

SHANTA GOLD

Q1 2017 Production & Operational Update

20 April 2017

www.shantagold.com

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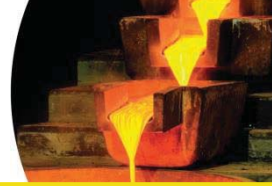
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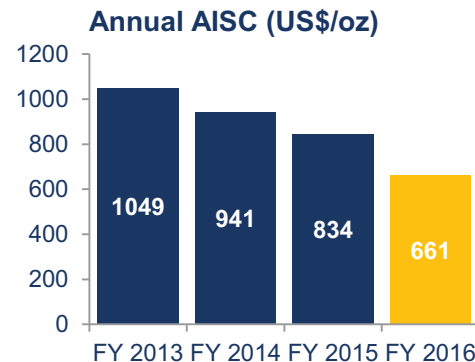
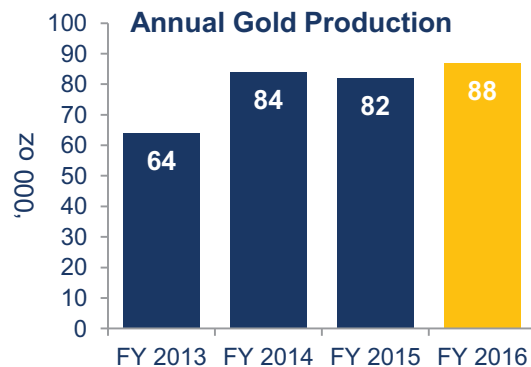
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Shanta Gold - key attributes

1. **An established gold producer** at New Luika Gold Mine (2016: 87,713 oz) with high grade resources
2. **Low AISC** (2016: US\$661 /oz) and potential for **long mine life** (2023+)
3. **Generating free cash flow** to support new investments and/or shareholder returns in the future – cash generated from operations in FY2016 of US\$45.9 m
4. **Revised Mine Plan:**
 - Extends NLGM mine life to produce 514 koz to 2023
 - Low cost production with significant returns
 - Further upside from substantial and growing resource outside of the mine plan
5. **Actively** considering growth opportunities
6. **Focused** on **Tanzania**, an established and attractive mining country
7. **Strong management team** with pan-African experience in surface and underground operations with track record of delivery



About Shanta Gold

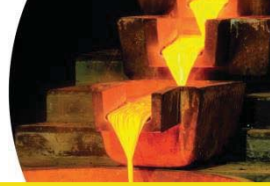


Shareholder	Shares	%
Odey AM	107,873,112	19
Majedie AM	57,734,450	10
Ketan Patel	43,005,484	7
River & Mercantile	42,000,000	7
Brooks Macdonald	35,261,818	6
Hargreaves Lansdown AM	30,971,294	5
JP Morgan Securities	28,331,586	5
Hargreave Hale	21,511,739	4
Jonathan Leslie	17,444,088	3
Sub-total	359,536,041	62
Other	223,396,160	38
Total shares outstanding	582,932,201	100

Financial Position		(19 April 2017)
Current Price (pence)		8.99
52 week range (pence)		4.55 – 13.38
Shares Outstanding		583 million
Market Cap (GBP)		52.3 million
Cash (US\$)		11.7 million
Gross Debt (US\$)		56.2 million
Enterprise Value (US\$)		110.2 million



A low-cost established producing gold company engaged in mining and exploration projects in highly prospective, under-explored areas of Tanzania



