



SHANTA GOLD

A growing mid-tier gold producer

Precious Metals Summit, Zurich
October 2016

www.shantagold.com

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About Shanta Gold



- East Africa-focused gold producer, developer and explorer with 1,500 km² of prospective ground in Tanzania
- New Luika Gold Mine
 - New Luika produced 82,000 oz in 2015. Guidance of 82-87,000 oz for 2016
 - underground mining operation
 - ongoing surface mining
 - separate tailings recovery project
 - Updated Mine Plan due in Q1 2017 expected to extend mine life
 - Excellent exploration upside within and surrounding the licence areas
- Singida
 - Pilot-scale production to commence in 2017
 - Ongoing exploration and updated feasibility study
 - Potential surface and underground operation





Shanta – building a track record of delivery

Low cost Tanzanian producer with significant growth potential across two assets

Stable gold production

- Guidance – existing NLGM mine plan (2016–2020)¹ production averaging 84,000 oz per year and average AISC of \$695/oz

Low cost gold producer

- 2016 annual gold production guidance of 82-87,000 oz at a lowered AISC of US\$690-740 /oz

Strong cash flow

- Revenue of US\$55.7 million in H1 2016 with EBITDA of US\$33.3 million

Manageable debt repayment profile

- Cash of US\$25.8 million² at Q3 2016 with Net Debt of US\$38.4 million. Debt scheduled to be rapidly repaid from existing cash flow

Quality asset base

1. New Luika Gold Mine

- High grade resource base (3.9g/t gold average grade)
- Blending opportunities with lower grade deposits provides optionality
- Ongoing resources conversion to reserves

2. Singida

- Exploration to target increased resources underway
- Pilot plant – first gold pour targeted in Q2 2017

Shareholder	Shares	%
Odey AM	107,873,112	19
Majedie AM	57,734,450	10
Ketan Patel	43,005,484	7
Brooks Macdonald	35,524,439	6
JP Morgan Securities	28,331,751	5
Hargreaves Lansdown AM	25,302,747	4
River & Mercantile	23,000,000	4
Hargreave Hale	21,319,970	4
Jonathan Leslie	17,444,088	3
Sub-total	359,536,041	62
Other	223,396,160	38
Total shares outstanding	582,932,201	100

Financial Position (28 October 2016)

Current Price (pence) ¹		12.38
52 week range (pence) ¹		4.5 – 12.75
Shares Outstanding		583 million
Market Cap ¹ (GBP)		72 million
Q3 2016 Cash (US\$) ²		25.8 million
Q3 2016 Gross Debt (US\$) ³		70.5 million

