



# Shanta Gold

Investor Presentation February 2013

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# Shanta Gold Overview

- Emerging East African gold mining company, currently focused on Tanzania
- Distinctive strategy of developing smaller, higher grade, less capital intensive projects with superior economic returns
- Experienced management team strengthened by new CEO, CFO, Board and Adviser appointments in 2012
- New Luika gold mine, now into production, provides template for future projects
- Underpinned by large, high grade resource
  - Total resource of 2.3Moz at 3.1 g/t
- Exciting exploration and development pipeline including Joint Venture in Lupa gold fields



# Shanta Gold – Directors and Key Management

## *New appointments in 2012 to steer next phase of development*

**Mike Houston**

*Chief Executive Officer, Director*

- 35 years mining experience in African including 26 years with Anglo American Group
- Former CEO of Zimplats; Non-executive director of Zimplats, Hana Mining, and Erin Minerals
- Significant corporate and technical experience developing and operating precious and base metal projects

**Edward Johnstone**

*Chief Financial Officer, Director*

- Chartered Accountant with 20 years experience
- 8 years African experience, 5 years in mining

**Walton Imrie**

*Non-Executive Chairman*

- Founder of Shanta Gold in 2001 and led company since inception
- 34 years gold mining and exploration experience across southern and eastern Africa

**Nick Davis**

*Non-Executive Director*

- Corporate lawyer and partner at Memery Crystal LLP specialising in natural resource companies
- Advised Shanta Gold on flotation in 2005 and thereafter

**Paul Heber**

*Non-Executive Director*

- Investment Manager and stockbroker with 25 years experience
- Director of Savoy Investment Management and Cambria Africa

**Ketan Patel**

*Non-Executive Director*

- Founder of Shanta Gold in 2001
- Tanzania-based with extensive business interests and directorships

**Luke Leslie**

*Non-Executive Director*

- 10 years of mining transaction experience including mining investment banking at UBS
- Head of Origo Partners Metals & Mining Private Equity; Director of Kincora Copper, Moly World, China Commodities Absolute Return Fund, MSE Liquidity Fund and Resource Investment Capital

**Jonathan Leslie<sup>(1)</sup>**

*Strategic Adviser*

- Highly experienced mining industry executive
- Former CEO Rio Tinto Copper, Diamonds and Gold Groups and subsequently CEO of Sappi, Executive Chairman of Nikanor, CEO of Extract Resources; Director of Lonmin

**Braam Jankowitz**

*General Manager of New Luika*

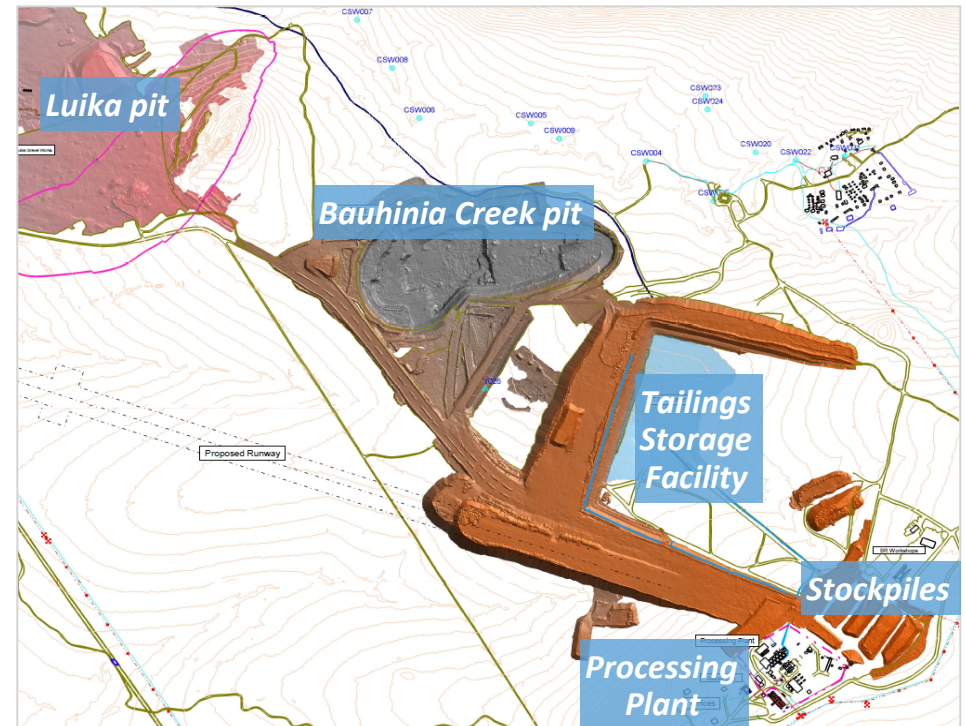
- Geologist with over 30 years mining and mineral exploration experience
- Broad range of gold, platinum, mineral sands and rare earths experience across sub-Saharan Africa, Australia and the Arabian peninsula

