



Q2 2018 Production and Operational Update

19 July 2018



Disclaimer

This Document comprises an institutional update presentation (the “Presentation”) which has been prepared by and is the sole responsibility of Shanta Gold Limited (the “Company”).

This Presentation does not constitute or form part of an admission document, listing particulars or a prospectus relating to the Company or any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever or constitute an invitation or inducement to engage in investment activity under section 21 of the UK Financial Services and Markets Act 2000. This presentation does not constitute a recommendation regarding any decision to sell or purchase securities in the Company.

Notwithstanding the above, in the United Kingdom, this Presentation is only being given to persons reasonably believed by the Company to be investment professionals within the meaning of paragraph (5) of Article 19 persons in the business of disseminating information within the meaning of Article 47 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) or to high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529), and the Proposed Offer will only be available to such persons who are also qualified investors within the meaning of section 86(7) FSMA purchasing as principal or in circumstances under section 86(2) FSMA. This Presentation is only being sent to persons reasonably believed by the Company to be investment professionals or to persons to whom it may otherwise be lawful to distribute it. If you are not such a person (i) you should not have received this Presentation and (ii) please return this Presentation to the Company's registered office as soon as possible and take no other action. If you are not such a person you may not rely on or act upon matters communicated in this Presentation. By accepting this Presentation the recipient represents and warrants that they are a person who falls within the above description of persons entitled to receive this Presentation.

This document has not been approved by an authorised person under Section 21 of the Financial Services and Markets Act 2000 (“FSMA”).

This Presentation is not intended to be distributed, or passed on, directly or indirectly, to any other class of person and in any event under no circumstances should persons of any other description rely or act upon the contents of this Presentation. This Presentation and its contents are confidential and must not be distributed or passed on, directly or indirectly, to any other person. This presentation is being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person.

No representation or warranty, express or implied, is made or given by or on behalf of the Company, its advisers or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of the directors, officers or employees of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions or for any liability, howsoever arising (directly or indirectly) from the use of this Presentation or its content or otherwise in connection therewith. No person has been authorised to give any information or make any representations other than those contained in this Presentation and, if given and/or made, such information or representations must not be relied upon as having been so authorised. The contents of this Presentation are not to be construed as legal, financial or tax advice.

The information has not been verified nor independently verified by the Company's advisers and is subject to material updating, revision and further amendment.

The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of that Act. Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America or its territories or possessions (the “United States”), or distributed, directly or indirectly, in the United States, or to any U.S Person as defined in Regulation S under the Securities Act 1933 as amended, including U.S resident corporations or other entities organised under the laws of the United States or any state there of or non-U.S branches or agencies of such corporations or entities or into Canada, Australia, Japan, or the Republic of Ireland. Neither this Presentation nor any copy of it may be taken or transmitted into or distributed in Canada, Australia, Japan, or the Republic of Ireland, or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States or other national securities law. Forward-Looking Statements. Information contained in this Presentation may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business) are forward-looking statements.

Such forward-looking statements are based on a number of assumptions regarding the Company's present and future business strategies and the environment in which the Company expects to operate in future. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of factors. These forward-looking statements speak only as to the date of this Presentation and cannot be relied upon as a guide to future performance. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this Presentation to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Shanta Gold – highlights & guidance

