



Cape Town Indaba Corporate Presentation

February 2018

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Shanta Gold – 2017 highlights & guidance

2018 guidance of 82-88,000 oz at an AISC of US\$680-730 /oz

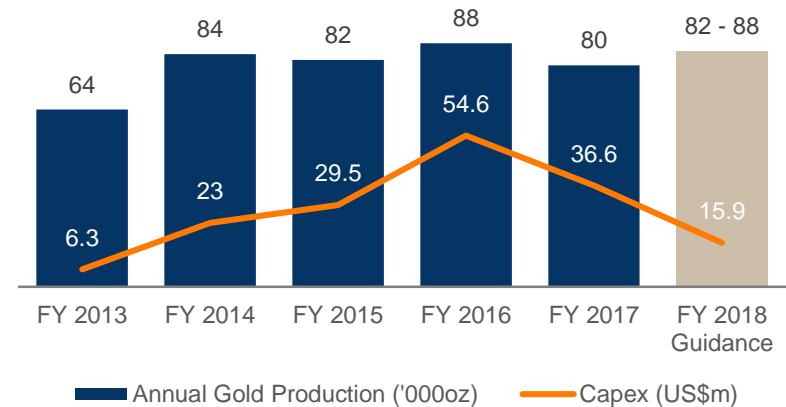
2017 highlights

- Gold production of 80k oz at New Luika Gold Mine in Tanzania
- **AISC of US\$747/oz**
- **Run-rate cost savings of US\$8.7m p.a. at the end of Q4** including:
 - US\$5.1m p.a. from suppliers + G&A
 - US\$3.6m p.a. from lower mining costs
- **Q4 net debt reduced by US\$5.6m to US\$39.9m**
- Year end cash increased by US\$5.5m to US\$13.5m

2018 guidance

- Gold production of 82–88k oz at New Luika
- **AISC of US\$680-730 /oz**
- Suppliers + G&A **cost savings target increased to US\$7.0m p.a. by Q3 2018**
- Recoveries increased by 1.5 – 2.0% by H2 2018
- **Dividend policy evaluation scheduled for Q4**

2018 production set to increase with capex declining again



Summary Capitalisation

Share Price ¹	5.75p
Market capitalisation	US\$63 m
Net debt ²	US\$40 m

Enterprise Value **US\$103 m**

1. As of 29 January 2018

2. As of 31 December 2017

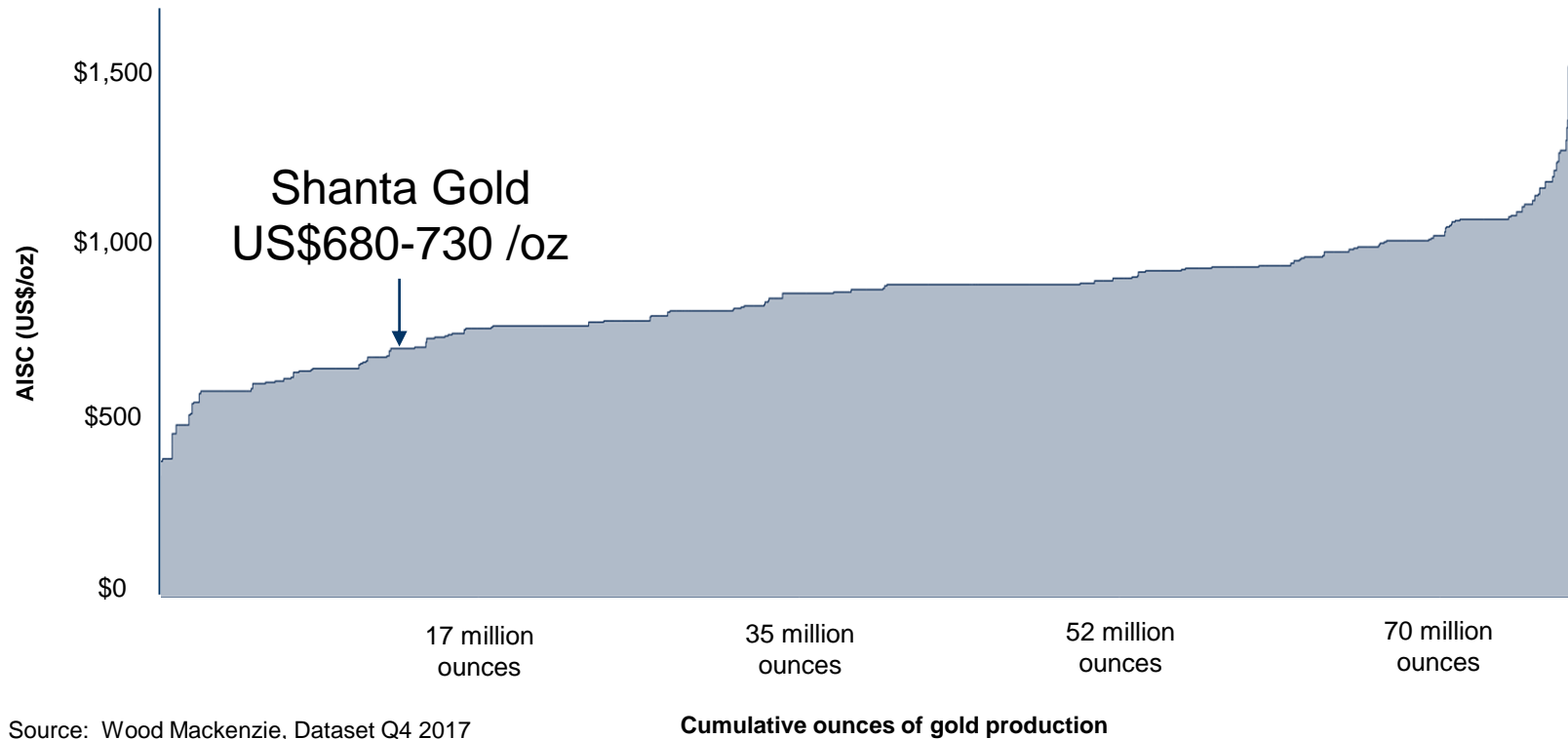
New Luika is a low cost, high quality asset...

