

# New Luika Gold Mine – Analysts Visit 5-6 December 2017





***“To produce superior returns as a responsible mining company”***

Vision

***“To be a respected mining company that makes a meaningful difference”***

- ***Protects its people, environment and community from harm***
- ***Seeks to continually improve***
- ***Creates opportunities for growth***



## Shanta has at its heart a set of beliefs that define our behaviour, as Individuals and as a company, at work and beyond:

- **Safety and Health** and protection of the **Environment** are our first priority
- **Integrity** – in all that we do, we are honest, ethical, law-abiding and transparent
- **Respect** – we are respectful towards one another and we acknowledge and value our diversity
- **Accountability** – we are accountable for our performance and for upholding the policies and values of the Company
- **Add value to the community** – we provide enduring benefits in health, education, training, infrastructure and economic opportunity

# SMCL Board of Directors is majority Tanzanian



- ▶ Senior Tanzanian representation in key roles
- ▶ Recent changes for senior management include an average 15% salary reduction and discretionary remuneration now 100% share-based



**W. Romani Urasa**  
Chairman SMCL



**Eric Zurrin**  
CEO



**Scott Yelland**  
COO



**Luke Leslie**  
CFO (Interim)



**Honest Mrema**  
GM New Luika



**Philbert Rweyemamu**  
GM Singida



**Mahesh Patel**  
Non-Executive Director



**Stella Malimi Nyawawa**  
Company Secretary SMCL (non director)

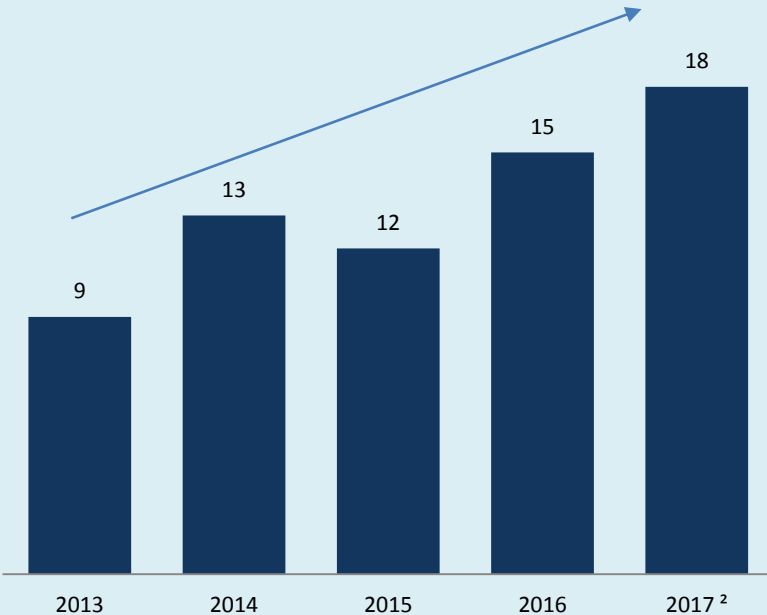


# Longstanding commitment to Tanzania including US\$67 million of contribution to the Government

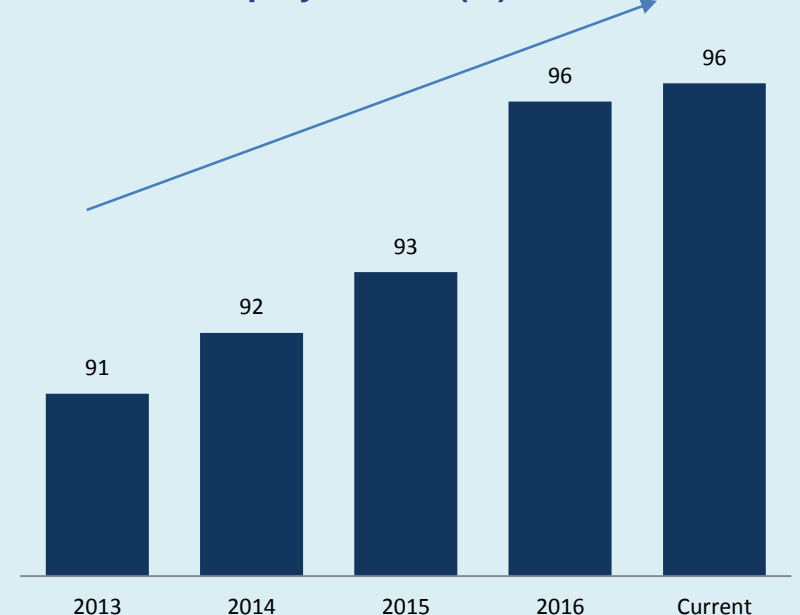


- ▶ Since starting official gold production in 2013, Shanta has made payments to the Tanzanian government totalling US\$67 million<sup>1</sup> and employed an increasing number of talented Tanzanians

### Payments to government<sup>1</sup> (US\$m)



### Tanzanian employee base (%)



1. Includes employment taxes, statutory contributions, service levies, taxes, royalties. Excludes VAT receivable
2. H1 actual and H2 management estimate

# Shanta has not enjoyed an MDA (Mine Development Agreement)



- ▶ Shanta does not have a Mine Development Agreement (MDA)
- ▶ Shanta has never enjoyed any preferential treatment in Tanzania

## No Mine Development Agreement (MDA)

- Shanta has never enjoyed preferential taxes given under MDA's
- Shanta has always paid full royalties, duties and levies
- Shanta has operated according to the Mining Law and Tanzanian laws