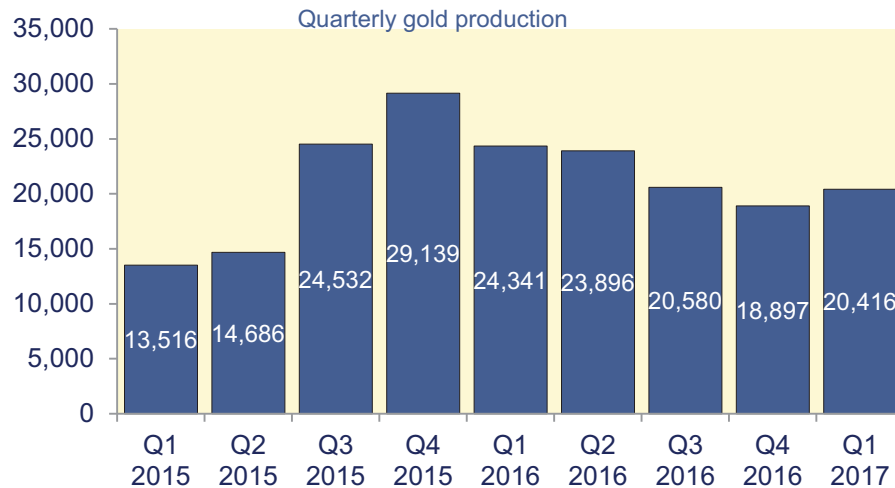
Q1 2017 Operational Highlights





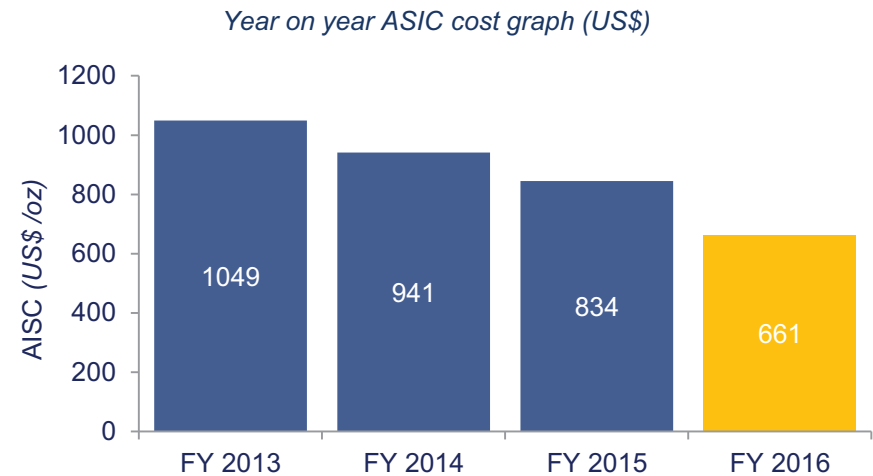
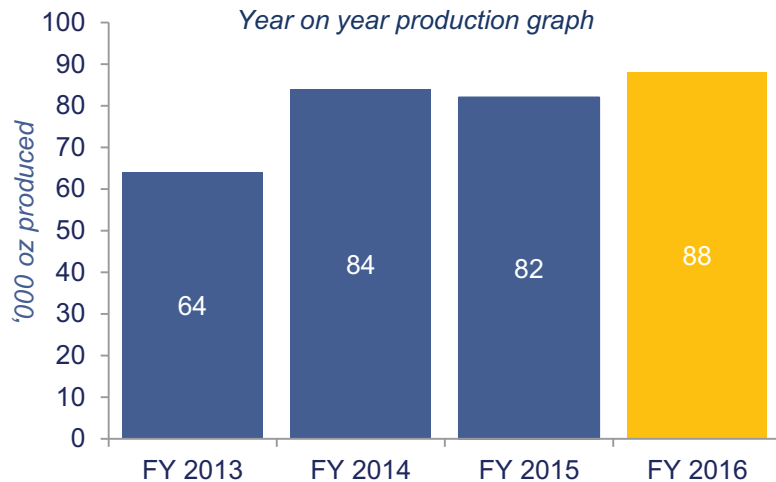
Q1 2017 highlights

- Gold production of 20,416 oz (Q4 2016: 18,897 oz)
- Gold sales of 23,252 oz at an average price of US\$1,249 /oz compared to the average spot price of US\$1,219 /oz (Q4 2016: 15,285 oz at an average price of US\$1,187 /oz)
- Cash Cost of US\$553/oz (Q4 2016: US\$486 /oz) and AISC of US\$768 /oz (Q3 2016: US\$747 /oz)
- One lost time injury
- Underground project development on track and within budget for first ore production in Q2 2017
- Work continues on the second Tailings Storage Facility (“TSF2”)
- Publication of a Revised Mine Plan to 2023
- Drilling assay results released for the Nkuluwisi prospect with maiden resource expected in Q2 2017





FY 2016 - NLGM operations



2016 costs unaudited

Guidance for 2017

- Annual guidance for 2017 of 80,000 – 85,000 oz at AISC of US\$800 – US\$850 /oz.
- The transition from surface to underground operations will require processing of lower grade ores during H1 2017 as access to higher grade underground ore is established. This will result in production being weighted to the second half of the year. Q2 2017 is anticipated to be Shanta's lowest quarter.