All-in Sustaining Cost (AISC) curve

- 2018 guidance: **US\$680-730 /oz**
- 2017 actual: US\$747 /oz

High quality asset

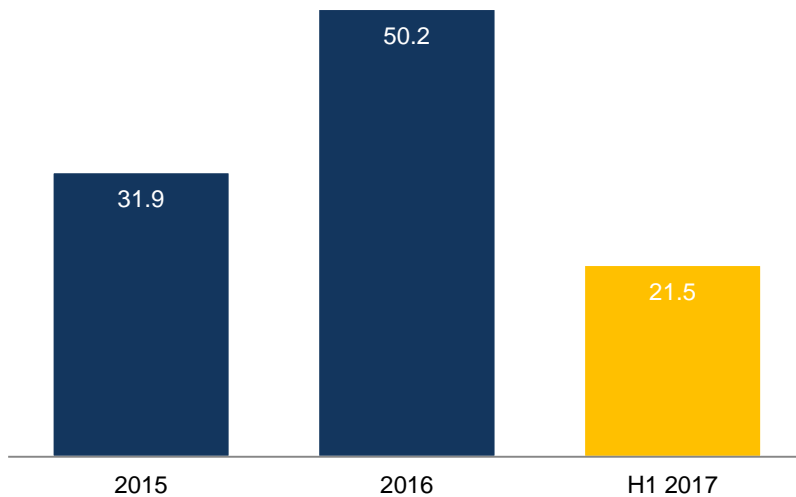
- **Reserve** of 3.6 Mt ore at **4.4 g/t** for 515k oz ¹
- Includes underground reserve of **2.4 Mt at 5.8 g/t** for 445k oz ¹
- Underground deposits **open at depth**



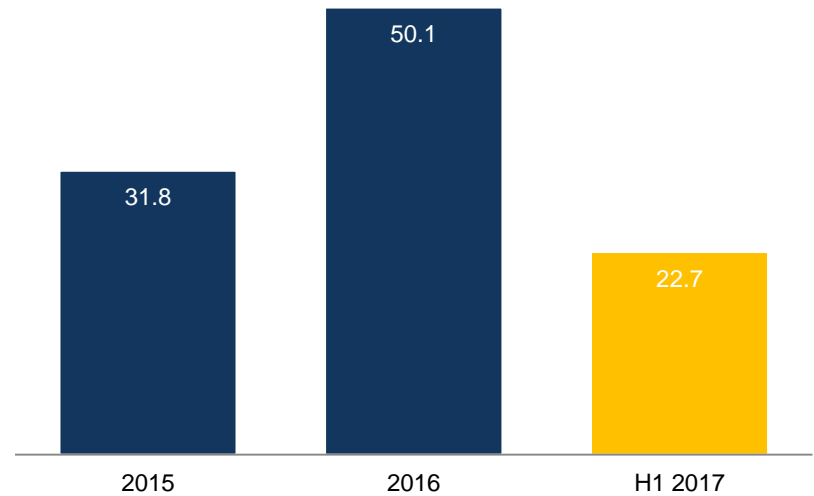
Source: Wood Mackenzie, Dataset Q4 2017
1. As announced March 2017

