



Q2 2018 Production and Operational Update

19 July 2018



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Shanta Gold – highlights & guidance

- ▶ Ilunga fast tracked, increasing NPV
- ▶ US\$7.2 million of recurring cost savings achieved in Q2

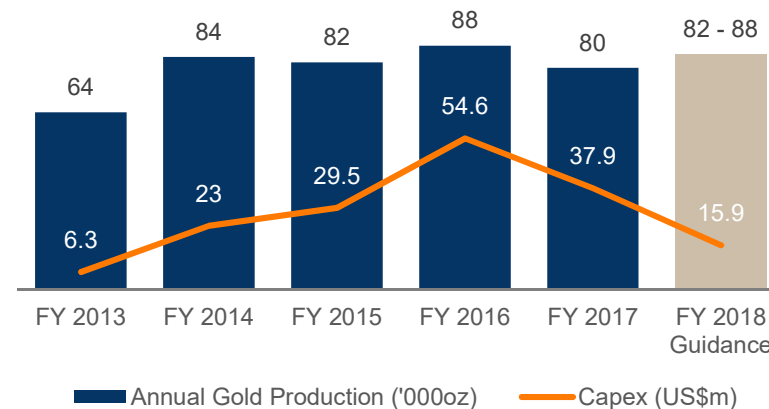
Q2 2018 highlights

- Gold production of 20.5k oz at New Luika
- Cash costs of US\$505 /oz
- Ore stockpiles up 41% allowing the Company to stand down open pit mining fleet from end of August
- Cash balance of US\$8.9 m at June 30th
- Capex of US\$4.5m, on track to remain within full year guidance of US\$15.9 m
- There were no Lost Time Injuries during the quarter

2018 guidance reiterated

- Gold production of 82–88k oz at New Luika
- **AISC of US\$680-730/oz**
- Recoveries targeted to increase by 1.5 – 2% from mid Q3 2018

2018 production set to increase with capex declining again



Summary Capitalisation

Share Price (GBP) ¹	5.5p
Market capitalisation	US\$57 m
Net debt ²	US\$38 m
Enterprise Value	US\$95 m

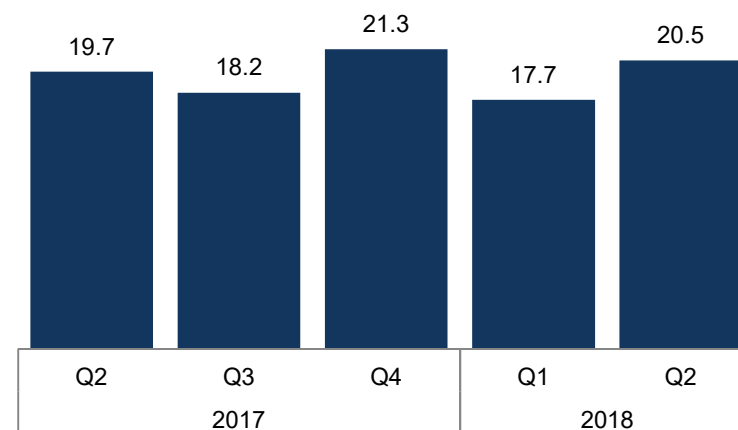
1. As of 17 July 2018
2. As of 30 June 2018

Q2 2018 highlights

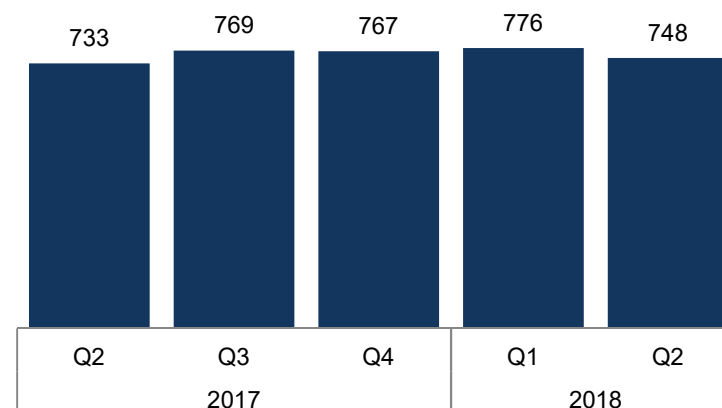
▶ Reiterating guidance of 82-88 koz at an AISC of \$680-730 /oz

