



Shanta Gold – Positioned for Further Growth

April 2014



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Section 1 – Overview



Company Overview



Shanta Gold Ltd

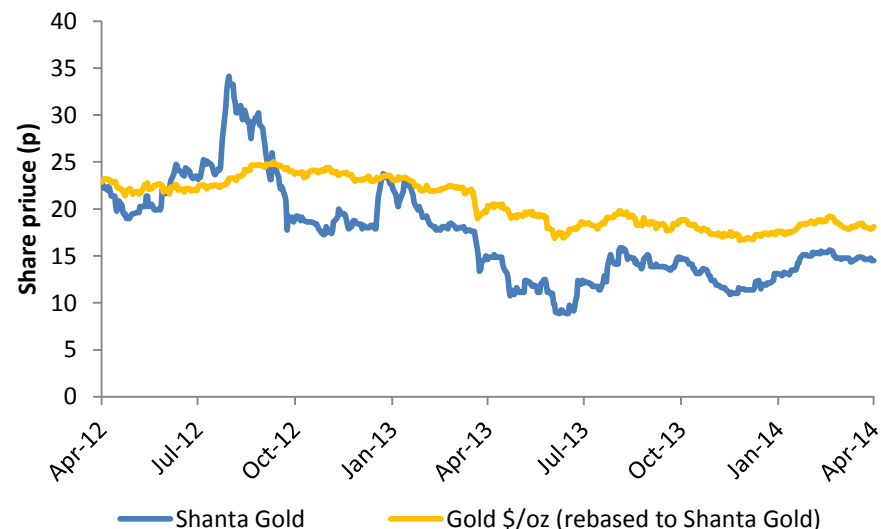
- Producing gold company engaged in both exploration and mining projects in highly prospective under-explored areas of Tanzania
- The company's flagship 100% owned New Luika Gold Mine commenced gold production in August 2012 in Tanzania
- Focused on delivering sustainable, long term value for stakeholders with low-risk exposure to gold and growth opportunities

Top Shanta Gold Shareholders (Mar'14)

Odey Asset Management	15.8%
Directors & Insiders	14.7%
Blakeney Management	8.7%
Brooks MacDonald AM	7.9%
Investec	4.5%
Majedie	3.4%
Legal & General	2.6%
Sub-total	57.6%

Summary

Company name	Shanta Gold Ltd.	
Listings	AIM	
Current price (25 April)	Pence	14.5
52 week range	Pence	8.9 – 15.9
Average Daily Volume	#	2,119,463
ISC	#	464,163,073
Market capitalisation	US\$m	113
Cash & equivalents	US\$m	18
Total debt	US\$m	61
Enterprise value	US\$m	156



► Highly prospective gold plays in under-explored regions

Lupa Goldfield Characteristics

- 2nd largest goldfield in Tanzania after the Lake Victoria zone
 - Gold mineralisation hosted in a 2,600 km² triangular block
 - Shanta holds 1,313km² ground
- High grade ore bodies
- Opencast & underground mining opportunities at New Luika

Singida

- Gold mineralisation hosted in a 30 km² mining licence – opencast and underground mining opportunities



Investment Opportunity



In Production

- Strong production base at New Luika Gold Mine (NLGM)
- 2013 gold production of 64koz, ahead of guidance
- 2014 guidance of 80koz gold production and all in sustaining cost of \$900 to \$1,000/oz

Stable Financial Position

- Cash flow positive from operations and strong balance sheet
- Development capital at NLGM largely complete
- Debt restructured
- Prudent hedging policy

High Quality Asset Base

- High grade multi-deposit gold resources totaling 2.2moz (1g/t cut-off)
- NLGM Primary Ore reserve of 479koz (6.1g/t)
- Singida primary ore reserve of 230,000 (5.1g/t)

Growth Potential

- NLGM Life of Mine extension and Singida development Bankable Feasibility Studies to be completed in early Q3 2014
- 'On and off mine' exploration program

Proven Board & Management Team

- Successful track record in the mining industry, capital markets and Tanzania
- Strong, diverse complementary skill base

Section 2 – New Luika Gold Mine



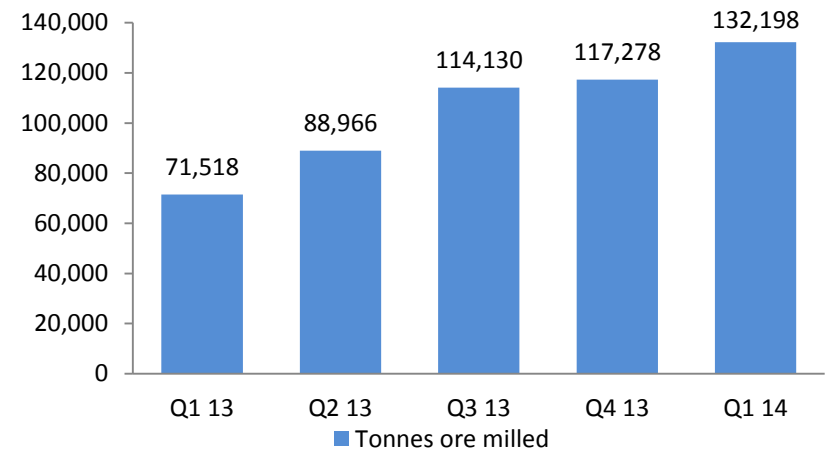
New Luika Gold Mine – the producing asset



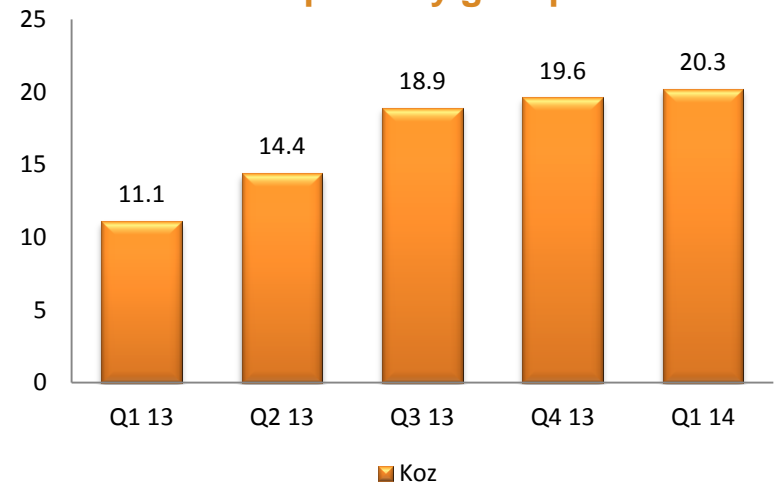
Q1 2014 - Operational Highlights

- ✓ Gold production of 20,254oz, up 3.5% from Q4 2013
- ✓ Gold sales of 22,059oz at an average price of US\$1,297/oz
- ✓ Cash Cost and All in Sustaining Cost of \$767/oz and \$965/oz respectively
- ✓ Installation of both the elution/electro-winning plant and the crushing circuit is on-going

