

Q4 2019 Production and Operational Update

16 January 2020



SHANTA GOLD

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Shanta Gold – Highlights & Guidance

Q4 2019 performance

- Gold production of 19.6k oz at New Luika
- Cash costs of US\$638 /oz, AISC¹ of US\$902 /oz
- Incremental gold reserves of 135,438 oz grading 4.07 g/t
- Net debt reduced 31% to US\$14.3m

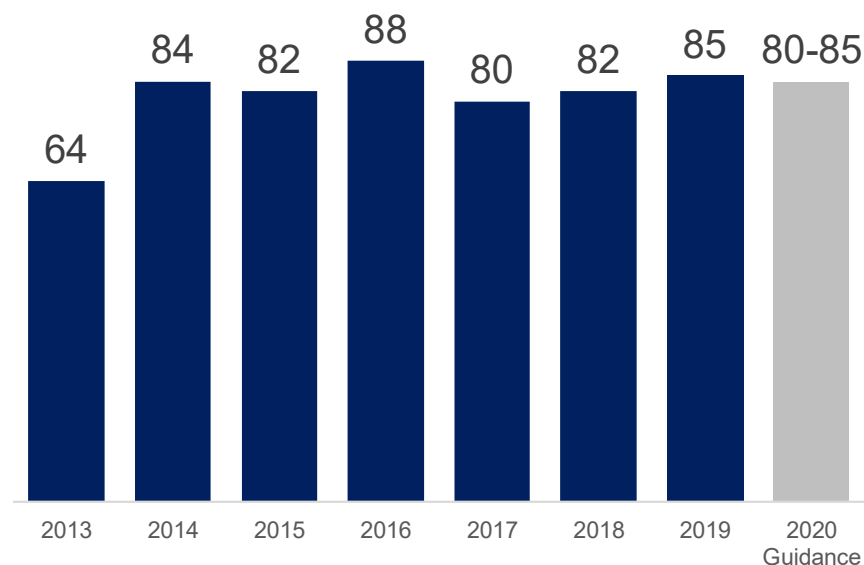
2019 production ahead of guidance

- Gold production: **84,506 oz**, exceeds guidance of 80-84k oz
- Cash costs of US\$544 /oz
- AISC¹: **US\$779 /oz**, in line with guidance of US\$740-780 /oz
- Exceptional safety record with zero LTIs in 2019

2020 guidance

- Gold production: 80,000 – 85,000
- AISC^{1,4}: US\$830 – 880 /oz
- Exploration budget increased by 65% to US\$5.0 million

Reliable, low cost producer



Summary Capitalisation

Share Price (GBP) (15Jan2020)	10.6 p
Market capitalisation	US\$109 m
Net debt (31Dec2019)	US\$14 m
Enterprise Value	US\$123 m
EBITDA ²	US\$48 m
EV / 2019 EBITDA	2.6 x



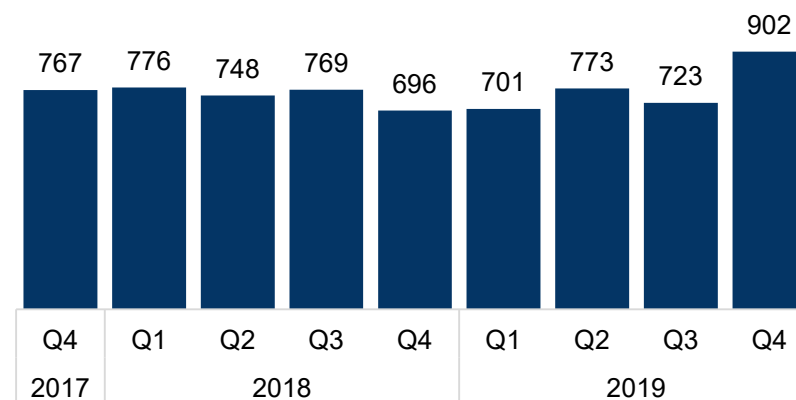
1. Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC
2. Before non-cash loss on unsettled forward contracts
3. Includes liquidity available from unsold doré at refinery
4. Includes non-cash impact of reduction in ROM stockpile (US\$/20/oz), higher royalties due to higher gold price (US\$/20/oz), open pit mining (US\$/40/oz)