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

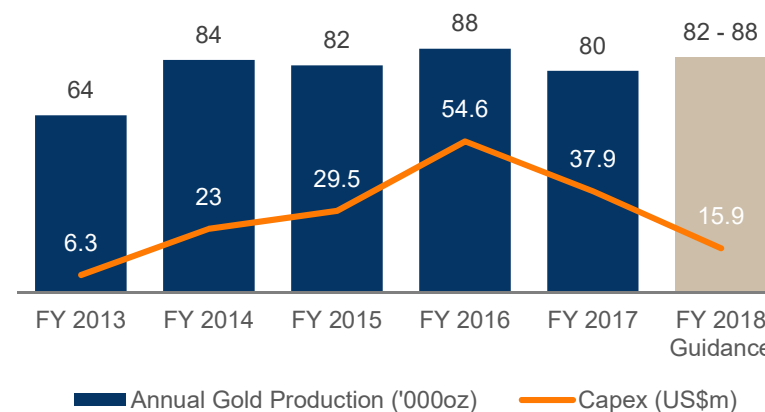
Q2 2018 highlights

- 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

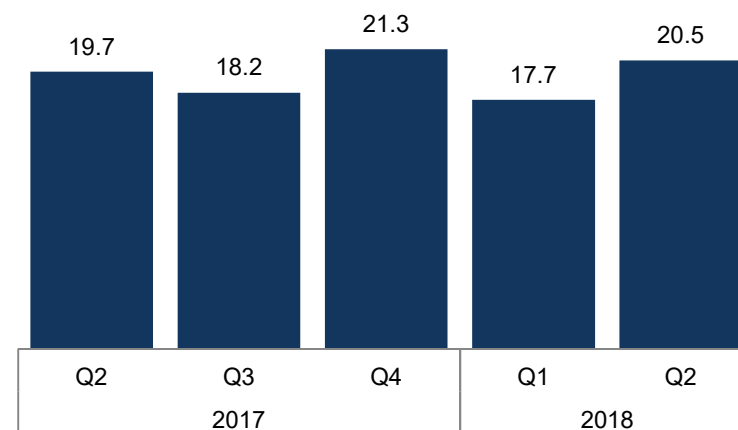
1. As of 17 July 2018
2. As of 30 June 2018

Q2 2018 highlights

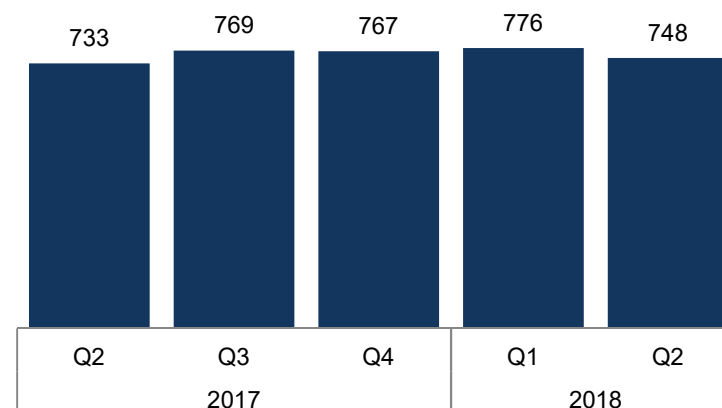
▶ Reiterating guidance of 82-88 koz at an AISC of \$680-730 /oz

- **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)

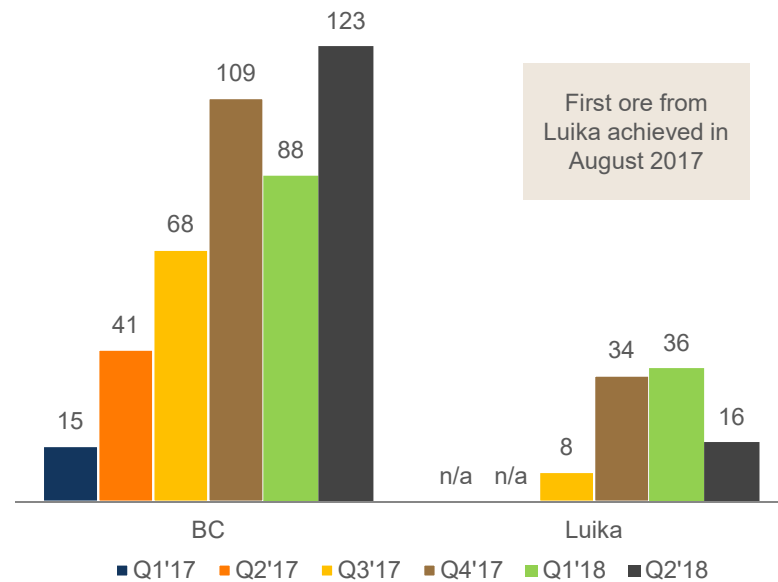


¹ AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek and Luika underground operations are not included in AISC

