



Q1 2018 Production and Operational Update

19 April 2018



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Shanta Gold – highlights & guidance

- ▶ Key projects and underground development in Q1 underpin the full year production guidance
- ▶ Deleveraging set to accelerate throughout the rest of 2018

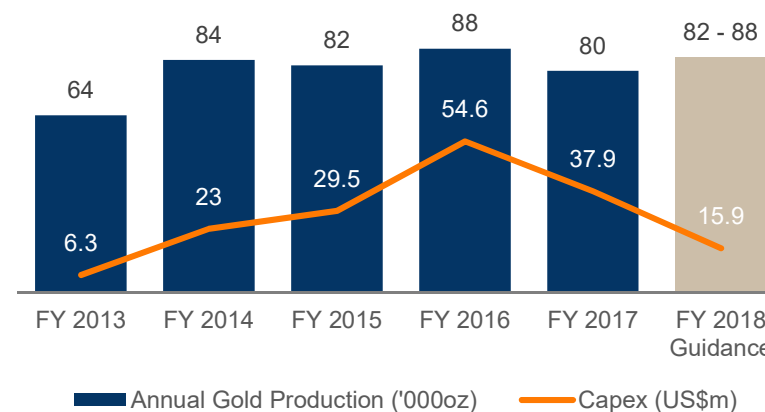
Q1 2018 highlights

- Gold production of 17.7k oz at New Luika
- Key projects completed in Q1 de-risking the underground operation
- AISC of US\$776/oz
- Q1 net debt reduced by US\$2.0m to US\$37.5m, lowest since ramp up of operations in Q4 2012
- Total deleveraging of US\$8.0m over 6 months
- Cash balance of US\$11.7m at March 31st
- Capex of US\$3.3m, down from US\$6.3m in Q4

2018 guidance reiterated

- Gold production of 82–88k oz at New Luika
- AISC of US\$680-730/oz
- Suppliers + G&A p.a. cost savings target increased to US\$7.0m by Q3 2018
- Recoveries increased by 1.5 – 2% by H2 2018
- Dividend policy evaluation scheduled for Q4

2018 production set to increase with capex declining again



Summary Capitalisation

Share Price (GBP) ¹	5.5p
Market capitalisation	US\$61 m
Net debt ²	US\$37 m

Enterprise Value **US\$98 m**

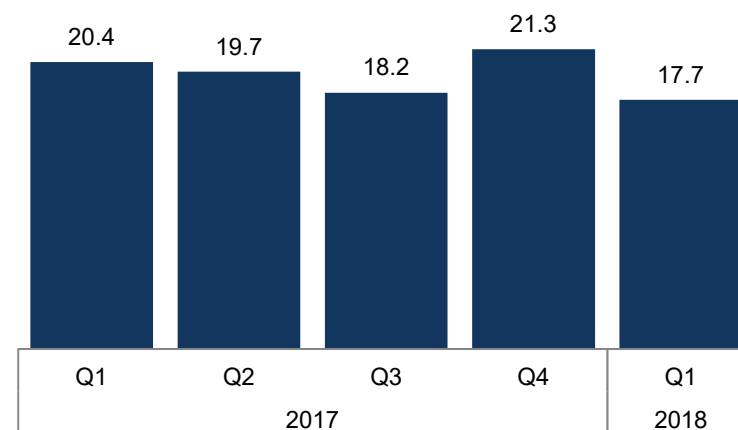
1. As of 18 April 2018
2. As of 31 March 2018

Q1 2018 highlights

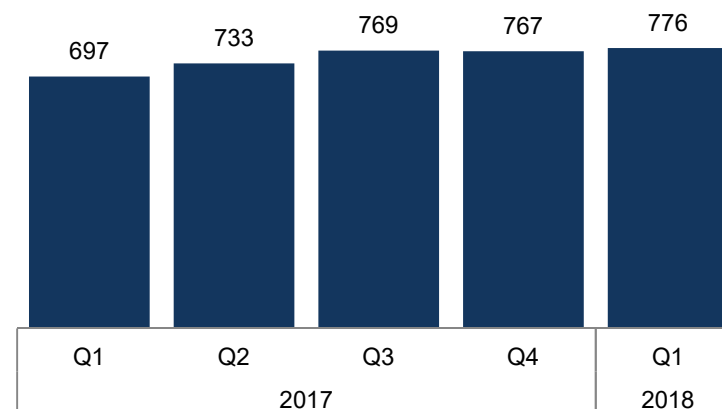
- ▶ Key projects completed in Q1 to de-risk the underground operations
- ▶ Reiterated guidance of 82-88 koz at an AISC of \$680-730 /oz