Production performance quarter-on-quarter

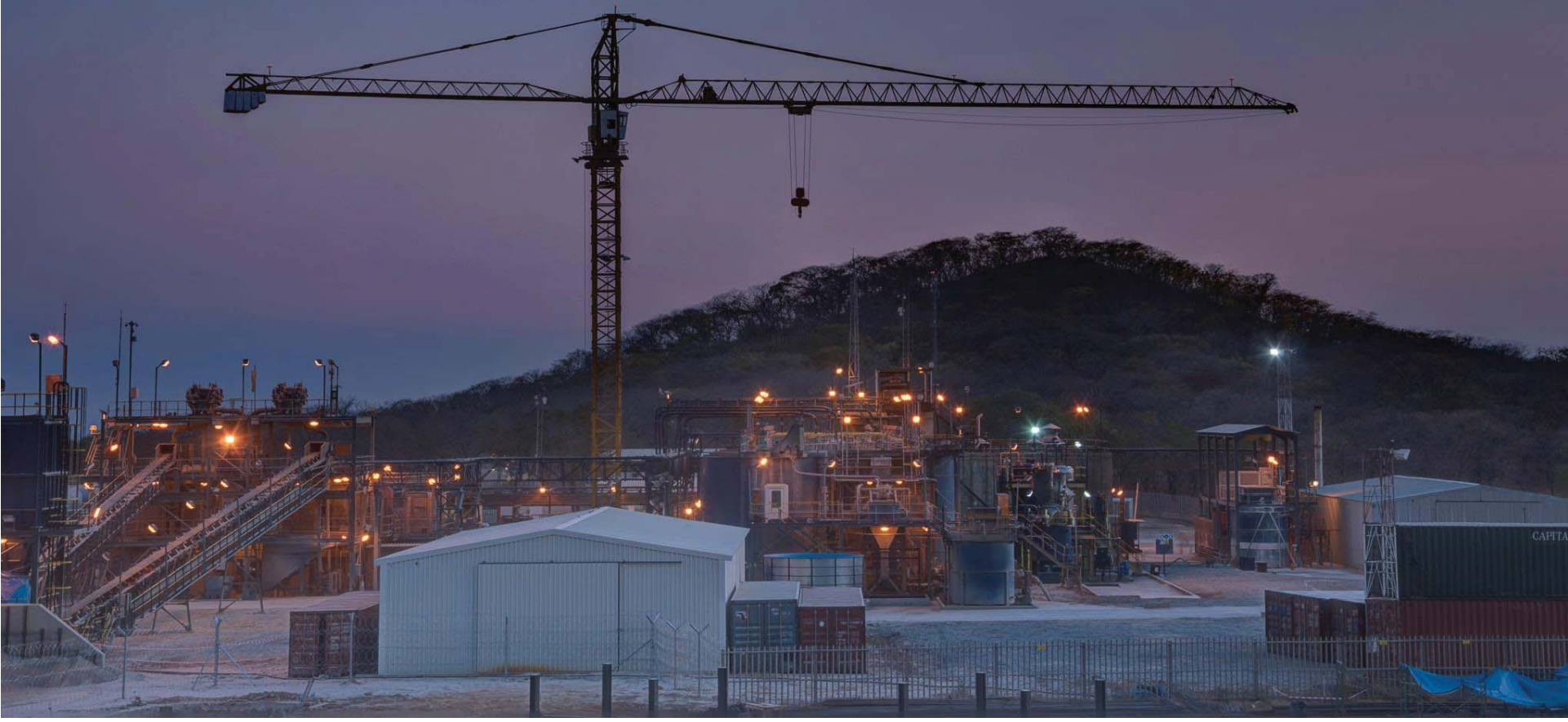


	Q1 2017	FY 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Tonnes ore mined	121,127 ¹	622,853	63,192	99,417	266,686	193,558	478,144	184,167	147,324	89,368	57,285
Tonnes ore milled	151,378	597,583	151,827	144,930	151,698	149,128	563,619	155,622	150,216	119,857	137,924
Grade (g/t)	4.57	5.01	4.26	4.90	5.48	5.69	4.96	6.50	5.68	4.27	3.38
Recovery (%)	92.0	90.0	90.8	90.2	89.5	89.3	89.6	89.5	89.5	89.3	90.1
Gold Production (ounces)	20,416	87,713	18,897	20,580	23,896	24,341	81,873	29,139	24,532	14,686	13,516
Gold Sales (ounces)	23,252	86,331	15,285	23,426	26,134	21,486	80,622	29,228	26,254	11,590	13,551
Silver production	28,750	126,572	24,731	30,381	36,316	35,144	121,682	39,153	36,107	22,145	24,278
Realised gold price (US\$ /oz)	1,249	1,217	1,187	1,301	1,246	1,132	1,163	1,087	1,175	1,222	1,252

¹15,171 tonnes of development ore



FINANCIAL





Q1 2017 Financial

- Cash balance of US\$11.7 m (Q4 2016: US\$15.0 m)
- Cash generated from operations in Q1 of US\$6.6 m (Q4 2016: US\$0.1 m cash used in operating activities)
- Capital expenditure of US\$9.9 m (Q4 2016: US\$12.9 m), before deducting US\$5.1 m relating to processing of 13,946 tonnes of underground development ore (15,171 tonnes of underground development ore was mined) prior to commercial underground production at NLGM
- Gross debt of US\$56.2 m (Q4 2016: US\$57.9 m) and net debt of US\$44.5 m (Q4 2016: US\$42.9 m)
- Forward sale from April to October 2017 of 25,000 oz at an average price of US\$1,292 /oz
- Currently in discussions with the government in regards to refund of US\$12 m of VAT that has been paid by Shanta

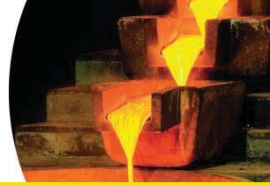
All figures US\$m	2015	2016	Q1'17	Q4'16
Capital expenditure	28.2	39.7	9.9	12.9
Gross Debt	60.2	57.9	56.2	57.9
Cash balance	19.1	15.0	11.7	15.0
Net debt	41.1	42.9	44.5	42.9