- **No lost time injuries**
- Gold production of 20,544 oz (Q2 2017: 19,657 oz)
- New record monthly underground production of 51,130 tonnes at 5.30 g/t achieved in June for 8,705 oz contained gold
- Gold sales of 19,475 oz (Q2 2017: 17,982 oz)
- AISC of US\$748 /oz (Q2 2017: US\$733 /oz)¹
- **Cash operating costs of US\$505 /oz (Q2 2017: US\$559 /oz)**
- 139,000 tonnes ore mined from underground plus 58,000 tonnes mined from open pits

Quarterly gold production (000's oz)



Quarter on Quarter AISC (\$ /oz)

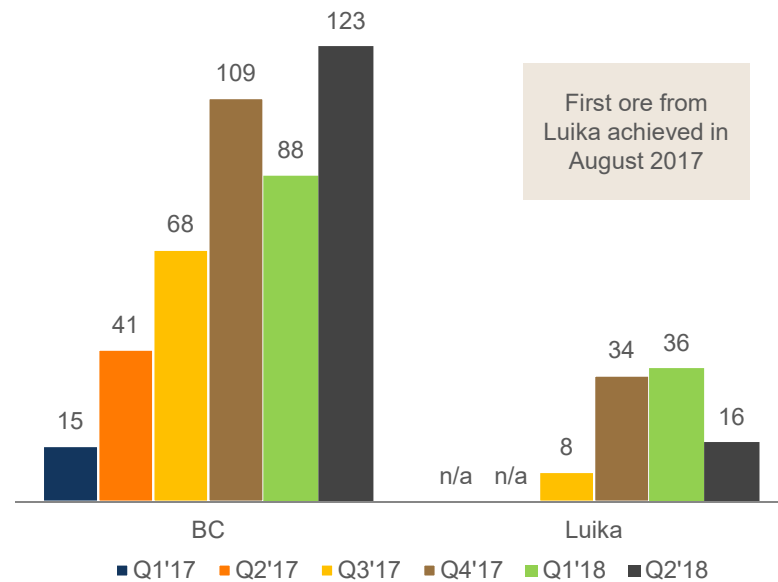


¹ AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek and Luika underground operations are not included in AISC

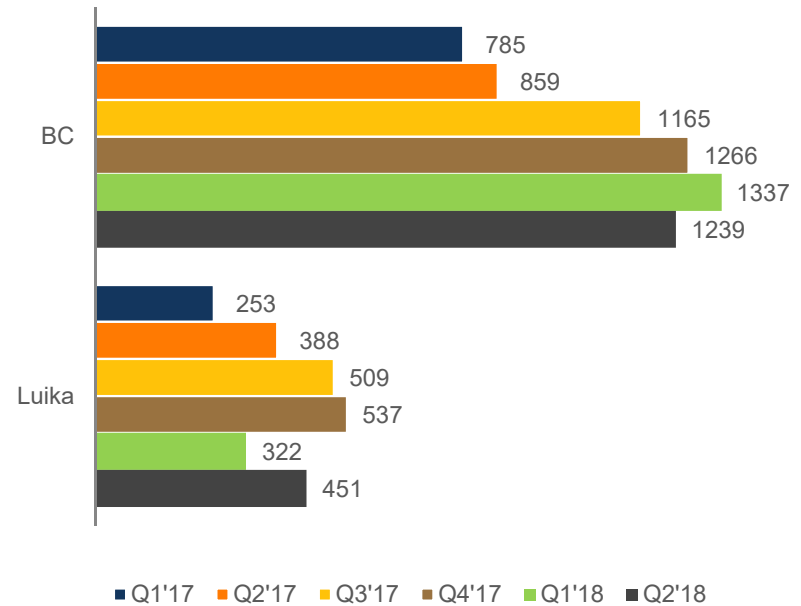
Q2 2018 underground update

▶ New record monthly underground production of 51,130 tonnes at 5.30 g/t achieved in June 2018

Tonnes ore mined¹ (000s)



Development metres (m)