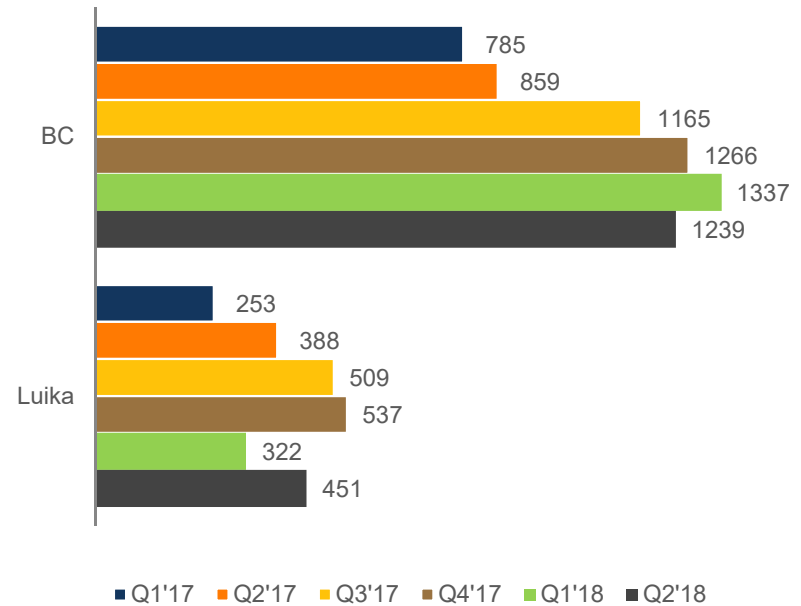
Q2 2018 underground update

▶ 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)



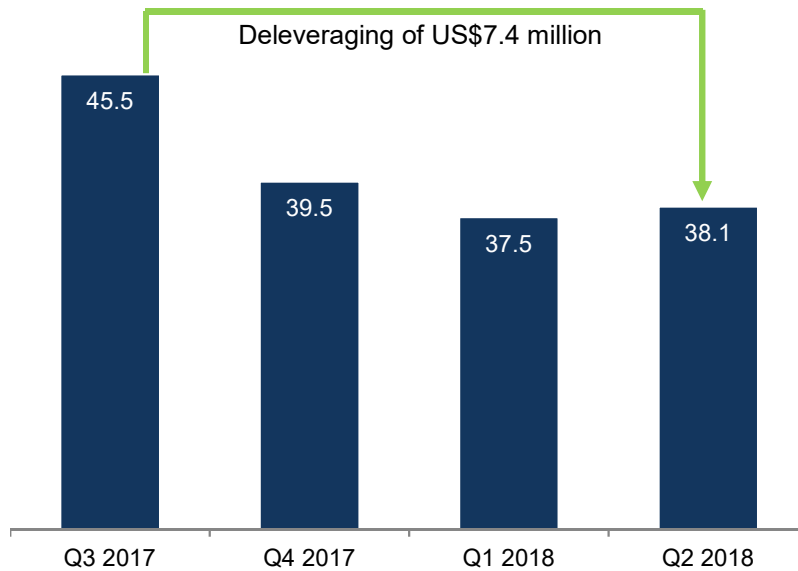
1. Includes ore from development and production
BC = Bauhinia Creek