NLGM quarterly mill throughput



NLGM quarterly gold production



► Pursuing lower cost structure and maximising plant efficiency to deliver operational improvements

Driving Cost Improvements
(modest capex)

Challenges identified 2013

- Power costs
- Remote Location highlighting procurement / logistics challenges
- Streamlining service providers 360° company wide review
- Rationalising personnel
- Strengthening skill base

Ongoing activities in 2014

- HFO installed in April 2014
- Longer term power solution - National Grid and opportunity for Hydro and/or solar
- Effective utilisation of power in operation
- Procurement core business activity - management of major purchases/ logistics/contract management
- Ongoing review - mining/drilling /explosives assays and camp costs
- Localisation drive - ex pat reduction
- Restructured rewards to performance driven
- Reduction of corporate OH

Optimising Gold Production

- Crushing circuit - modified crusher installed Q2 with 50% increase in mill throughput by Q1 2014
- New crushing circuit (Q3 2014) with increased installed capacity and lower costs
- Finer grind + 5% through mills
- Optimisation of plant gold recovery - improvements have resulted in >6000 oz monthly gold production over last 3 quarters
- Elution electro-winning plant (Q2 2014) - improved gold and silver recovery and lower carbon costs
- Mill optimisation - power/liner design

Section 3 – Financial Summary



Q1 2014 – Financial Highlights



-
- ✓ Strong balance sheet achieved from positive operating cash flow
-
- ✓ Cash balance at 31 March 2014 of \$18.7 million, including \$2.4 million of bullion
-
- ✓ Generated positive cash flows from operations of \$10.1m
-
- ✓ Net debt of \$45 million, including \$25 million convertible loan notes
-
- ✓ Forward sales to October 2014 of 24,000 ounces at an average price of \$1,324
-
- ✓ Capital expenditure of \$5.5 million
-

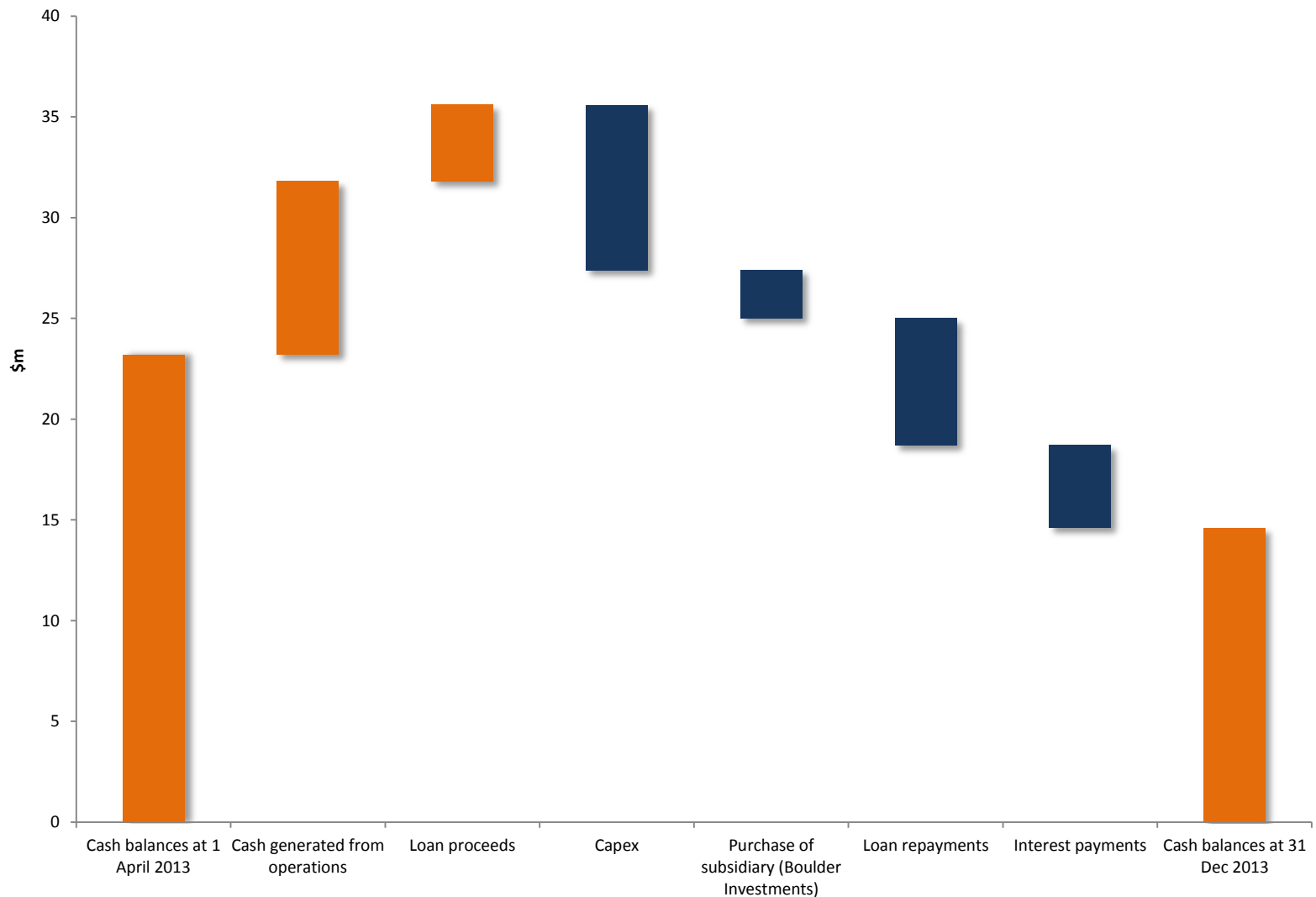
Financial Summary



	Quarter End	Year Ended
	31 Mar 2014	31 Dec 2013
Average gold price received (\$/oz)	1,297	1,417
Gold sales (\$'000)	28,610	87,676*
Profit for the period (\$'000)	n/a	759
Profit attributable to equity shareholders (\$'000)	n/a	759
Net cash generated from operations (\$'000)	10,127	19,529
Cash and cash equivalents (\$'000) (exc. bullion)	16,343	14,638
Gold on hand at period end (oz)	1,842	3,564
Gold production (oz)	20,254	64,054
Gold sales(oz)	22,059	61,877
AISC per ounce (\$)	965	1,049
Cash cost per ounce (\$)	767	837
Basic earnings per share (cents)	n/a	0.16