...which generates significant cash flow

EBITDA (US\$ million)



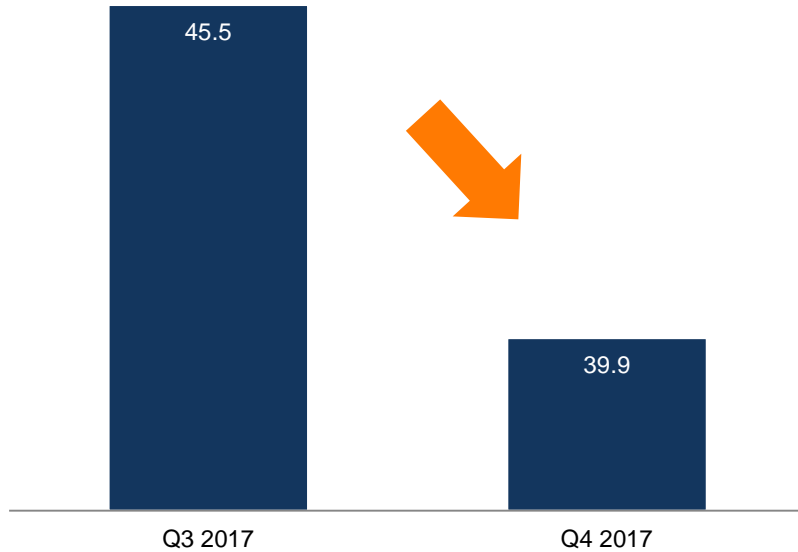
Operating Cash Flow (US\$ million)



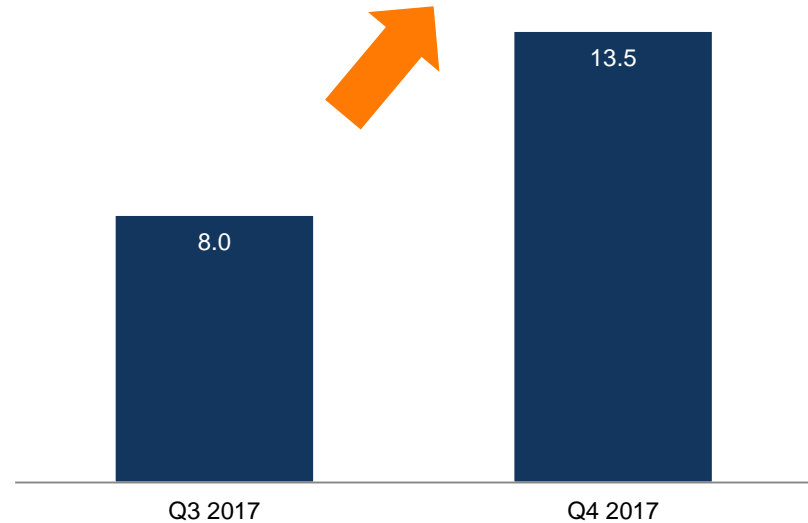
Note: Shanta Gold audited financial statements (2015 and 2016)

Balance sheet deleveraging as cost savings accumulate

Net debt (US\$ million)



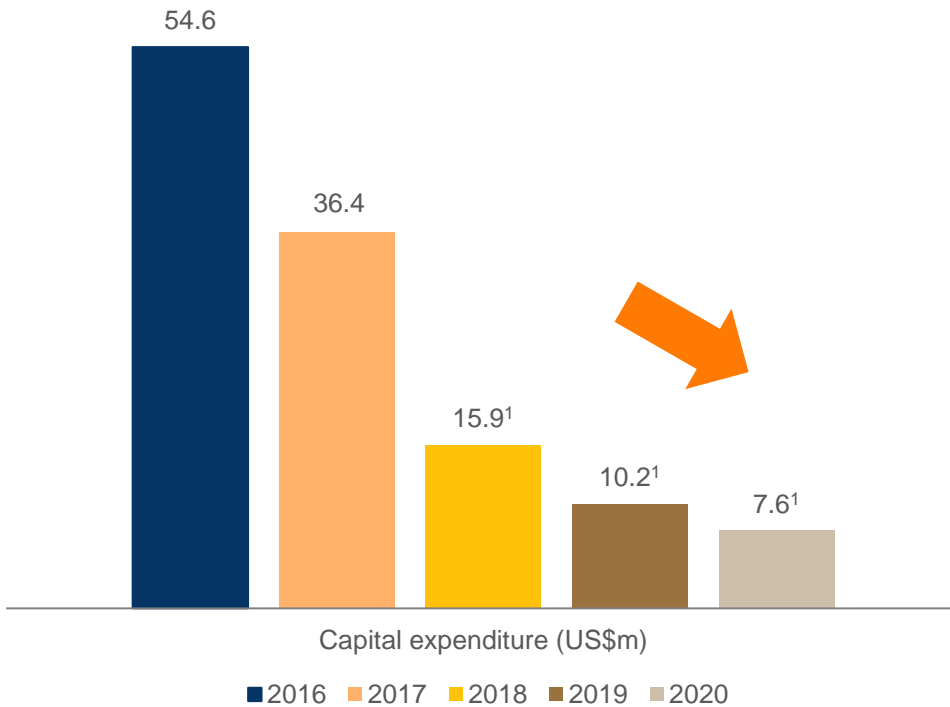
Cash (US\$ million)