(1) Strategic adviser with board observation rights

# New Luika Gold Mine

## *A template for future development*

- Five prospecting licences over 199 km<sup>2</sup> and one mining licence in the Lupa goldfields
- Initial exploration work conducted in late 2007; mining and plant construction began in 2011 with construction of plant completed in August 2012
- 130,000 tonnes of high grade ores and over 45,000 tonnes of gravels were stockpiled ready for processing
- Conventional CIL plant using jaw and cone crushing circuit and twin ball mills producing first gold pour in August 2012
- On-site laboratory fully commissioned allowing quick turnaround of assays for grade and metallurgical controls

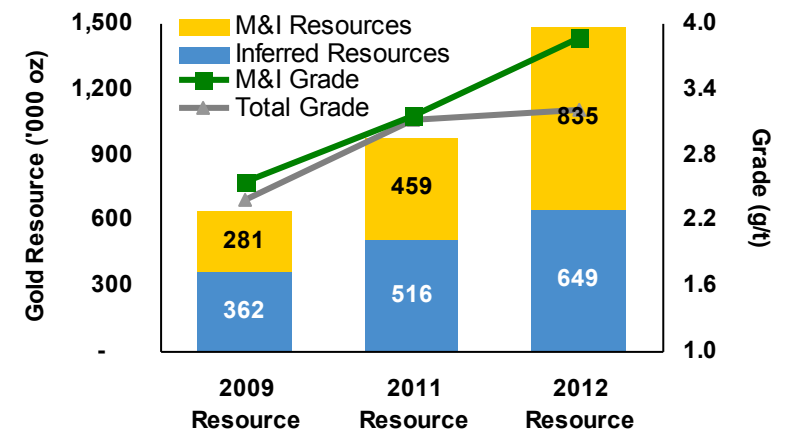


# New Luika Near Term Mine Development

- Focus on optimising Bauhinia Creek and Luika pits
- Total production over first three years expected to exceed 225,000 oz (prev. 175-190,000 oz)
  - Guidance to be confirmed in new mine plan to be released H1 2013
- Significant Indicated resource upgrade in July 2012:
  - Bauhinia Creek – 428,843 oz at 7.42 g/t
  - Luika – 203,608 oz at 3.13 g/t
- Flexibility to feed current plant from both Bauhinia Creek and Luika pit maximises project economics
- Bauhinia Creek remains open at depth
  - Grades suggest underground mining option could further extend mine
  - Possibility of ‘super pit’ connecting Bauhinia Creek and Luika pits



## Resource progression



# New Luika Operational Update

- Plant optimisation actions in Q4 2012 have borne fruit:
  - Revised gold production target met with 5,748oz produced with further 1,917oz absorbed in carbon by end of 2012
  - Processing plant recovery issues largely resolved and a consistent mill feed will further enhance efficiencies
- Two stage crushing circuit successfully upgraded to three stage circuit January 2013 – material increase in daily throughput
- Plant remains in ramp-up phase but firm base established to meet 2013 gold production target of c70,000oz
- Expect to publish revised medium term New Luika mine plan in Q2 2013 incorporating the higher grade Bauhinia Creek resource