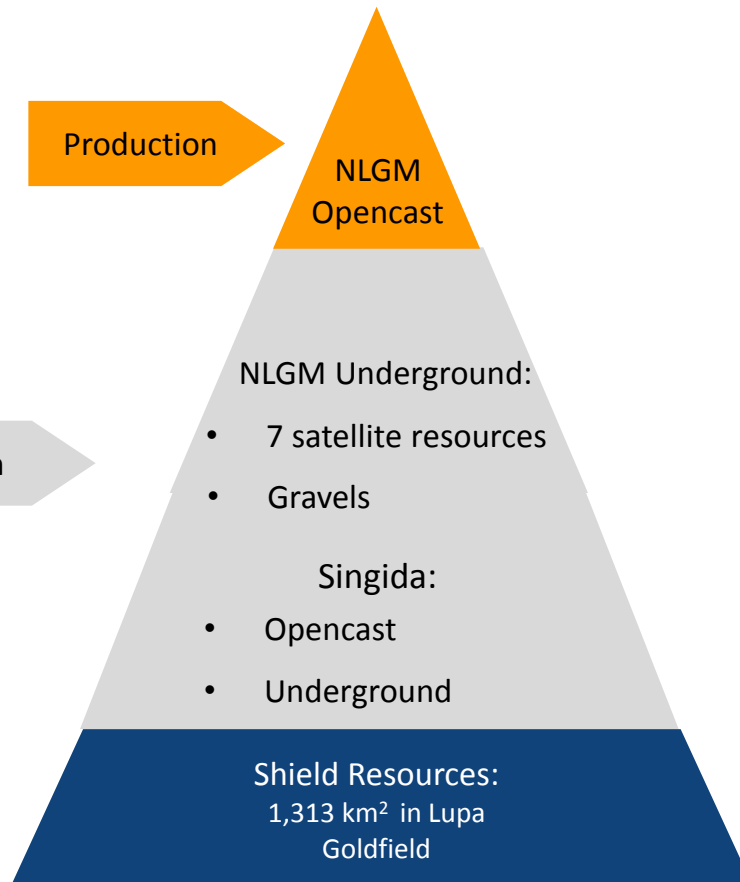
* Includes \$22m of revenue relating to the pre-production period which was capitalised

Generating Cash from Operations – 9 months, Apr-Dec



Section 4 – Development Opportunity





Total Resource at SGL

NLGM (indicated and inferred)

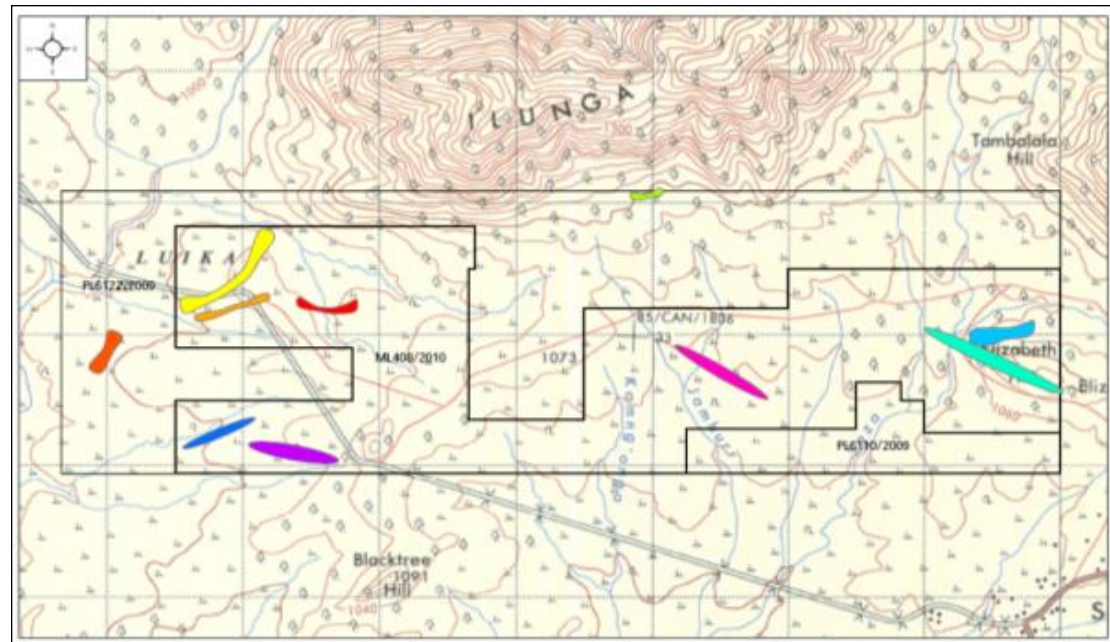
- 1g/t cut-off – 1.3mozs at 3.2g/t
- At 3g/t cut-off – 867kozs at 5.7g/t
- Reserve 479kozs at 6.1g/t

Singida (measured/indicated and inferred)

- At 1g/t cut-off - 858kozs at 2.84g/t
- At 3g/t cut-off - 310kozs at 8.65g/t
- Reserve 230kozs at 5.1g/t