Key quarterly financials

US\$ m	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Capital expenditure	9.9	10.7	9.5	6.3
Net debt	44.5	43.3	45.5	39.9
Cash balance	11.7	13.8	8.0	13.5

All key long life infrastructure is in place



1. Revised Mine Plan estimates, excluding Singida
2. Commissioning expected in Q1 2018

Key capital projects completed in 2017



Valuation upside potential

Revised Mine Plan (RMP) valuation ¹

(excludes “Upside” in the table on the RHS of the page)

		Long term gold price (US\$/oz)		
		\$1200	\$1350	\$1500
	NAV ² per share			
Discount rate	0%	13 p	18 p	23 p
	5%	10 p	14 p	19 p
	10%	8 p	12 p	16 p

▶ **Current share price: 5.75 p**

Upside to the Revised Mine Plan

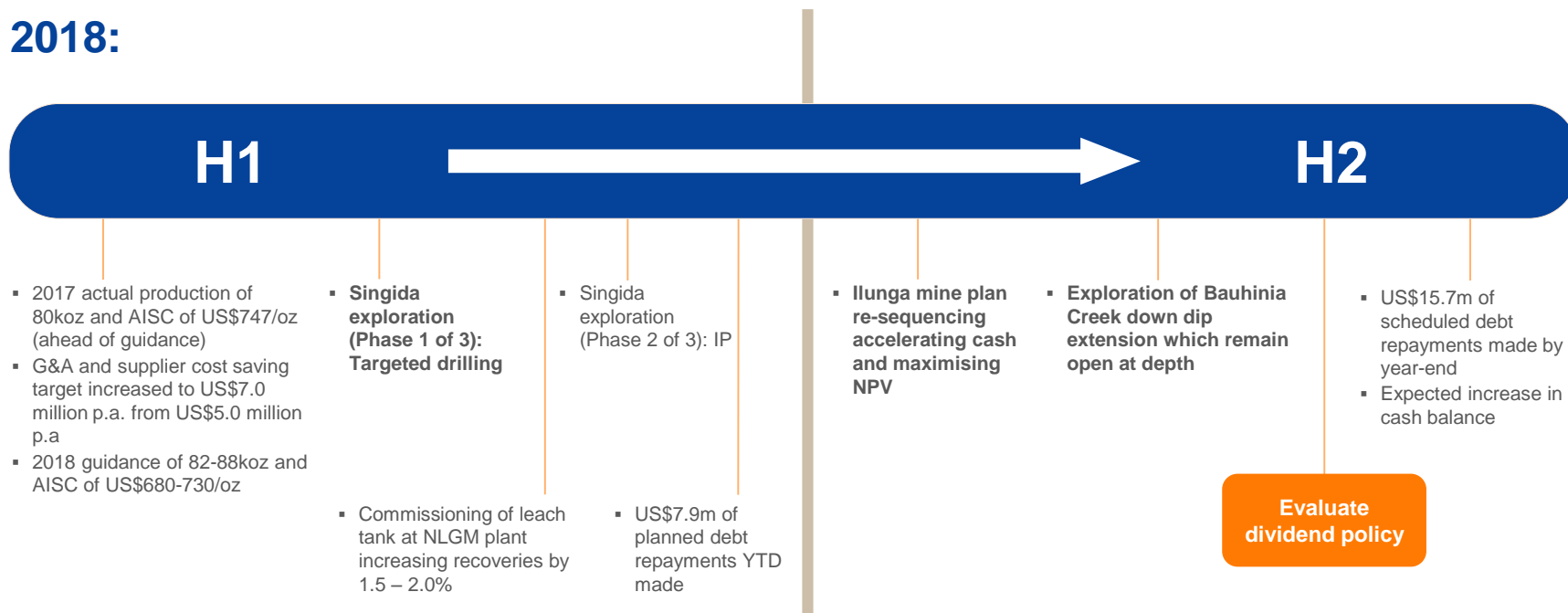
Upside	NAV impact
Underground extensions open at depth	Positive
Resequencing Ilunga	Positive
683k oz resource outside RMP	Positive
US\$3.6m saving pa by changing Luika mining method	Positive
Decrease in cut-off grade (to 2g/t)	Positive
1500 km ² exploration ground	Positive

