

Shanta Gold Investor Presentation and Update Precious Metals Summit

10-13 September 2019



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Shanta Gold – highlights

- ▶ High grade, low cost gold producer generating strong cash flows

H1 2019 highlights

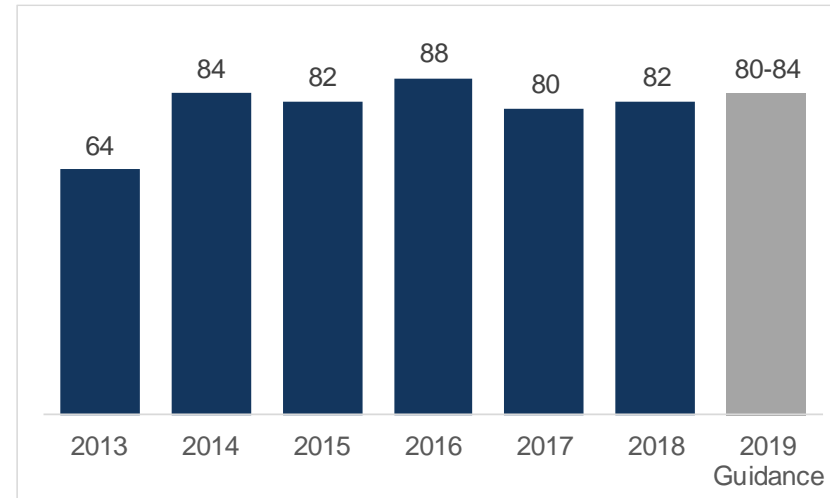
- Gold production of 42.2k oz at New Luika
- Lowest quartile cash costs of US\$530 /oz
- Lowest quartile AISC¹ of US\$730 /oz
- Cash, and available liquidity of US\$9.3 m
- Gross debt reduced to US\$30.1 m
- Net debt reduced to US\$26.9 m
- Net capital investment of US\$8.0 m
- Adjusted EBITDA² of US\$22.6 m
- Exceptional safety record: LTIFR: 0

2019 guidance reiterated

- Gold production of 80–84k oz at New Luika
- AISC of US\$740-780/oz

1. The AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC.
2. EBITDA is earnings before interest, tax, depreciation and amortisation which has been derived as operating profit exclusive of pre-production revenue, depreciation/depletion of tangible assets and amortisation of intangible assets. Adjusted EBITDA has been derived as EBITDA before non-cash loss on unsettled forward contracts.

Shanta is in its 7th consecutive year of gold production



Summary Capitalisation

Share Price (GBP) ³	10.0 p
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Market capitalisation	US\$95 m
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Net debt ⁴	US\$27 m
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Enterprise Value	US\$122 m
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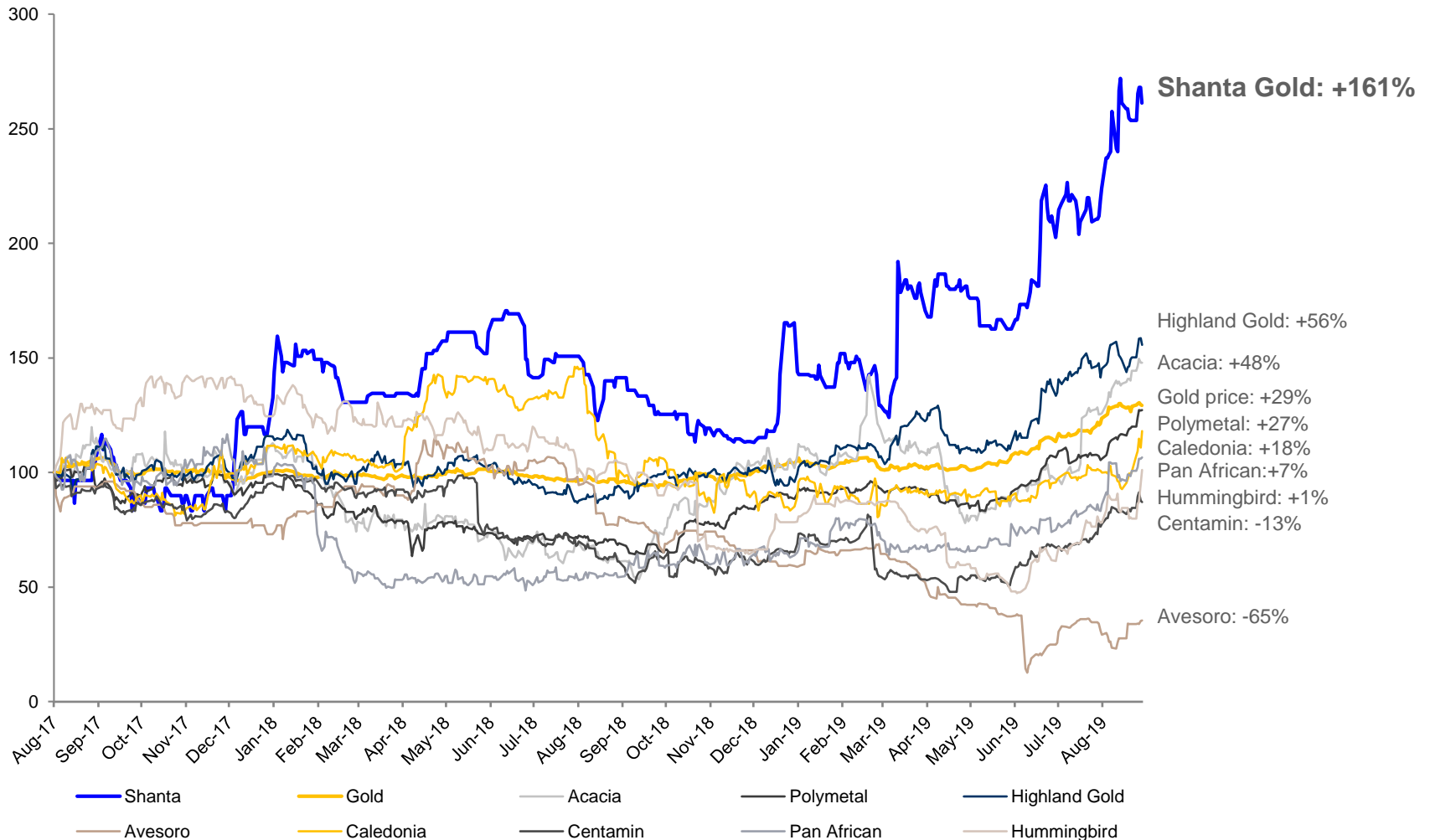
EBITDA (last 12 months to Jun'19)	US\$46 m
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EV/ EBITDA	2.7 x
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3. As of 2 September 2019