DEVELOPMENT & EXPLORATION UPDATE



DANGER
JUMBO
DRILLING CABLE



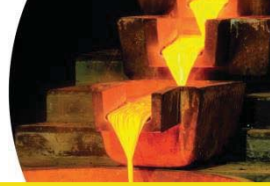
New Luika

- Revised Mine Plan delivered in March 2017 increased resources through exploration and reduced operating costs
- Reserves increased from 2.66Mt at 5.93 g/t for 506,000 oz to 3.64Mt at 4.40g/t for 515,000oz after depletion of 104,000 oz
- Resources sitting outside the RMP of 9.47 Mt at 2.24 g/t for 683,000 oz
- Near mine exploration and development campaign is a key component of the ongoing strategy

Singida

- The Singida pilot plant project
- Singida has significant exploration upside potential which will be evaluated in the coming quarters while an updated full scale feasibility study is conducted





Revised Mine Plan March 2017 - highlights

39%

increase in forecast gold production from NLGM from 2017-2023

4 year

extension of the maximum utilisation of the NLGM plant

85.2koz p.a.

average production from 2017 to 2020

Low costs

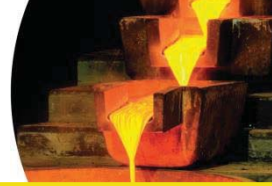
average Cash Cost and AISC of US\$577 /oz and US\$736 /oz respectively

**Significant
upside**

through inclusion of substantial resources that currently still sit outside the Plan

\$123
million

NPV for Plan from January 2017 (at an 8% discount rate and a gold price of US\$1,200/oz)



Key Resource Management achievements

▶ A systematic and continuing programme of exploration to optimise and upgrade prospects

Sept 2015

- Base Case Mine Plan announced including 506 koz of reserves at 5.9 g/t

Sept 2015

- Elizabeth Hill resource upgrade to 128 koz

Jan 2016

- Elizabeth Hill reserve upgrade to 667 koz at 1.33 g/t for 28 koz

Feb 2016

- RC & DD drilling programme completed at Askari

Apr 2016

- Drilling programmes completed at Ilunga and Black Tree Hill

Jul 2016

- Second phase drilling programme completed at Ilunga to confirm strike and depth extensions