Q4 2019 performance

Quarterly gold production (000's oz)



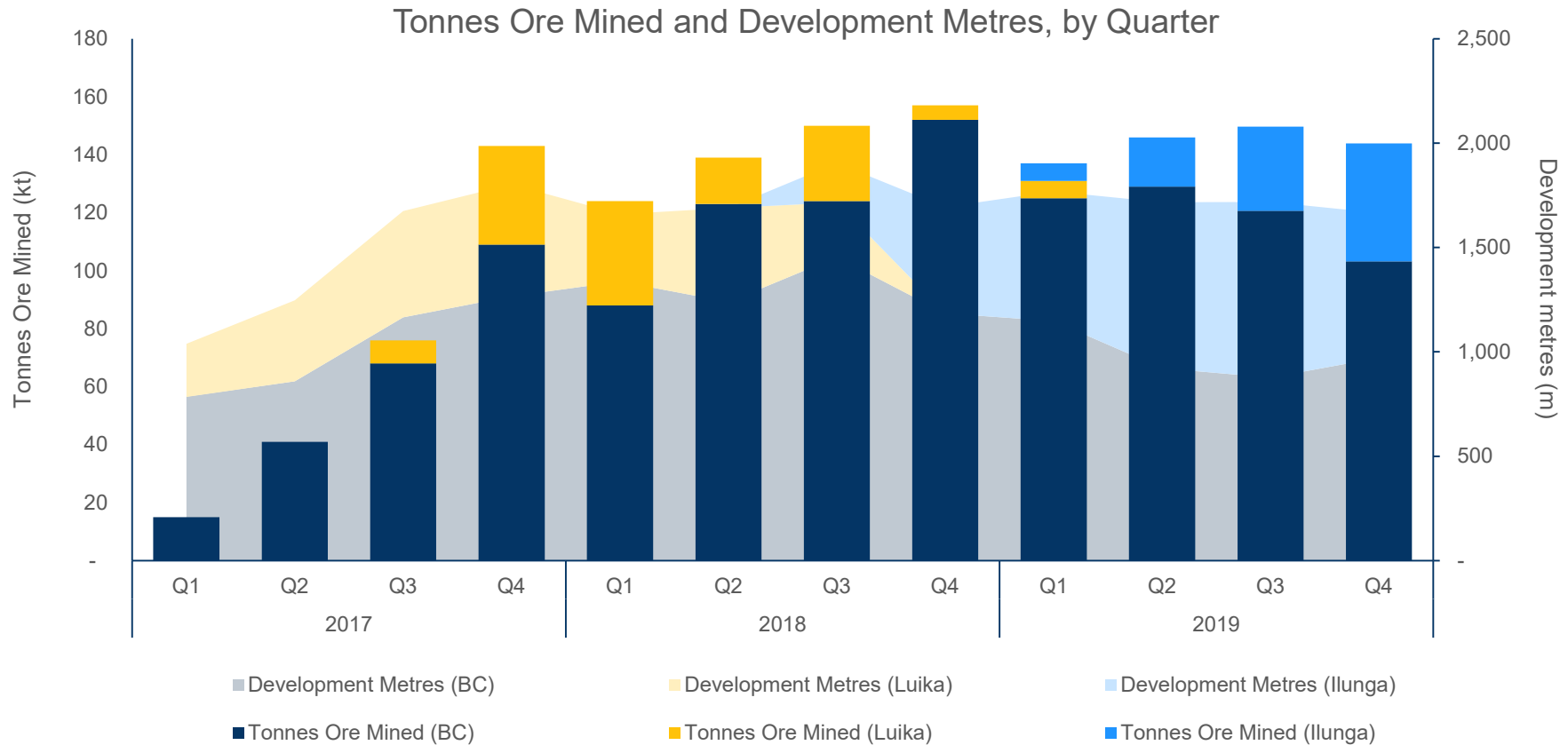
Quarter on Quarter AISC^{1,2} (\$ /oz)



1. Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC
2. Q4 2019 AISC includes \$47 /oz for accelerated power station generator refurbishments

Q4 2019 underground update

▶ 144 kt of ore grading 5.17 g/t mined from NLGM's active high-grade underground deposits



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



FY 2019: New annual record of 702,336 tonnes milled

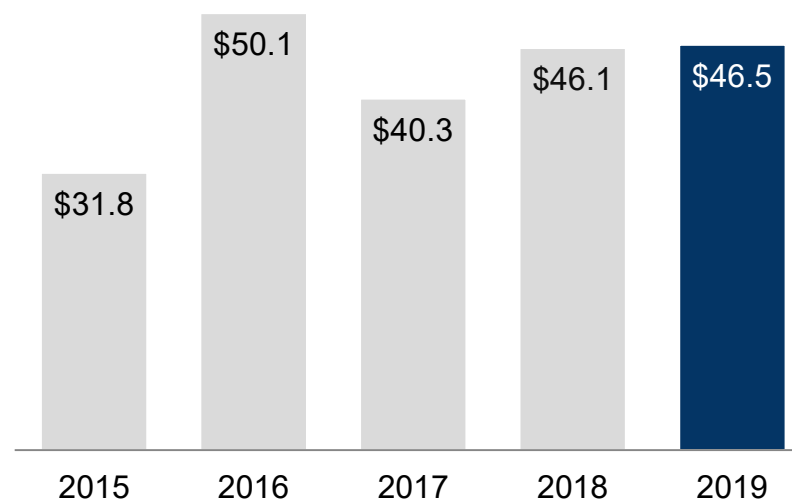
	FY 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017
Tonnes ore mined (OP+UG)	603,373	144,206	166,772	155,779	136,616	677,734	638,088
Tonnes ore milled	702,336	177,913	174,132	177,647	172,644	639,678	632,287
Grade (g/t)	4.19	3.83	4.54	3.91	4.49	4.38	4.28
Recovery (%)	89.4	89.2	89.3	89.4	89.9	90.9	91.1
Gold production (ounces)	84,506	19,550	22,726	19,856	22,374	81,872	79,585
Gold sales (ounces)	80,758	17,311	22,477	19,780	21,190	82,457	80,365
Realised gold price (US\$ /oz)	1,378	1,440	1,462	1,303	1,309	1,259	1,263

FY 2019: US\$46.5 million cash flow generated

EBITDA (US\$ million)



Operating cash inflow before movement in working capital (US\$ million)