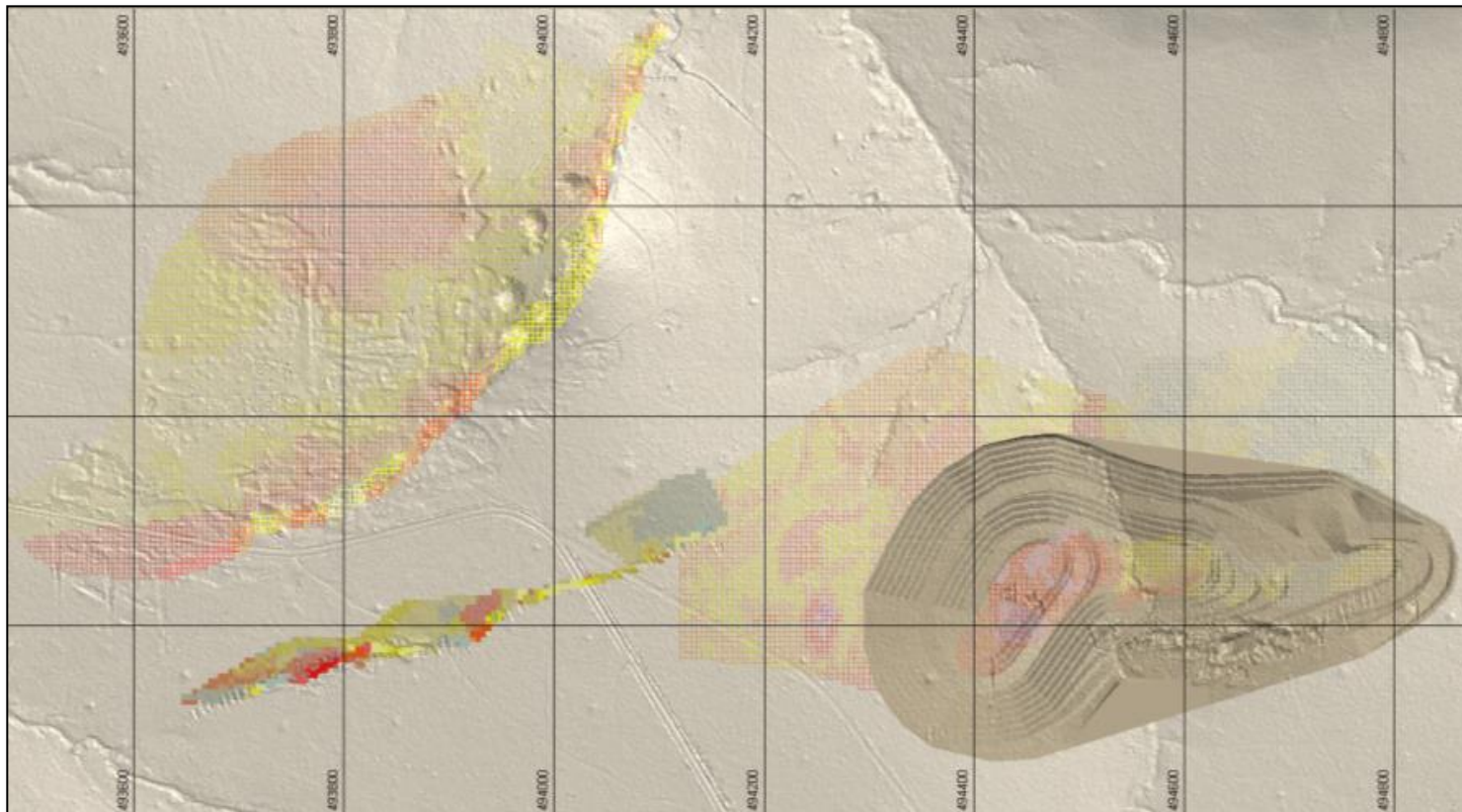
- Conceptual and Technical New Luika LOM & Underground mining study completed
- Study based on blended utilisation of resource – total resource of 1.3mozs at average grade 3.2g/t with cut off grade of 1g/t in conjunction with higher grade option of 867kozs at average grade of 5.7g/t at 3g/t cut off
- Initial findings indicate underground mining, in conjunction with plant expansion, should be viable at New Luika
- Board approved to progress to BFS for completion and publication in early Q3 2014

Mining Leases

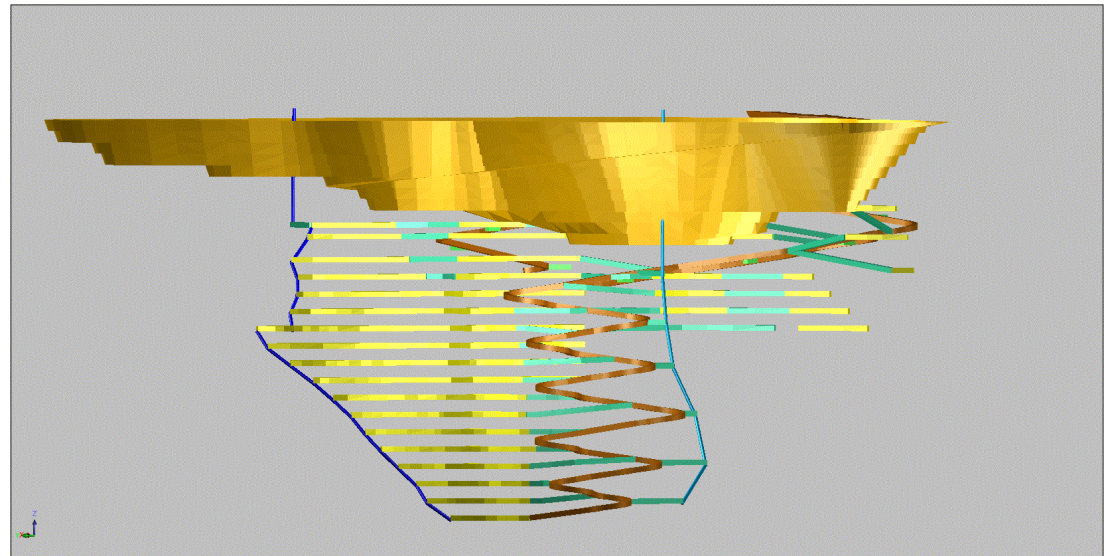
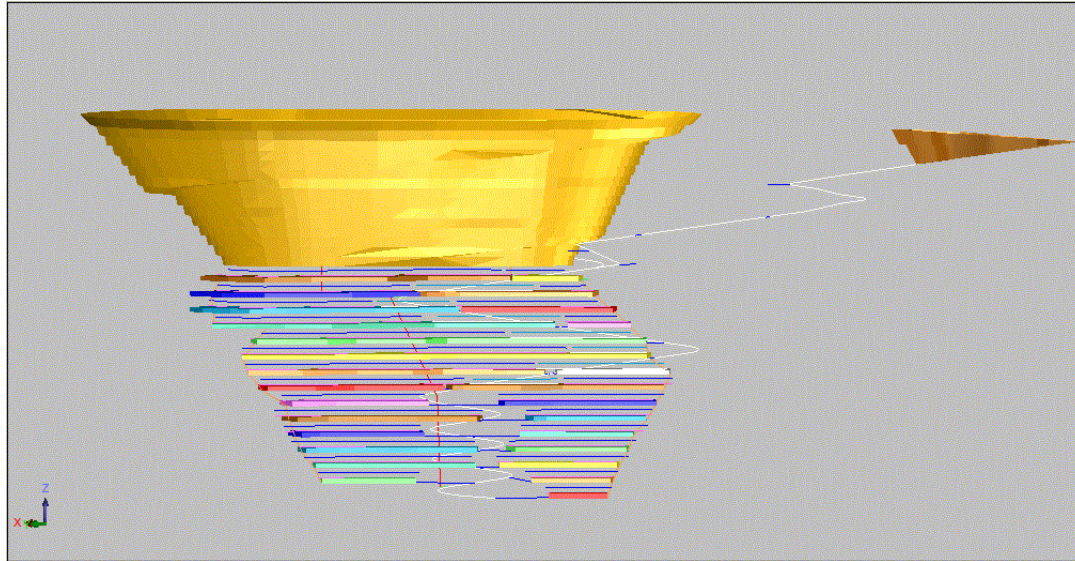