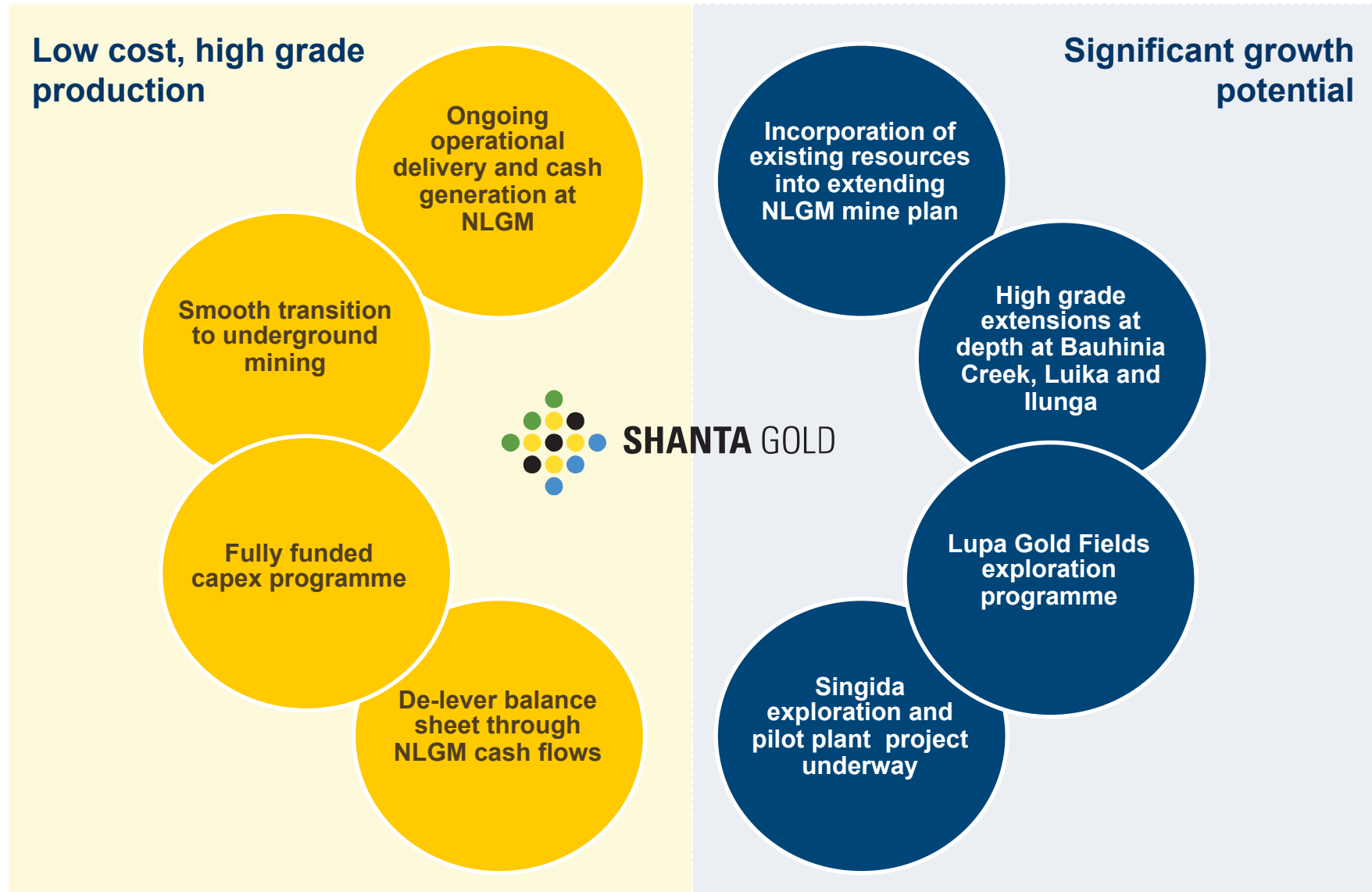
¹ As at 28 October 2016

² After advance payments of US\$6.3m from cash reserves

³ Includes US\$9.1 million Bank M letter of credit



Shanta strategy – generating shareholder value





Q3 2016 Production & Operational Update

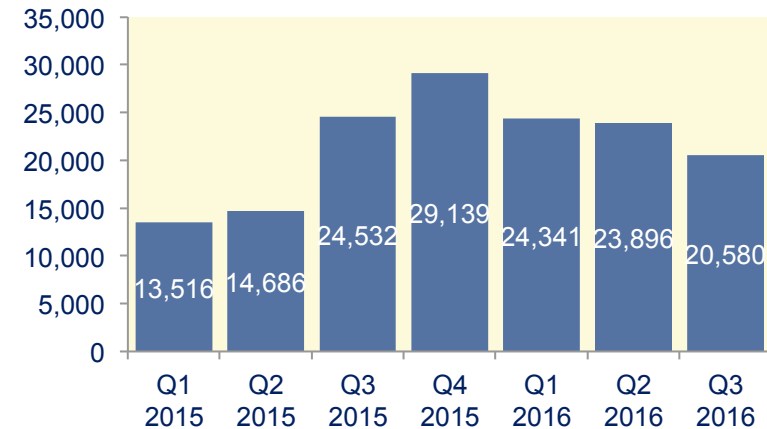




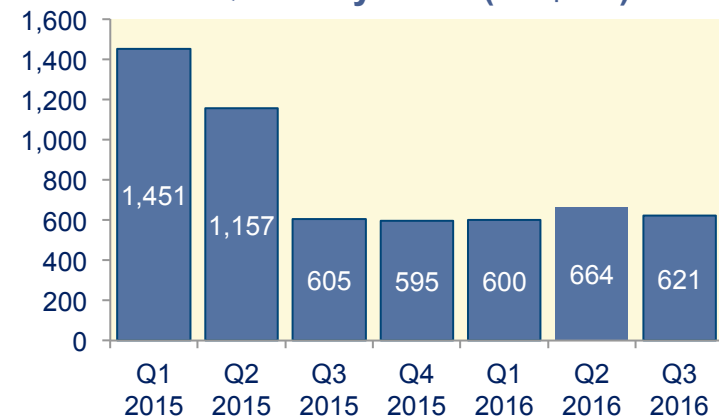
Q3 2016 highlights

- Gold production of 20,580 oz
- Gold sales of 23,426 oz at an average price of US \$1,301 per oz (“/oz”)
- Cash Cost of US\$387 /oz
- AISC of US\$621/oz
- No lost time injuries
- Underground project development on track
- First underground ore production in Q2 2017
- Work continues on the second Tailings Storage Facility (“TSF2”)
- Ilunga resource expanded by additional 184,000 high grade oz (165,000oz Indicated)

Quarterly gold production (oz)



Quarterly AISC (US\$/oz)





Financial highlights

- Q3 2016 cash generated from operations of US \$11.1m
- Q3 2016 capital expenditure of US\$14.2m
- Cash balance of US\$25.8m (excluding US\$6.34 million pre-payments from cash reserves)
- Silver Stream funds (US\$5.25 m) not yet received
- Power Station Funding (US\$9.1m) yet to be drawn down
- Gross debt coming down with rapid repayment schedule
- 20,000 oz sold forward to March 2017 at \$1,275/oz
- Half year EBITDA \$33.3m on \$55.7m revenue

All figures US\$m	Q3'16	Q2'16	Q1'16	Q4'15
Cash generated from operations	11.1	13.1	2.8	17.3
Capital expenditure	14.2	7.0	5.6	6.2
Gross Debt	70.5	75.0	74.7	60.2
Cash balance	25.8	30.5	16.3	19.1
Net debt	38.4	44.5	58.4	41.1

Q3 2016 cash balance is after US\$6.3m advance payments made from cash reserves



New Luika Gold Mine Development and Major Projects



New Luika Underground Schedule and Milestones



Year	2016	2017	2018	2019	2020	2021	2022
Portal construction	■	Bauhinia Creek Pit – 960mRL					
Surface construction	■						
Ramp development		BC and Luika					
Ventilation shafts		■	Two 100m 3mø raise bored shafts				
Access Bauhinia Creek orebody		★	December 2016				
Access Luika orebody				★	April 2018		
Bauhinia Creek production		Ramping up from 12 - 30,000 tpm					
Luika production				Ramping up from 15 - 25,000 tpm			
Underground exploration drilling				■			