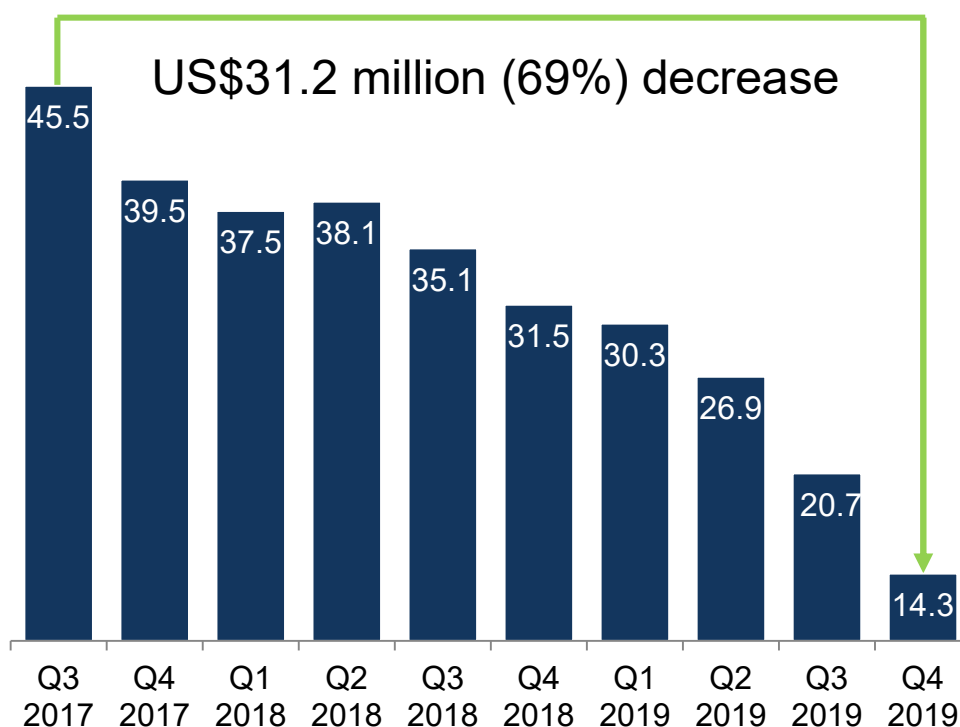


Note: 2019 adjusted for non-cash loss on unsettled forward contracts
2015-2018 audited financial results are unadjusted



Balance sheet repair: 69% decrease in Net Debt since Q3 2017

Net debt¹ (US\$ million)



1. Includes liquidity available from bullion delivered to the refinery prior to 31 December 2019

Q4 2019 highlights

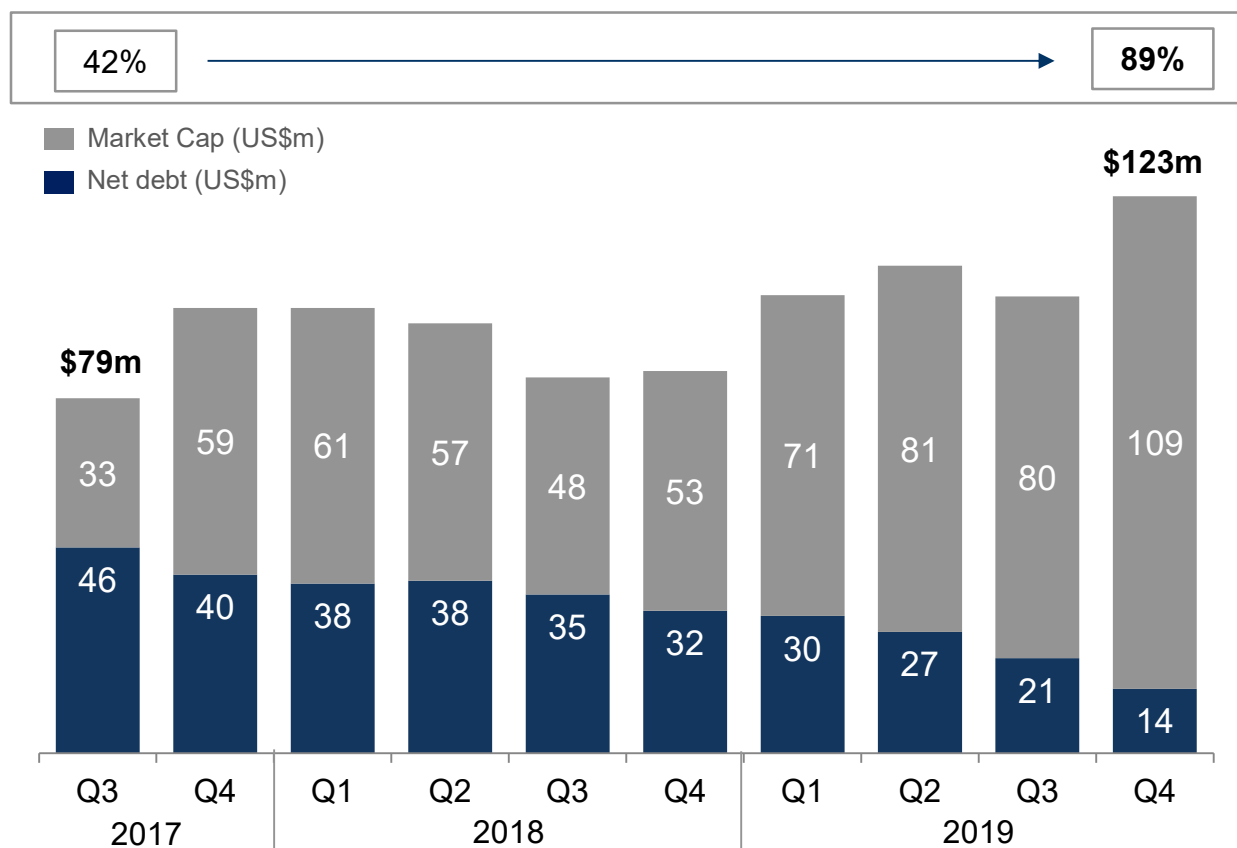
- Sharp fall in quarterly net debt
- Unrestricted cash balance of US\$3.5 million plus US\$4.2 million bullion at refinery in Switzerland at 31 December 2019
- **Total liquidity of US\$13.7 million**, including US\$3.5 million of bullion available for sale in the New Luika gold room at 31 December 2019
- Gross debt at US\$22.0 m, the lowest in over 7 years