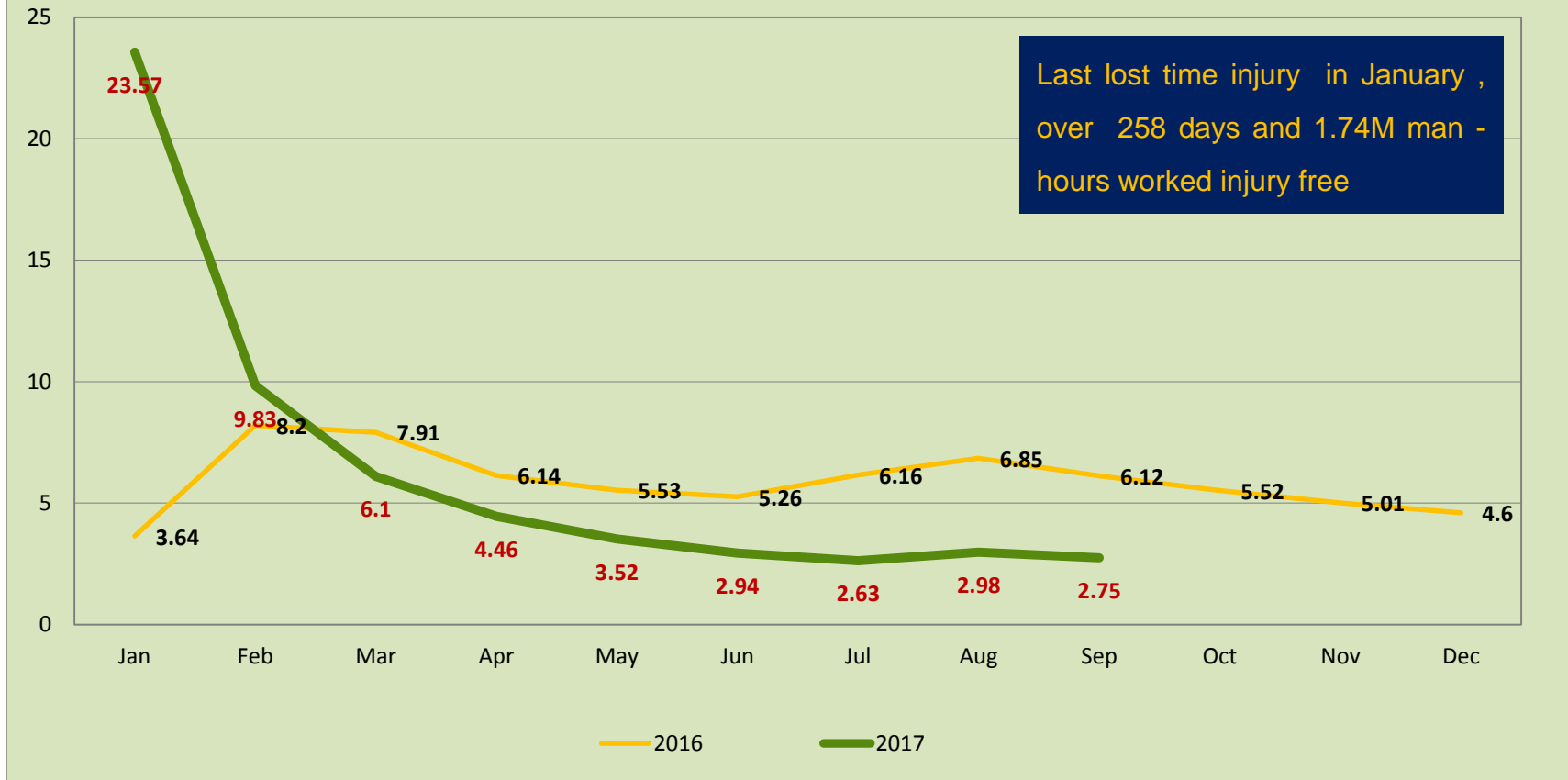
## Significant investment into Tanzania

- Shanta has invested over US\$150 million since inception
- Long track record of investing in local communities and villages
- US\$24 million invested in Singida at Ikungi District

# Safety - Total Injury Frequency Rate

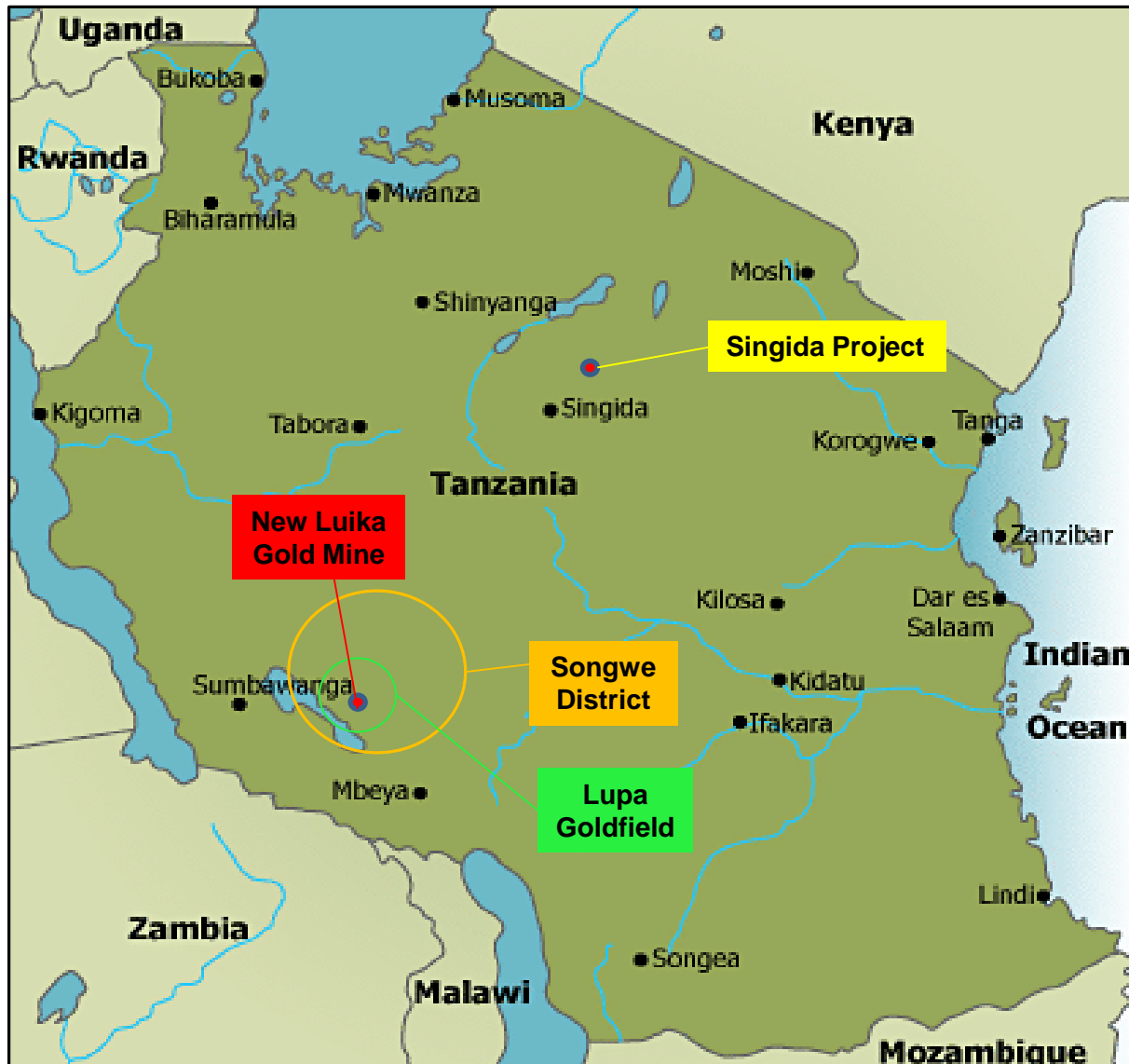


Cummulative TIFR 2016 vs 2017



Last lost time injury in January ,  
over 258 days and 1.74M man -  
hours worked injury free