4. As of 30 June 2019

Shareholder returns (last 2 years) vs. all London Listed gold producer pure plays



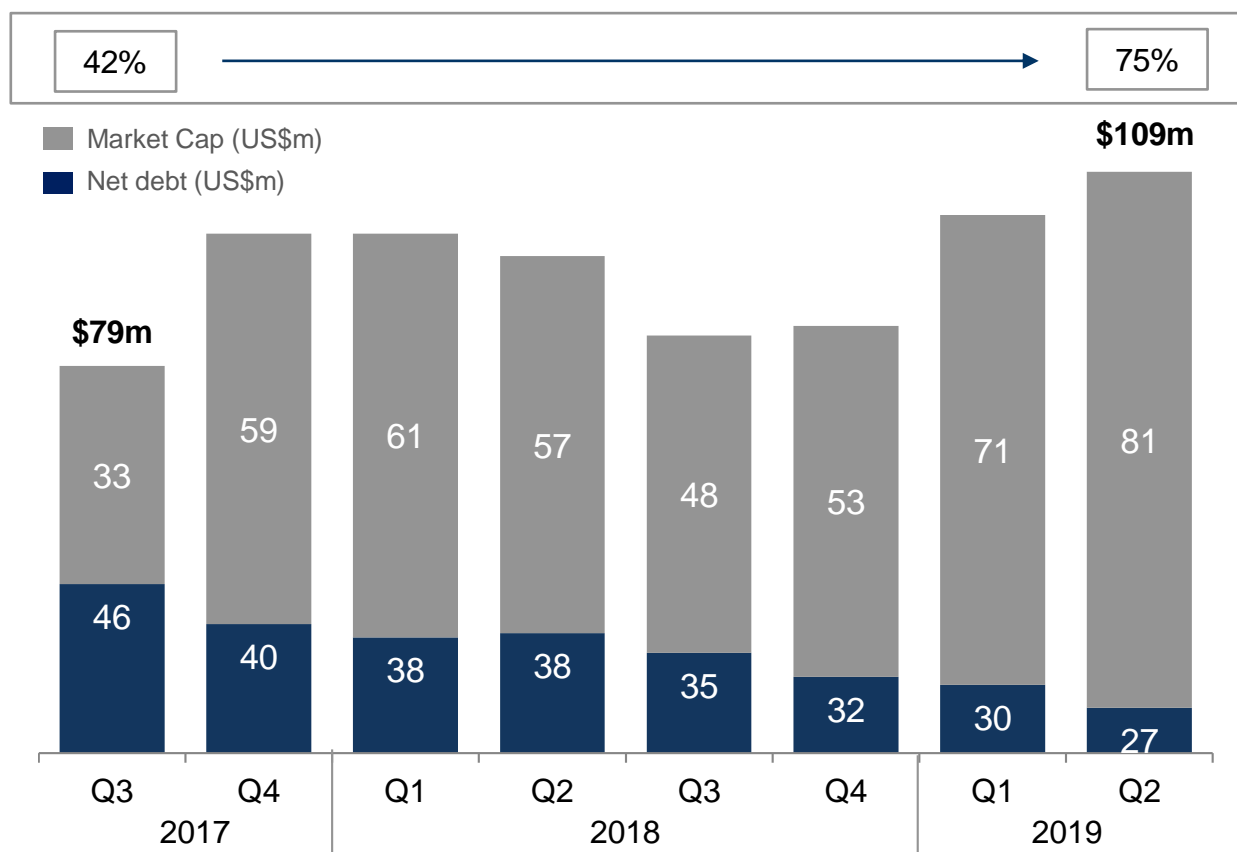
Value transfer to Shanta Gold shareholders