Sept 2016

- Ilunga resource upgrade to 258 koz

Dec 2016

- New Luika Gold Mine Intersects First Underground Ore

Mar 2017

- Exploration Update, Nkuluwisi, Lupa Goldfields

Mar 2017

- New Luika Gold Mine Revised Mine Plan and Reserves Update

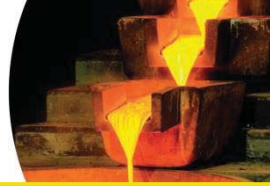
- Continued exploration work and incorporation of resources into the NLGM mine plan





SUMMARY





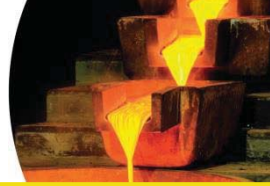
Q1 2017 Summary

SUMMARY

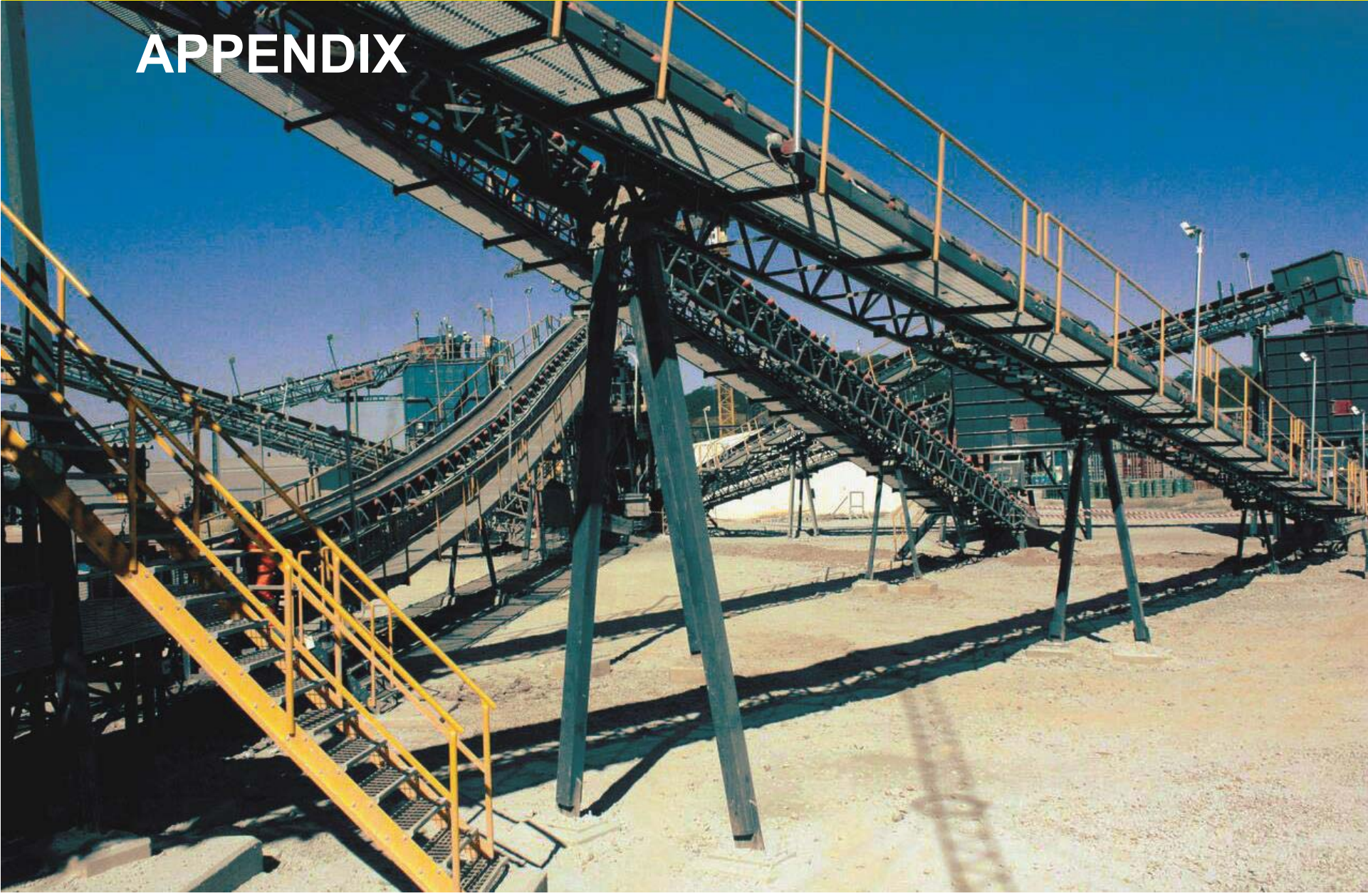
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- Underground project development remains on schedule and within budget, 15,171 tonnes of ore mined already with grade of 10.6 g/t.
- Annual guidance for 2017 of 80,000 – 85,000 oz at AISC of US\$800 – US\$850 /oz