# Bauhinia Creek Pit Optimisation

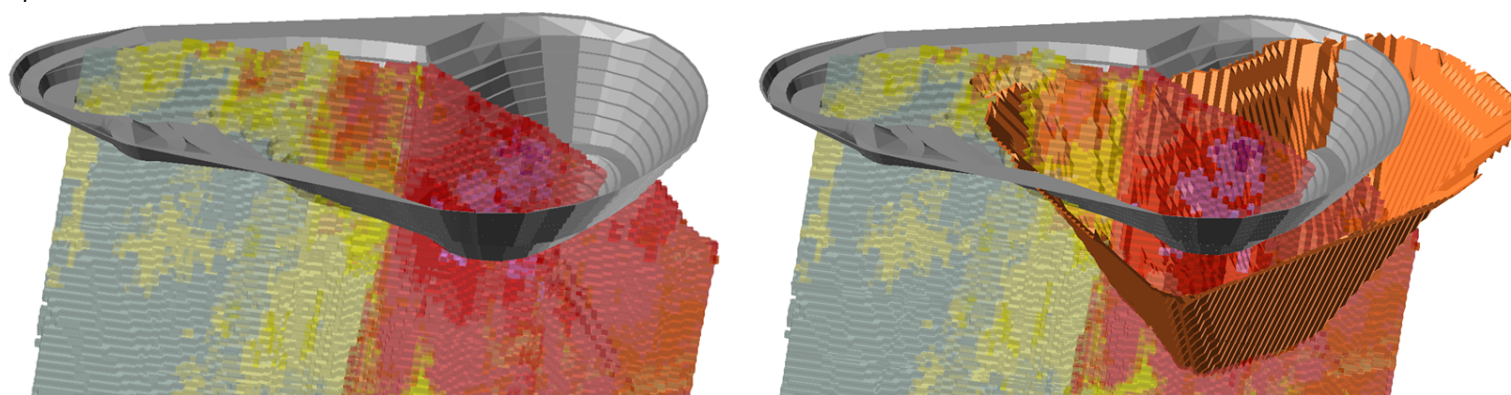
- The Bauhinia Creek mine plan is currently being reassessed following the July resource upgrade with a revised mine plan expected by year end
  - Current optimisation indicates more ounces, higher grade and lower stripping ratio

## June 2011 Design

## Current Optimisation

Ore Tonnage ( '000 t)	719	↑	1,865
Strip Ratio (bcm waste:ore tonnes)	6.53	↓	4.78
Exploitable Gold ( '000 oz)	126	↑	315
Gold Grade (g/t)	5.47	↑	5.58

