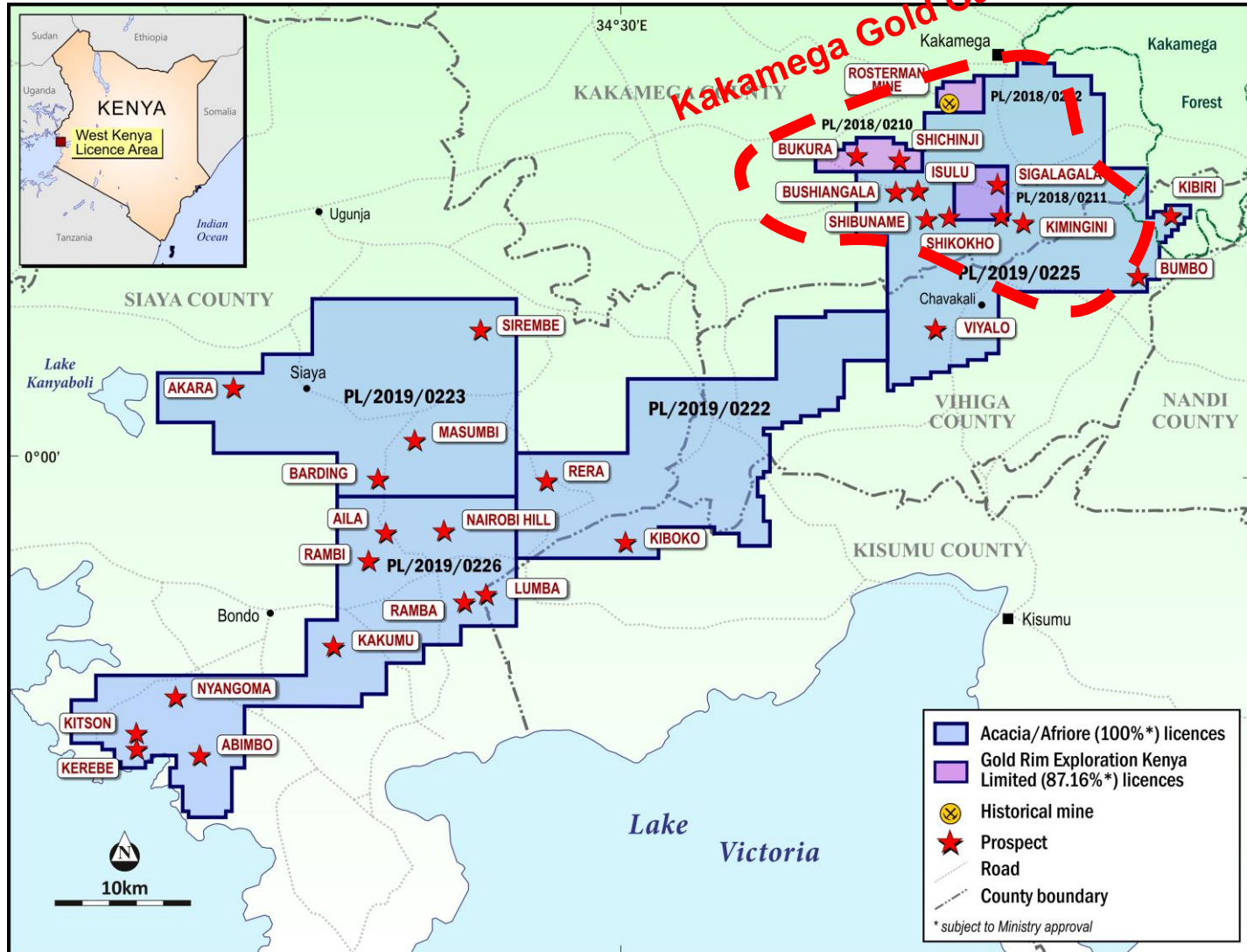
Source: CEIC data



1. Gokona: North Mara underground mine
 2. Nyabirama: North Mara open pit mine

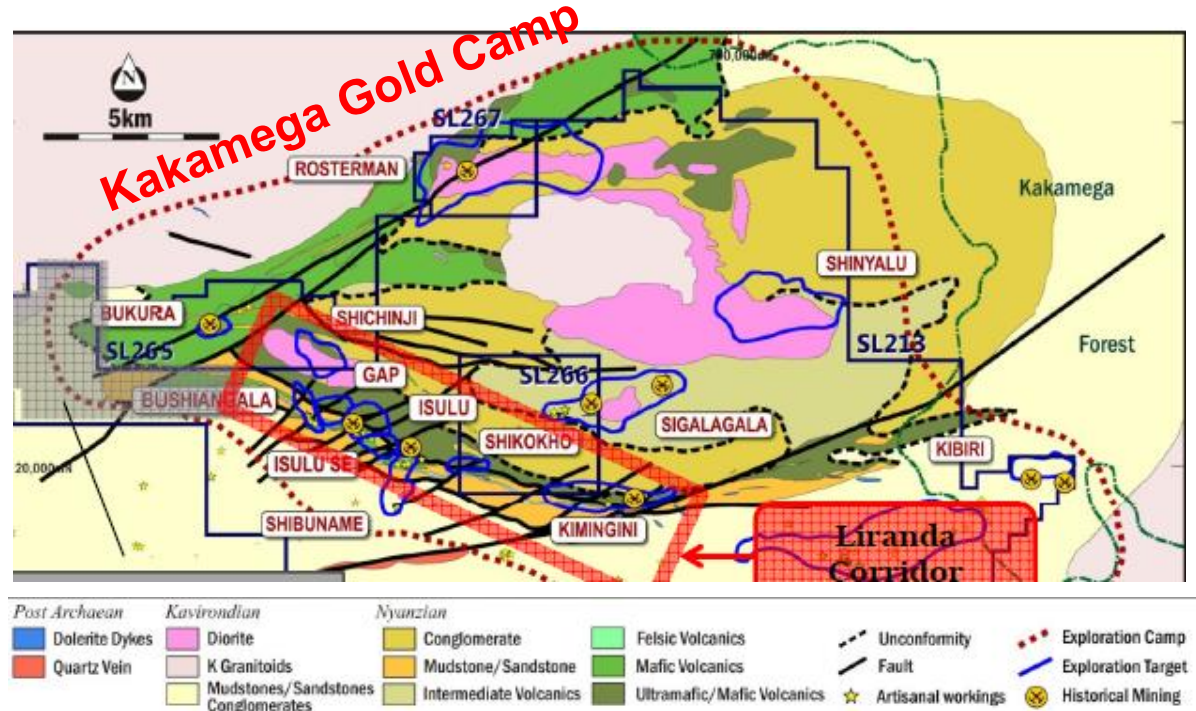
Busia-Kakamega Greenstone belt

- Four prospective exploration camps have been recognised across the belt: Kakamega Camp, Barkalare Camp, Yala Camp and Wagusu Camp