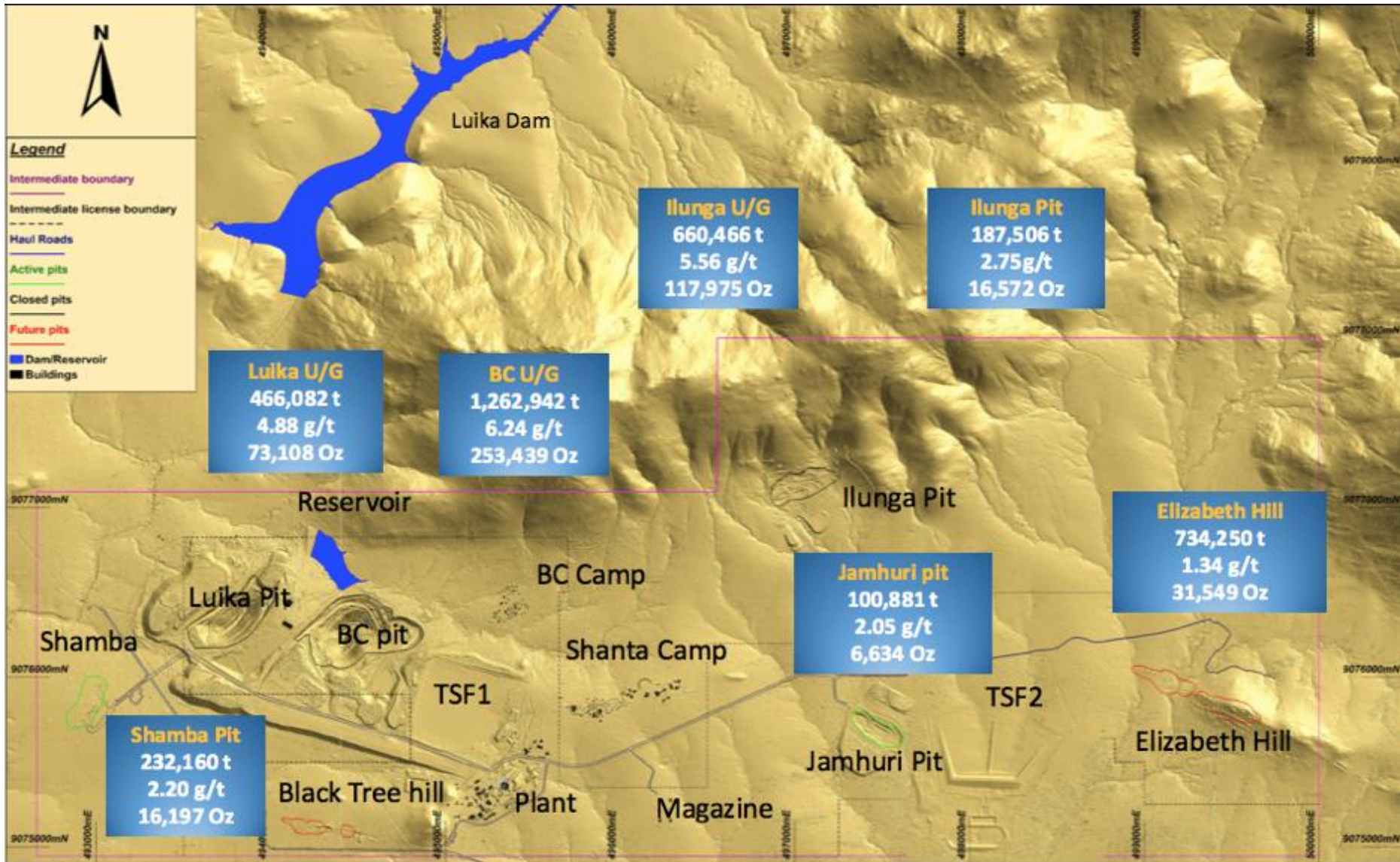
# Shanta in Tanzania



- Producing gold at the New Luika Gold Mine
- Developing Gold Project at Singida



# NLGM Operations and Current LOM Reserves (31.12.2016)



# Significant Milestones in 2016



**June 2016**

- Completion of the Luika Open Pit over 12.4Mt mined for 85koz



**June 2016**

- Commencement of the New Luika Underground Development

**July 2016**

- Commencement of the new satellite Illunga Open Pit

**Sept 2016**

- Completion of the Bauhinia Creek Open Pit over 25Mt mined at an average grade of 8.4g/t for 283koz



**Dec 2016**

- First underground development ore produced

**May**

- First underground stope ore produced

**July**

- Completion of the Illunga Open Pit over 3.8Mt mined

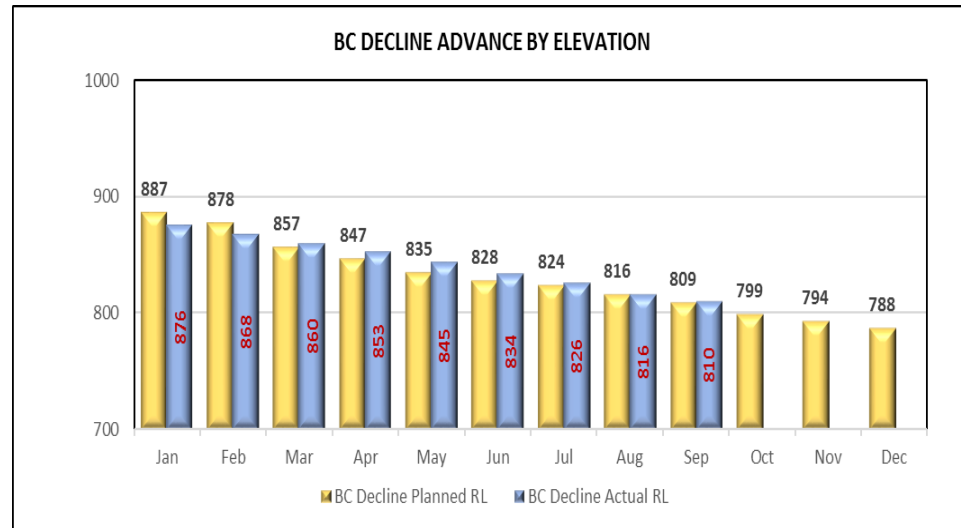
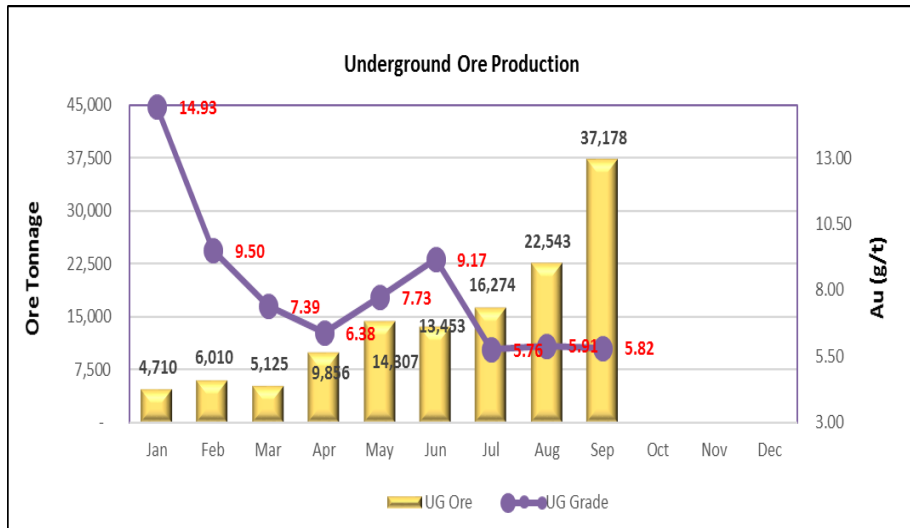
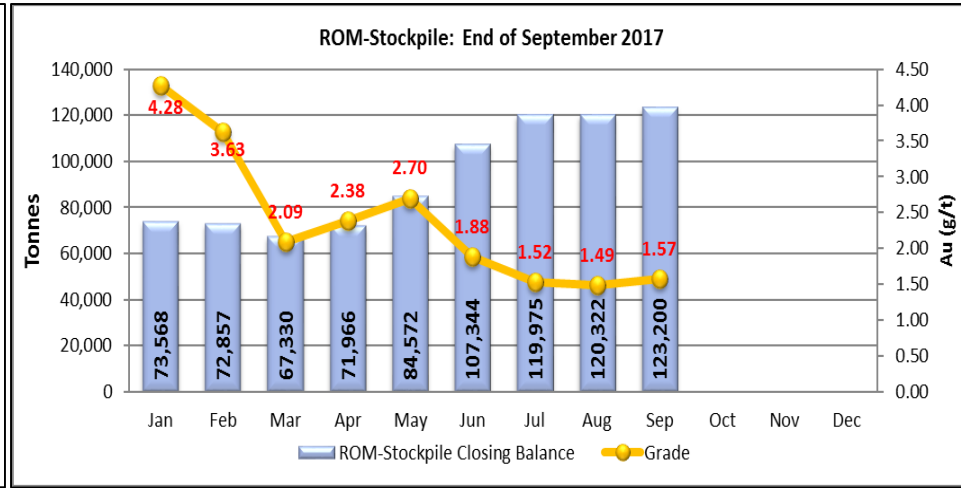
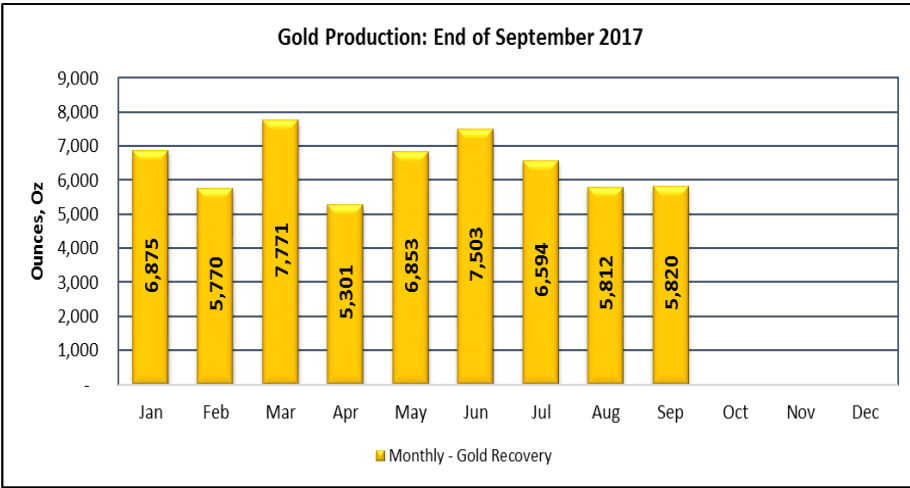