New Luika – Underground Overview

- Planned portal in central New Luika South – decline developed on ore
- Easy access to Luika and Bauhinia – minimal waste development
- 347k/ozs at 4.5g/t (3g/t cut-off)
- On mine drilling program to upgrade resource
- Open at depth

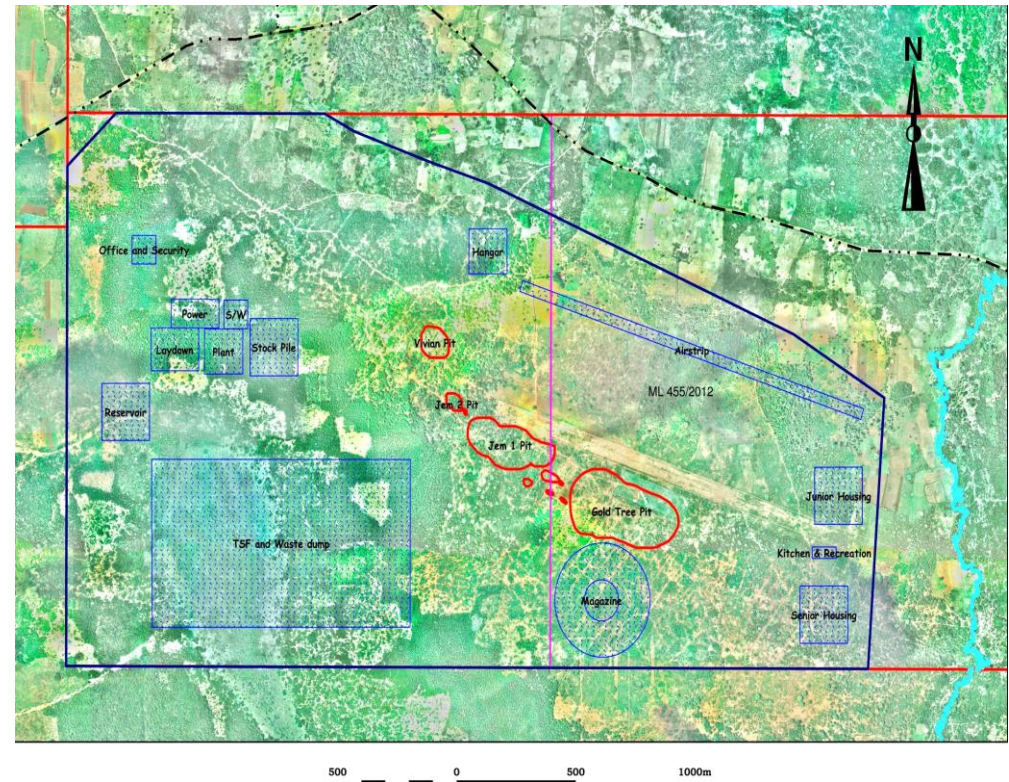


Conceptual Underground Layout of Bauhinia Creek and Luika



Project Update

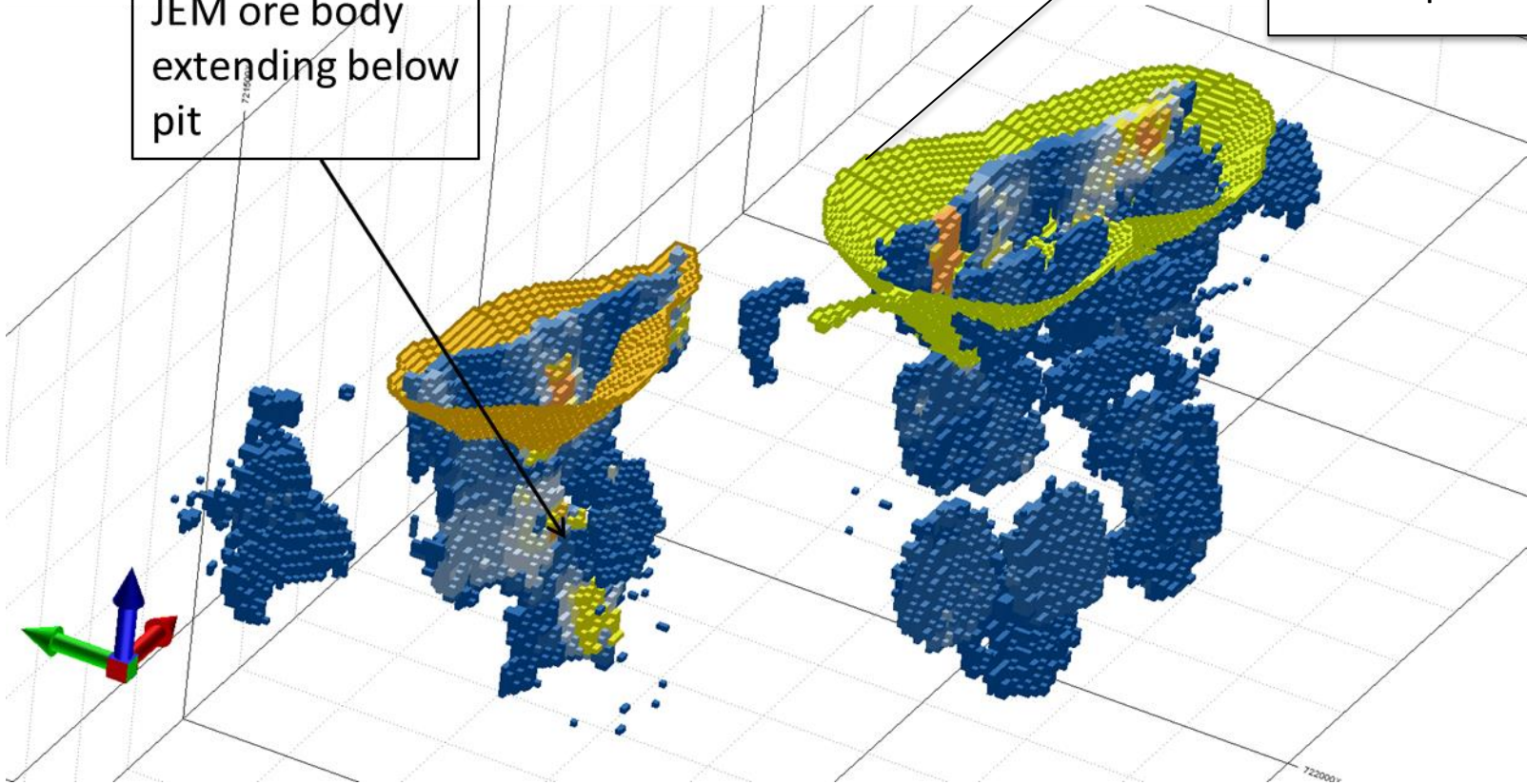
- Reserve announcement - 1.39 million tonnes at 5.1g/t for 230,000 ounces recovered gold
- Phase 1 opencast operation targeting LOM of 5.4 years at 5.1 g/t with 11.4:1 stripping ratio
- Hydrological study, plant flow and design, power, tailings dam and infrastructure work in progress
- Relocation programme in progress - minimal movement of people
- Evaluation of LOM extension both opencast and underground ongoing – Measured resource at Jem and Goldtree 456kcozs at 4g/t with 1g/t cut-off or 310kcozs at 8.65g/t with 3g/t cut-off suggesting upside potential
- BFS to be published in early Q3 2014