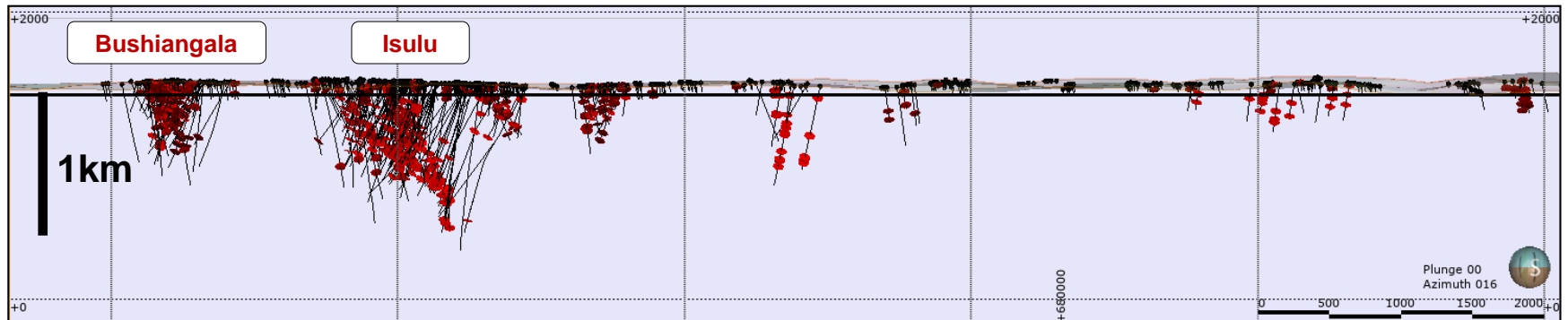


Kakamega Gold Camp hosting the Liranda Corridor

- ▶ Principal prospects are two orebodies: Isulu and Bushiangala
- ▶ Both orebodies lie within the Liranda Corridor on the western margin of the Kakamega Gold Camp



