

Q4 2018 Production and Operational Update

17 January 2019



SHANTA GOLD

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Shanta Gold – Highlights

Q4 2018 performance

- Gold production of **23.9k oz at New Luika**
- Cash costs of US\$514 /oz, AISC³ of US\$701 /oz
- Cash balance: US\$9.0 m
- **Ilunga development ahead of schedule, first ore expected in March**
- Singida Gold Project NPV of **US\$31 m** and IRR of **67%**

Very strong 2018

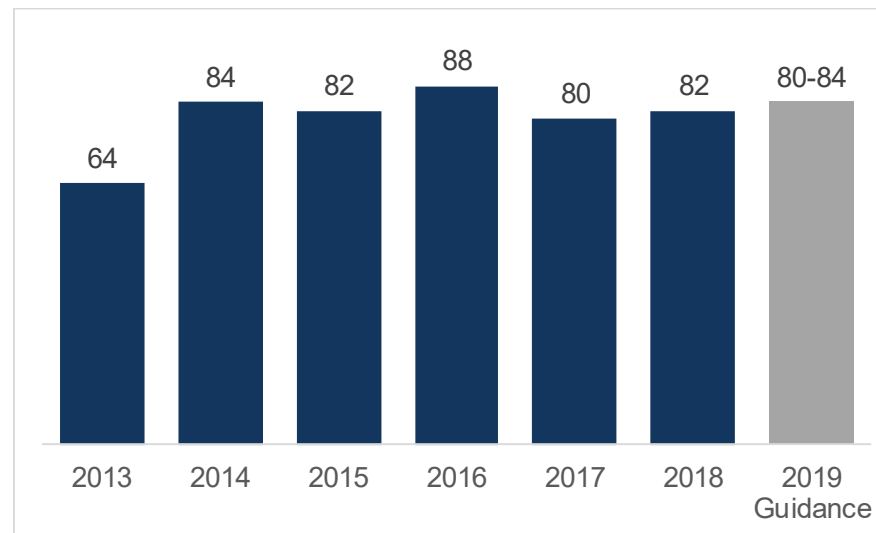
- Gold production: **81,872 oz, better than guidance of 80,000 oz**
- Cash costs of US\$538 /oz
- **AISC: US\$731 /oz, better than guidance of US\$750 /oz**
- Very strong **EBITDA of US\$45.5 m**
- Net debt: US\$31.5 m at Dec '18
- Total capex of US\$18.2 m, including US\$3.3 m for Ilunga
- **Exceptional safety record** with zero LTIs in 2018
- Dividend policy to take into account financial strength

2019 guidance

- Gold production: 80,000 – 84,000
- AISC: US\$740 – 800 /oz
- Exploration budget increased by 100% from 2018



Onto the 7th year of steady production



Summary Capitalisation

Share Price (GBP) ¹	5.3p
Market capitalisation	US\$53.3 m
Net debt ²	US\$31.5 m

Enterprise Value US\$84.8 m

EV / 2018 EBITDA 1.86 x

1. As of 15 January 2019

2. As of 31 December 2018

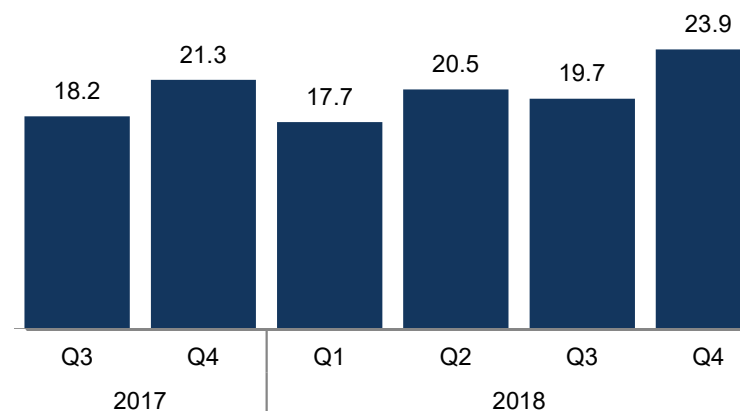
3. The AISC calculation since Q3 2017 includes the impact of higher royalties (c. US\$40/oz). Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC

Q4 2018 performance

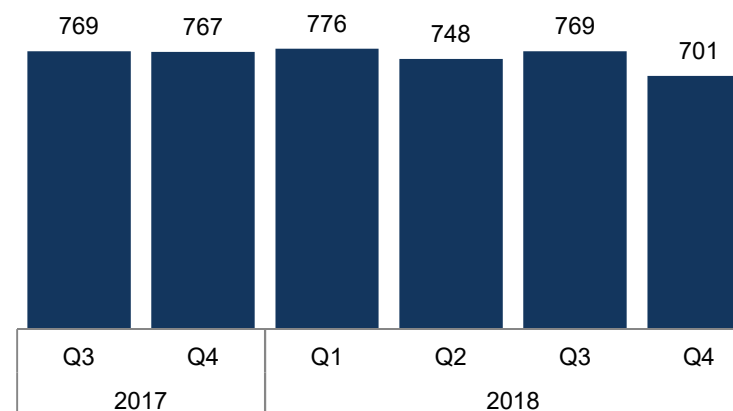
- Zero lost time injuries
- Gold production of 23,942 oz (Q4 2017: 21,288 oz)
- Gold sales of 24,893 oz (Q4 2017: 20,644 oz)
- AISC of US\$701 /oz (Q4 2017: US\$784 /oz)¹
- Cash operating costs of US\$514 /oz (Q4 2017: US\$553 /oz)
- 157,952 tonnes ore mined from underground; as planned, no open pit mining took place
- Ilunga underground pre-production development well ahead of schedule and first ore now expected in March, ahead of the original mid-year 2019 target
- Singida Gold Project NPV of US\$31 m and IRR of 67% announced

¹ 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

Quarterly gold production (000's oz)



Quarter on Quarter AISC (\$ /oz)



Shanta Gold 2018 highlights

\$45.5
million

in EBITDA, a 21% increase from 2017. Over US\$100/oz (US\$8.4 m p.a.) of cost savings realised since September 2017

21%

decrease in net debt from 2017 to US\$31.5 million, the lowest level in 6 years

81,872
oz

Gold production, ahead of 80,000 oz guidance

\$731 /oz

AISC, better than US\$750 /oz guidance

60,304
tonnes

New all-time record for monthly milled tonnes in December. New all-time record for quarterly milled tonnes of 172,902 tonnes in Q4

>99%

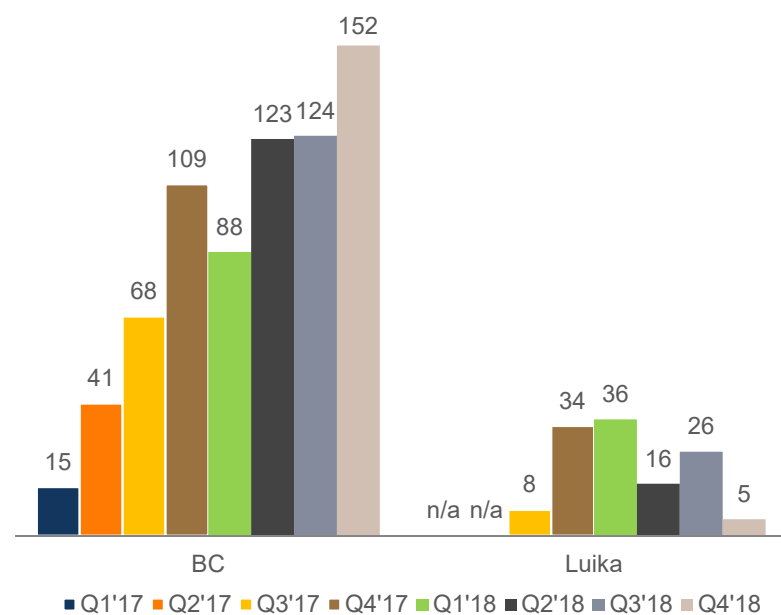
Tanzanian workforce across all of Shanta Gold