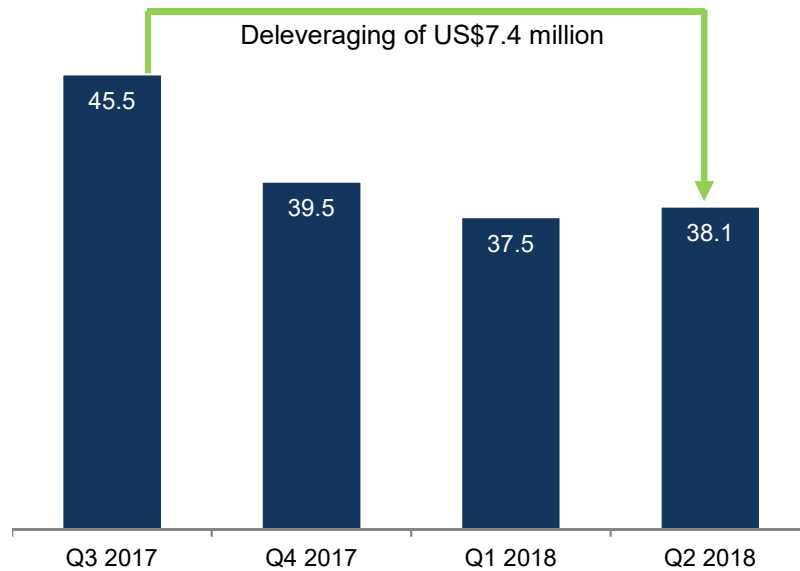
1. Includes ore from development and production
BC = Bauhinia Creek



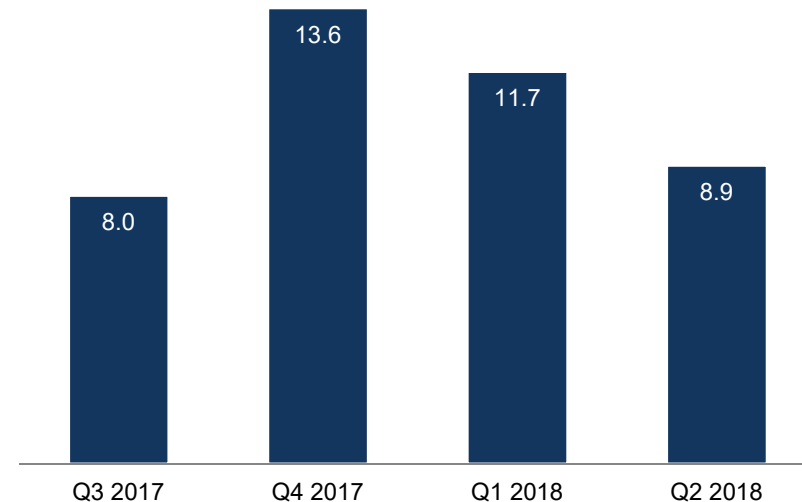
Balance sheet deleveraging

- ▶ ROM stockpile up by 41% since Q1 to 143 kt, allowing the Company to ‘stand down’ open pit mining fleet from end of August
- ▶ Increase in gold doré of US\$1.3 m
- ▶ Inventory build up expected to reverse over the next two quarters

Net debt (US\$ million)