Liranda Corridor: 12 kilometres



Isulu and Bushiangala gold deposits

- ▶ Believed to be one of the highest grading +1 Moz gold deposits in Africa

Total Resource	Tonnes	Grade (Au g/t)	Ounces
Total Inferred	2,909,700	12.6	1,182,300

Source: Cath Pitman, P. Geo – Adivare Geology & Engineering (May 2018)

Isulu Prospect	Cut-off (g/t)	Tonnes	Grade (Au g/t)	Ounces
Total Inferred	2.0	2,527,300	13.0	1,060,300

Bushiangala Prospect	Cut-off (g/t)	Tonnes	Grade (Au g/t)	Ounces
Total Inferred	7.0	382,400	9.90	122,000

Source: Cath Pitman, P. Geo – Adivare Geology & Engineering (May 2018)

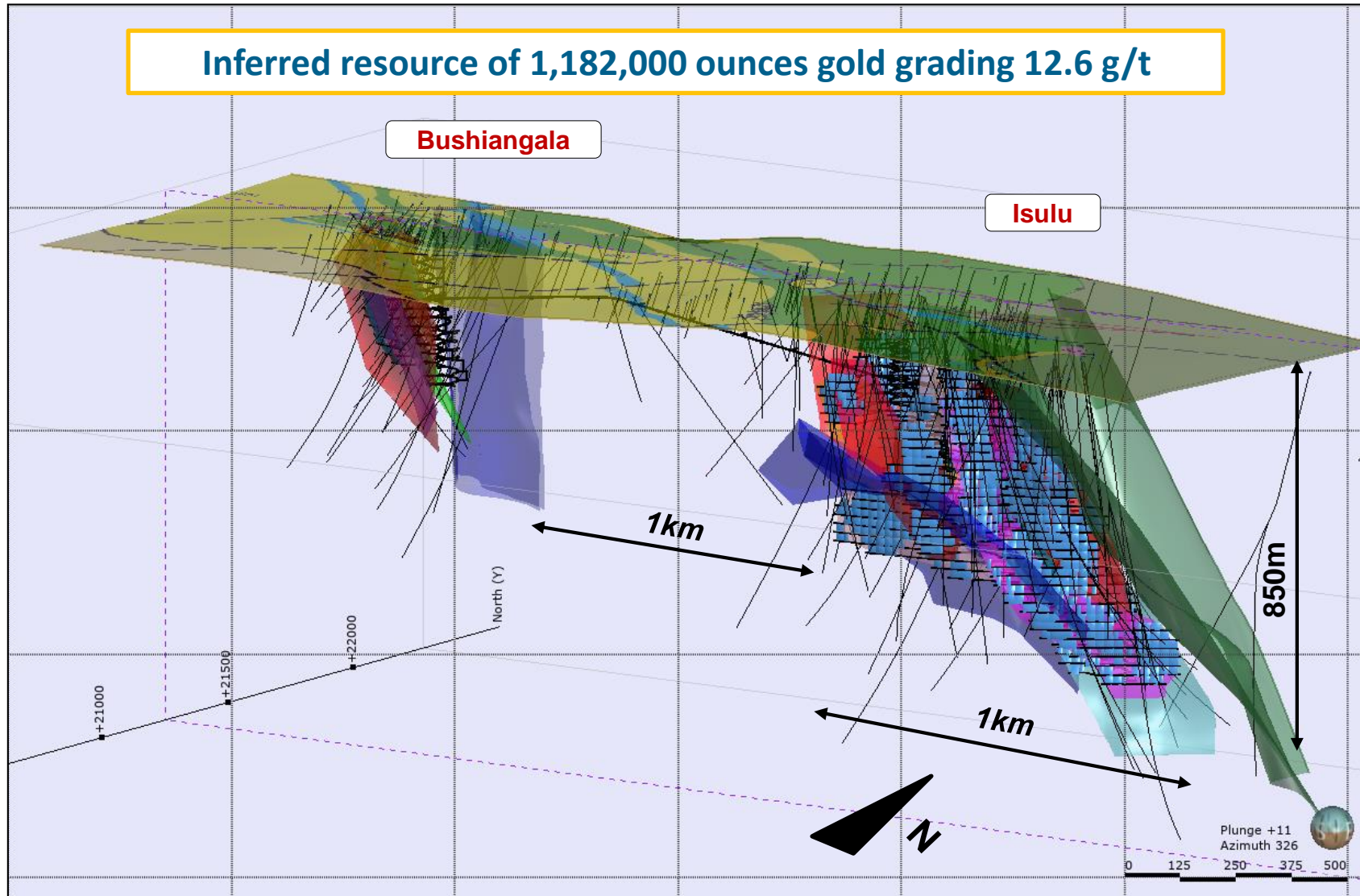
Kakamega Camp – Isulu and Bushiangala deposits