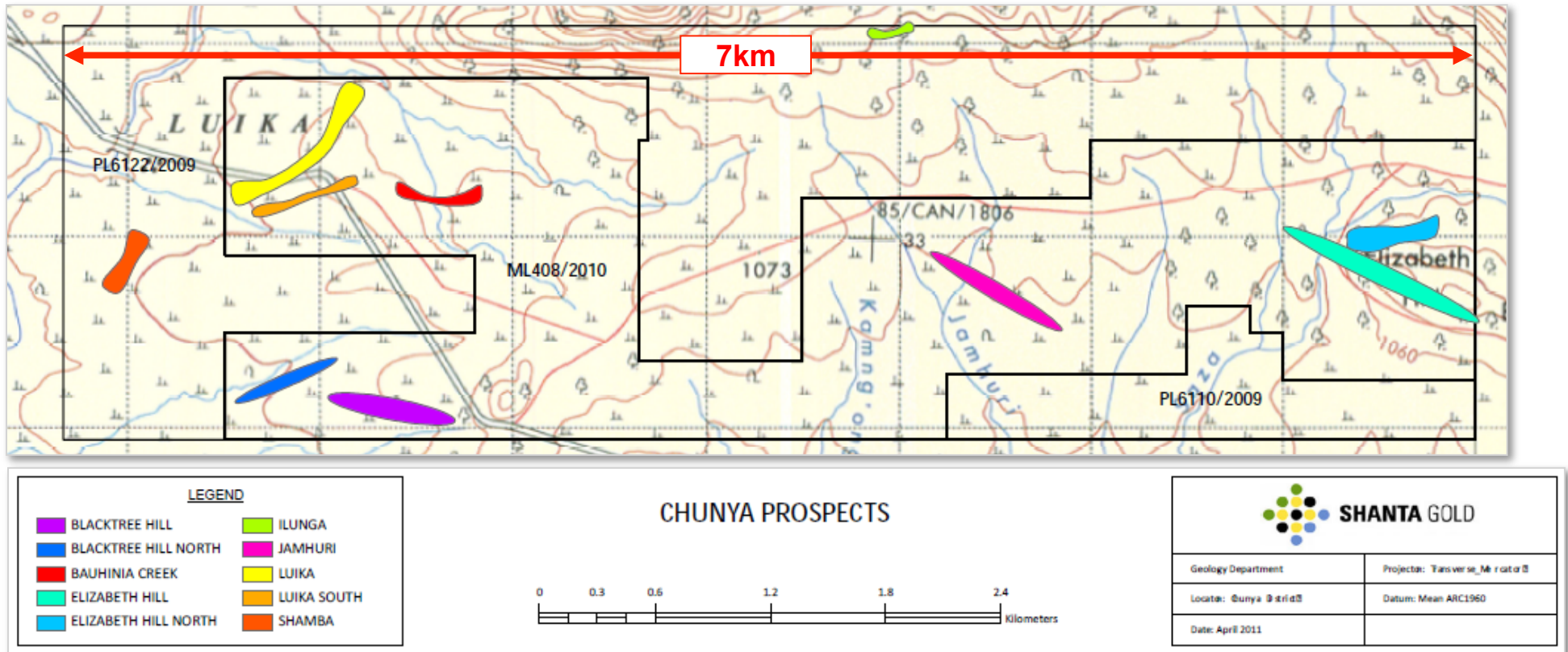
Note: Based on \$1,200/oz gold price assumption





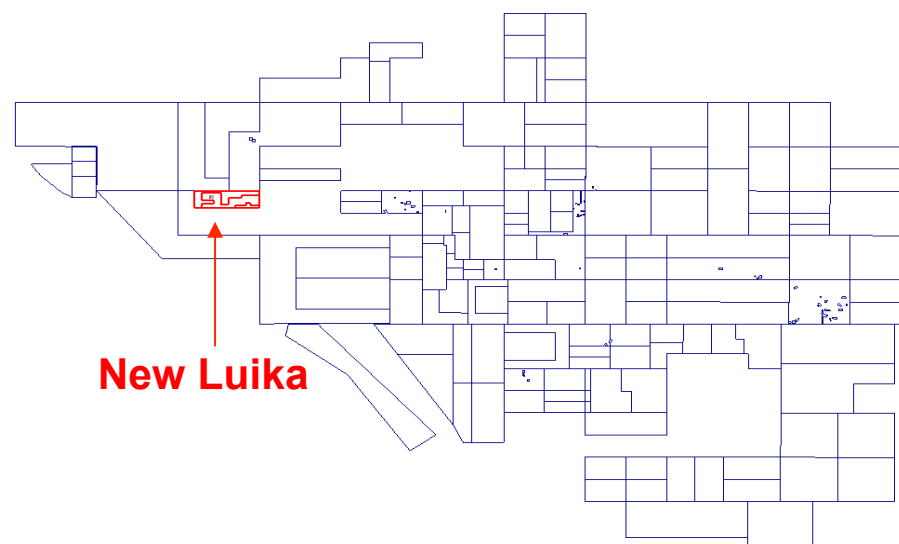
# Additional Upside within Mining Licence

- Four additional deposits located within the mining license to be exploited by open cast mining
  - Black Tree Hill, Jamhuri, Elizabeth Hill (bulk tonnage, low grade), Shamba (small operation)
- Potential also exists to establish underground mining operations at two additional deposits
  - Ilunga, Luika South (access may be established from Luika pit)