# Underground schedule and milestones

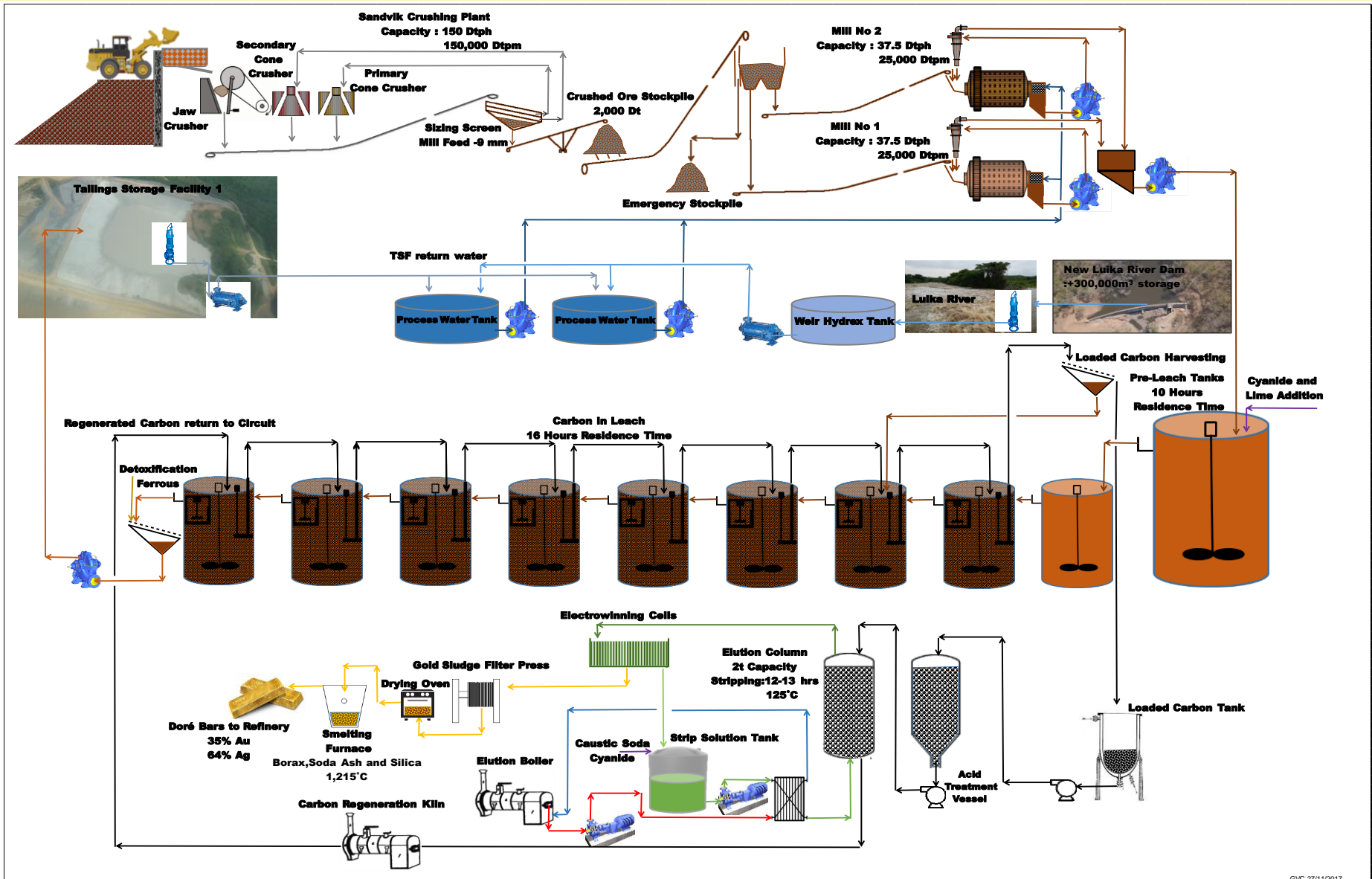


Year	2016		2018	2019	2020	2021	2022
Portal construction	BC Pit – 960mRL Complete						
Surface construction	100% Complete						
Ramp development				BC and Luika			
Ventilation and Emergency Egress shafts		Four 3mø raise bored raises (350m)					
Access BC orebody		★	Mid December 2016 , Access High Grade ore				
Access Luika orebody			★	July			
BC production				Ramping up to 30,000 tpm			
Luika production				Ramping up to 15,000 tpm			
Underground exploration drilling				Testing down dip extensions at BC East			