1. Based on the RMP model as announced on 23 March 2017 using gold reserves approved by the Competent Person. The RMP model has been updated to include the impact of 6% royalties (up from 3%) and 1% Clearing Fee (previously nil), as well as US\$5.1 million cost savings per year.
2. Net Asset Value (NAV) discounted to 1 Jan 2018, after deducting Net Debt of US\$40 million at 31 Dec 2017. Denoted in pence per share.

Shareholder value catalysts 2018

▶ Operational improvements and resource expansion are expected to drive shareholder return in 2018

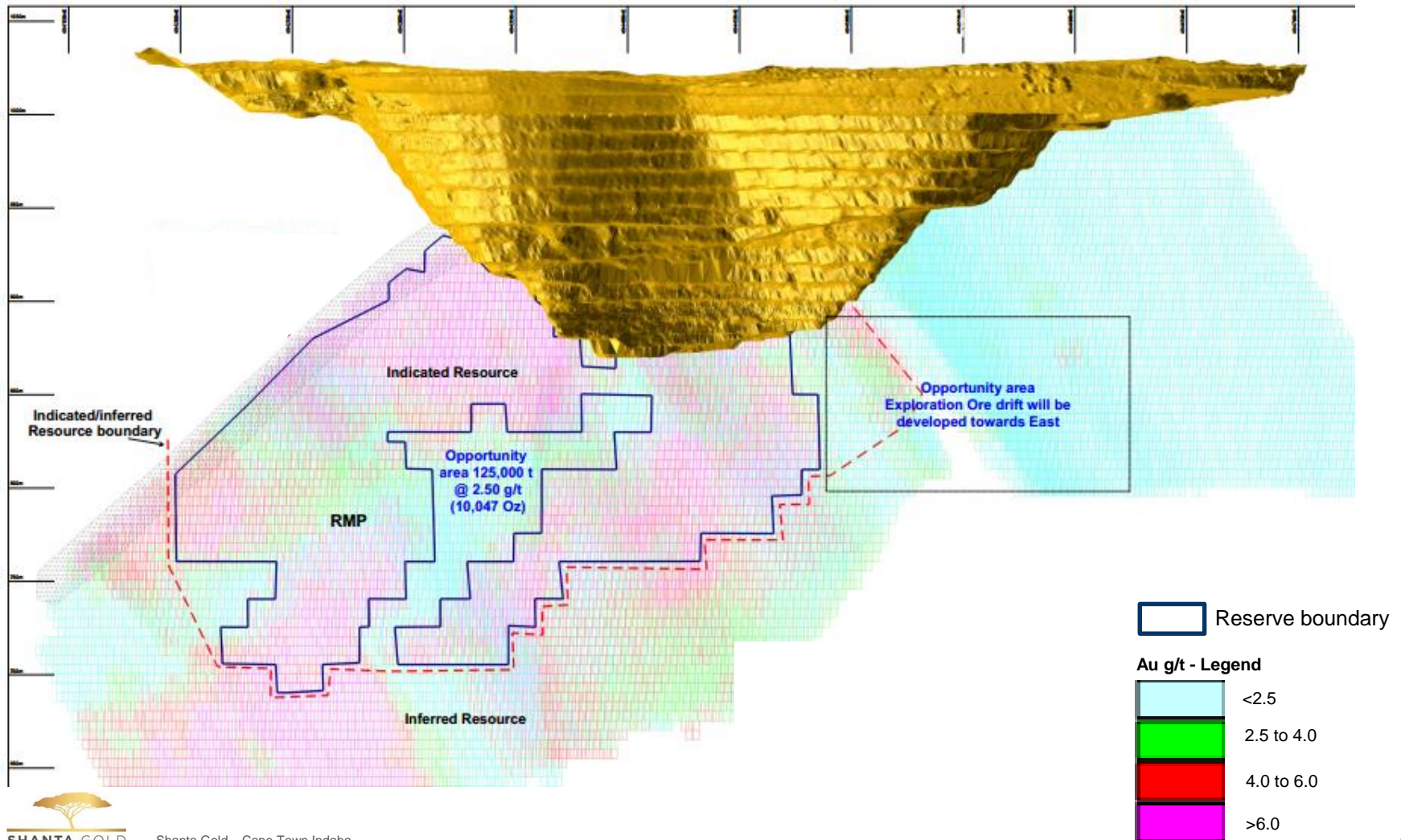
2018:



Discussions with the Government of Tanzania to repay the current US\$14.5 million VAT receivable are ongoing

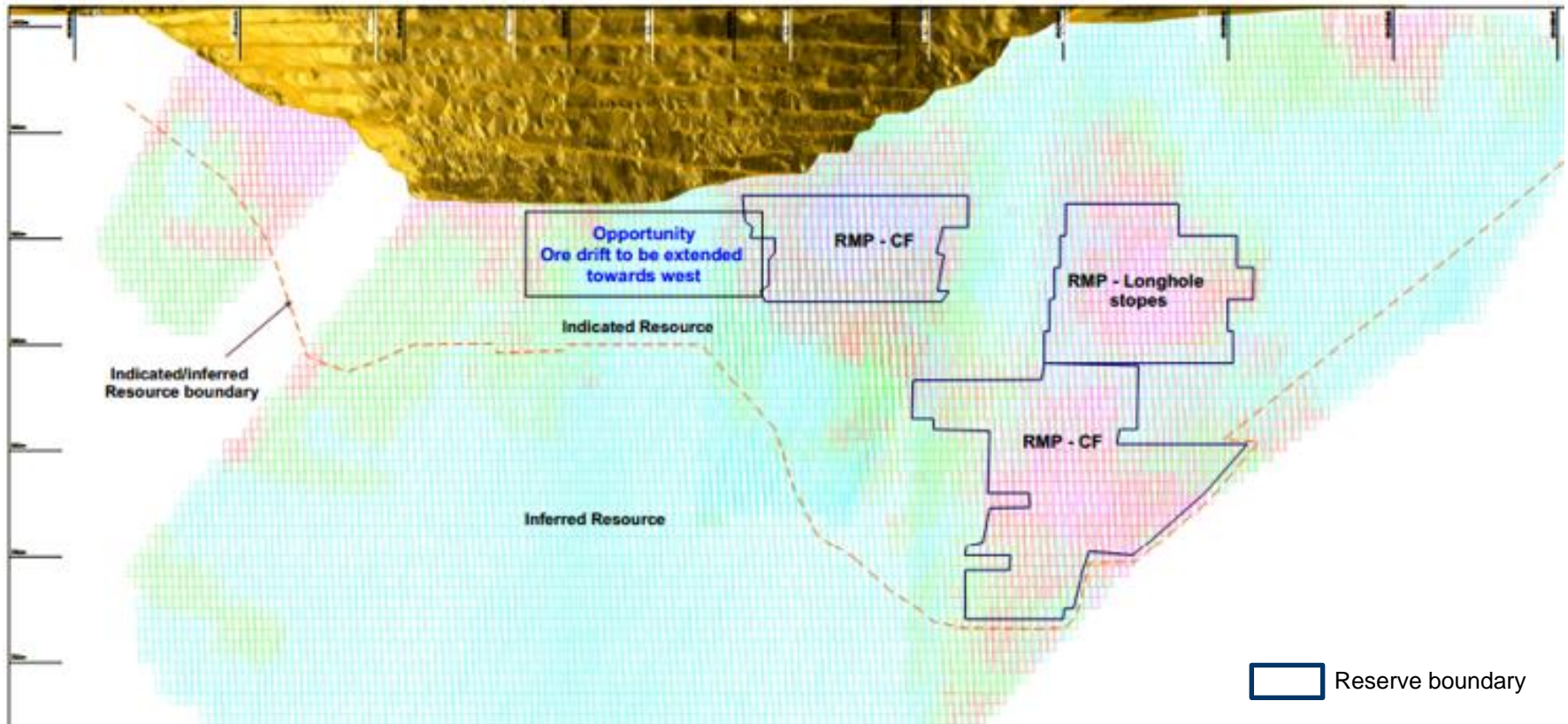
Growth: Exploration potential – Bauhinia Creek

► Underground resource of 140,000 oz grading 3.4 g/t. Not currently included in the Mine Plan



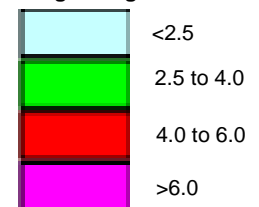
Growth: Exploration potential – Luika

- ▶ Underground resource of 113,000 oz grading 2.3 g/t. Not currently included in the Mine Plan