- ▶ Visible gold has been recorded in 85 individual mineralised zone intercepts in 62 drill holes (out of 190 drilled on the Isulu and Bushiangala prospects)
- ▶ 36 mineralised zone intercepts returned multiple occurrence of visible gold



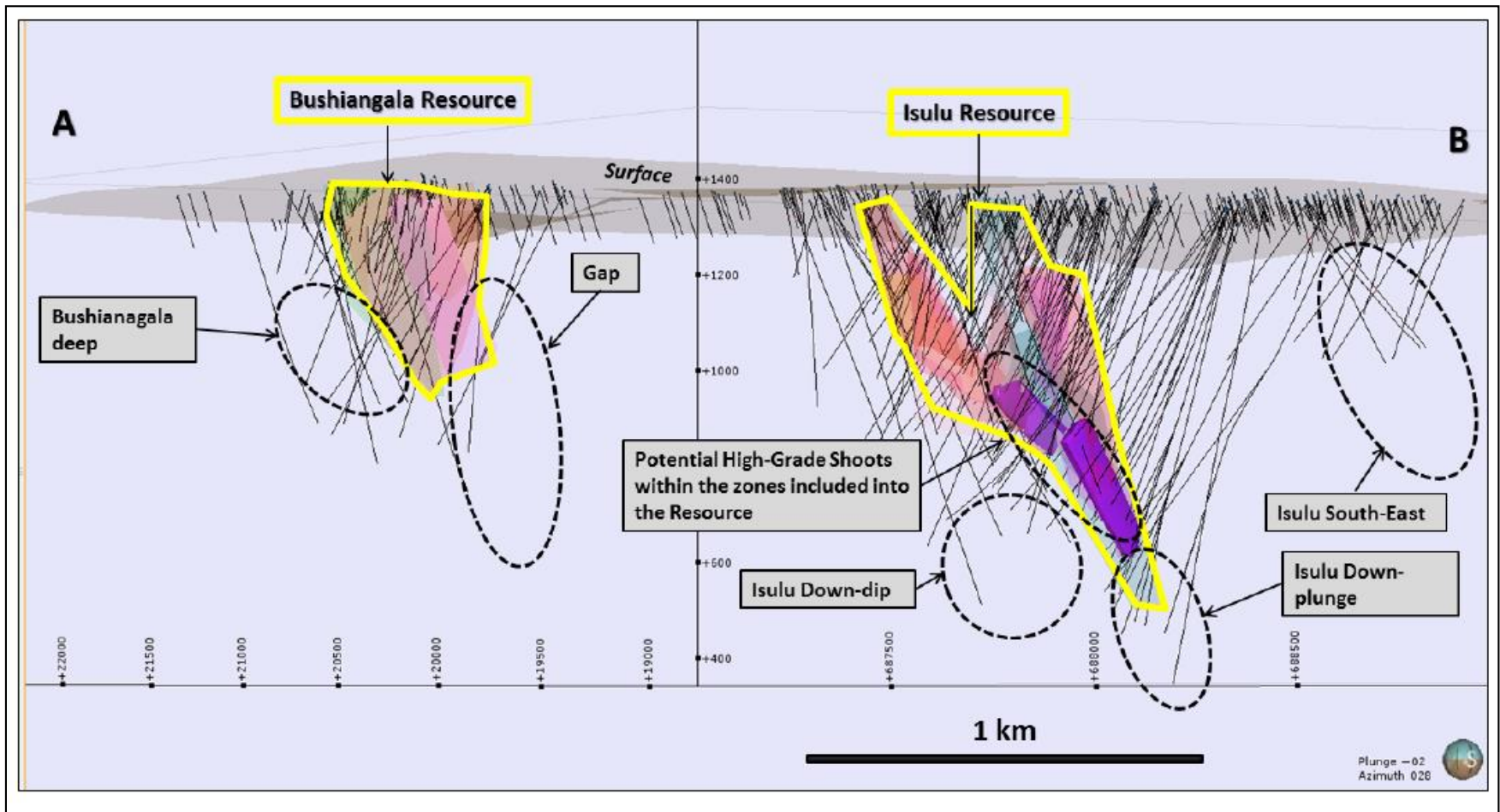
Isulu and Bushiangala deposits

- ▶ High grade surface oxides underpinned by underground deposits catering to LHOS mining method