- Gold production of 17,663 oz (Q1 2017: 20,415 oz)
- Production related projects completed and equipment purchased during the Quarter:
 - successful commissioning of the Cemented Rock Fill plant in late January
 - planned mid-life maintenance of underground equipment in February
 - procurement of a centralised blasting system in March
- The underground operation has been de-risked as a result, now with increased operational flexibility
- Gold sales of 17,691 oz (Q1 2017: 23,252 oz)
- Cash operating costs of US\$599 /oz (Q1 2017: US\$536 /oz)
- AISC of US\$776 /oz (Q1 2017: US\$697 /oz)
- 124,444 tonnes ore mined from underground plus 18,340 tonnes mined from open pits
- No lost time injuries

Quarterly gold production (000's oz)



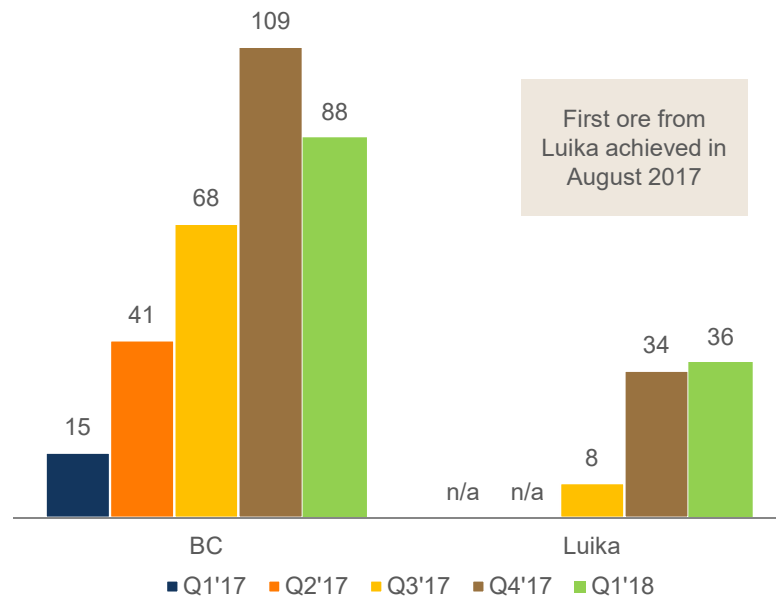
Quarter on Quarter AISC (\$ /oz)



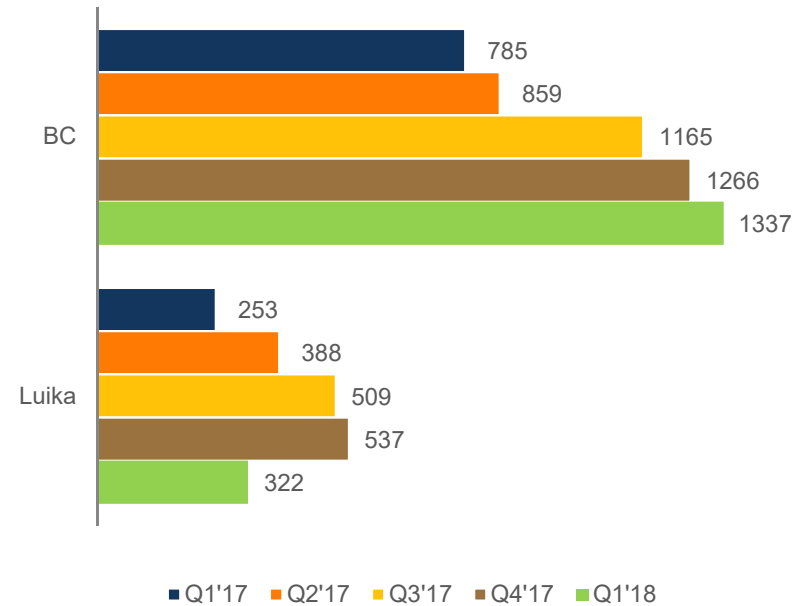
Q1 2018 underground update

▶ Record development metres at Bauhinia Creek in Q1, strengthening the outlook for the rest of 2018

Tonnes ore mined¹ (000s)