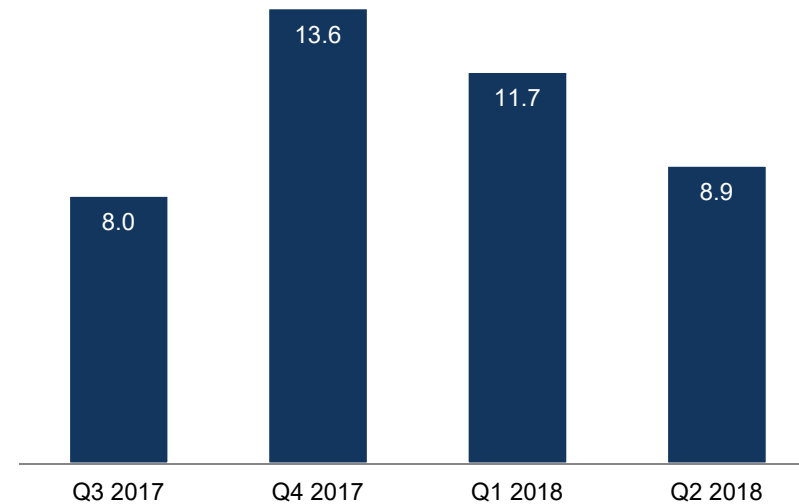
Balance sheet deleveraging

- ▶ 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)