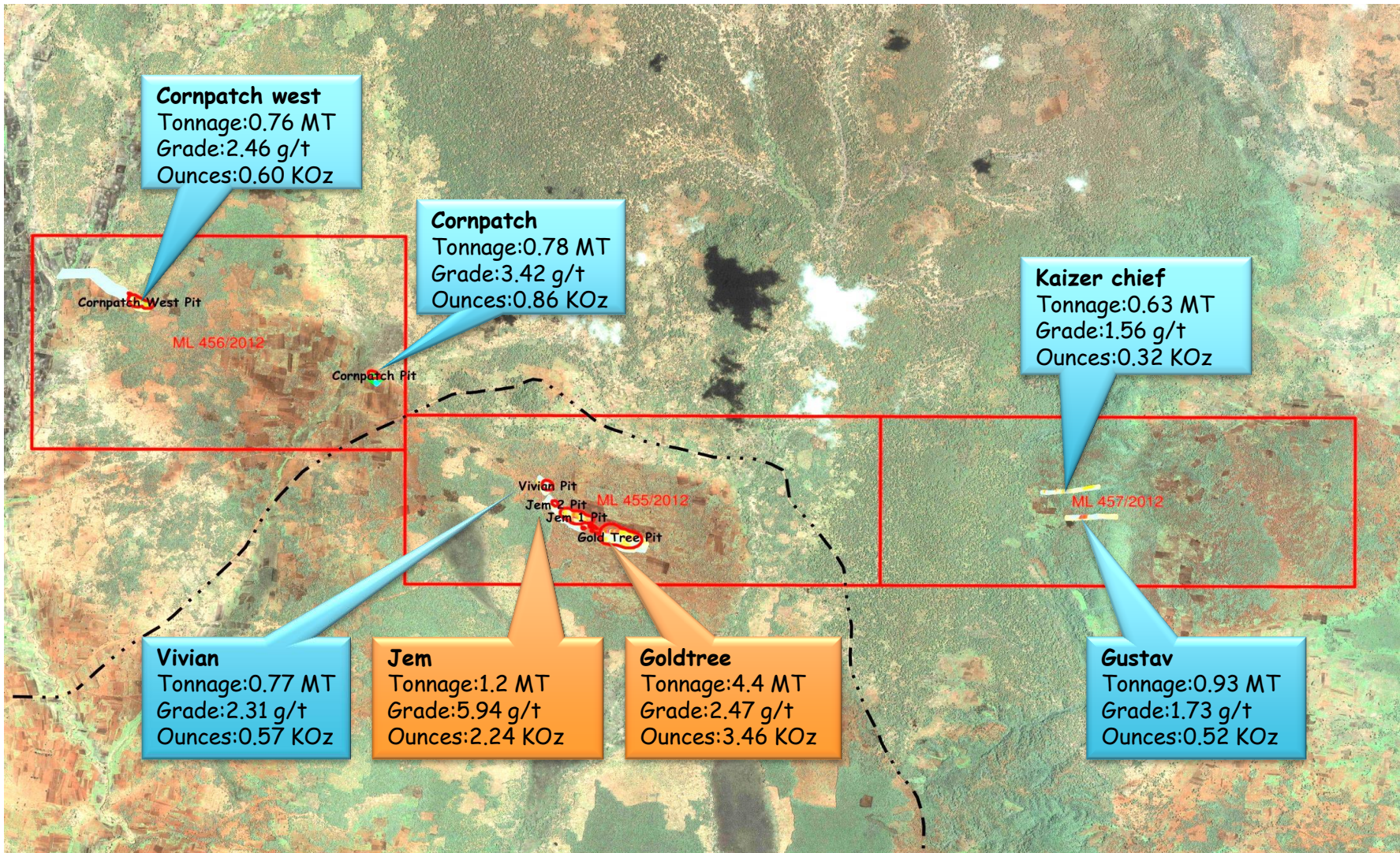
Singida Opencast with Underground Potential