Significant transfer of value from debt to equity since Q3 2017, benefitting Shanta Gold shareholders

Shanta Gold Enterprise Value

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

Highlights



- Shanta's market cap now accounts for 75% of Enterprise Value, up from 42% in Q3 2017
- SHG share price continues to re-rate, up 161% since Q3 2017

Key value drivers – summary

1

Exploration and mine life extension

- Q2 drilling at Bauhinia Creek UG at depth doubles widths and grades
- Additional 5,000 metres drilling ongoing with results before year end
- Anticipated resource update
- New targets identified at BC North and Elizabeth Hill North

2

Singida asset level financing

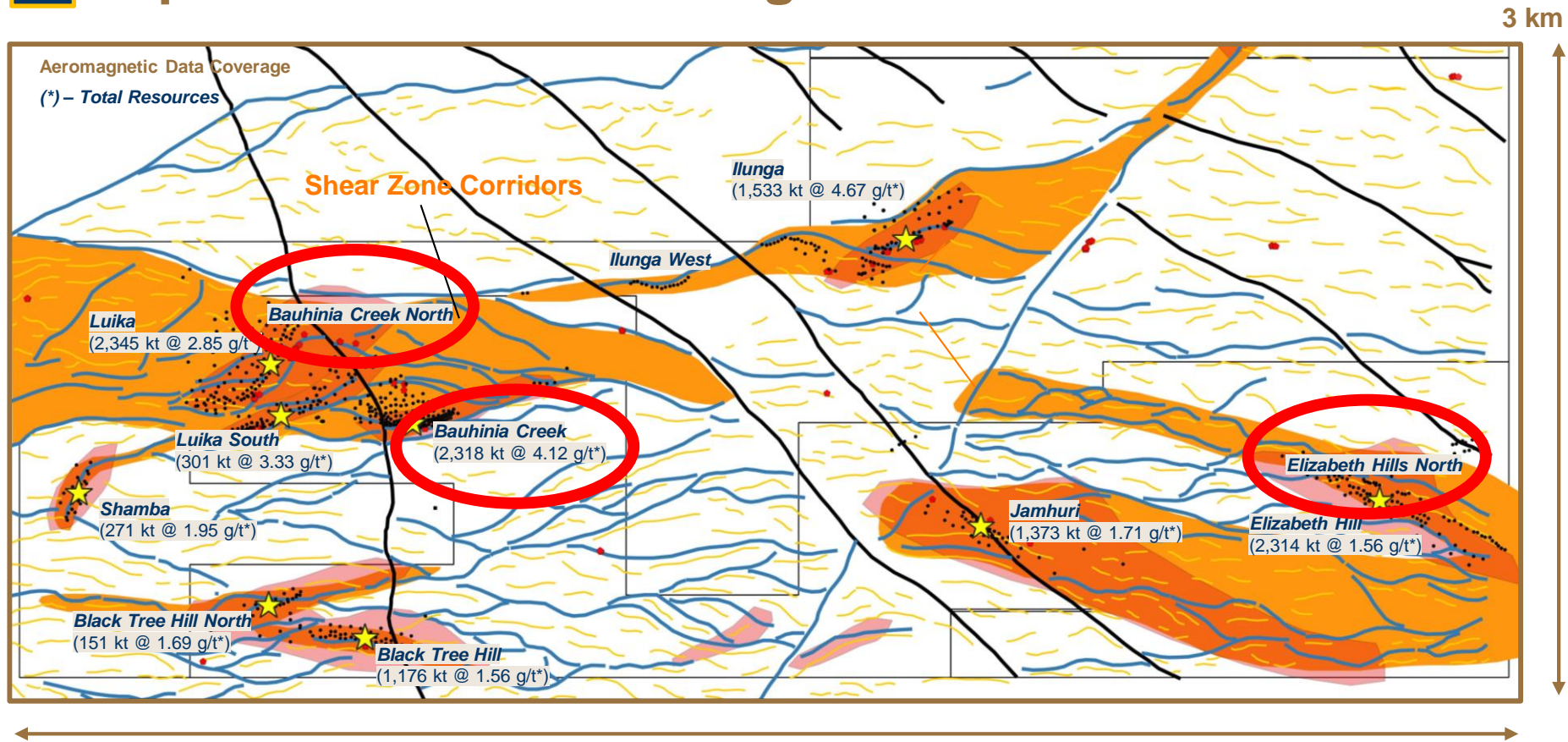
- NPV of US\$38 million (US\$1,400/oz gold price, 5% discount rate) ¹
- Targeted minimum US\$20 million asset level financing in progress
- No equity dilution to SHG shareholders

3

Country re-rating and potential VAT resolution

- Shanta's current VAT receivable is US\$25.3 million (June 2019)
- Barrick takeover of Acacia announced in July 2019
- Barrick tax resolution and implementation of Framework Agreement with the GoT would mark an inflection point (before year end?)