# Great Basin Gold Joint Venture

- Joint Venture initially entered into in June 2011
- Covers c.2,500km<sup>2</sup> of exploration assets within close proximity to the New Luika Gold Mine
- Encouraging recent exploration results from 1,075 grab samples, 1,270m of trenching and 4,476m of RC drilling including the identification of three new mineralised drill ready prospects
- Key joint venture agreement terms:
  - Shanta required to spend a minimum of \$12 million on exploration over a three year period to earn an 80% interest (\$2m by 31 December 2012)
  - Shanta issued 12.4 million shares and 12.4 million warrants to GBG at 35p per share
  - Additional consideration if >500Koz discovered at >1.5g/t cut-off, payable in Shanta shares at 7-day VWAP
    - US\$70/oz for Measured and Indicated resources; US\$20/oz for Inferred resources
- GBG has commenced insolvency proceedings and an asset sale process
  - Shanta has a pre-emptive right to GBG's interest in the Joint Venture in the event GBG looks to sell its interest



# Great Basin Gold Joint Venture (cont'd)

*Encouraging early-stage drilling results*

## 6.2km from plant

Big Vein 2 Prospect				
BH I.D.	From	To	Width	Au g/t
SGR002	32	36	4	35.44
SGR003	53	58	5	4.53
SGR003	78	82	4	1.45
SGR003	83	87	4	16.16
SGR003	94	95	1	2.31
SGR007	17	20	3	0.94
SGR007	25	26	1	7.55

## 7.2km from plant

Mgomba Prospect				
BH I.D.	From	To	Width	Au g/t
SGR041	41	48	7	12.1
SGR046	13	15	2	2.35
SGR046	18	22	4	1.21
SGR046	42	44	2	4.25
SGR047	12	13	1	2.85
SGR047	26	29	3	6.31
SGR049	31	33	2	7.85
SGR053	31	33	2	1.76
SGR053	37	40	3	1.66

## 7.8km from plant

Dave's Mile Prospect				
BH I.D.	From	To	Width	Au g/t
SGR015	28	30	2	1.04
SGR016	26	27	1	3.08
SGR024	44	45	1	1.45
SGR024	46	50	4	2.99
SGR030	57	58	1	1.04
SGR030	64	65	1	4.36
SGR032	57	62	5	2.63
SGR032	71	72	1	5.1
SGR063	43	45	2	5.25

# Singida

## *The next golden opportunity*

- Located in central Tanzania, a number of prospecting licences (a small number of which are subject to a minor royalty interest) held as well as 3 mining licences
- Significant progress since initial exploration activity began six years ago
- Resource assessment in 2009 estimated over 850,000 ounces of gold to be contained in-situ with 64% in the Measured and Indicated category
- Feasibility study completed in August 2011 indicated potential production of 450,000 oz over a 10 year mine life
- Targeting similar sized project development to New Luika

## Singida updated feasibility (August 2011)

Total tonnes mined	million	23.5
Total tonnes treated	million	2.5
Annual treatment rate	t	255,000
Total construction cost	US\$ million	30
LOM gold production	oz	450,000
Average grade recovered	g/t	5.43
Average annual production	oz	45,000
Return on investment	%	120
Net present value <sup>11%</sup>	US\$ million	130
LOM	years	10

# Distinctive Approach to Gold Mining Projects

- Shanta Gold focuses on mid to high-grade resources resulting in competitively costed projects
- Parameters for such projects include:
  - Average head grade >2 grams per tonne
  - Exploration phase within three years
  - Development phase within 15-18 months
  - Simple, low cost approach to mining construction and operation (open pit, CIL plant with ball mills, etc.)
- Lower cost model relies on external contractors for construction, mining and plant operations, all overseen by experienced Shanta Gold personnel