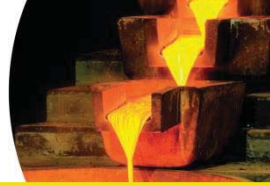
FIVE YEAR OUTLOOK

- The Revised Mine Plan produces gold at an average AISC of US\$736 /oz with an average production for the next four years (2017-2020) of 85,000 oz
- 3.6 Mt of ore at an average grade of 4.4 g/t for 515,500 contained ounces from January 2017 to 2023
- Underground production expected to commence from Q2 2017
- Resources sitting outside the RMP of 9.47 Mt at 2.24 g/t for 683,000 oz
- Targeted exploration program advancing multiple near mine and on licence mineralisation
- Increasing focus on the Singida Project
- Actively seeking growth opportunities



APPENDIX





Risk reduction through focus on broad Business Sustainability

- ▶ Shanta Gold's CSR commitment of 0.5% of revenue per year deployed in local programs
- ▶ Shanta Gold's employee base is 95% Tanzanian

Employment

- NLGM has grown to be a major source of new employment
- Over 40% of workforce from NLGM currently employed from local communities

Education

- Construction of 6 classrooms and 8 offices at Mbangala
- Ancillary equipment provided
- Laboratory constructed at Saza Secondary School

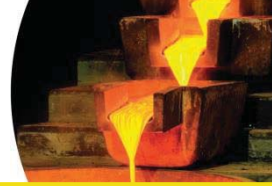
Health

- Provision of the site ambulance to transport patients from Mbangala to hospital in Mwakajuni
- Bore hole drilling for water supply
- Dispensaries at Maleza and Mbangala

Community

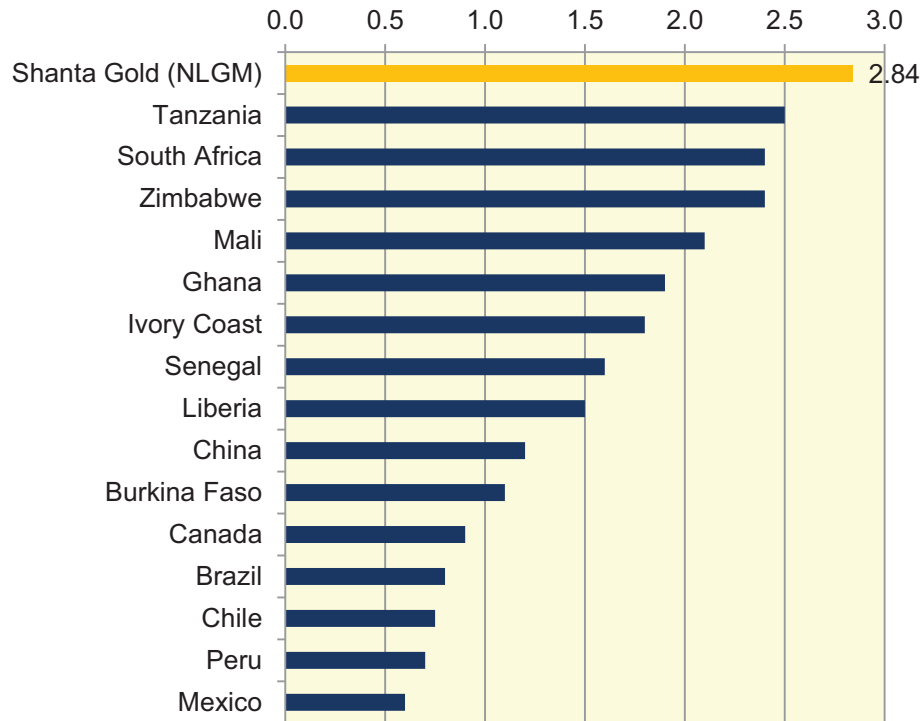
- Local regular engagement
- Education and managing expectations
- Work to attract alternative economic development