Opencast >5 years at 5.1g/t – near surface ore body with LOM 11.4 strip ratio

Pay-shoot at JEM ore body extending below pit



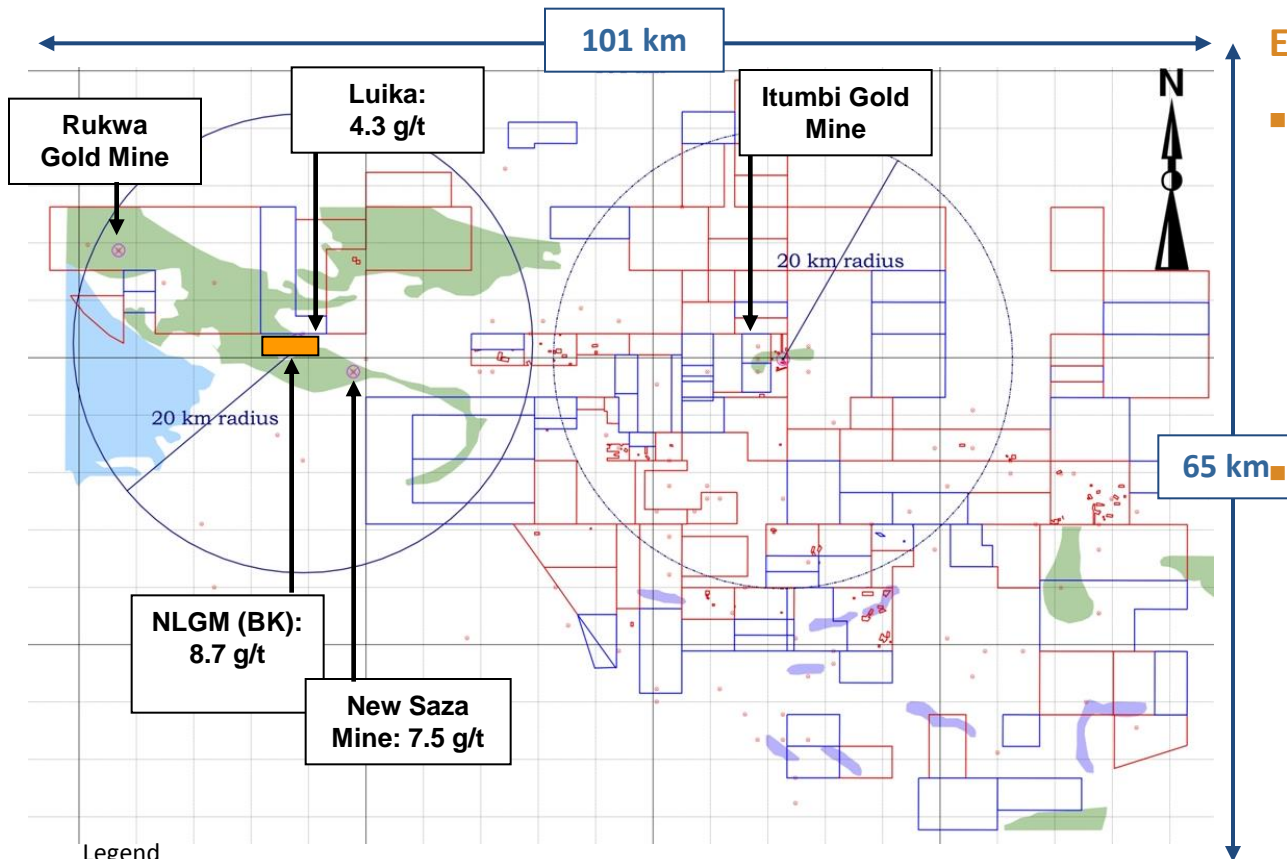
Singida - seven defined deposits



* 1.0 g/t cut off

Exploration Upside – Lupa Goldfield

- ▶ 1,313 sq km of prospective ground with further 1,237 sq km under application
- ▶ 20km radius focus to provide additional feed sources to NLGM
- ▶ Upside potential with over 57 known artisanal or colonial gold mining operations



Exploration Strategy

- Findings to date:
 - Encouraging early-stage drilling results within 8 km of NLGM
 - Evaluating Nkuluwisi shear zone – positive geochem along 16km strike
- Exploration programme:
 - 400 sq km aeromagnetic survey completed in Q1 2013 highlighting significant additional exploration targets
 - Ground truthing