Other Major Projects Schedule and Milestones



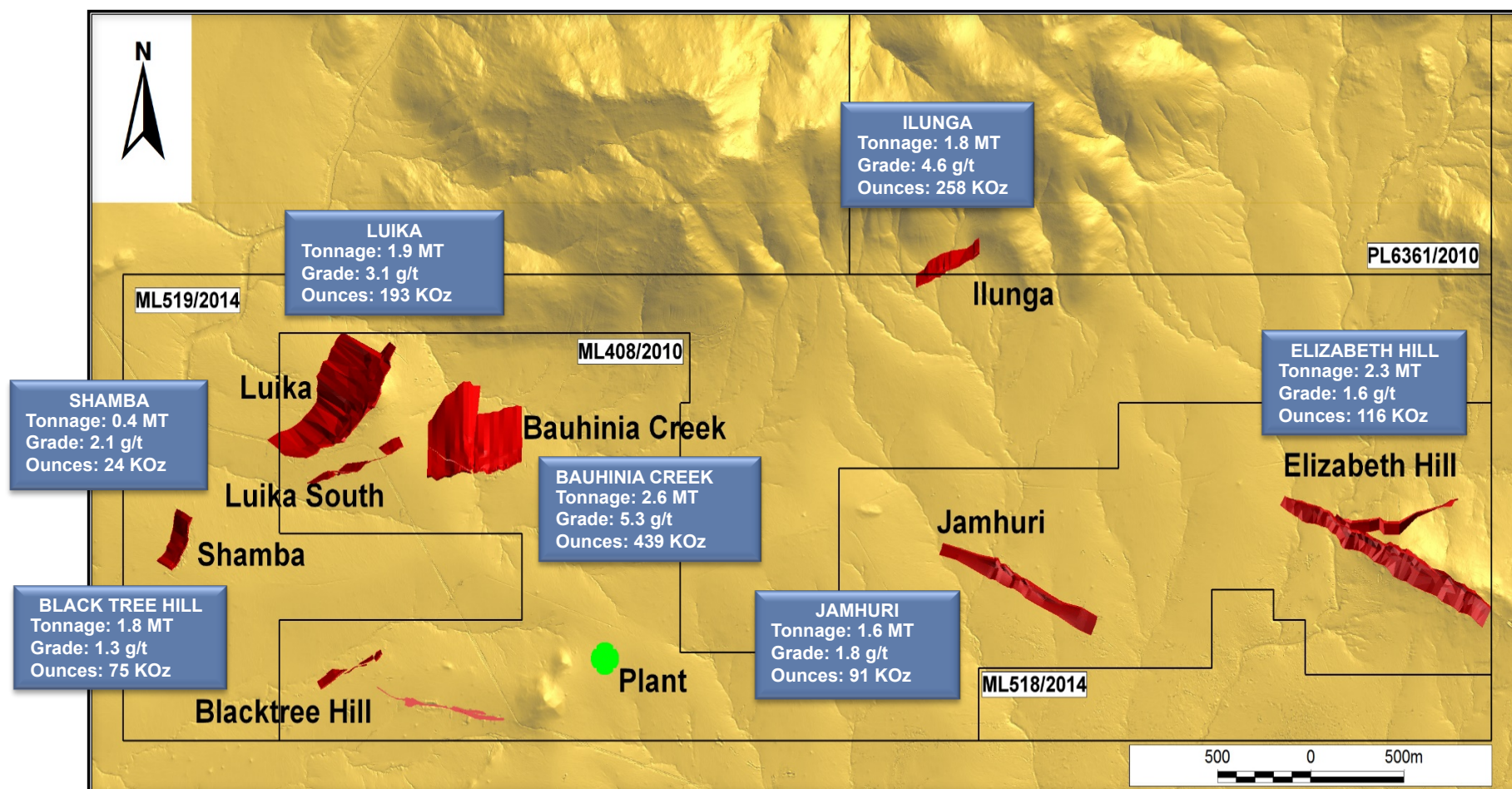
Year	2016	2017	2018	2019	2020	2021	2022
Tailings Storage Facility Number 2							
Tailings Retreatment Plant							
Singida Pilot Plant							
On-going exploration for Reserve Replenishment and Growth							
Singida Feasibility Study							
New Luika Power Project (7.5MW)							
New Luika Solar Power Project (0.75MW - rental)							
Updated New Luika Gold Mine Plan							

A large, leafless baobab tree stands prominently in a dry, open landscape under a clear sky. The tree has a thick, gnarled trunk and a wide, spreading canopy of bare branches. In the background, there are other smaller trees and a dirt path. In the foreground, to the right, there is a small, circular, mud-brick structure with several small openings at the base.

Exploration Update *Plan for value creation*



Deposits at NLGM



Note:

1. Data as July 2015 using 1.0g/t cut-off grade. Resources shown reflect total resources including reserves
2. Elizabeth Hill as of Jan 2016. Black Tree Hill as of Apr 2016. Ilunga as at September 2016

NLGM exploration plan – successful and proven



- Growth around a Central Processing Facility
- Exploration activities likely to have material impact on NLGM mine life and provide significant optionality

Resource to Reserve conversion

- In-fill drilling of under-explored resources, combined with engineering studies to add mining reserves
- Targeted areas already delivered include: Bauhinia Creek and Luika underground
- Ilunga underground (following recent drilling), Elizabeth Hill open pit