High Grade Resources

Total resource grade of gold deposits, by country (g/t)



Source: BMO Capital Markets Research, Metal Economics Group

Shanta Gold – New Luika Resources

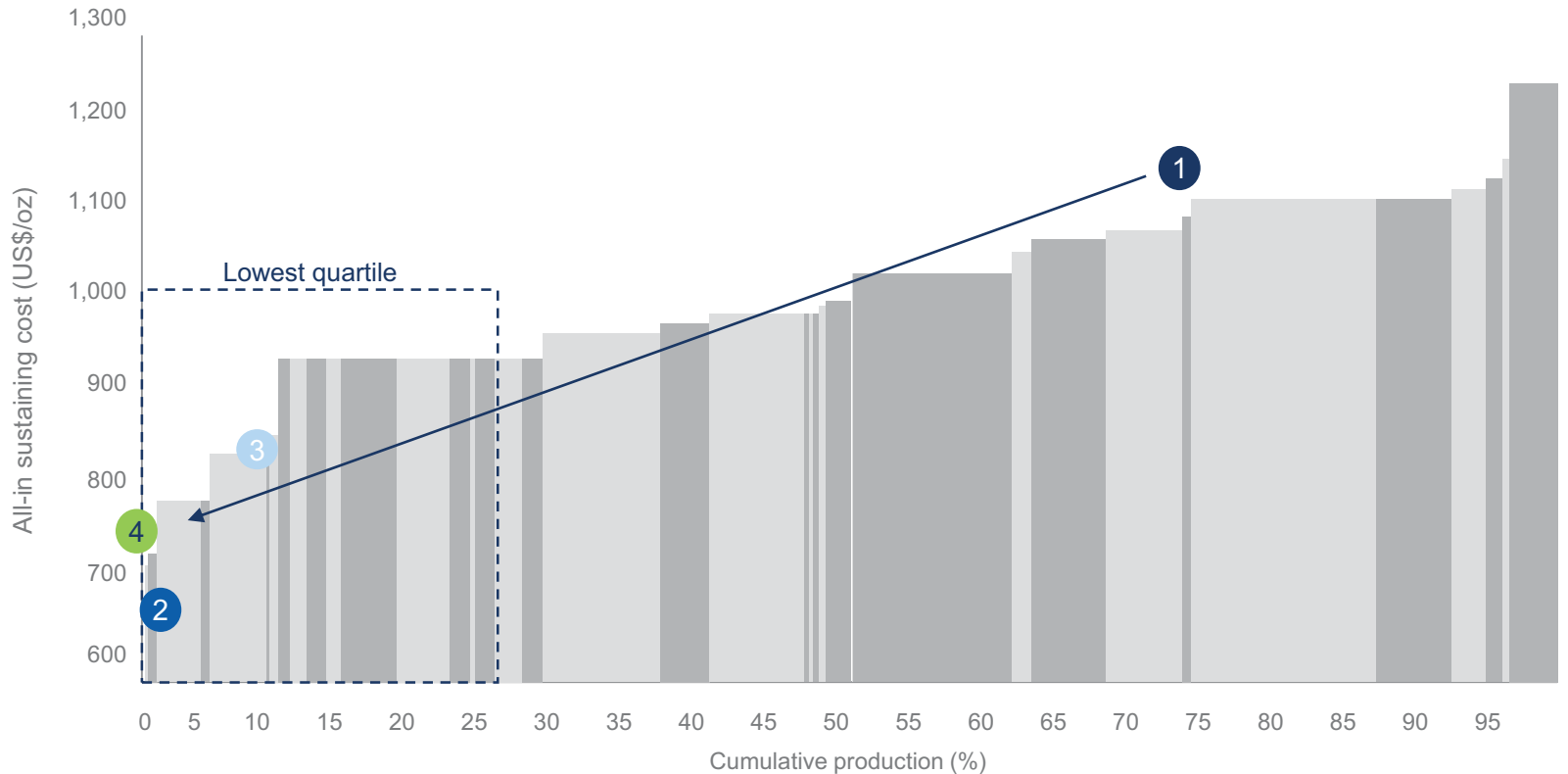
Deposit	Gold Oz (000s)		
	Reserve grade (g/t)	Reserve	Resource
Bauhinia Creek	6.2	253	167
Luika	4.9	73	158
Elizabeth Hill	1.3	32	83
Jamhuri	2.0	7	75
Black Tree Hill	1.3	5	8
Ilunga	5.2	17	92
Shamba	2.2	16	8
Black Tree North	na	na	59
Luika South	na	na	32
Total NLGM	4.4	515	683