1 Exploration: NLGM Mining Licence



New promising targets for H2 2019

- ✓ Bauhinia Creek underground extensions
- ✓ Bauhinia Creek North
- ✓ Elizabeth Hills North strike extensions

- ★ Mine/Deposit
- ◆ High-grade Grab Sample (Shanta Gold)
- ◆ High-grade Soil Anomaly (Shanta Gold)
- Structural Fabric: Gneissosity (Archaean)
- Structural Fabric: Mylonite/Shears (Lupa Mineralisation)
- Collars (Drilling and Trenches)

Exceptional drilling results and mine life extension

US\$164,000 was spent on drilling at Bauhinia Creek in Q2 2019 to replace all of the expected ounce depletion from 2019 production

Exceptional results from 6 holes drilled at Bauhinia Creek (BC) underground mine

Hole at BC	Intersection
115	7.33 metres @ 6.24 g/t Au
116	2.03 metres @ 4.77 g/t Au
117	3.68 metres @ 6.57 g/t Au
119	2.43 metres @ 5.26 g/t Au
122	16.02 metres @ 9.36 g/t Au
123	7.07 metres @ 16.10 g/t Au

Outcomes

- Converted 126,787 oz of Inferred Resources grading 3.15 g/t into 83,543 oz of Indicated Resources grading 7.85 g/t
- Conversion cost of US\$2 /oz
- Additional 58,553 ounces of new Inferred Resources grading 4.79 g/t
- Strategy is to maintain a rolling 5-8 year life of mineable ounces

2 Singida – asset level financing

Singida Overview

- Stand-alone gold project owned 90% by Shanta, located in Central Tanzania within a greenstone belt
- Gold resources of 12.3Mt @ 1.84 g/t for 728k oz (JORC 2012), including M&I resources of 381k oz grading 2.1 g/t
- Three mining licences, major permitting received, EIA permit received
- Significant amount of historical studies have been completed

Asset level financing update

- US\$10 million unsecured, non recourse loan facility agreed with a privately-held, East African, multinational conglomerate
- Subject to minimum US\$15 million equity injection into Singida
- IPO prospectus has been submitted to the Tanzanian Capital Markets and Securities Authority (“CMSA”) and the DSE to raise at least US\$20 million
- Shanta to retain at least 51% ownership and will operate the Project
- IPO proceeds would finance the upfront capital to bring the Project into production and provide additional funds for exploration

NPV (post-tax) sensitivity to Discount Rate (US\$ m):

Gold price	Discount rates		
	5%	8%	10%
US\$1,300 /oz	30	26	23
Forward Curve ¹	36	31	28
US\$1,400 /oz	38	33	31

IRR sensitivity to Gold Price (%):

Gold price	IRR (%)
US\$1,300 /oz	62
Forward Curve ¹	67
US\$1,400 /oz	77

¹Gold forward curve as at announcement of project economics (5 December 2018), based on a spot gold price of US\$1,225 /oz

²Project estimates are based on estimates prepared internally by the Project Owners Team and have not been independently verified

IPO of Singida Resources PLC

Proposed listing on the Dar es Salaam stock exchange

\$31
million USD

NPV announced on 5 December 2018 (using Forward Curve at a spot price of US\$1225/oz)

67%

IRR over an initial 6-year mine plan (using Forward Curve at a spot price of US\$1225/oz)

26,000
oz

Average annual gold production over mine plan at a cash cost of US\$794 /oz

\$19
million USD

Pre-production capital expenditure and working capital

**Significant
upside**

Total inferred resources outside of the project economics amount to 6.57 Mt at 1.63 g/t for 344,000 oz

**Next 6-12
months**

Progressing and completing the IPO of Singida Resources PLC on the Dar es Salaam Stock Exchange

¹Project estimates are based on estimates prepared internally by the Project Owners Team and have not been independently verified