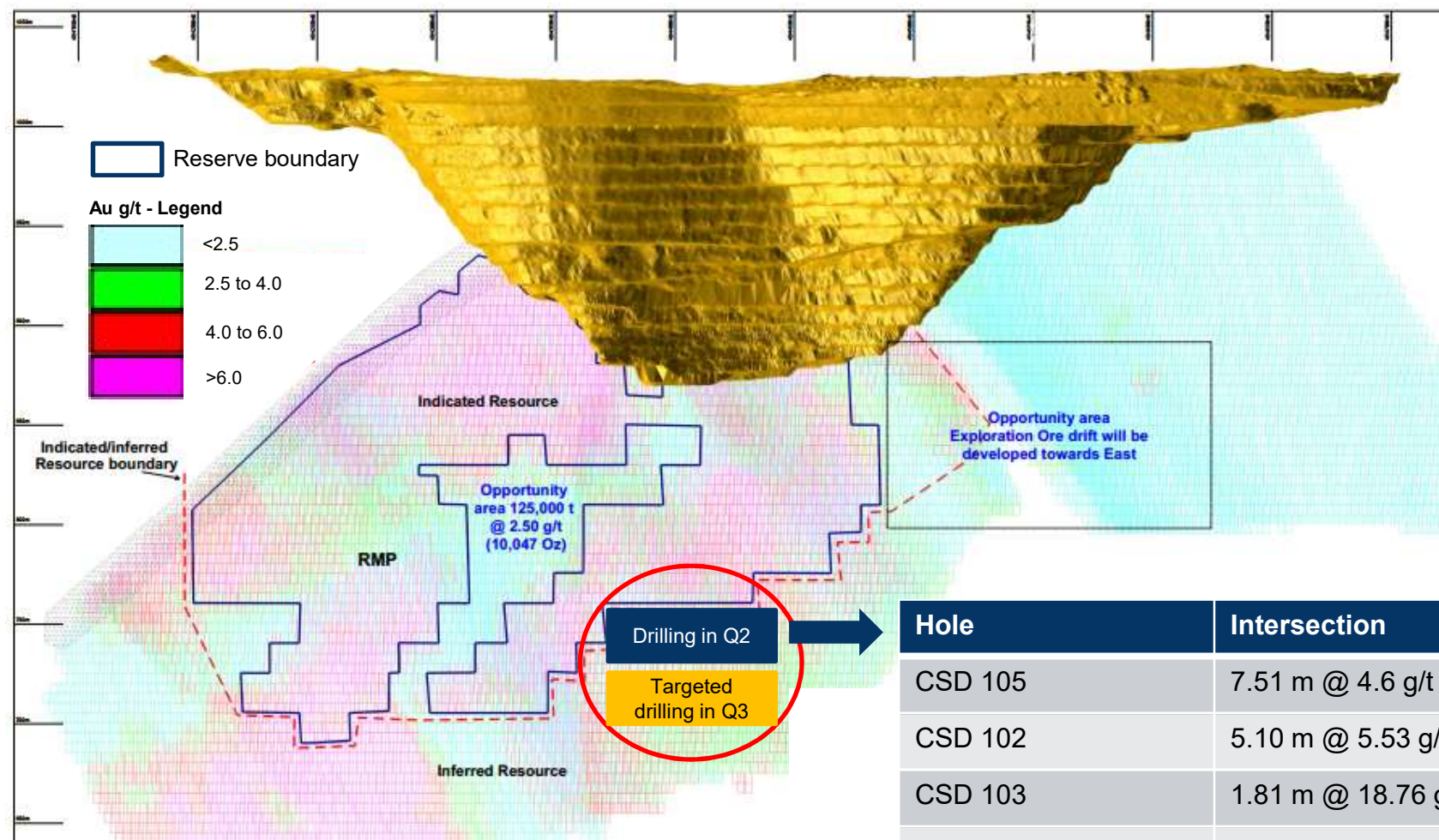


Cash (US\$ million)



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

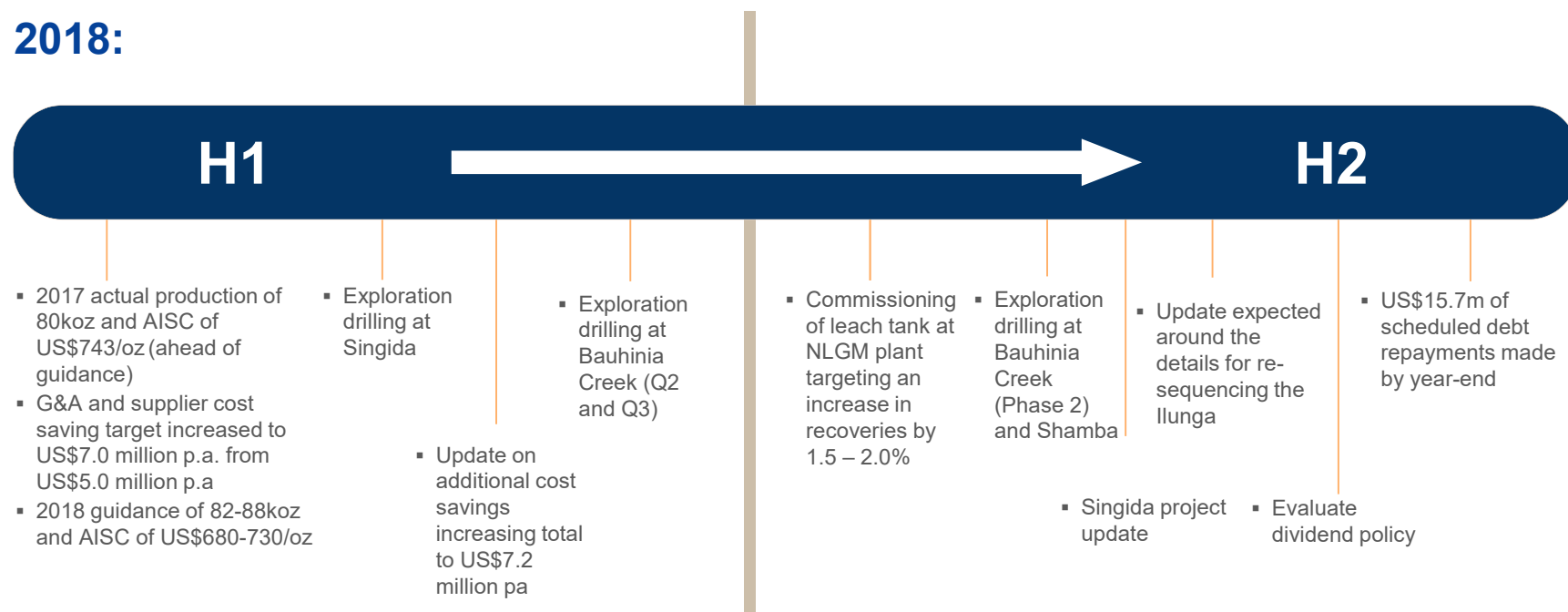
- Initial financing discussions have commenced



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

www.shantagold.com

twitter.com/shanta_gold