Resource additions and upgrades

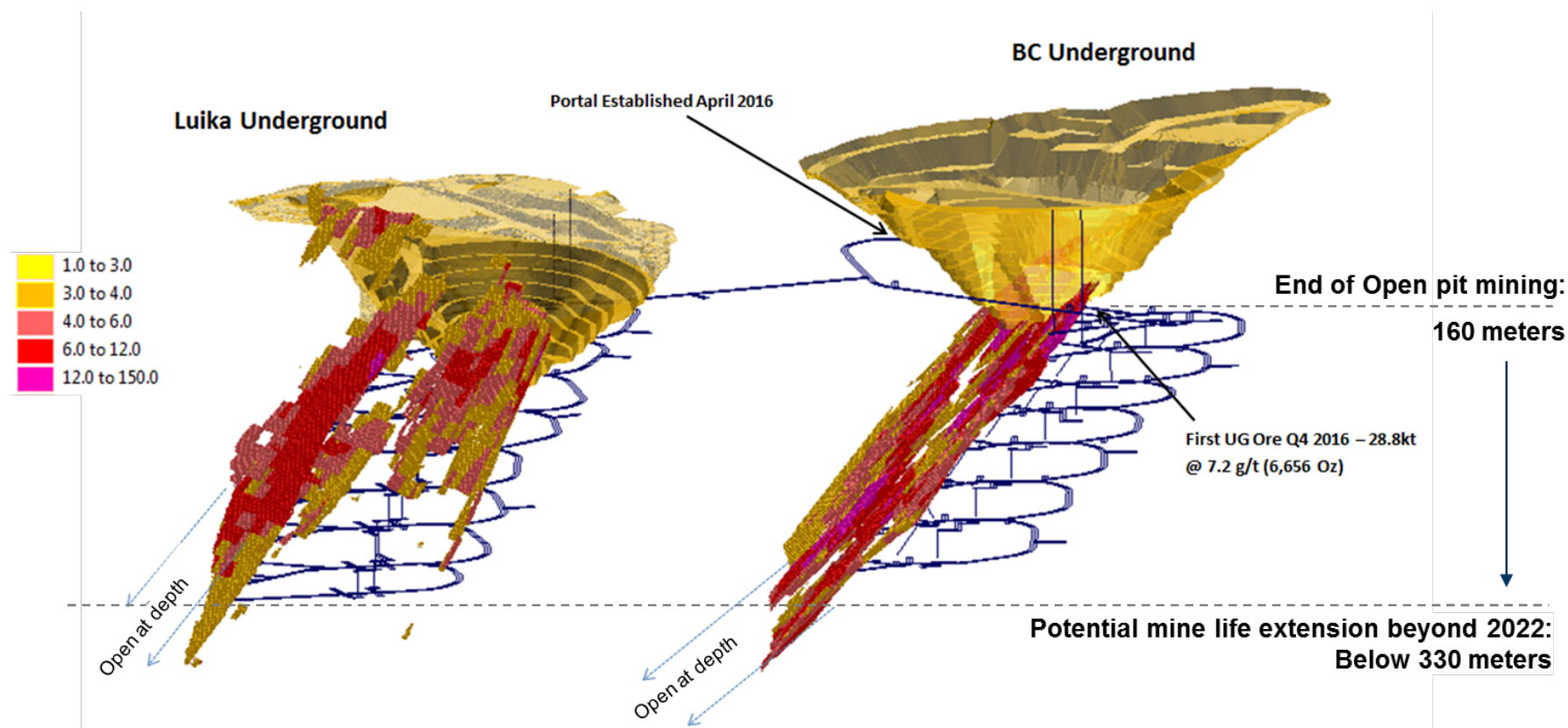
- Resource expansion of mineralised ore bodies open at depth or along strike
- Step out drilling to define mineralised envelope, adding new resources or closing off ore bodies
- Incremental upgrade of resources from Inferred category to Indicated status
- Bauhinia Creek, Luika, Elizabeth Hill, Jamhuri, Ilunga, Shamba, Askari

New target generation

- Continual improvement of regional dataset (geophysics, rock chip geochemistry, topographic control, satellite imagery and radiometrics)
- Continued improvement of exploration capability as team expertise grows
- New targets generated, tested



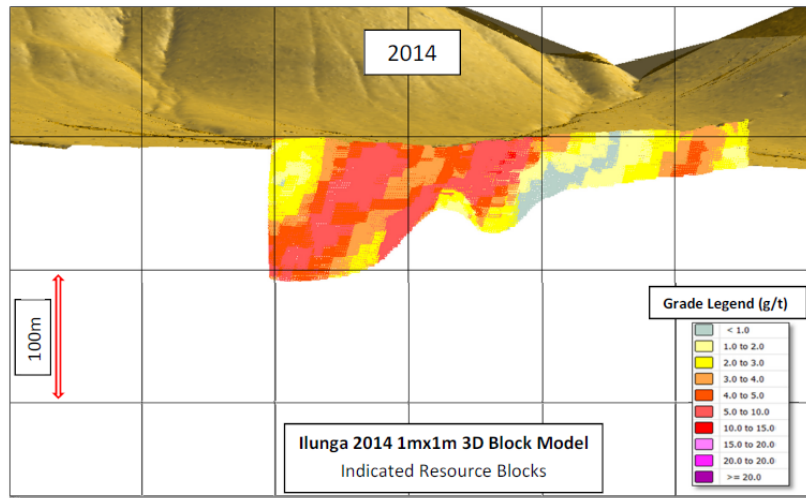
Bauhinia Creek and Luika extensions at depth