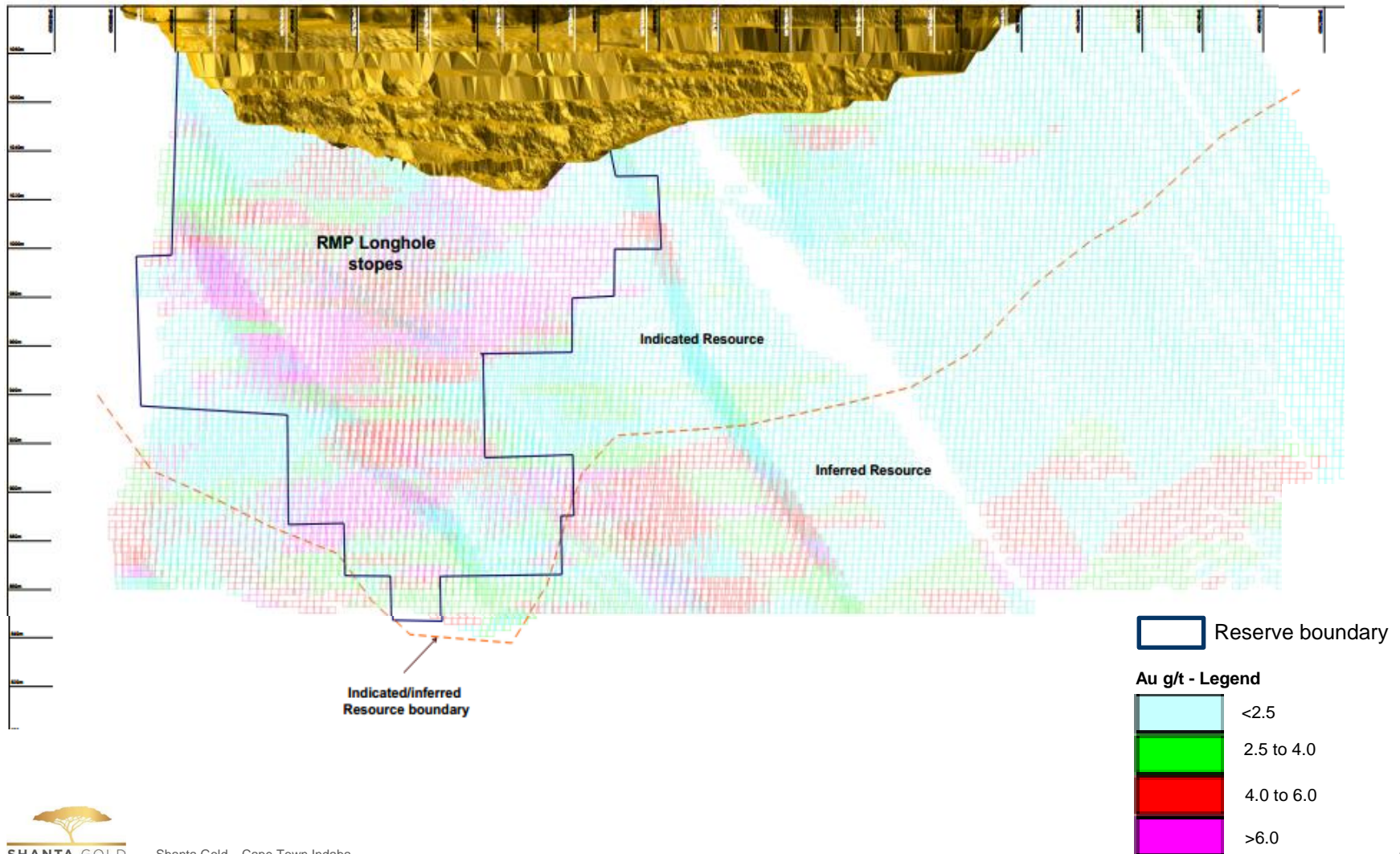
Reserve boundary

Au g/t - Legend



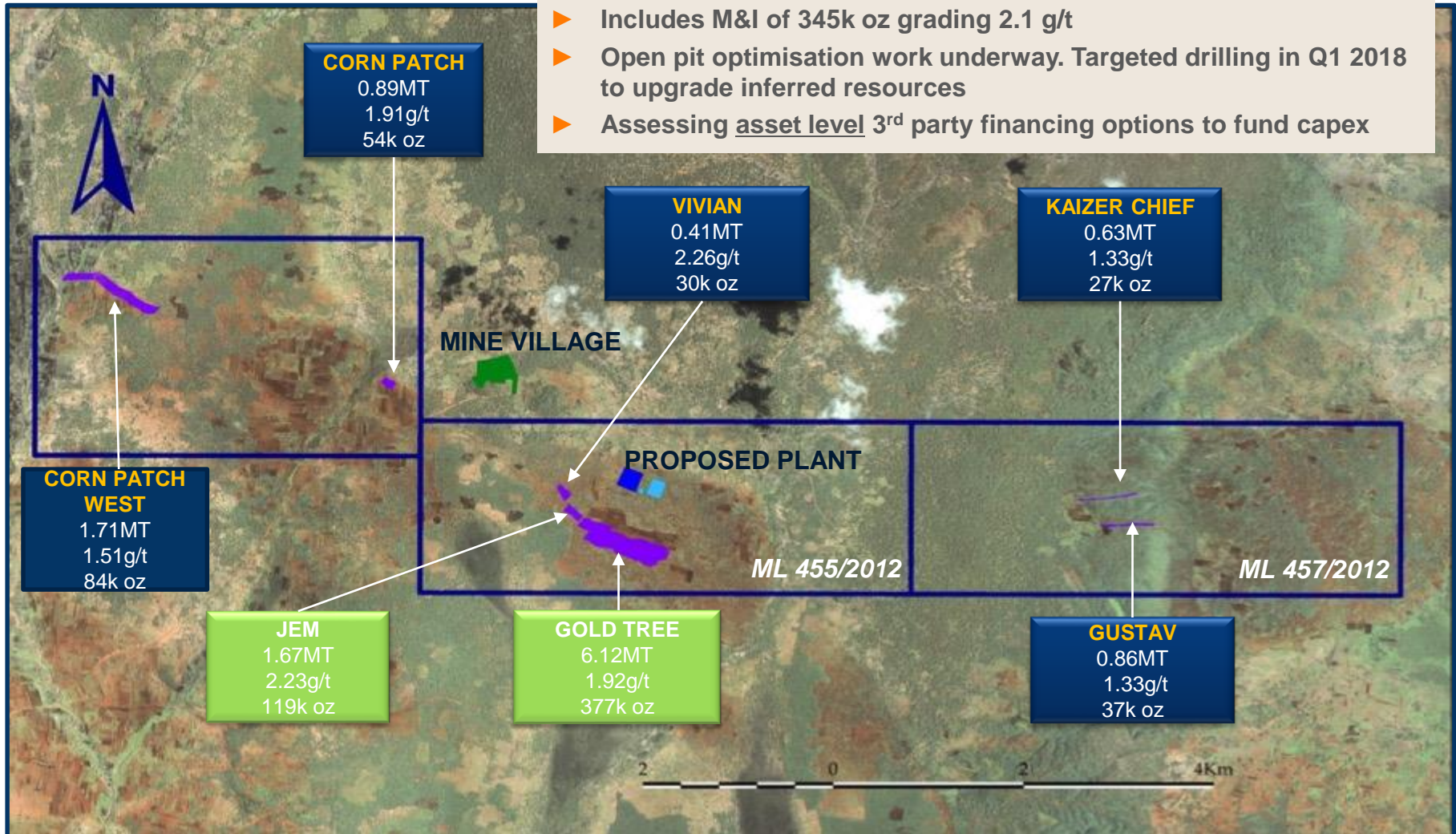
Growth: Exploration potential – Ilunga

▶ Underground resource of 74,000 oz grading 3.5 g/t. Not currently included in the Mine Plan



Singida: approaching development decision

- ▶ Resource 12.3Mt @ 1.84g/t for 728k oz (JORC 2012)
- ▶ Includes M&I of 345k oz grading 2.1 g/t
- ▶ Open pit optimisation work underway. Targeted drilling in Q1 2018 to upgrade inferred resources
- ▶ Assessing asset level 3rd party financing options to fund capex



Sustainability partnerships

- ▶ New sustainability partnerships were established in Q4 2017 to support Shanta's CSR program
- ▶ Phase 2 of ETG partnership initiated for 2018



UK-based
charity

UK-based
charity

Sustainability Pillar

Alternative Livelihood

Education/ Health

Education

Base

Global

UK

UK

Maize growing in Songwe



Development of football
leagues underway



Teacher training
commencing in H1 2018



Status

Capital structure

▶ High quality institutional shareholder base

Shareholder	# shares (m)	%
Odey	185	24
Majedie	76	10
River & Mercantile	53	7
Sustainable Capital	51	7
Ketan Patel	46	6
Brooks Macdonald	37	5
Hargreaves Lansdown	37	5
Hargreave Hale	28	4
Sub-total	513	68
Other	257	32
Total shares outstanding	770	100

Debt	Cost	\$m	Term
Investec Sr Debt	L+4.9%	27.2	Amort
Exim Bank	7.5%	5.2	Amort
Sandvik equipment	6.5-7%	6.1	Amort
Convertible Loans	13.5%	15.0	Apr'19
Total		53.4	

Source: Equiniti

1. Includes Contract for Differences (CFD) position

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