# NLGM Production Dash Board – End of September 2017



# Processing Plant Flow Chart



# Smooth Transition to Underground Mining



### Luika Open Pit

### Bauhinia Creek Open Pit

1000mRL

810mRL

690mRL

### Luika UG

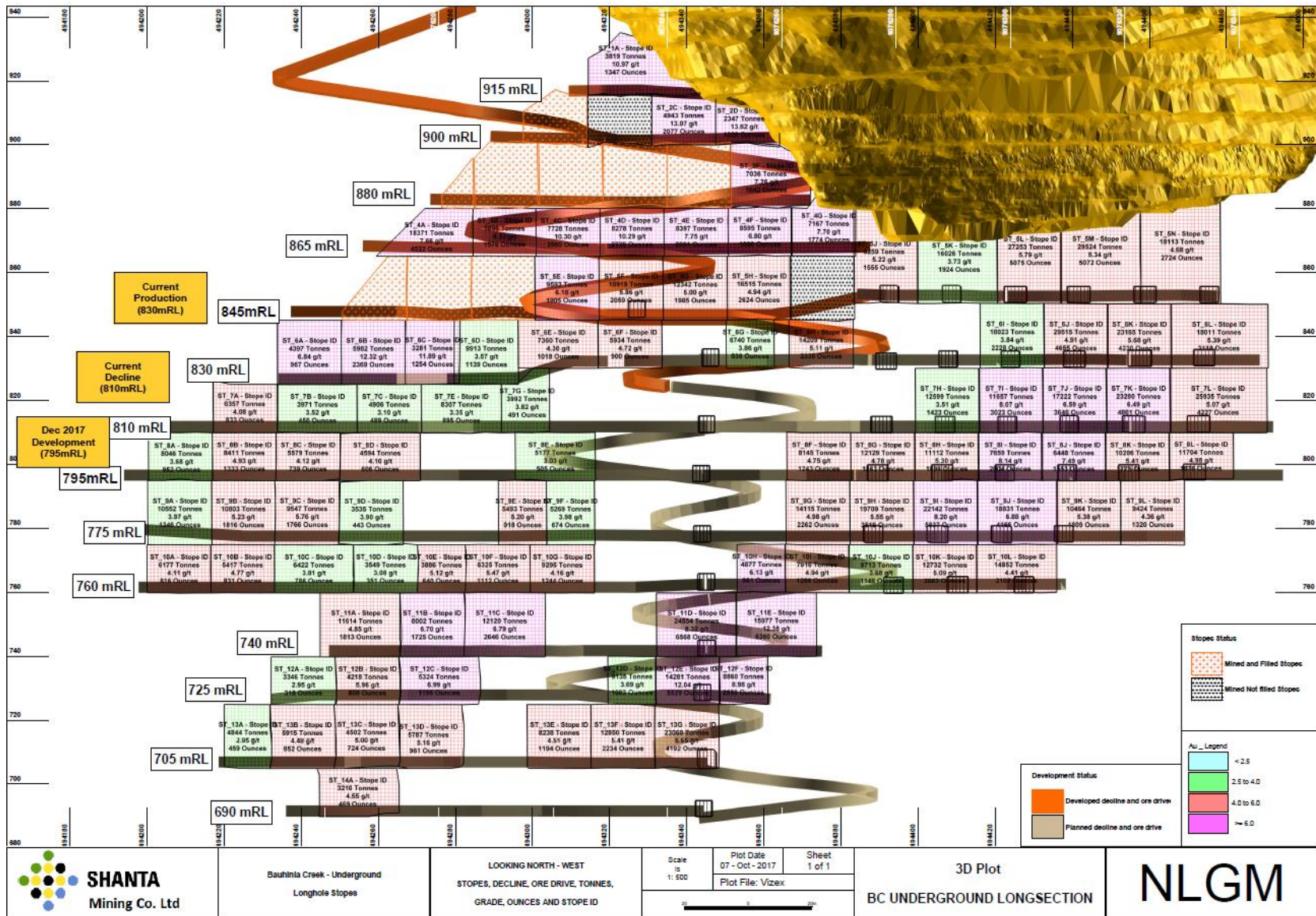
### Bauhinia Creek UG

Return Airways and  
Emergency Egress

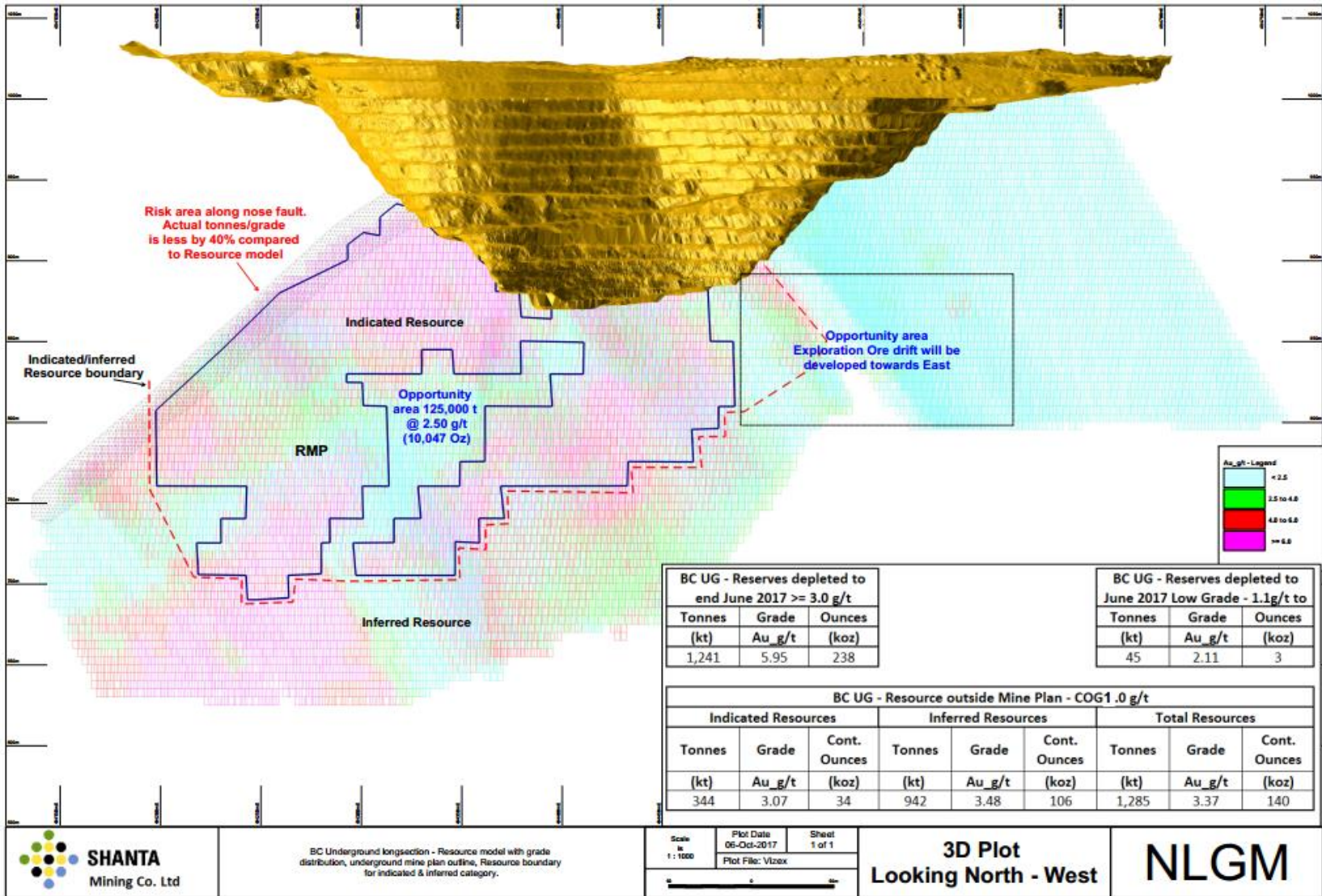
Both ore bodies open at depth

-  Mined Out Development
-  Mined Out Stopes
-  Future Development

# Bauhinia Creek : Underground Long Section

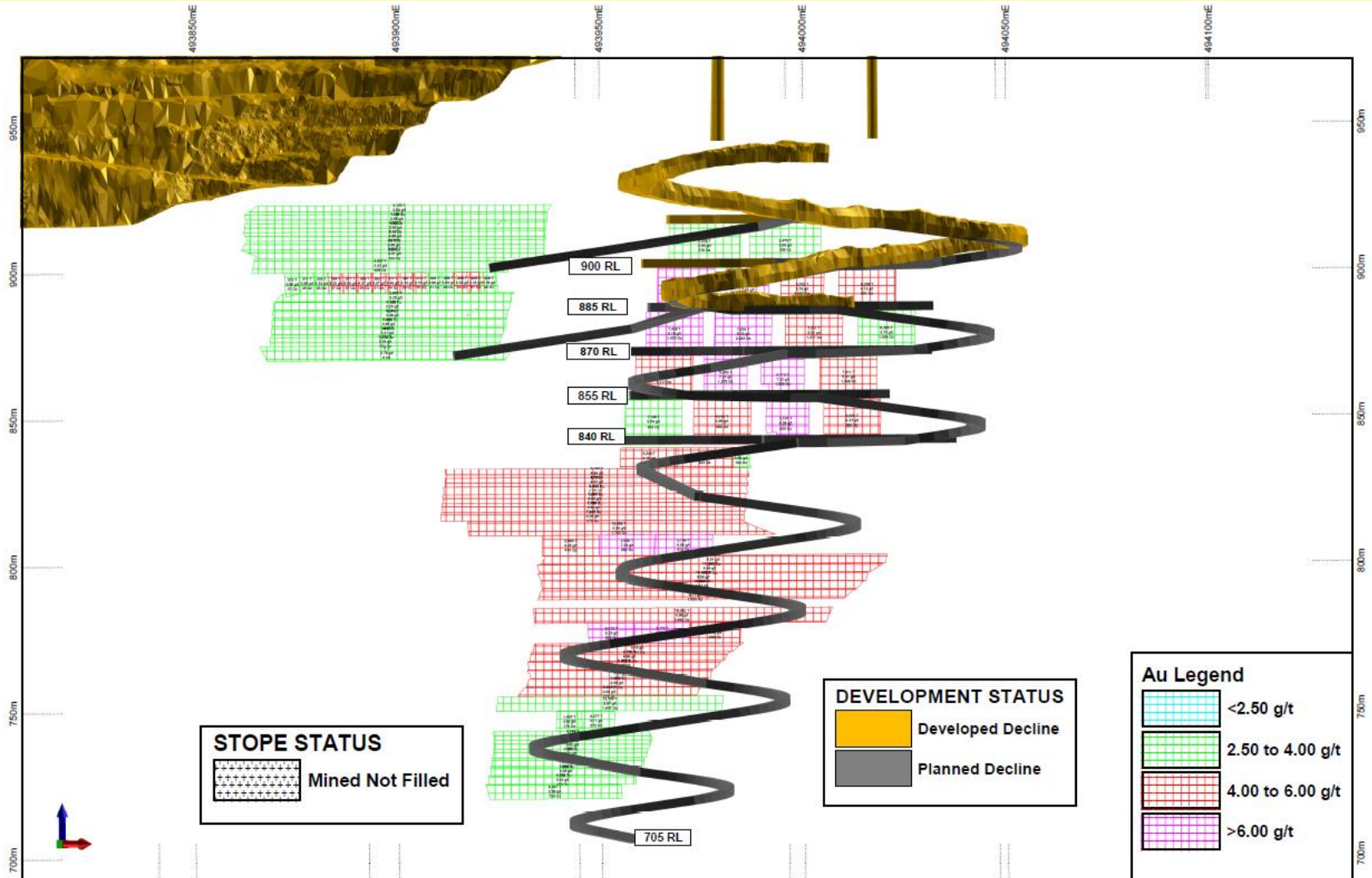