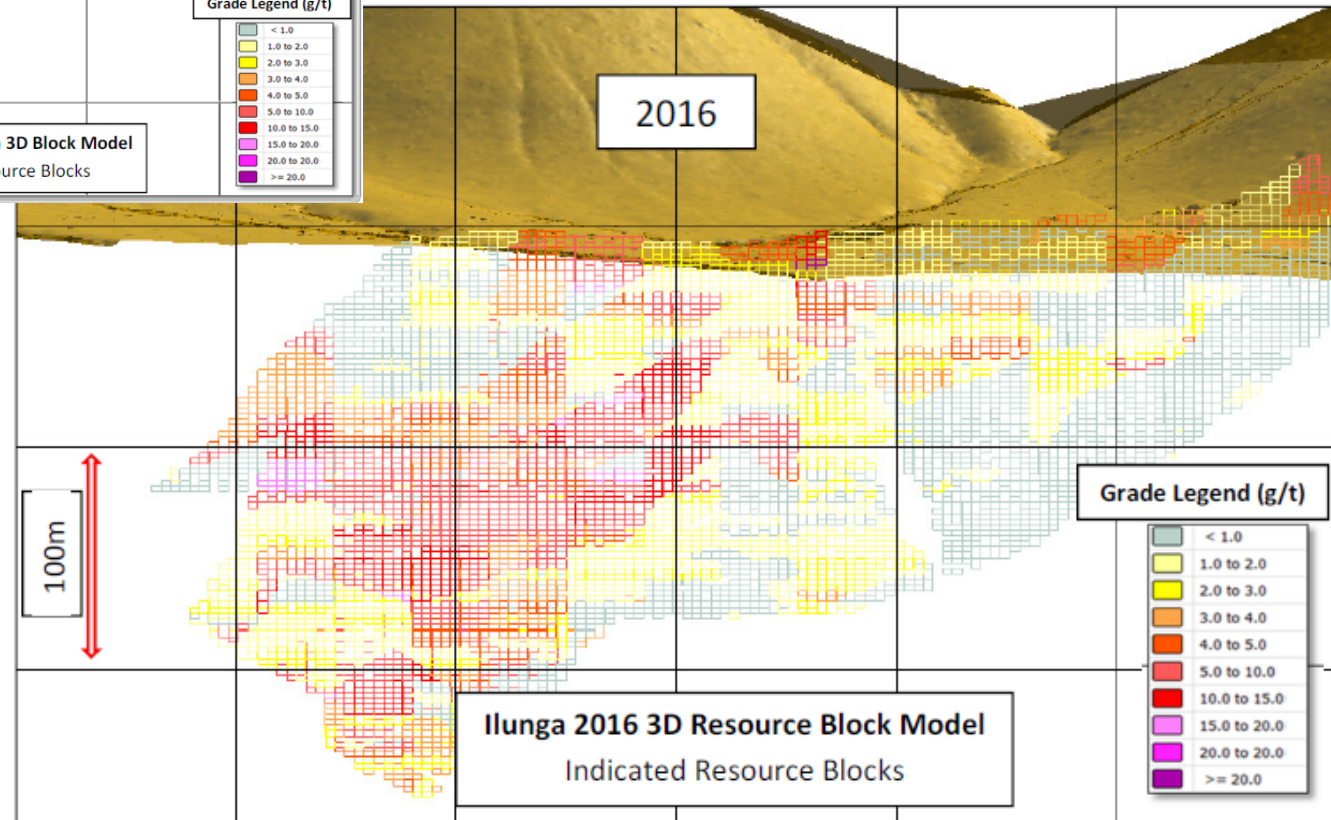


Ilunga longitudinal sections looking North

- 2.5 km northeast of the NLGM central processing facility
- Inside the mining licence with haul road access in place
- Total Ilunga resources upgraded from 73,940 oz at 3.51 g/t to 257,965 oz at 4.55 g/t



2014 Resource Model
(Indicated Category) vs
2016 Resource
Model (Indicated
Category)





Key achievements

- A systematic and continuing programme of exploration

Sept 2015

- Base Case Mine Plan announced including 506k oz of reserves at 5.9 g/t

Sept 2015

- Elizabeth Hill resource upgrade to 128k oz

Jan 2016

- Elizabeth Hill reserve upgrade to 667k oz at 1.33 g/t for 28k oz

Feb 2016

- RC & DD drilling programme completed at Askari

Apr 2016

- Drilling programmes completed at Ilunga and Black Tree Hill

Jul 2016

- Second phase drilling programme completed at Ilunga to confirm strike and depth extensions

Sept 2016

- Ilunga resource upgrade to 258koz



- Continued exploration work and incorporation of resources into the NLGM mine plan
- Last 12 months - 252koz additional resources declared inside the existing mining licence
- 514koz not included in the base case mine plan



Singida





- 2009 Resources
 - 432,000oz of Measured at a grade of 4.1g/t Au,
 - 118,000oz of Indicated Resources at 2.0g/t Au
 - 309,000oz of Inferred Resources at 2.3g/t Au
- Mining licence issued in 2012
- Project underway to develop Pilot Mining Project
 - Low risk, low capital (US\$4m) funded from cash flow
 - Gravity separation from 10tph feed
 - Two year plus operation with <2 year payback
- In-fill exploration work to enhance knowledge of deposits and potentially increase scale
 - October 2016 - 39 holes, for 4,204m
 - Gold Tree 2 and Gold 3 drilling results
- Feasibility study for open pit/ underground mine to be conducted over next two years.

Highlights from drilling results announced 3rd October 2016

1m @ 7.72g/t from 68m-69m in SC653

3m @ 9.94g/t from 59m-62m in SC657

1m @ 12.45g/t from 65m-66m in SC662

6m @ 3.81g/t from 52m-58m in SC665

3m @ 5.66g/t from 105m-108m in SC668

5m @ 6.91g/t from 69m-74m in SC676

3m @ 4.44g/t from 100m-103m in SC677

12m @ 9.24g/t from 130m-142m in SC679



Summary & Outlook



Summary



- **Stable gold production**
 - Base case mine plan (2016–2020) production averaging 84,000 oz per year
- **Low cost gold producer**
 - Base case mine plan AISC of US\$695 /oz
- **Strong cash flow**
 - Revenue of US\$55.7 million in H1 2016 with EBITDA of US\$33.3 million
- **Comfortable debt repayment profile**
 - Cash of US\$25.8 million at Q3 2016 with Net Debt of US\$38.4 million. Debt scheduled to be rapidly repaid from existing cash flow
- **Fully funded capital programme**
- **Quality asset base**
 - New Luika Gold Mine
 - Singida
- **Growing production profile**
- **Extending mine life - Updated Mine Plan in Q1 2017**
- **On-going Exploration in highly prospective ground in Lupa Goldfield and Singida**
- **Optionality from surplus cash**



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APPENDIX



Ilunga Resource Upgrade



JORC Compliant Comparative Ilunga Resource Summary

2014 vs 2016 (at a cut-off grade of 1g/t Au)

	2014			2016			2014-2016 % increase		
	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
Indicated	311,355	4.03	40,352	1,356,054	4.71	205,347	336%	17%	409%
Inferred	343,427	3.04	33,588	405,829	4.03	52,608	18%	33%	57%
TOTAL	654,782	3.51	73,940	1,761,883	4.55	257,965	169%	30%	249%