Development metres



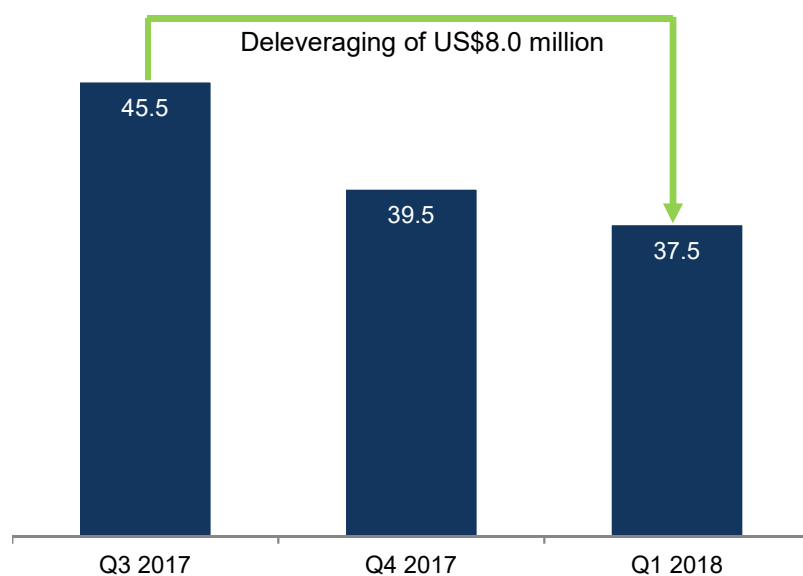
1. Includes ore from development and production
BC = Bauhinia Creek



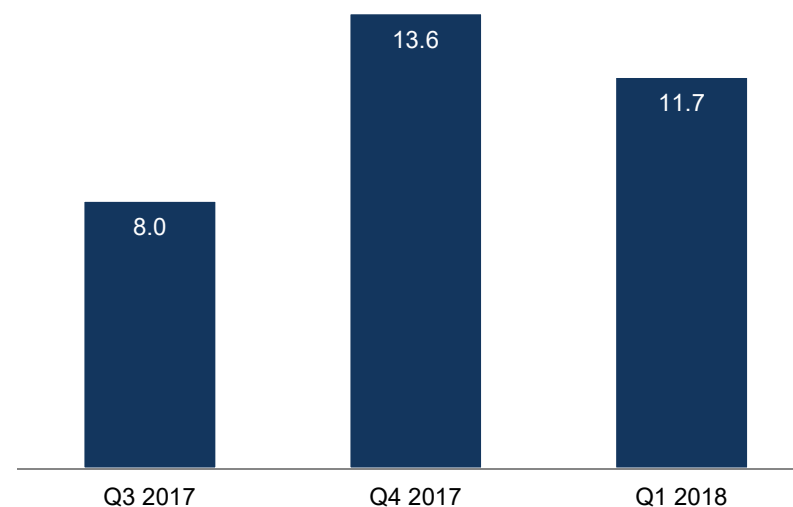
Total deleveraging of US\$8.0 million in 6 months

- ▶ Total deleveraging of US\$8.0 million over the last 6 months (\$2.0 million in Q1 2018)
- ▶ Cash position of US\$11.7 million remains strong at the end of Q1

Net debt (US\$ million)