3 Improving operating environment supportive of VAT normalisation

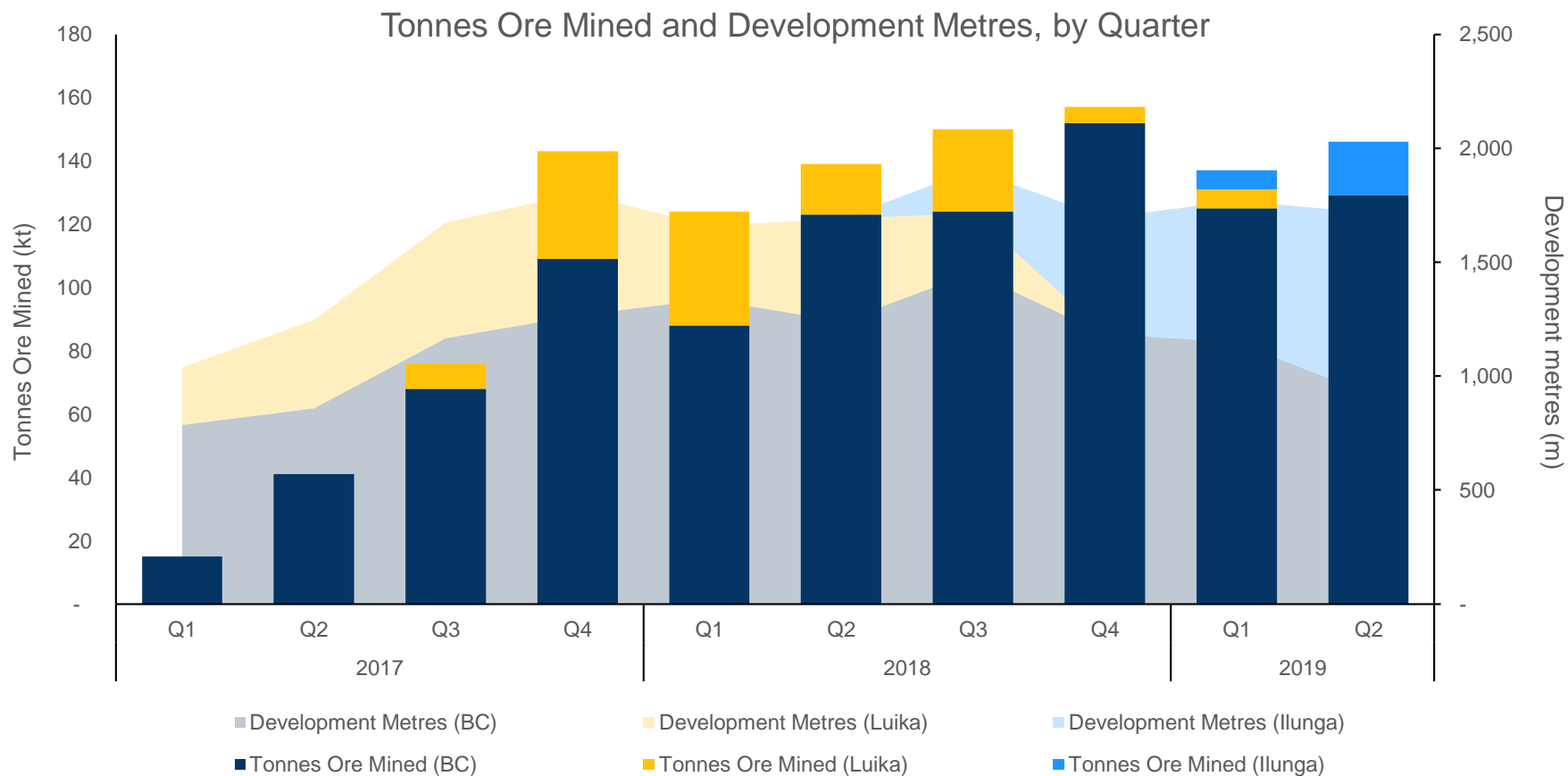
- ▶ Strong and open relationships with Senior Government Ministers
- ▶ Discussions on refunding or offsetting the current VAT receivable of US\$25.3 million continue

Operating environment improving following Barrick takeover of Acacia

Date	Event	Status
19 th July	Acacia Board recommend Barrick offer	✓
9 th August	Tanzanian Government authorise Acacia to resume gold exports at North Mara	✓
3 rd September	Shareholder vote in favour of Barrick acquisition of Acacia	✓
13 th September	Final Court approval of transaction	
17 th September	Effective date (Acacia delisted)	