Ilunga Resource - JORC Compliant Comparative



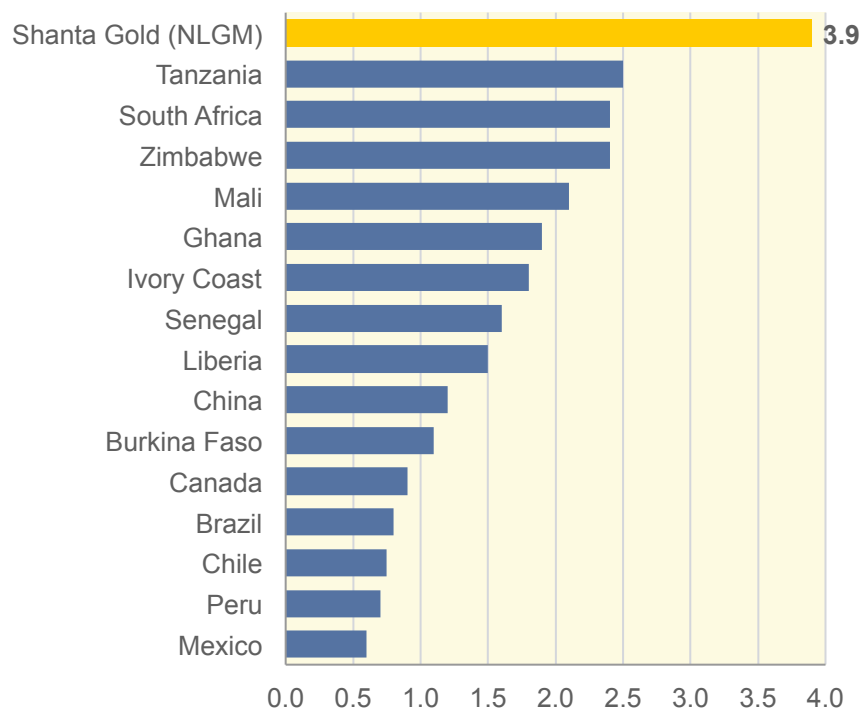
2014				2016				2016 vs 2014 Resource Comparison			
INDICATED 2014				INDICATED 2016				INDICATED % Increase			
Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces	Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces	Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces
0	326,712	3.88	40,759	0	1,834,521	3.60	212,568	0	462%	-7%	422%
1	311,355	4.03	40,352	1	1,356,054	4.71	205,347	1	336%	17%	409%
2	253,114	4.62	37,524	2	997,992	5.87	188,346	2	294%	27%	402%
3	204,737	5.12	33,653	3	769,417	6.87	169,970	3	276%	34%	405%
4	154,233	5.64	27,948	4	610,586	7.75	152,099	4	296%	37%	444%
5	102,324	6.18	20,383	5	491,364	8.55	135,086	5	380%	38%	563%
INFERRED 2014				INFERRED 2016				INFERRED % Increase			
Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces	Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces	Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces
0	357,800	2.95	33,963	0	638,878	2.97	61,005	0	79%	1%	80%
1	343,427	3.04	33,588	1	405,829	4.03	52,608	1	18%	33%	57%
2	230,079	3.81	28,182	2	312,662	4.83	48,533	2	36%	27%	72%
3	167,867	4.34	23,360	3	235,549	5.57	42,144	3	40%	28%	80%
4	90,898	5.07	14,702	4	185,939	6.13	36,664	4	105%	21%	149%
5	29,178	6.38	5,853	5	100,668	7.54	24,416	5	245%	18%	317%
TOTAL 2014				TOTAL 2016				TOTAL % Change			
Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces	Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces	Cut-Off Grade (g/t)	Tonnes	Au Grade (g/t)	Au Ounces
0	684,513	3.40	74,721	0	2,473,399	3.45	274,509	0	261%	1%	267%
1	654,782	3.51	73,940	1	1,761,883	4.55	257,965	1	169%	30%	249%
2	483,193	4.23	65,706	2	1,310,654	5.62	236,861	2	171%	33%	260%
3	372,604	4.76	57,012	3	1,004,967	6.57	212,118	3	170%	38%	272%
4	245,131	5.41	42,650	4	796,525	7.37	188,763	4	225%	36%	343%
5	131,502	6.21	26,236	5	592,032	8.38	159,507	5	350%	35%	508%

2014 vs 2016
(cut off grades
0 – 5 g/t Au)



High quality asset – grade is king

High grade resource



Total resource grade of gold deposits, by country (g/t)

Source: BMO Capital Markets Research, Metal Economics Group

Shanta Gold – New Luika resources

Deposit	Grade (g/t)	Gold Oz (000s)	
		Resource ¹	Reserve ²
Bauhinia Creek	5.3	439	348
Luika	3.1	193	108
Elizabeth Hill ³	1.6	116	28
Jamhuri	1.8	91	8
Black Tree Hill ³	1.3	75	5
Ilunga ⁴	4.6	258	15
Shamba	2.1	24	9
Total NLGM	3.9	1,196	521

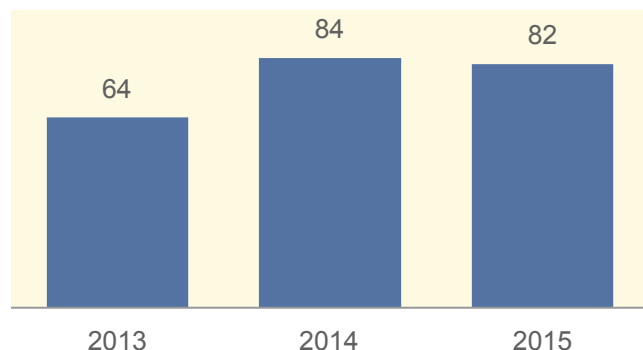
Note:

1. As of July 2015, subject to increases at Elizabeth Hill and BTH outlined below, resources is inclusive of reserves
2. Base Case Mine Plan of 506koz plus incremental 23koz from Elizabeth Hill reserve upgrade less 5koz reduction at BTH. Split 37% OP and 63% UG (using a 3.0 g/t cut-off at BC and 3.5 g/t cut-off at Luika)
3. Elizabeth Hill as of Jan 2016. BTH as of Apr 2016
4. Ilunga resources as at 7 Sep 2016 Reserve (open pit), as at July 2015