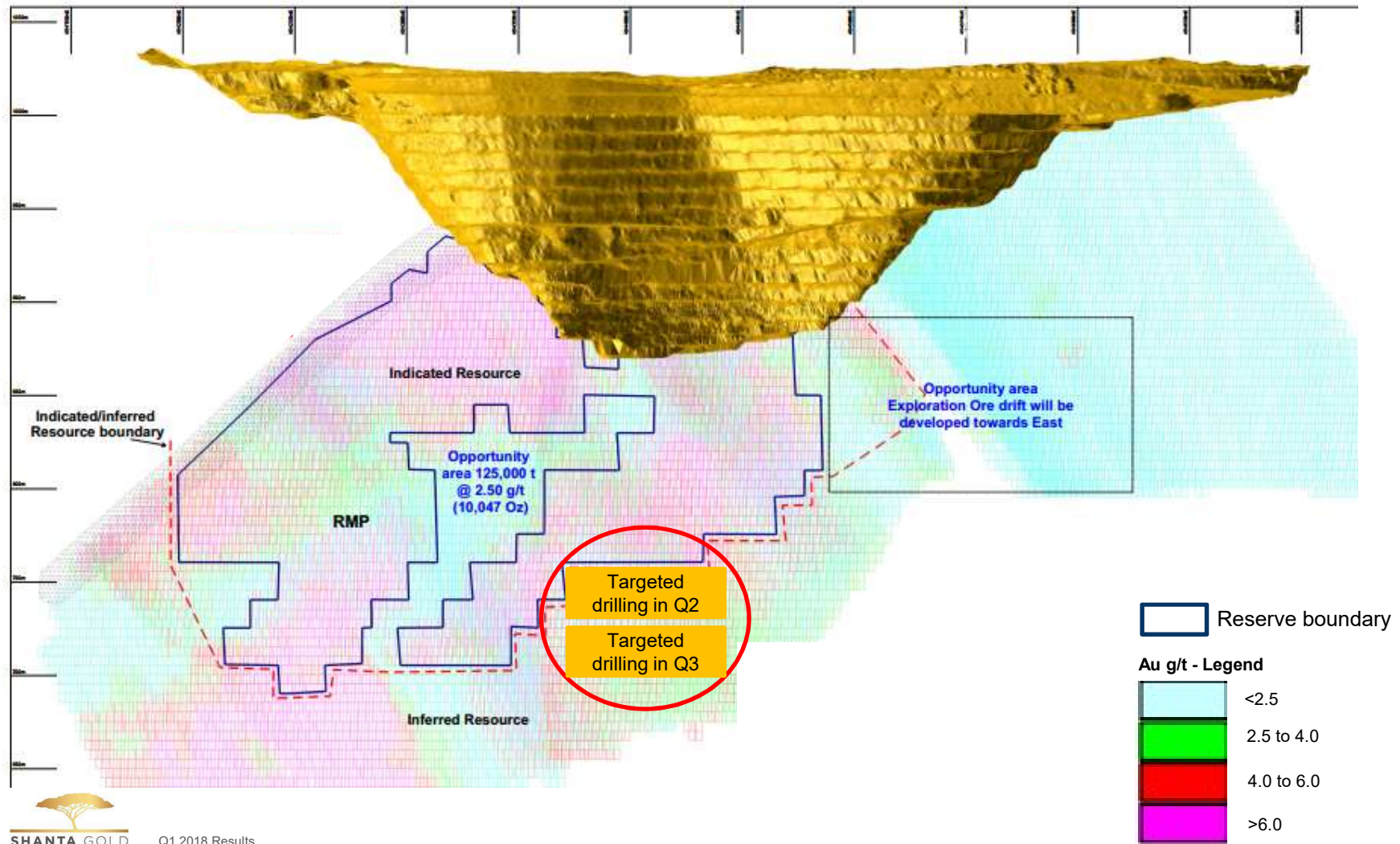


Cash (US\$ million)



Q1 preparation for targeted drilling at Bauhinia Creek in Q2

▶ Preparations completed for targeted drilling of a modest 1,000 metres to take place in Q2 and Q3 2018



Singida: approaching development decision

Singida Overview

- Stand-alone gold project owned 90% by Shanta located in Central Tanzania
- Gold resources of 12.3Mt @ 1.84g/t for 728k oz (JORC 2012), including M&I resources of 345k oz grading 2.1 g/t
- Three mining licences, major permitting received, currently undergoing final ESIA
- Significant amount of historical studies have been completed

Status

- Drilling recently completed in Q1 with encouraging results
- Open pit optimisation being updated in Q2
- Assessing phase 2 exploration including geophysics across the strike and potentially additional drilling

Encouraging mineralised drilling intersections

- **10 m @ 20.82 g/t gold from 138 m in hole SC702, incl. 3 m @ 57.13 g/t gold from 138 m**
- **5 m @ 10.35 g/t gold from 120 m in hole SC713**
- 8 m @ 3.86 g/t gold from 123 m in hole SC705
- 7 m @ 4.69 g/t gold from 124 m in hole SC706
- 8 m @ 5.96 g/t gold from 117 m in hole SC708
- 5 m @ 8.06 g/t gold from 62 m in hole SC709
- 4 m @ 5.48 g/t gold from 61 m in hole SC712