H1 2019 Operational and Financial Update

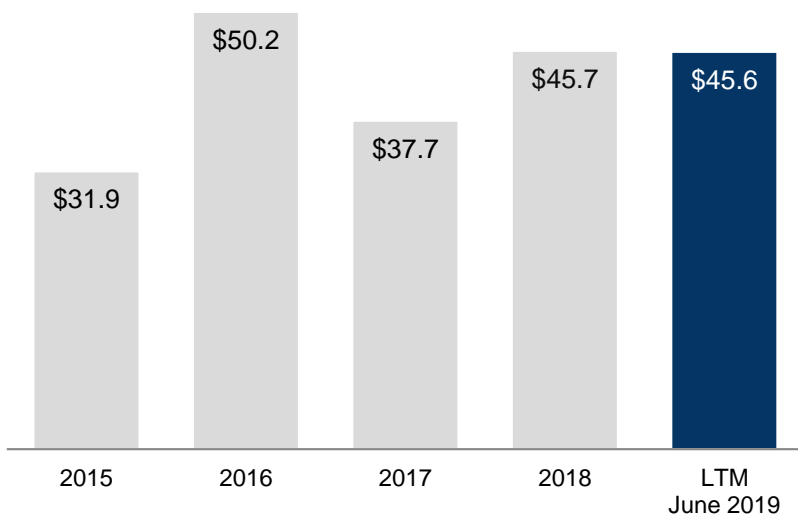
H1 2019 underground update



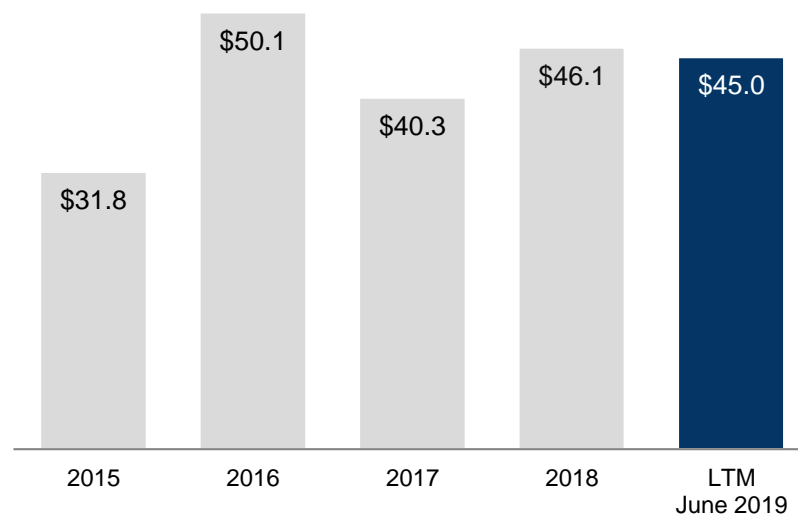
1. Includes ore from development and production
BC = Bauhinia Creek

US\$45 m operating cashflows over the last twelve months

EBITDA (US\$ million)



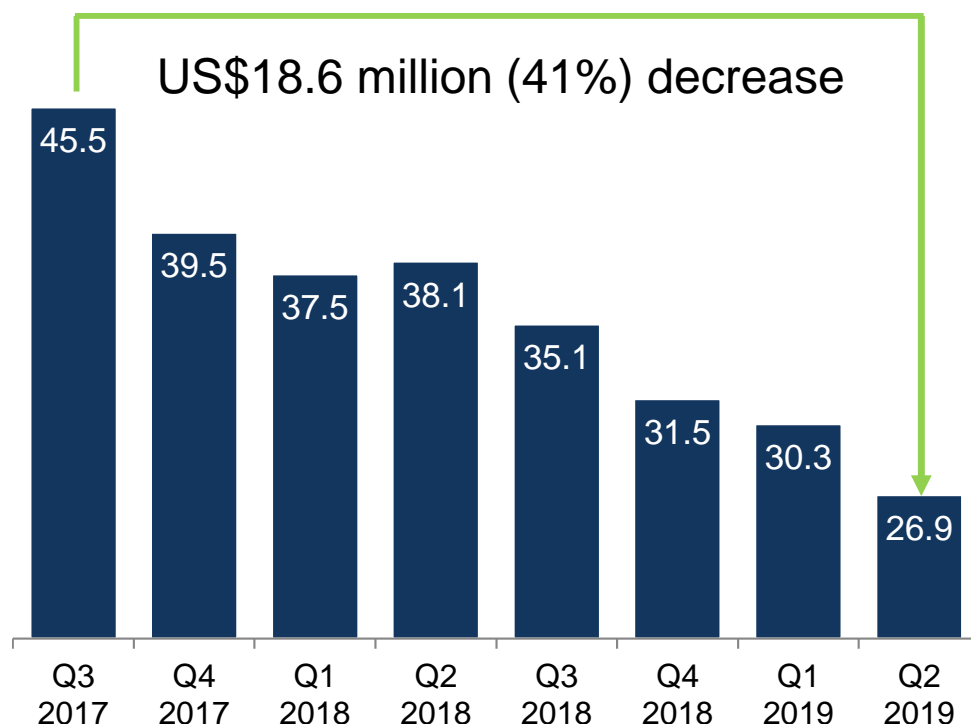
Operating cash inflow before movement in working capital (US\$ million)



Note: LTM refers to Last Twelve Months (July 2018-June 2019), adjusted for non-cash loss on unsettled forward contracts
2015-2018 audited financial results are unadjusted