# Bauhinia Creek Long Section – Reserve/Resource Distribution



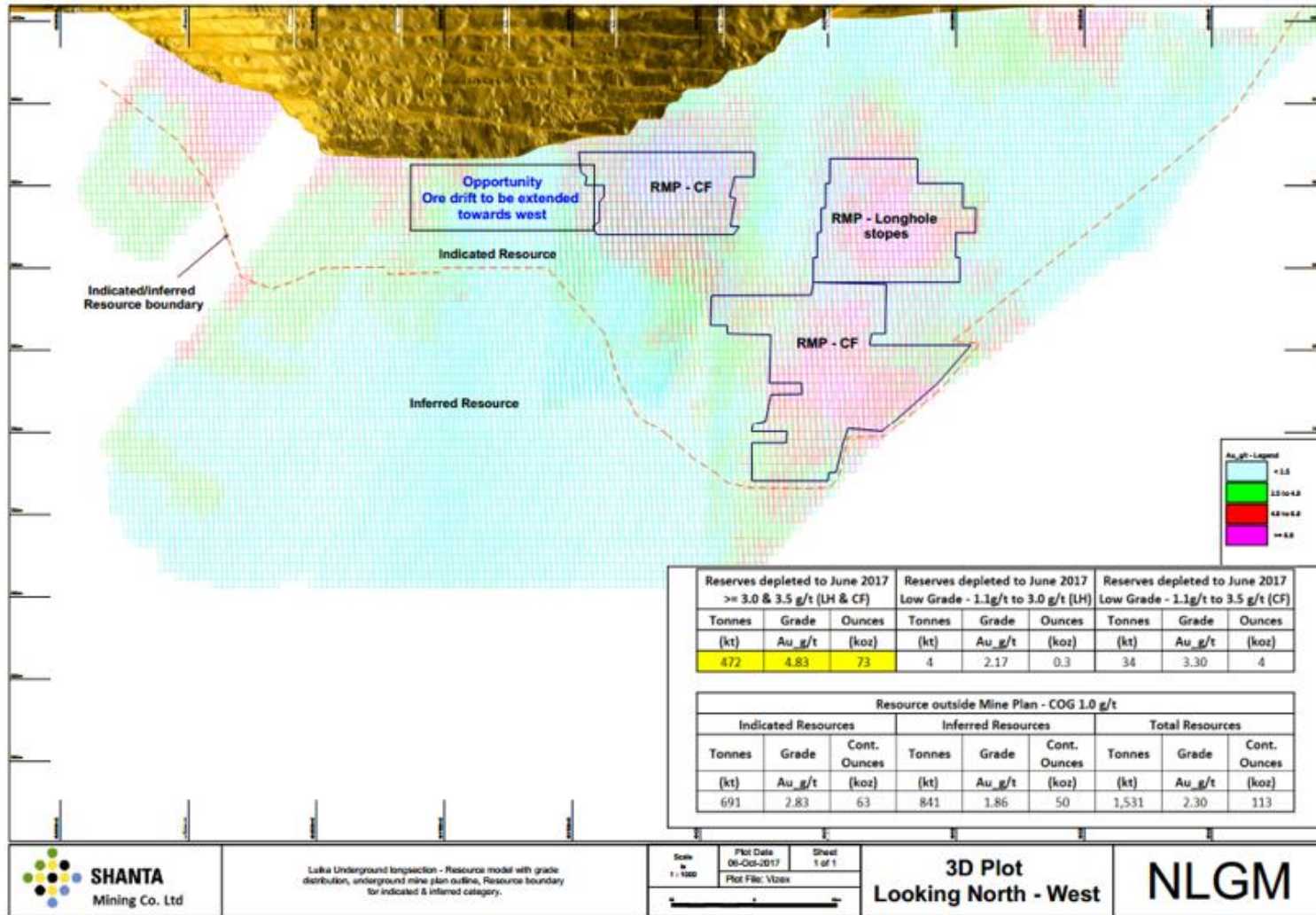


# Luika: Underground Long Section



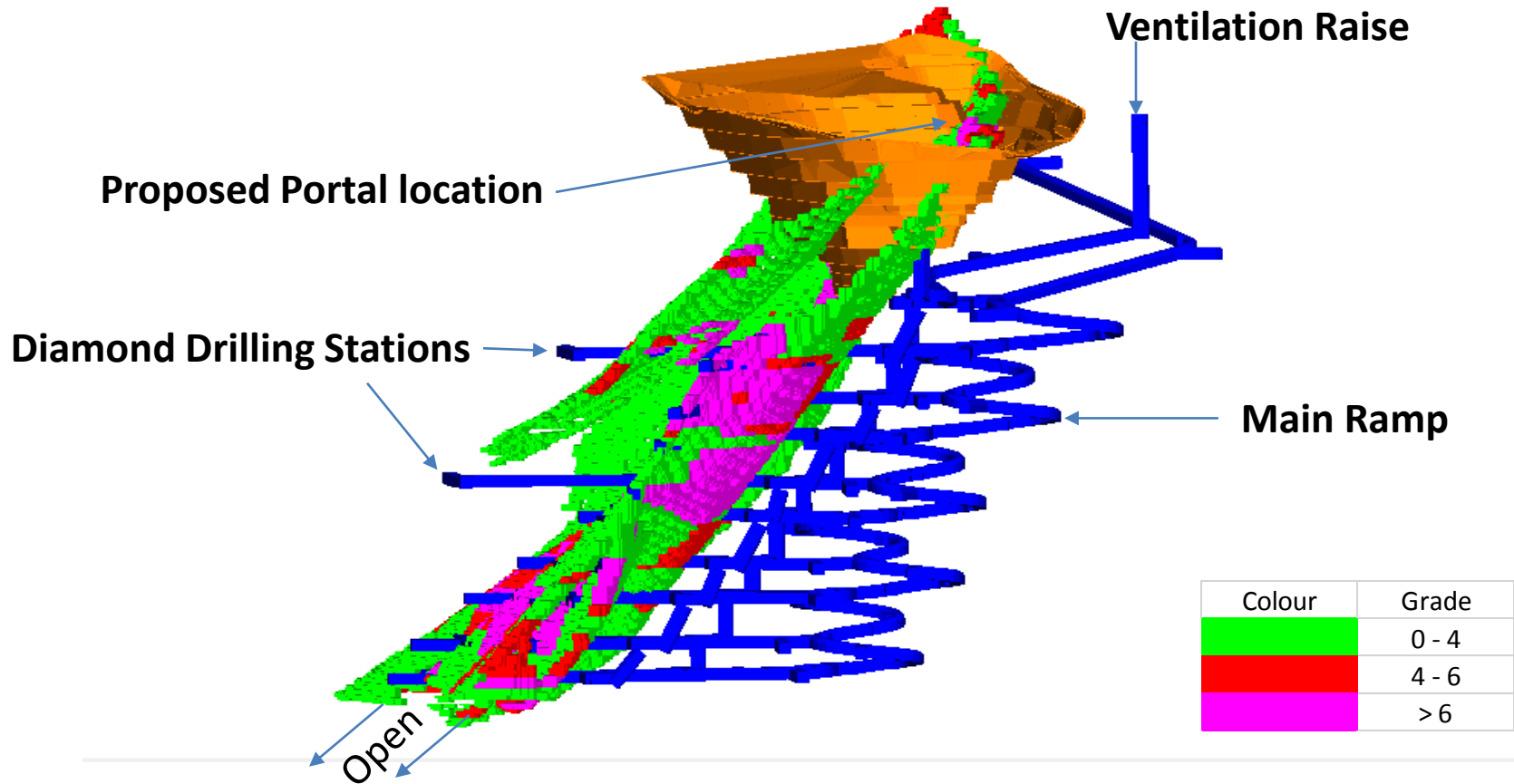
	LUIKA UNDERGROUND GRADE DISTRIBUTION AND DECLINE	Notes: TONNES, GRADE AND OUNCES. LONGHOLE STOPEs & DNF PANELS	1:1200 20 0 20m	Plot Date 01-Dec-2017	Sheet 1 of 1	3D Plot LOOKING NORTH - WEST	<b>NLGM</b>
				Plot File: Vizex			

# Luika Long Section: Reserve/Resource Distribution

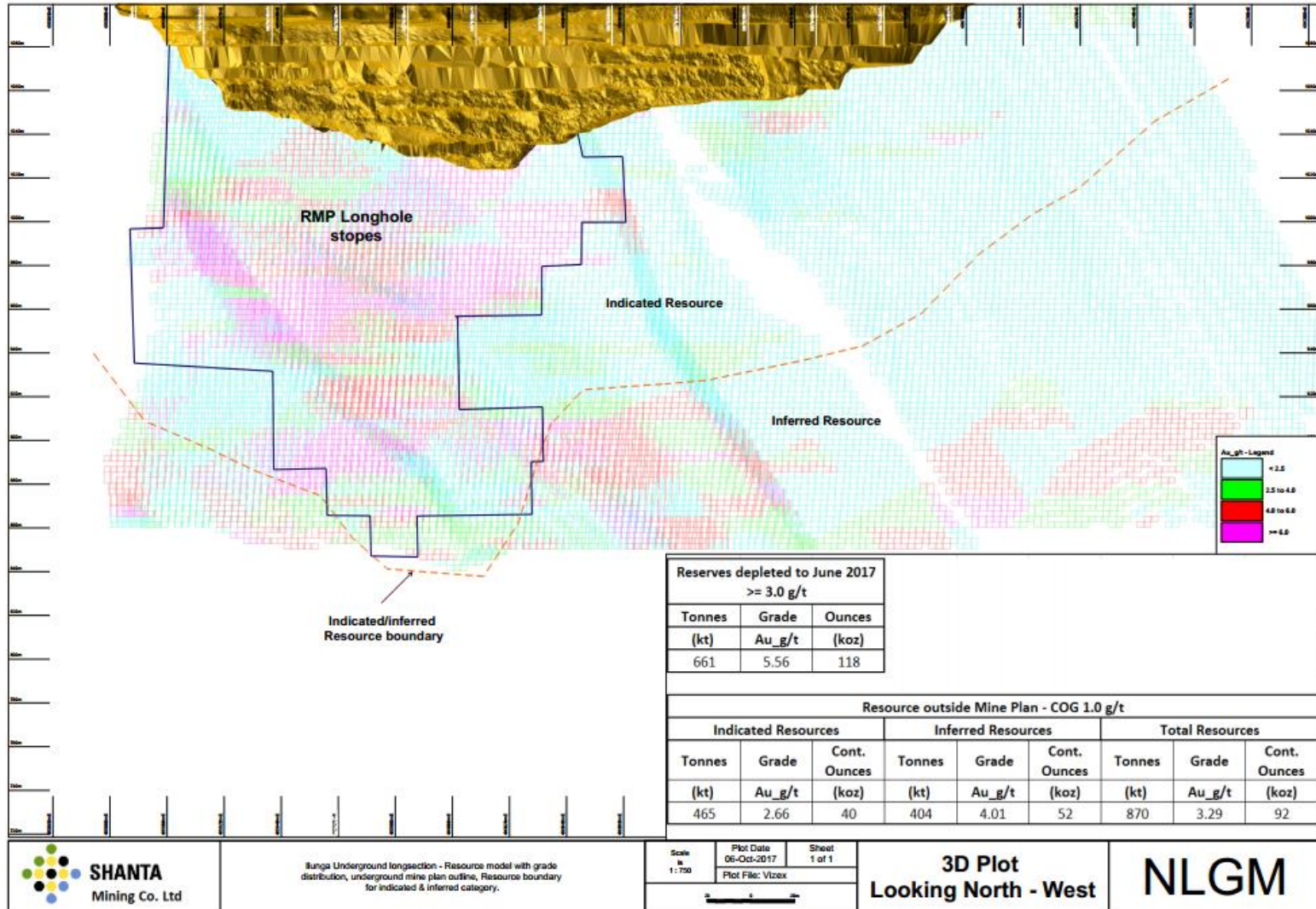