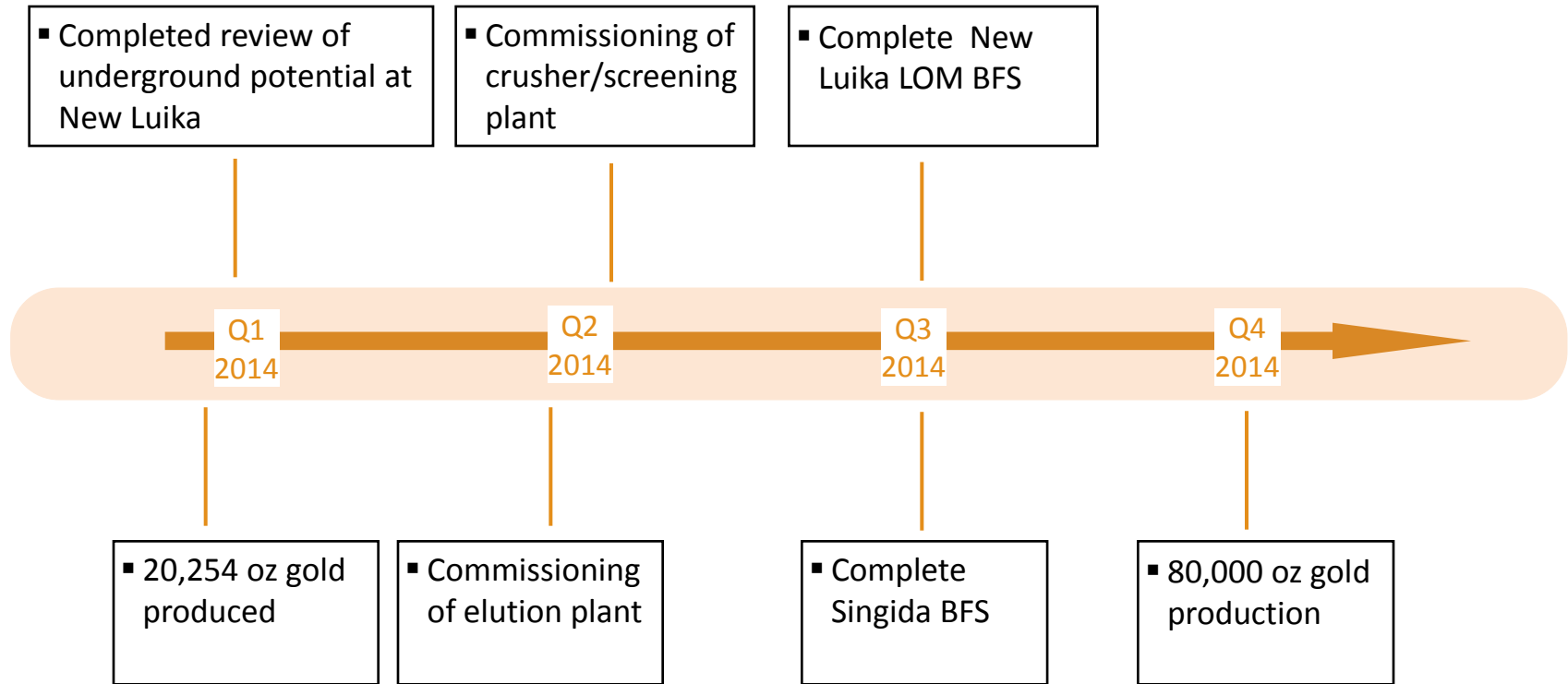
Legend

- Red: Active Licences
- Blue: Under Application
- Note: 20km radius denotes approximate feasible range for trucking ore to plant

Section 5 – Outlook



2014 Catalysts



Continue targeting cost improvements throughout 2014 with AISC of \$900-1,000/oz

Appendix



Tanzania – highly prospective and established mining destination



► Country overview

Snapshot

Population	44.9 million (2012)
Capital City	Dodoma (<i>Dar es Salaam de facto commercial capital</i>)
Religion	Christian/Muslim,

Economy

GDP (per capita)	US\$28 billion (official exchange rate)
Primary Industries	Agriculture, tourism, mining
2012 GDP Growth	6.9%

Political

System	Parliamentary republic (democratic)
Elections	Every 5 years (next in Oct 2015)

Source: World Bank, various

Mining Destination

- Africa's 3rd largest gold producer
- Two key goldfields: Lake Victoria & Lupa
- Sophisticated infrastructure network
- Stable political environment, pro-mining, position resources as key economic growth driver, workable tax and regulatory regime
- 100% capital allowances
- Favourable corporate tax rate – 30%
- Dividend tax – 10%
- Royalty – 4%

Board and Management Team



- ▶ **Strong track record and diverse skill sets**
- ▶ **All board members are non-executive (other than CEO)**

	Name	Discipline	Background
Management	Mike Houston CEO	Financial, technical	35 years mining experience including Anglo American Former COO, CEO and subsequently Chairman of Zimplats
	Patrick Shayawabaya CFO ¹	Financial	Chartered Accountant, former CFO of Zimplats with 13 years mining experience
Non-Executive Directors	Anthony Durrant Chairman	Financial, governance	Chairman of Arias Resource Capital Management investment committee Former Global Head of Mining at UBS Investment Bank
	Nick Davis	Legal	Corporate lawyer with 12 years experience in corporate finance and M&A
	Robin Fryer	Accounting	Chartered Accountant, former Global Head of Deloitte mining practice
	Paul Heber	Capital Markets	Former investment manager and stockbroker with 25 years experience
	Luke Leslie	Financial, technical	Head of Origo Partners Metals & Mining private equity
	Ketan Petal	Government & community relations	Founding member of Shanta Mining Company Limited Extensive commercial interests in Tanzania
	John Rickus	Technical	35 years mining experience, former Rio Tinto Global Head of Technical Services
	Jonathan Leslie ^{1, 2}	Financial, technical	Over 40 years mining experience including 26 years with Rio Tinto

¹ Not a board member

² Strategic Adviser with Board Observer Status

Consolidated income statement

	31 December 2013 US\$'000	31 December 2012 US\$'000
Revenue	65,989	-
Cost of Sales	(53,816)	-
Gross Profit	12,173	-
Administration expenses	(12,525)	(7,890)
Exploration and evaluation costs	(2,988)	(897)
Loss on settlement of pre-existing relationship	(1,500)	-
Reversal of provision for bad debts	1,668	(1,668)
Impairment of intangible assets	-	(189)
Operating loss	(3,172)	(10,644)
Finance income	6,019	263
Finance expense	(7,213)	(4,366)
Loss before taxation	(4,366)	(14,747)
Taxation	5,125	-
Profit/(Loss) for the year	759	(14,747)
Basic profit/(loss) per share (US\$ cents)	0.164	(4.42)
Diluted profit/(loss) per share (US\$ cents)	0.163	(4.42)

Consolidated statement of financial position

	31 December 2013 US\$'000	31 December 2012 US\$'000
ASSETS		
Non-current assets		
Intangible assets	23,495	10,380
Property, plant and equipment	90,437	112,929
Deferred tax asset	5,125	-
Total non-current assets	119,057	123,309
Current assets		
Inventories	16,949	-
Trade and other receivables	8,334	8,643
Restricted cash	600	-
Cash and cash equivalents	14,638	4,277
Total current assets	40,521	12,920
TOTAL ASSETS	159,578	136,229
CAPITAL AND RESERVES		
Equity		
Share capital & reserves	143,340	141,539
Retained deficit	(60,192)	(61,043)
Total Equity	83,148	80,496
Liabilities		
Non-current liabilities		
Loans and other borrowings	27,342	-
Convertible loan notes	20,240	18,637
Provision for decommissioning	5,825	4,129
Provision for deferred taxation	5,197	-
Total non-current liabilities	58,604	22,766
Current liabilities		
Trade and other payables	6,880	17,645
Loans and other borrowings	10,946	15,322
Total current liabilities	17,826	32,967
TOTAL EQUITY AND LIABILITIES	159,578	136,229

Consolidated statement of cash flows

	31 December 2013 US\$'000	31 December 2012 US\$'000
Net cash flows from operating activities	19,529	(4,330)
Investing activities		
Purchase of intangible assets	(62)	(43)
Purchase of plant and equipment	(10,185)	(1,171)
Asset under construction	(9,452)	(73,471)
Proceeds from disposal of asset	31	-
Transfer to restricted cash	(600)	-
Purchase of subsidiary	(2,400)	-
Net cash flows used in investing activities	(22,668)	(74,685)
Financing activities		
Proceeds from issue of ordinary share capital (net of share issue costs)	60	45,078
Proceeds from issue of convertible loan notes	-	23,375
Loans repaid	(15,323)	(17,900)
Loan interest paid	(4,683)	(2,931)
Loans received	33,446	35,098
Net cash flows from financing activities	13,500	82,720
Net increase in cash and cash equivalents	10,361	3,705
Cash and cash equivalents at beginning of year	4,277	572
Cash and cash equivalents at end of year	14,638	4,277

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