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# Appendix

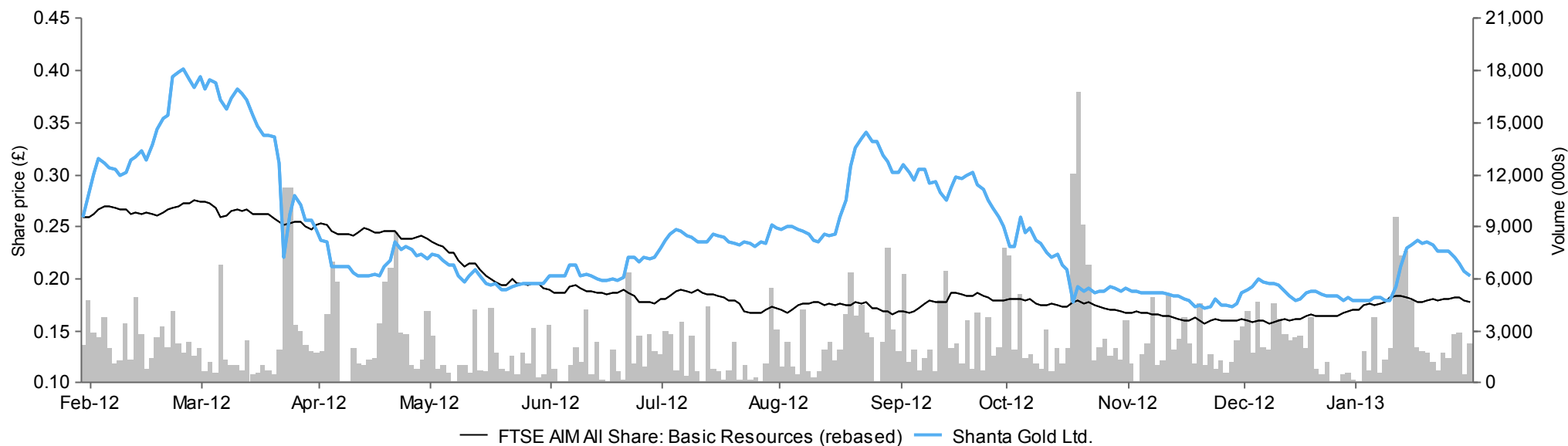
# High Grade Resource

Project Name	Cut-off (g/t)	Measured and Indicated			Inferred			Total		
		Mt	g/t	Ounces	Mt	g/t	Ounces	Mt	g/t	Ounces
<b>New Luika</b>	1.0	6.6	3.87	835,485	7.6	2.64	648,905	14.3	3.22	1,484,390
<b>Singida</b>	1.0	5.2	3.30	549,977	4.2	2.28	308,508	9.4	2.84	858,485
<b>Total</b>	<b>1.0</b>	<b>11.8</b>	<b>3.62</b>	<b>1,385,462</b>	<b>11.8</b>	<b>2.51</b>	<b>957,413</b>	<b>23.7</b>	<b>3.08</b>	<b>2,342,875</b>

- New Luika resource updated July 2012
  - Recent internal estimates point toward considerable increase in mineable resource and grade from the main Bauhinia Creek open pit
  - Resource remains open at depth
- Singida resource updated June 2009

Source: Geologix Independent resource consultant

# Corporate Summary



## Financial Summary <sup>(1)</sup>

Share Price	£0.2025
52-week High	£0.4150
52-week Low	£0.1675
Shares outstanding	461.8m
<b>Market cap.</b>	<b>£93.52m</b>

(1) As of market close on 29 January 2013

## Top Shareholders

Directors of Shanta Gold*	15.4%
Spearpoint clients	8.4%
Odey Asset Management	8.3%
Blakeney Investors	7.5%
Investec Asset Management	5.3%
Redmayne Bentley clients	4.2%
Majedie Asset Management	3.3%

\* Including Jonathan Leslie, Special adviser

Source: Shareholder analysis as at 23.11.12 & investor disclosures as at 31.01.12



# Tanzania: Attractive Area of Operations

- Africa's 3rd largest gold producer after South Africa and Ghana
- Project focus area under-explored, underdeveloped as compared with Lake Victoria goldfields
- Tanzania economy growing at c.6.5% to 7% per annum with moderate inflation
- Reasonable infrastructure despite power shortages
- Stable political environment, pro-growth, pro-investment policies favour mining development, workable tax and regulatory regime