## Ilunga Underground Mine



# Ilunga Long Section: Reserve/Resource Distribution



# Investing for the future

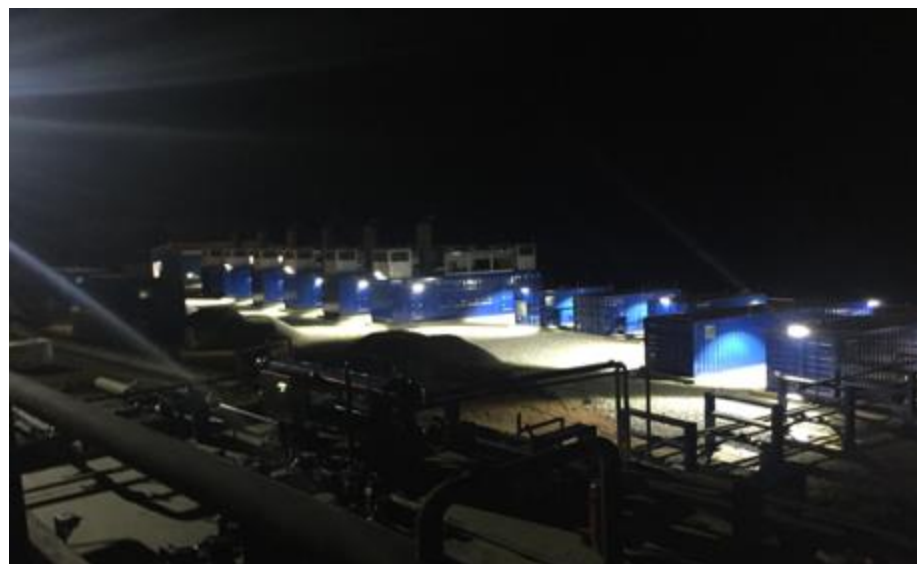




New Luika TSF2 Phase1 – 4.0Mt



# Investing for the future



# Investing for the future





# NLGM Underground – The Future





# Community Relations



## Employment

- NLGM has grown to be a major source of new employment
- 44% of workforce at NLGM currently employed from surrounding villages
- Growth of local business ventures dealing with poultry and farm products