Balance sheet repair: 41% decrease in Net Debt since Q3 2017

Net debt (US\$ million)



H1 2019 highlights

- Unrestricted cash balance of US\$3.1 million at 30 June 2019
- Total liquidity of US\$9.3 million, including bullion available for sale
- Deleveraging despite US\$7.9 million spent on Ilunga, increase in ROM stockpile, and US\$9.5 million increase in VAT receivable since Q3 2017
- Gross debt at US\$30.1 m, the lowest in over 6 years

2019 priorities

1

Safe Operational Delivery

80-84k oz in 2019 at AISC of US\$740-780 /oz

2

Exploration

Resource conversion and mine life extension at New Luika

3

Deleveraging

Continued rapid balance sheet deleveraging

4

Unlocking value

- VAT Receivable of US\$25 million = 27% of SHG market cap
- Singida asset level financing

Near term catalysts and news

Date	Event
Oct 2019	Interim drilling update (on mining licences and regional targets)
Q3/Q4 2019	5,000 metre exploration drilling campaign across Lupa Goldfield
Q4 2019	Singida IPO marketing update
Q4 2019	Phase 2 exploration drilling update
H2 2019	Ongoing balance sheet deleveraging (US\$8 million scheduled debt repayments in H2)

Ongoing engagement with the Ministry of Mines and Finance to repay and/or offset the US\$25.3 million VAT receivable (at June 2019)

www.shantagold.com

twitter.com/shanta_gold



Experienced African Management Team

- ▶ >99% of the employees are Tanzanian; only 8 expats across the entire company



Eric Zurrin
CEO, Director

- Former CFO of Shanta Gold
- 17 years' experience in mining and investment banking including 9 years in Tanzania and Mongolia
- Formerly with UBS Investment Bank and BMO Capital Markets



Honest Mrema
GM New Luika

- Tanzanian national, mining engineer with 20 years' experience
- Previously in Mali, DRC, Ghana
- Formerly with Anglo American, Barrick, Endeavour and Resolute



Luke Leslie
CFO, Director

- Formerly Co-head Trafigura-Origo
- Previously with UBS Investment Bank, Accenture
- 7 years in Tanzania and 4 years in China, Mongolia, Myanmar



Philbert Rweyemamu
GM Singida

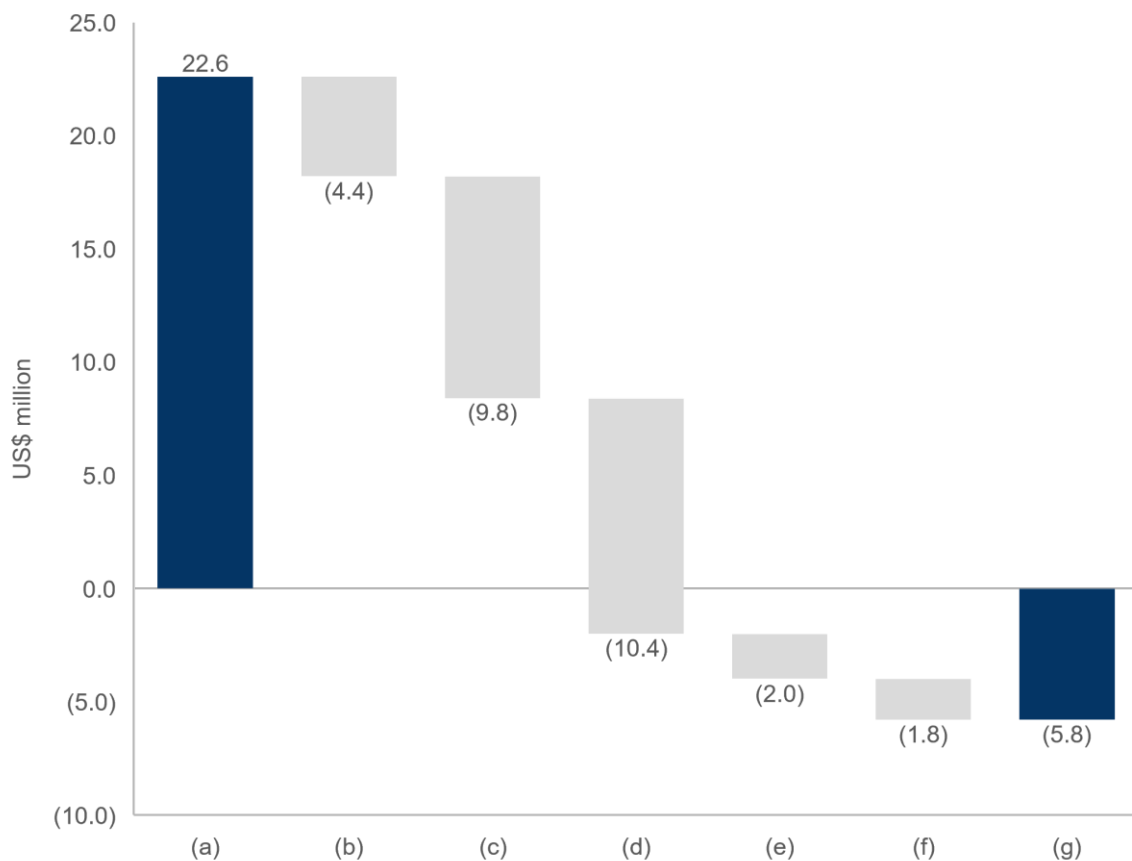
- Tanzanian national, mining engineer with 35 years' experience
- Previously in Tanzania, Botswana and South Africa
- Formerly with De Beers and Acacia