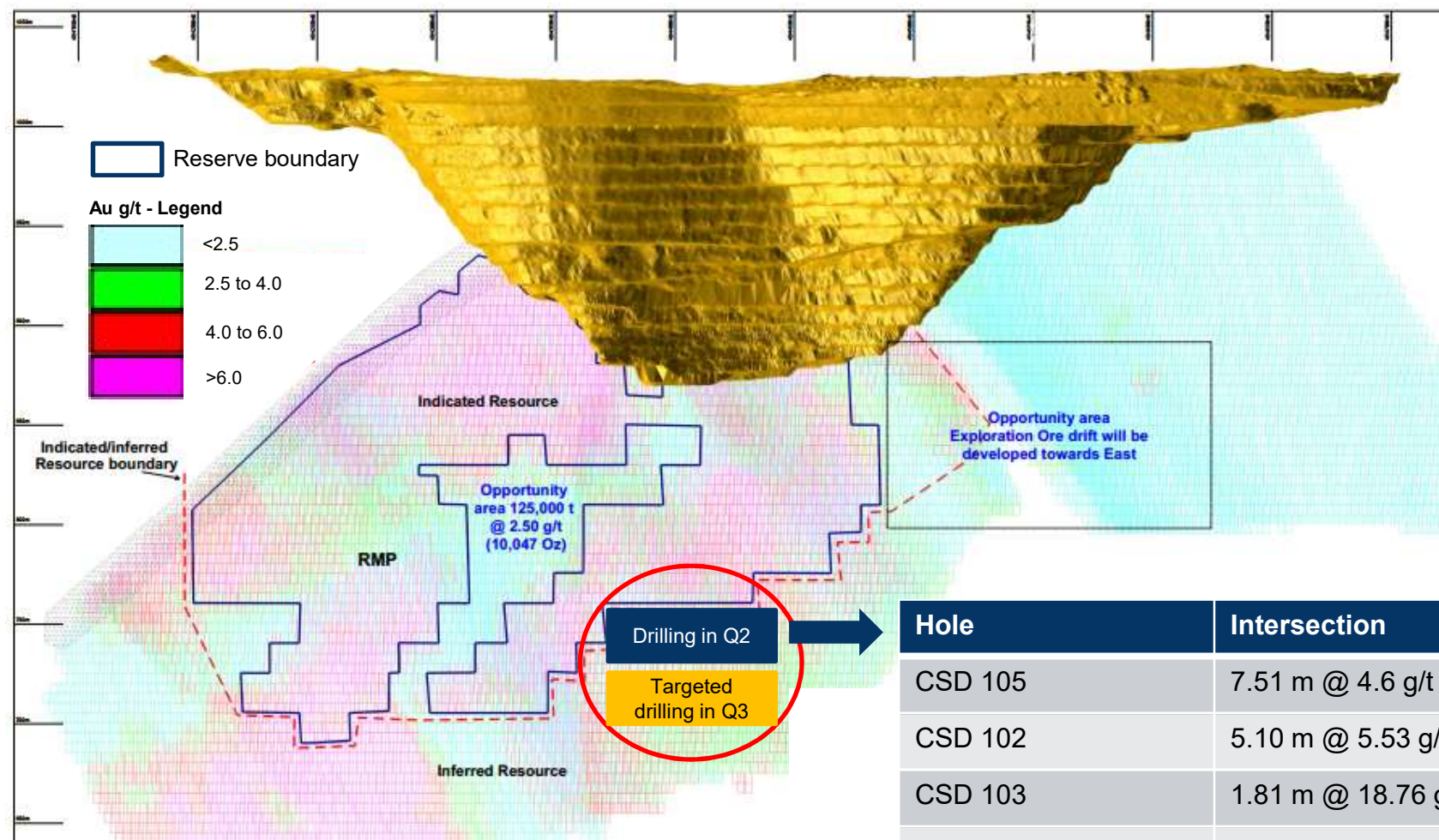


Cash (US\$ million)



Q2 drilling at Bauhinia Creek East

▶ High grade mineralisation intersected in Q2 2018 BC East drilling campaign



Hole	Intersection
CSD 105	7.51 m @ 4.6 g/t
CSD 102	5.10 m @ 5.53 g/t
CSD 103	1.81 m @ 18.76 g/t
CSD 063 *	6.00 m @ 43.98 g/t

Note: 40 meter spacing, Avg True Width estimated at >90%
* Historical drill hole

Singida: momentum is building

Singida Overview

- Stand-alone gold project owned 90% by Shanta located in Central Tanzania
- 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, currently undergoing final ESIA
- Significant amount of historical studies have been completed

Status

- Open pit optimisation ongoing and expected completion in Q3
- Geophysics planned for Q3 between Cornpatch and Cornpatch West
- Internal Owners Team established in Q2

Q2 2018 Update

- **Encouraging drilling results including 10 m @ 20.82 g/t gold from 138 m in hole SC702 and 5 m @ 10.35 g/t gold from 120 m in hole SC713**
- Corporate restructuring underway carving out the Singida project into a 100% owned standalone entity
- Project economics and internal project study in advanced stage