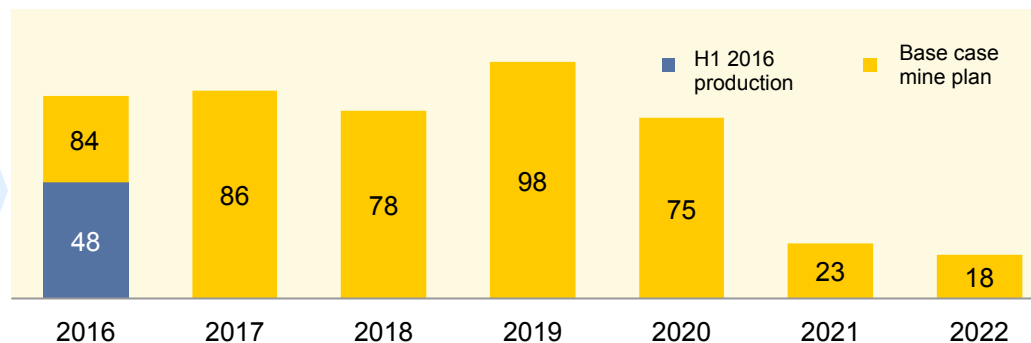
New Luika gold mine continues to deliver

Actual production (koz)



- Production from Bauhinia Creek and Luika pits at the New Luika Gold Mine
- Average Run of Mine head grade 5.18 g/t in 2014 and 4.73 g/t in 2015

Guidance (koz)¹



- Published in September 2015, includes surface mining, underground mining operation and tailings retreatment
- Open pit and underground reserves of 506koz at 5.9 g/t as at Q3 2015
- Post-tax NPV of \$110 million (8% discount rate, \$1,200/oz gold price)
- Ongoing exploration to extend mine life beyond 2020
- Mining Plan update to include Ilunga and Elizabeth Hill Reserves
- 2016 guidance of 82-87koz
- H1 2016 production of 48koz

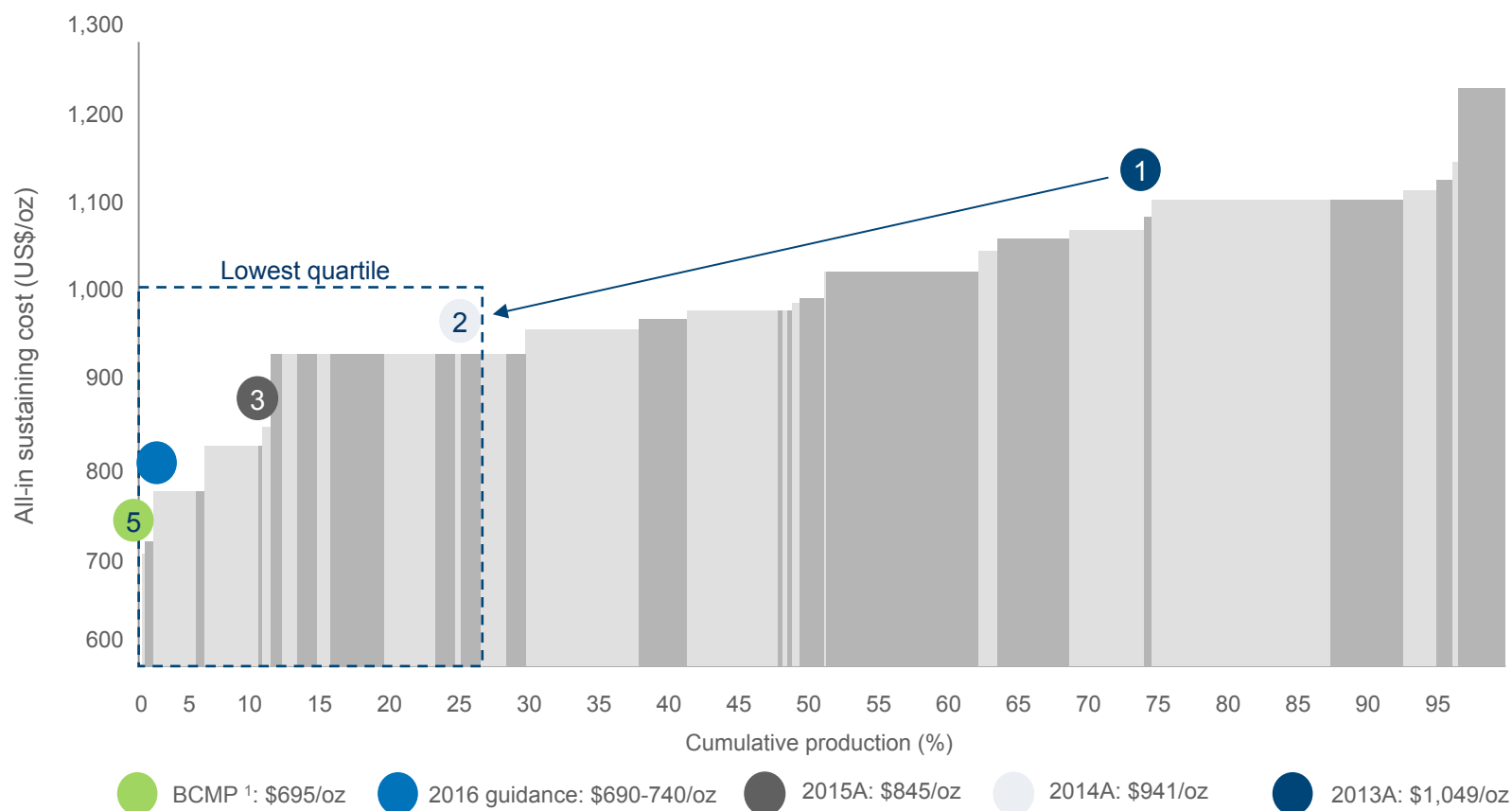
Note:

¹ Includes cumulative 14koz from tailings retreatment through to 2020, excludes January 2016 reserve upgrade at Elizabeth Hill and September 2016 Resource upgrade at Ilunga



Low cost producer

Lowest quartile cost position



Source: Bloomberg, company reports
Shanta Gold 2013-15 actual AISC (2015 unaudited)