Reserves not included in Resources



Low Cost Producer

Lowest quartile cost position



- 1 2013A: US\$1,049 /oz
- 2 2016A: US\$661 /oz
- 3 2017 guidance US\$800 – US\$850 /oz
- 4 RMP¹: US\$736 /oz

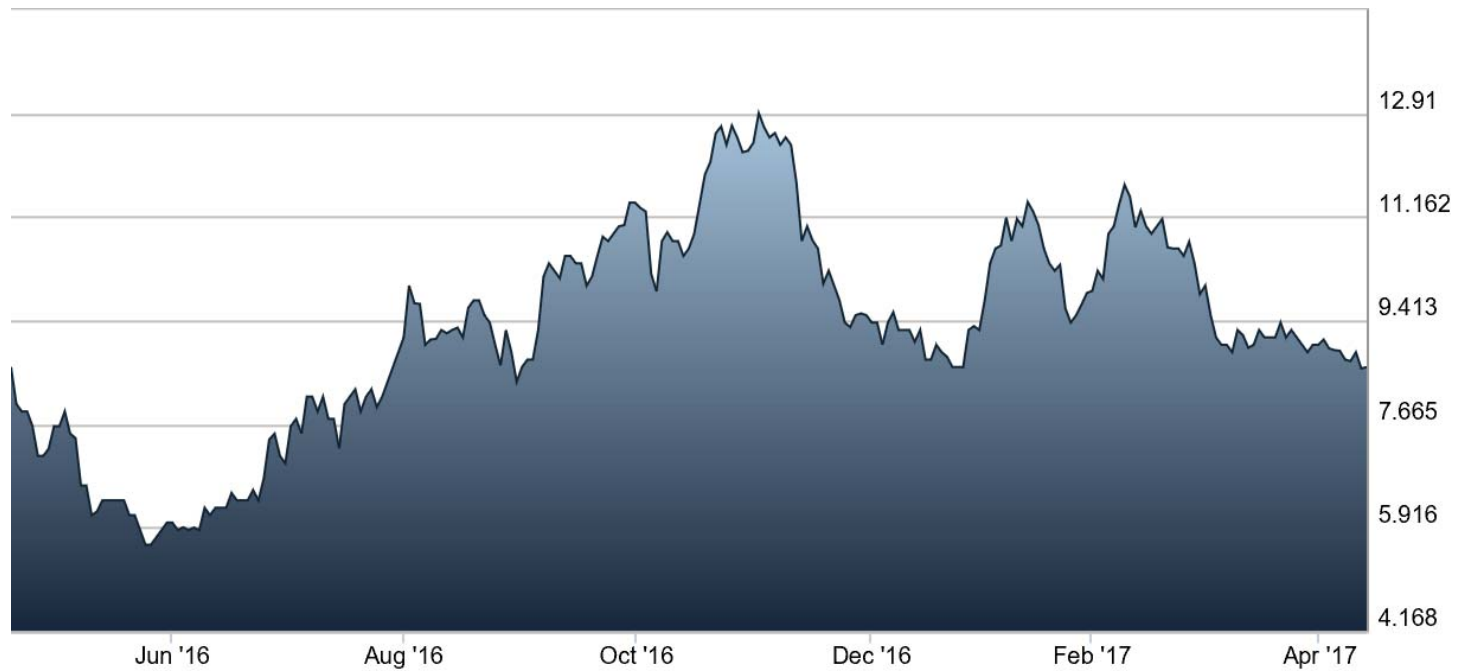
Source: Bloomberg, company reports
Shanta Gold 2013-16 actual AISC (2016 unaudited)

Note:
1. Average AISC over the RMP (2017-23)



Shanta Gold share price

Share price trading history (SHG.L)



Source: London Stock Exchange



SHANTA GOLD

www.shantagold.com

Shanta@tavistock.co.uk

twitter.com/shanta_gold