Value transfer to Shanta Gold shareholders

Significant transfer of value from debt to equity since Q3 2017

Shanta Gold Enterprise Value

$EV (US\$m) = Net\ debt + Market\ Cap^1$



Highlights

- Shanta's market cap now accounts for 89% of Enterprise Value, up from 42% in Q3 2017
- SHG share price continues to re-rate, up 239% since Q3 2017 results (17 October 2017)

Q4 2019 Exploration: 135k oz new gold reserves added to the mine plan (as at Oct 1st 2019)¹

- ▶ 6-month drilling campaign, 81 holes, 8.5km, costing c. US\$1 million
- ▶ 135k oz new probable reserves added to the mine plan
- ▶ All within 4 kilometres of the processing plant

Incremental Probable Reserves announced 18 November 2019

Deposit	Mine ²	COG (Au_g/t)	Tonnes	Au_g/t	Ounces
Bauhinia Creek	UG	1.9	361,821	6.32	73,471
Bauhinia Creek North	OP/UG	0.6/1.9	174,651	3.21	18,037
Black Tree Hill	OP	0.6	292,395	1.33	12,469
Elizabeth Hill	OP	0.6	205,054	4.77	31,460
Total			1,033,920	4.07	135,438

* Reserve figures converted during a period of Jan to Sept 2019 by source

1. Excludes reduction of 44k oz reserves at Ilunga following additional grade control drilling since 2017

2. OP denotes Open pit; UG denotes underground



Q4 drilling update

- ▶ 66 holes totalling 7,410 metres drilled between October and December at a cost of US\$0.7 million
- ▶ Included the intersection of high grade mineralisation at encouraging widths
- ▶ All drilling on existing mining licences

Selected intersections announced in December 2019:

BC North deposit

Hole #	Intersection
29	11 m @ 8.55 g/t Au
31	10 m @ 10.93 g/t Au
28	10 m @ 9.18 g/t Au
21	6 m @ 11.41 g/t Au
24	5 m @ 6.21 g/t Au
25	4 m @ 5.04 g/t Au

BC East deposit

Hole #	Intersection
538	7 m @ 6.86 g/t Au
546	4 m @ 10.83 g/t Au
545	4 m @ 4.86 g/t Au
Elizabeth Hill	
528	9 m @ 2.31 g/t Au
531	2 m @ 2.46 g/t Au