Calvin Mlingi
Head of Country Affairs

- Tanzanian national and trained lawyer
- Corporate affairs experience in Tanzania
- Formerly with Export Trading Group

H1 2019 EBITDA to cash flow bridge



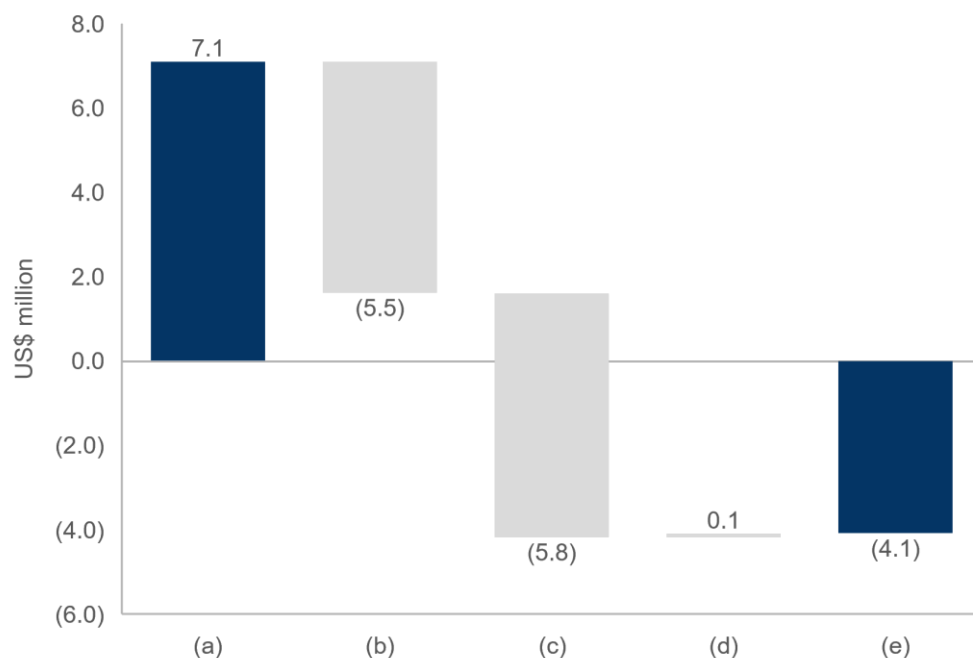
EBITDA to cash flow bridge highlights

- (a) Adjusted EBITDA¹
- (b) Working capital movements
- (c) Capital expenditure²
- (d) Net debt reduction
- (e) Interest paid
- (f) Tax, Other
- (g) Net decrease in cash and cash equivalents

1. EBITDA is earnings before interest, tax, depreciation and amortisation which has been derived as operating profit exclusive of pre-production revenue, depreciation/depletion of tangible assets and amortisation of intangible assets. Adjusted EBITDA has been derived as EBITDA before non-cash loss on unsettled forward contracts.
2. Capital expenditure has been represented on a gross basis, taking into account a normalised margin on pre-production ore for EBITDA calculation purposes.

H1 2019 accounting loss driven by non-cash items

(Loss)/Profit before tax – H1 2019 vs. H1 2018



- (a) Profit before tax (H1 2018)
- (b) Comparable increase in depreciation expense
- (c) Swing in non-cash unrealised loss on forward gold sales
- (d) Other
- (e) Loss before tax (H1 2019)

Depreciation expense

- New Luika's depreciable asset base is growing, driven by underground mine development.
- Significant portion is being depreciated over a depleting reserve profile, which the Company is looking to expand through exploration drilling.
- Depleting reserve profile increases rate of depreciation charged on the assets depreciated on a unit of production basis.

Non-cash unrealised loss on forward gold sales

- Forward sales for 45,000 oz entered into in late 2018 to protect cashflow in advance of contractual debt repayments through to June 2020.
- Settlement of these forward sales has been deferred to maximise exposure to H1 2019 upturn in gold spot price.
- Unrealised loss recognised on these forward sales over H2 2018 and H1 2019 reflects the differential between the H1 2019 closing gold spot price and the average forward sale price on ounces sold forward.