## Education

- Construction of 6 classrooms and 8 offices at Mbangala
- Built 2 Classrooms and 1 office in Patamela
- 600 desks donated
- 120 scholarships awarded
- 3 labs constructed for Saza Secondary school
- 20k liter rain water harvesting

## Health

- Provision of the site ambulance to transport patients from Mbangala to hospital in Mkwajuni
- Bore hole drilling for water supply
- Installation of solar panel at Mbangala
- Assistance with medicine

## Community

- Ongoing re-settlement program at Singida to conditions with sustainable land use
- Shamba resettlement complete and Elizabeth Hill resettlement on track
- Livelihood Improvement Programme



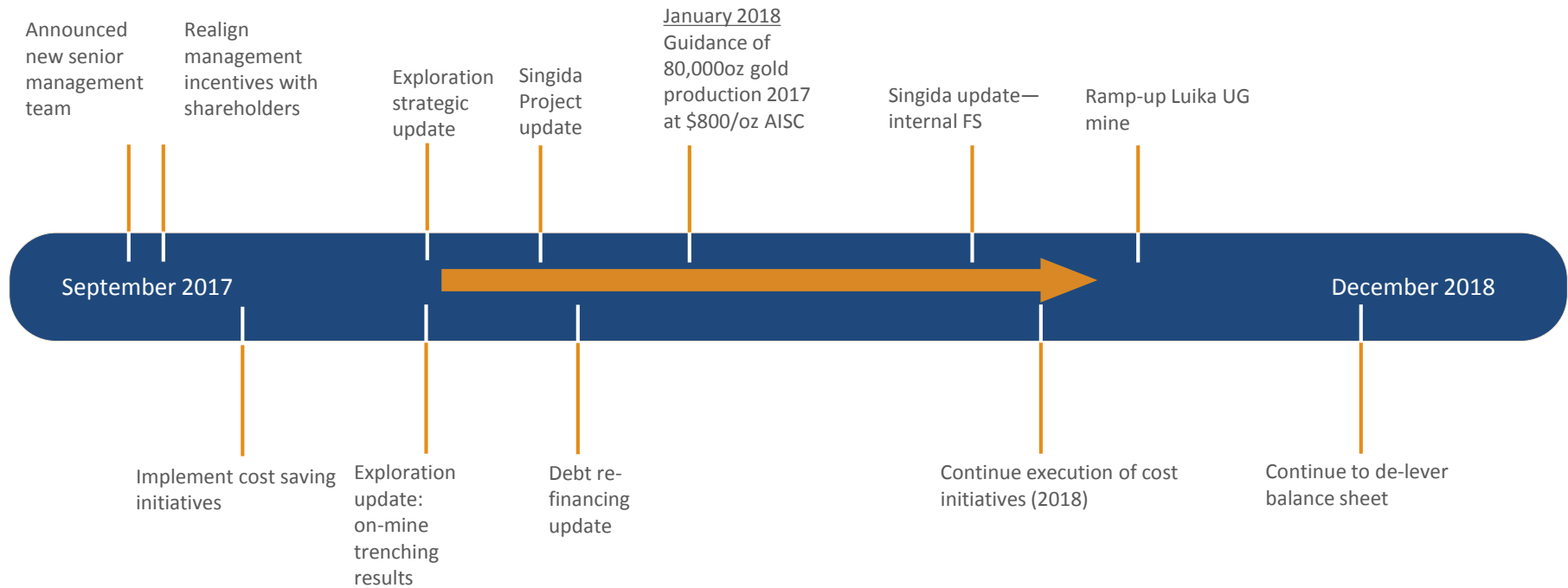
# Positioned for growth – upcoming milestones



	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18
<b>New Luika underground development:</b>					
• First production of stope ore		✓			
<b>New Luika Planning:</b>					
• Update to Base Case Mine Plan to incorporate new Indicated Resources at Elizabeth Hill and Ilunga	✓				
<b>Projects</b>					
• HFO power commissioning	✓				
• TSF 2 commissioning					★
• Solar power project	✓				



# Upcoming catalysts (as stated in Sept 2017)

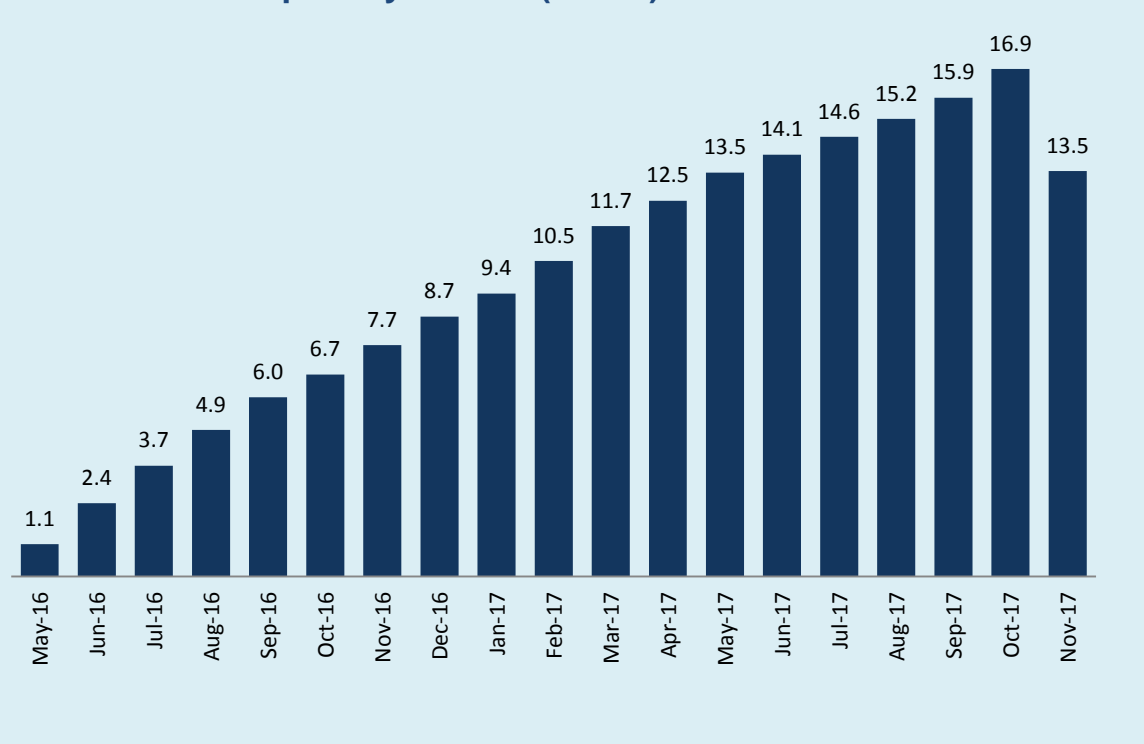


***Discussions with the Government of Tanzania around the current US\$13.5 million VAT receivable are ongoing. US\$3.4 million VAT refund was received in November 2017***

# VAT Receivable – for discussion



Cumulative VAT paid by Shanta (US\$m)



VAT refunded of US\$3.4 million was received in November but \$13.5 million remains outstanding

Recent discussions held with various Ministries in Dodoma



- Strong record of operational delivery
- Smarts built into mine design and plans
- Expertise in development projects
- A team with capability to perform and grow
- Transition to underground firmly on track
- Continued low cost operations on the back of high grade resources
- Substantial contributor to cash generation





**SHANTA GOLD**

# ASANTE