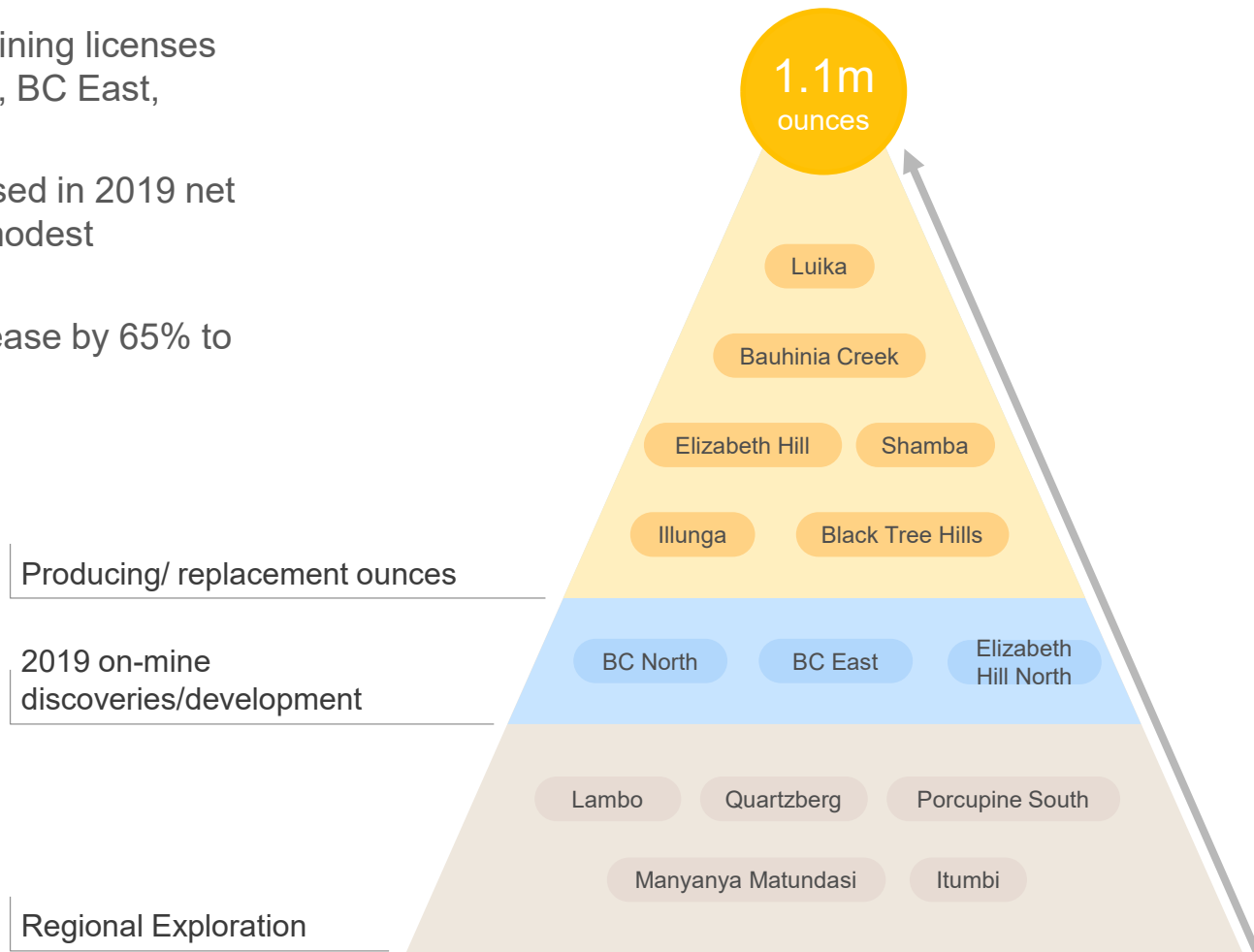
BC Deep West

Hole #	Intersection
131	7.3 m @ 4.52 g/t Au
132	1.65 m @ 14.27 g/t Au
Phase 2 drilling is ongoing with encouraging results having been received since December 16 th	

New Luika exploration portfolio

- New discoveries on the mining licenses during the year (BC North, BC East, Elizabeth Hill North)
- Mineable reserves increased in 2019 net of depleted ounces with modest exploration expenditure
- Exploration spend to increase by 65% to US\$5m in 2020

Reserves and resources



2020 priorities

1

Safe Operational Delivery

80-85k oz in 2020 at AISC of US\$830-880 /oz

2

Exploration

Reserve addition and mine life extension at New Luika
11,000 metres of drilling is planned

3

Deleveraging

Net cash balance sheet in 2020

4

Unlocking value

Singida asset level financing
(US\$31 million NPV at Dec 2018 gold forward curve, based on
spot gold price of US\$1,225 /oz)