Next steps

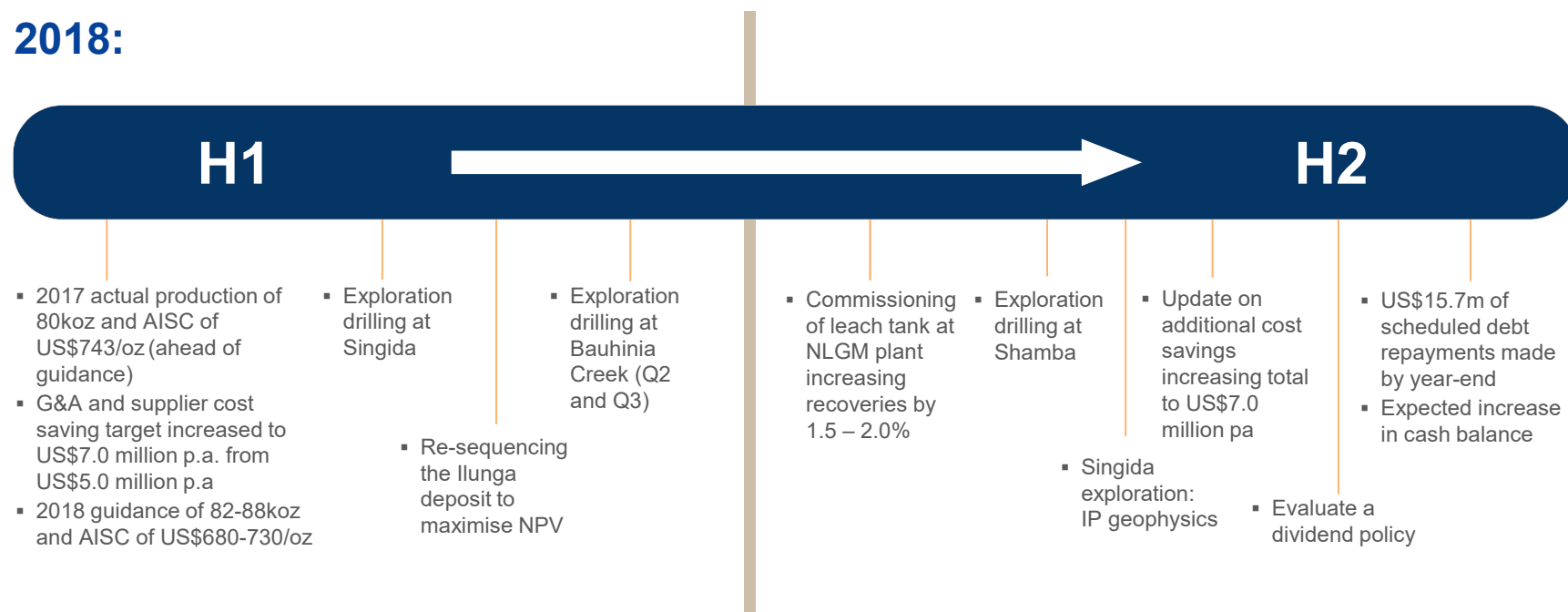
- Update pit optimisation remodelling
- Complete internal feasibility assessment