Next steps

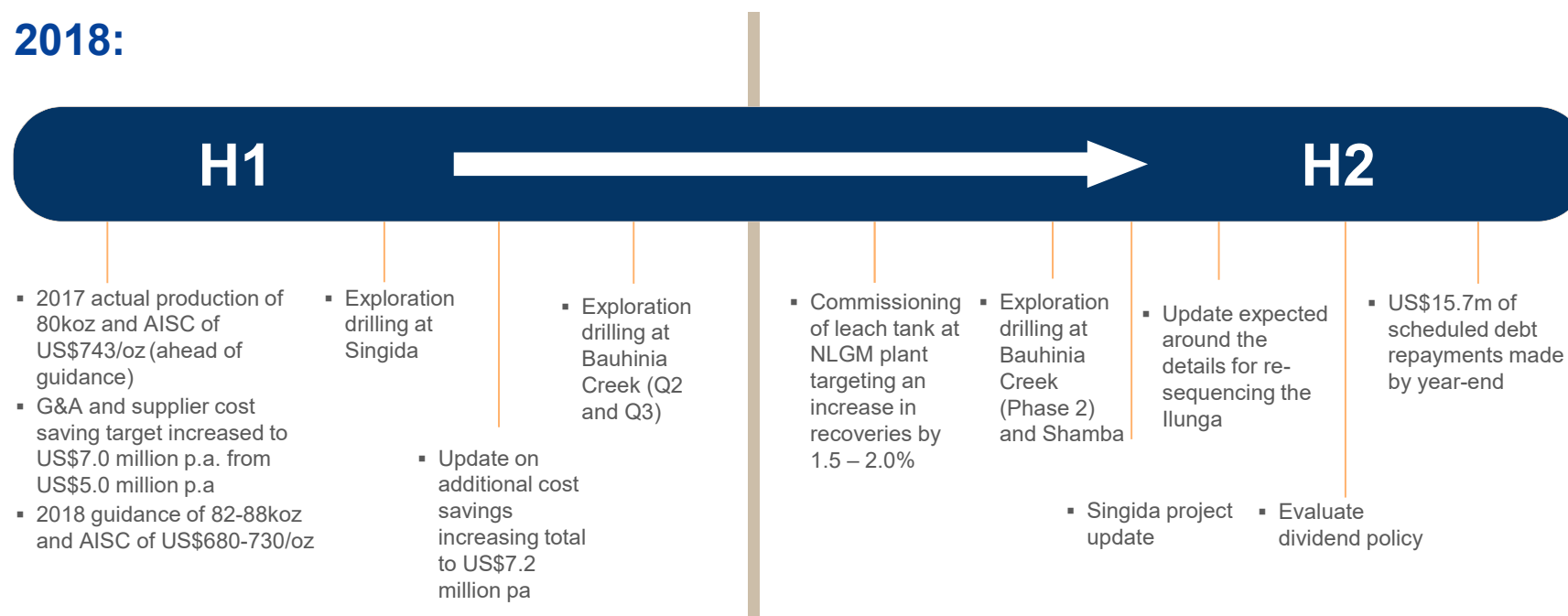
- Initial financing discussions have commenced



Shareholder value catalysts 2018

▶ Operational improvements and resource expansion are expected to drive shareholder return in 2018

2018:



Constructive engagement with the Government of Tanzania to repay and/or offset the US\$17.9 million VAT receivable (at June 2018)



2018 outlook

	Targets (January 2018)	Update (July 2018)
1	Operational excellence: 82-88k oz in 2018 at AISC of US\$680-730 /oz	Guidance reiterated ✓
2	Rapid balance sheet deleveraging	H2 2018 on track for significant deleveraging
3	Targeted growth including exploration drilling	Singida and BC East Deep (Phase 1): ✓
4	Cost savings increased to US\$7.0m by Q3 2018 and recoveries increased by 1.5 – 2% by H2 2018	Costs: ✓ Recoveries: in Q3
5	Dividend policy evaluation scheduled for Q4	Update in Q4

Production performance (last two years)

	Q2 2018	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016	Q4 2016	Q3 2016
Tonnes ore mined (OP + UG)	197,020	142,784	638,088	143,092	177,416	196,454	121,127	622,853	63,192	99,417
Tonnes ore milled	157,426	149,711	632,287	162,233	163,109	155,567	151,378	597,583	151,827	144,930
Grade (g/t)	4.55	4.14	4.28	4.48	3.83	4.28	4.57	5.08	4.26	4.90
Recovery (%)	91.5	91.2	91.1	91.1	90.9	90.9	92.0	89.9	90.8	90.2
Gold Production (ounces)	20,544	17,663	79,585	21,288	18,225	19,657	20,415	87,713	18,897	20,580
Gold sales (ounces)	19,475	17,691	80,365	20,644	18,487	17,982	23,252	86,332	15,285	23,426
Realised gold price (US\$ /oz)	1,302	1,329	1,263	1,273	1,267	1,265	1,249	1,220	1,187	1,301

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