Near term catalysts and news

Date	Event
February 2020	2019 Full Year Results
February/ March 2020	Phase 2 drilling update from BC Deep
February/ March 2020	Updated reserves and resources
21 April 2020	Q1 2020 results: deleveraging and VAT update
April 2020	Repayment of convertible loan notes
Q1 & Q2 2020	Singida financing update
21 July 2020	Q2 2020 results

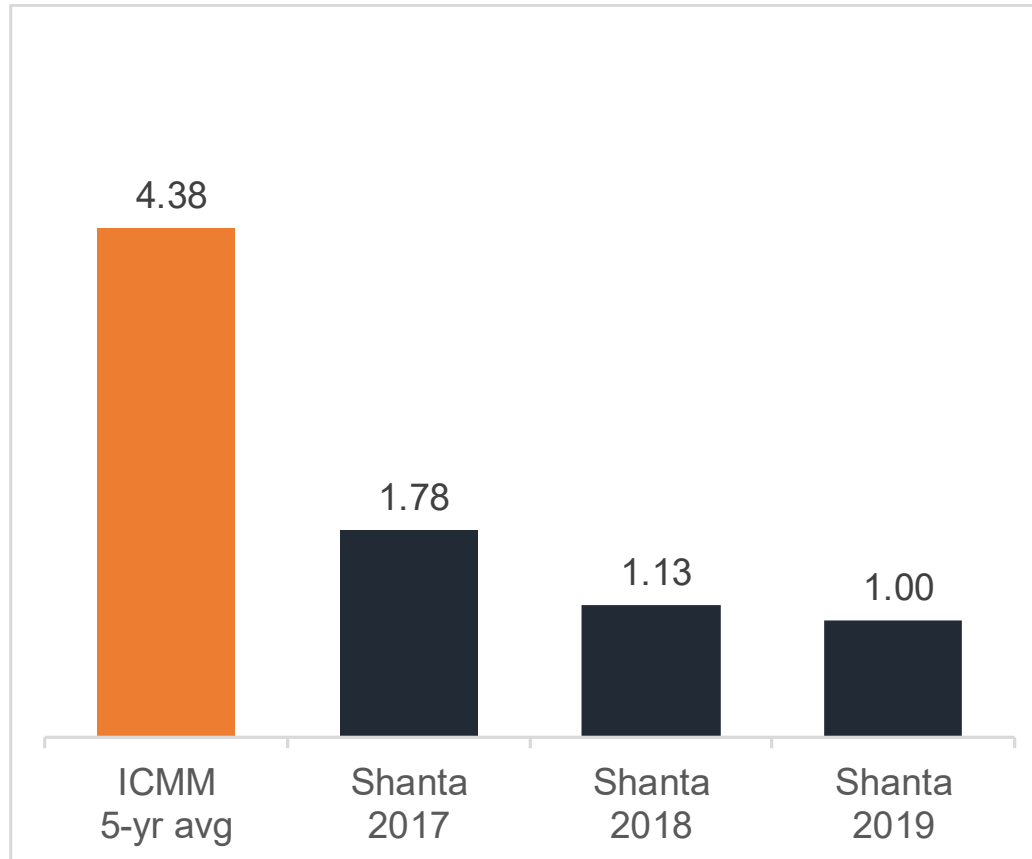


Appendix

Excellent safety: 44% improvement since 2017

TRIFR rate

(Total Recordable Injury Frequency Rate)