Shareholder value catalysts 2018

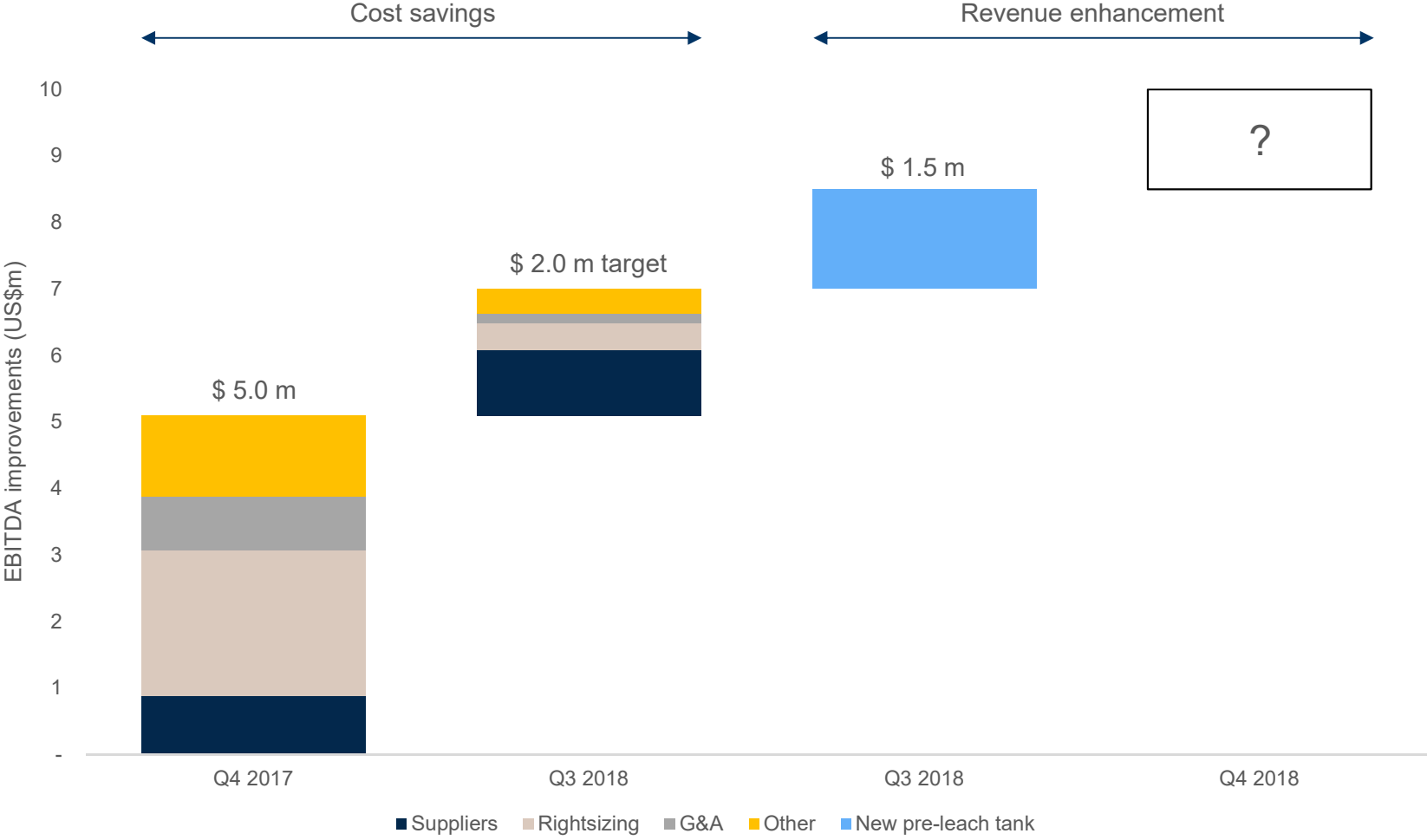
▶ Operational improvements and resource expansion are expected to drive shareholder return in 2018

2018:



Discussions with the Government of Tanzania are ongoing to repay and/or offset the US\$16.2 million VAT receivable (at Mar 2018). Shanta received a VAT refund of \$3.4 million in Nov 2017

Cashflow enhancement initiatives



Government engagement and CSR

Highlights

1. Received final approval by the Government of Tanzania to use the newly constructed tailings storage facility (“TSF2”)
2. Commissioning of TSF2 taking place in Q2 2018
3. All major project work required for the NLGM underground mine is now complete and operational
4. Delegation of senior government officials, including the Deputy Minister of Mines, visited NLGM in February
5. Shanta’s approach to Local Content, Tanzanian employment and sustainability programmes commended during the visit
6. Livelihood Programs initiated in the period including beekeeping workshops conducted in Saza Village, close to NLGM
7. Food crops for families resettled nearby NLGM harvested for the first time
8. Construction of a new primary school in Maleza village completed



2018 outlook

- 1 Operational excellence: 82-88k oz in 2018 at AISC of US\$680-730 /oz
- 2 Rapid balance sheet deleveraging
- 3 Targeted growth including exploration drilling
- 4 Cost savings increased to US\$7.0m by Q3 2018 and recoveries increased by 1.5 – 2% by H2 2018
- 5 Dividend policy evaluation scheduled for Q4