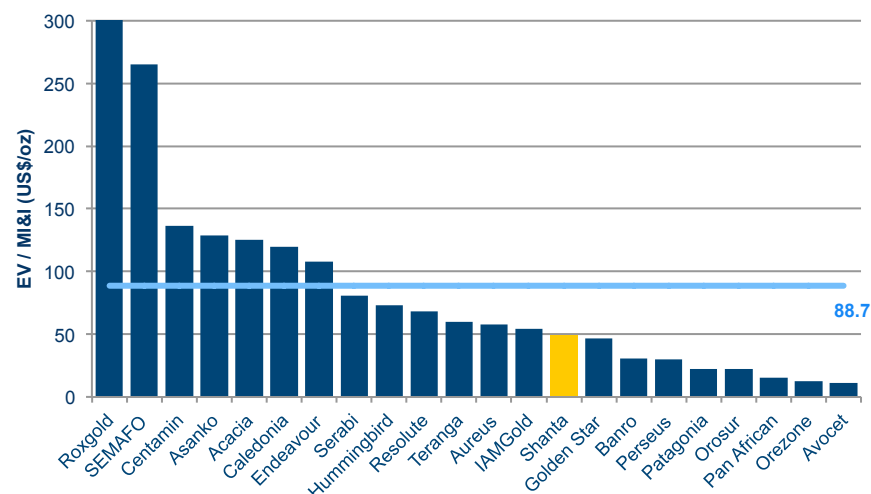
Note:

1. Average AISC over the Base Case Mine Plan (2016-22)

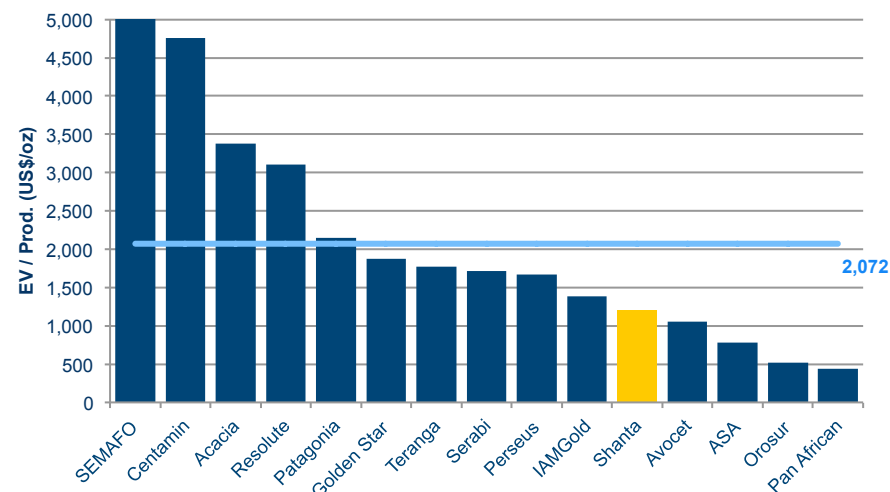


Relative valuation metrics

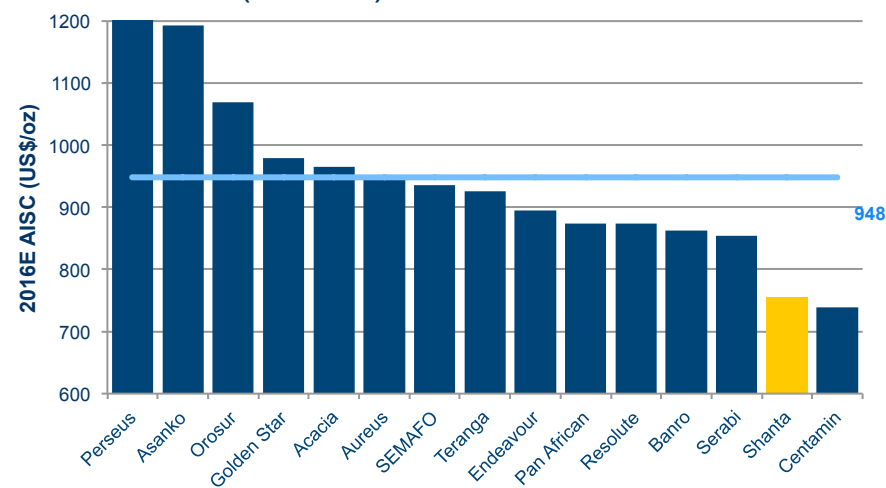
EV/MI&I Resource (US\$/oz)



EV/Prod. (US\$/oz)



2016E AISC (US\$/oz)¹



Source: Bloomberg, company reports

Note:

1. Company public guidance (using the mid point of guidance range), Broker consensus estimates

Shanta Gold share price



Share price trading history (SHG.L)





Risk reduction through focus on broad Business Sustainability

- Shanta Gold's commitment of 0.5% of revenue per year deployed in local community programs designed to reduce dependency on and risk for the Company
- Shanta Gold's employee base is 95% Tanzanian
- Active skills development with graduate and apprenticeship programs

Employment

- NLGM has grown to be a major source of new employment
- Over 40% of workforce from NLGM currently employed from local communities

Education

- Construction of 6 classrooms and 8 offices at Mbangala
- Ancillary equipment provided
- Laboratory constructed at Saza Secondary School

Health

- Provision of the site ambulance to transport patients from Mbangala to hospital in Mwakajuni
- Bore hole drilling for water supply
- Dispensaries at Maleza and Mbangala

Community

- Local regular engagement
- Education and managing expectations
- Work to attract alternative economic development



Tanzania: an attractive operating environment

- Africa's 4th largest gold producer, after South Africa, Ghana and Mali

Tanzania mining regime

- Two key goldfields: Lake Victoria and 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%

Selected gold companies in Tanzania	
Company:	Gold production:
Acacia Mining	732koz pa (2015)—3 mines in Northern Tanzania
AngloGold Ashanti	477koz pa (2014)—Geita mine
Shanta Gold	82koz pa (2015)—New Luika Gold Mine

Source: Company reports, Tanzania Chamber of Mines

Snapshot	
Population	52 million (2014)
Capital City	Dodoma (Dar es Salaam is the de facto commercial capital)
Religion	Christian/Muslim
Economy	
GDP 2014	\$48 billion
Primary Industries	Agriculture, tourism, mining
2014 GDP Growth	7.0%
Political	
System	Parliamentary republic (democratic)
Elections	Every 5 years (most recently in October 2015)

Source: World Bank, various



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