Shanta highlights

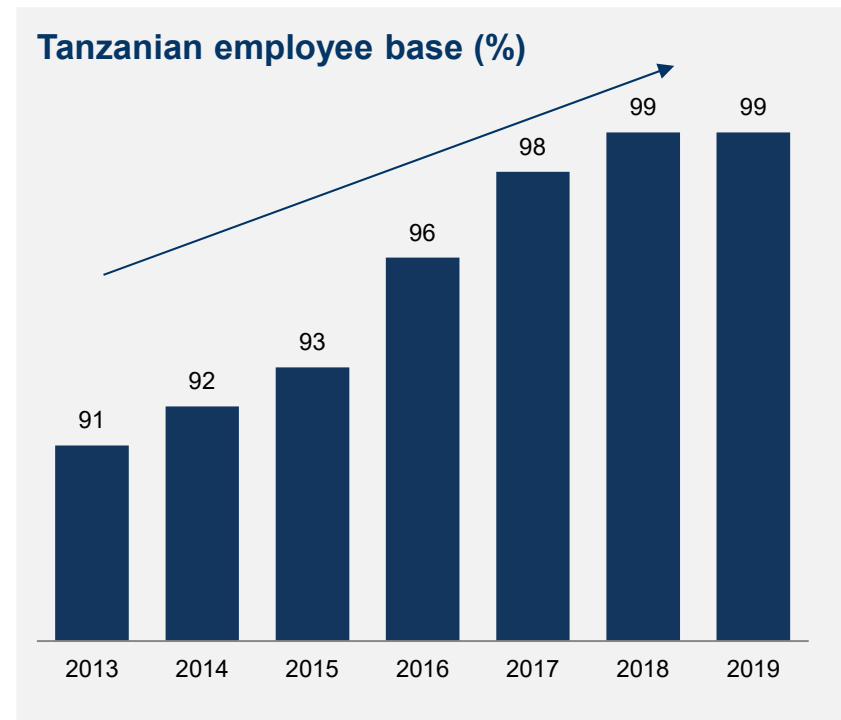
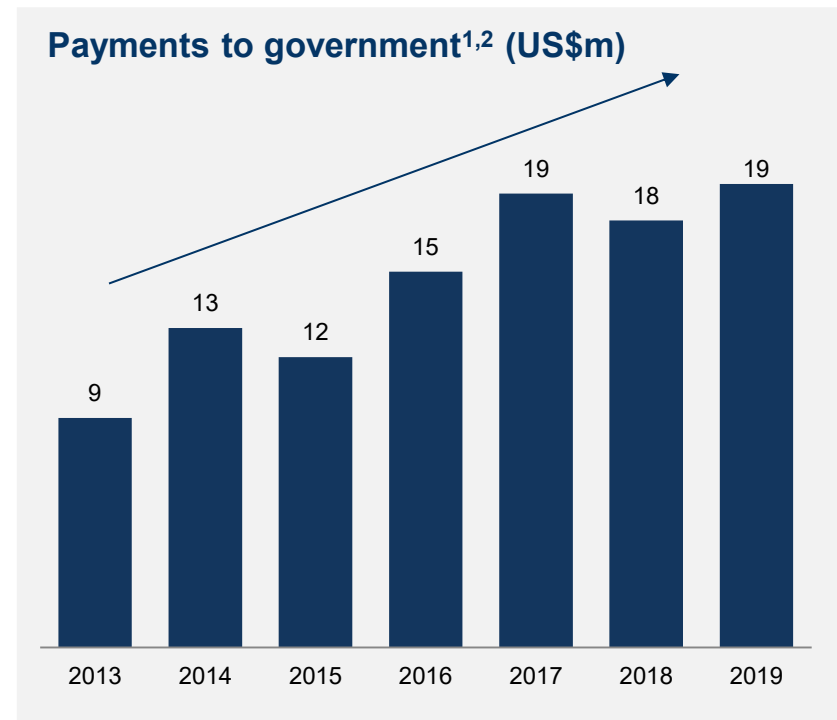
- No fatalities
- No LTIs
- 3.9 million hours since last LTI
- Industry leading safety record

Note: The International Council on Metals & Mining's (ICMM) members comprise 27 of the largest global metals & mining companies



Shanta is committed to Tanzania

- ▶ Over US\$100 million contributed to the Government of Tanzania and >99% Tanzanian workforce
- ▶ Extensive CSR programme across all major disciplines
- ▶ Strong and open relationships with Senior Government Ministers



1. Includes corporate income tax, employment taxes, statutory contributions, service levies, royalties. Excludes VAT receivable
2. Audited figures (except for 2019)

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