Isulu and Bushiangala deposits with upside potential

- ▶ Numerous proximal targets for potential to significantly increase the gold resource



Summary

Pro forma shareholder register

► Post Closing, around mid-2020, Barrick will become a 6.4% shareholder in Shanta Gold

Shareholder	# shares (million)	% interest
Odey	147	17.3
Sustainable Capital	95	11.1
Majedie	58	6.8
Hargreaves Lansdown	55	6.5
Barrick	55	6.4
River & Mercantile	44	5.2
Management & Board	74	8.7
Other	321	37.8
Total	849	100%

Source: Shareholder register as of 31 Dec 2019 adjusted for issuance to Barrick and PDMR update in January 2020

Shanta current capitalisation

Share Price (GBP) (7Feb2020) 11.0 p

Market capitalisation US\$114 m

Net debt (31Dec2019)¹ US\$14 m

Enterprise Value US\$128 m

EBITDA² US\$48 m

EV / 2019 EBITDA 2.7 x

1. Includes liquidity available from unsold doré on delivery to refinery

2. Before non-cash loss on unsettled forward contracts

Summary highlights and future work

- ▶ Updated mineral resource estimate and process to reach a construction decision could take up to 36 months

Transaction summary

- ✓ Inferred Mineral Resource Estimate of 1.2 Moz gold grading 12.6 g/t
 - ✓ 1,161 sq km within the Lake Victoria greenstone gold field
 - ✓ Extensive exploration data set following US\$55 m invested in exploration since 2010
 - ✓ Historical gold production of approximately 259,000 oz at 12.3 g/t from Rosterman mine within the Project licences
-

Future work planned by Shanta

- Progressing a scoping study
 - Infill drilling campaign
 - Pre-Feasibility Study
 - Definitive Feasibility Study
-

Appendix

Kenya country overview

► Kenya is the largest economy in East Africa and sixth largest in Sub Saharan Africa

Snapshot	
Population 2019	48 million
Capital City	Nairobi
Religion	Christian (85%) / Muslim, other
Economy	
GDP 2019	US\$99 billion
Primary Industries	Agriculture, manufacturing, telecommunications, services sector and tourism
GDP Growth (16-19)	5-6%
Political	
System	Parliamentary republic (democratic)
Elections	Every 5 years (most recently in August 2017)

Source: World Bank, various

Kenya mining regime

- Primary gold field: Lake Victoria
- Sophisticated infrastructure network
- Corporate tax rate—30%
- Royalty—5%
- State free carried interest: 10% upon award of a mining licence
- AIM and ASX listed Base Resources' (AIM, ASX: BSE) Kwale Project is the country's only large scale mine

► **Complementary language and legal systems between Tanzania and Kenya based on English law**

History of West Kenya Project

- ▶ History of colonial small-scale gold mining dating back to the 1920's; mining ceased in 1950's

Period	Owner and activity
1929-1945	Small scale and alluvial gold mining
1960-1990s	UNDP/GOVT Regional base metals and gold exploration
1988	San Martin Ltd awarded prospecting licence (SL123)
2001-2007	AfriOre JV and acquisition of SL123 prospecting licence
2003-2007	AfriOre granted licence (SL 213) in 2003 and progresses exploration
2007	Lonmin acquires AfriOre
2010	Aviva Mining Corp JV with AfriOre, earning 51% of both licences (SL 123 and 213)
2012	African Barrick Gold (ABG) acquires Aviva's 51% interest for US\$20 million. ABG also acquires Aviva's 75% interest in JV with Advance Gold (Gold Rim Ltd).
2015	ABG pays an additional U\$5 million to terminate JV with AfriOre, now beneficially owning 100% of the licences
2013-2018	Acacia (formerly ABG) invests US\$45 million in exploration activities drilling 221,000 metres (DD/RC/AC). Declares a maiden NI 43-101 resource in 2017 and updated to 1.2 Moz at 12.6 g/t in 2018.
2019	Barrick acquires 100% of Acacia

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