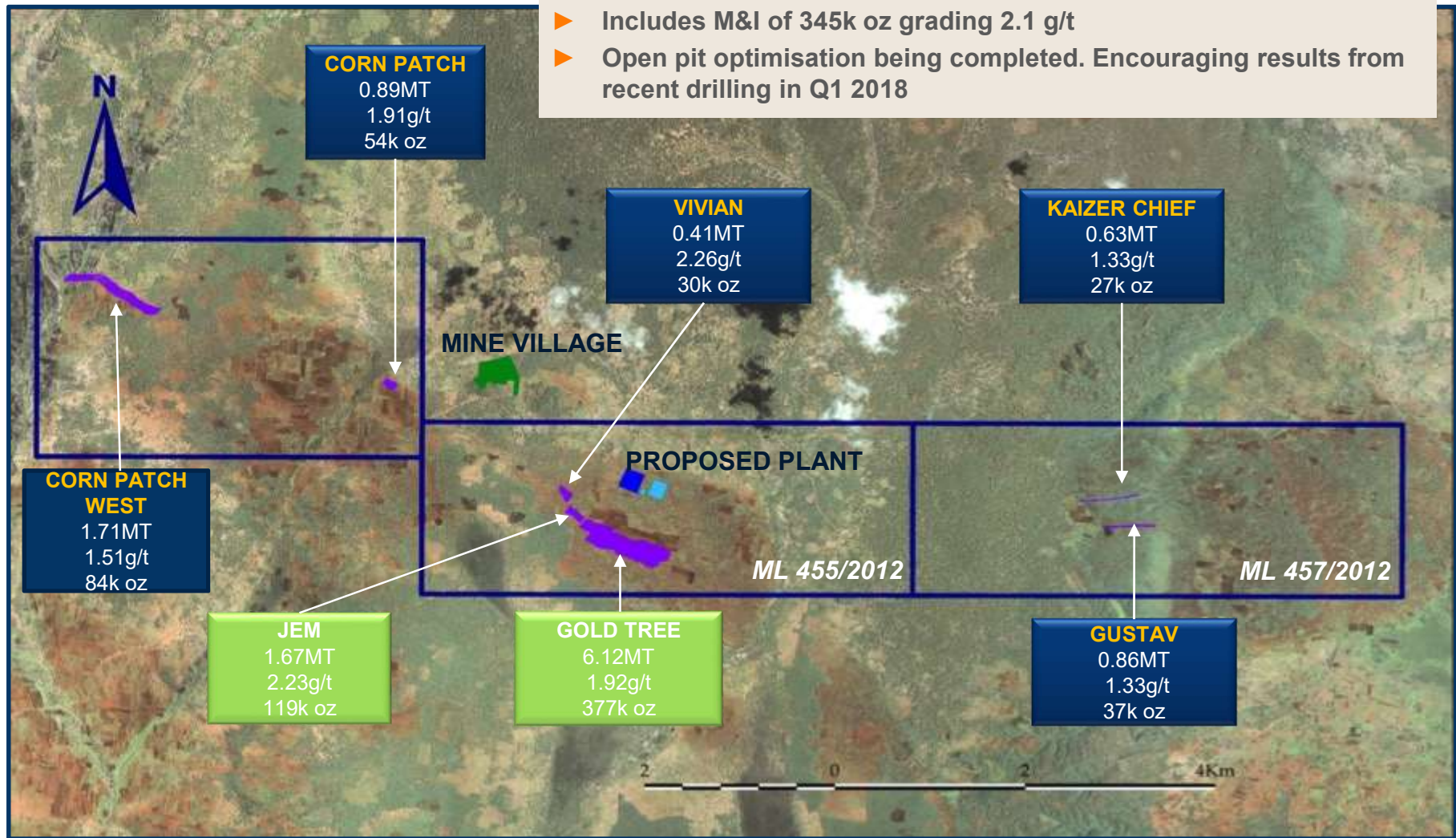
Appendix

Production performance (last two years)

	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016	Q4 2016	Q3 2016	Q2 2016
Tonnes ore mined (OP + UG)	142,784	638,088	143,092	177,416	196,454	121,127	622,853	63,192	99,417	266,686
Tonnes ore milled	149,711	632,287	162,233	163,109	155,567	151,378	597,583	151,827	144,930	151,698
Grade (g/t)	4.14	4.28	4.48	3.83	4.28	4.57	5.08	4.26	4.90	5.48
Recovery (%)	91.2	91.1	91.1	90.9	90.9	92.0	89.9	90.8	90.2	89.5
Gold Production (ounces)	17,663	79,585	21,288	18,225	19,657	20,415	87,713	18,897	20,580	23,896
Gold sales (ounces)	17,691	80,365	20,644	18,487	17,982	23,252	86,332	15,285	23,426	26,134
Realised gold price (US\$ /oz)	1,329	1,263	1,273	1,267	1,265	1,249	1,220	1,187	1,301	1,246

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 being completed. Encouraging results from recent drilling in Q1 2018



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