Q4 2018 underground update

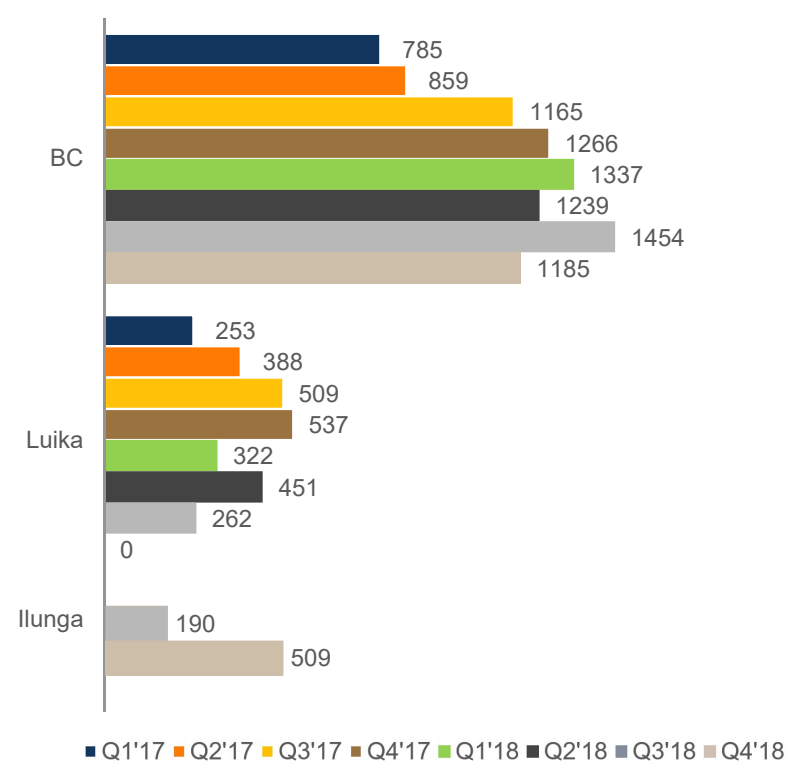
- ▶ Ilunga development well ahead of schedule and first ore now expected in March 2019, ahead of mid-year target
- ▶ New quarterly record of 158 kt ore mined from Bauhinia Creek and Luika

Tonnes ore mined¹ (000s)



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

Development metres (m)

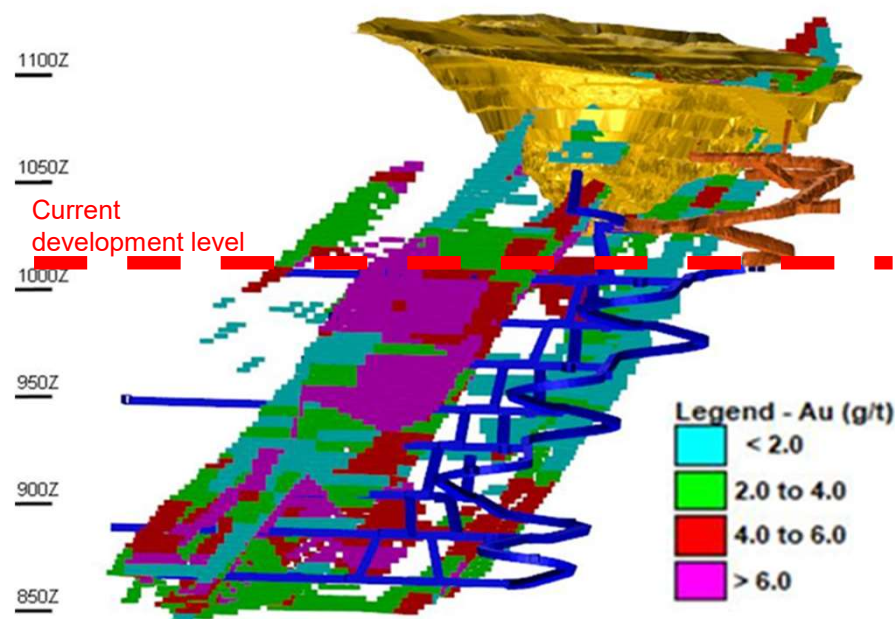


Ilunga progress ahead of schedule, first ore now expected in Q1 2019

Q4 Highlights

- Underground development now underway
 - brought forward by 12 months reflecting compelling business case
- First blast taken in August 2018
- 509 metres developed in Q4
- Total of 618 metres developed since start of project
- Primary ventilation fan expected to be installed in Q1 2019
- 100% owner-managed team
- Development now 70% complete before reaching first development ore
- Ilunga underground pre-production development well ahead of schedule and first ore now expected in March, ahead of the original mid-year 2019 target
- Testing of the underground extensions at depth estimated to take place in 2020
- Ilunga will be the third active source of high-grade ore at NLGM

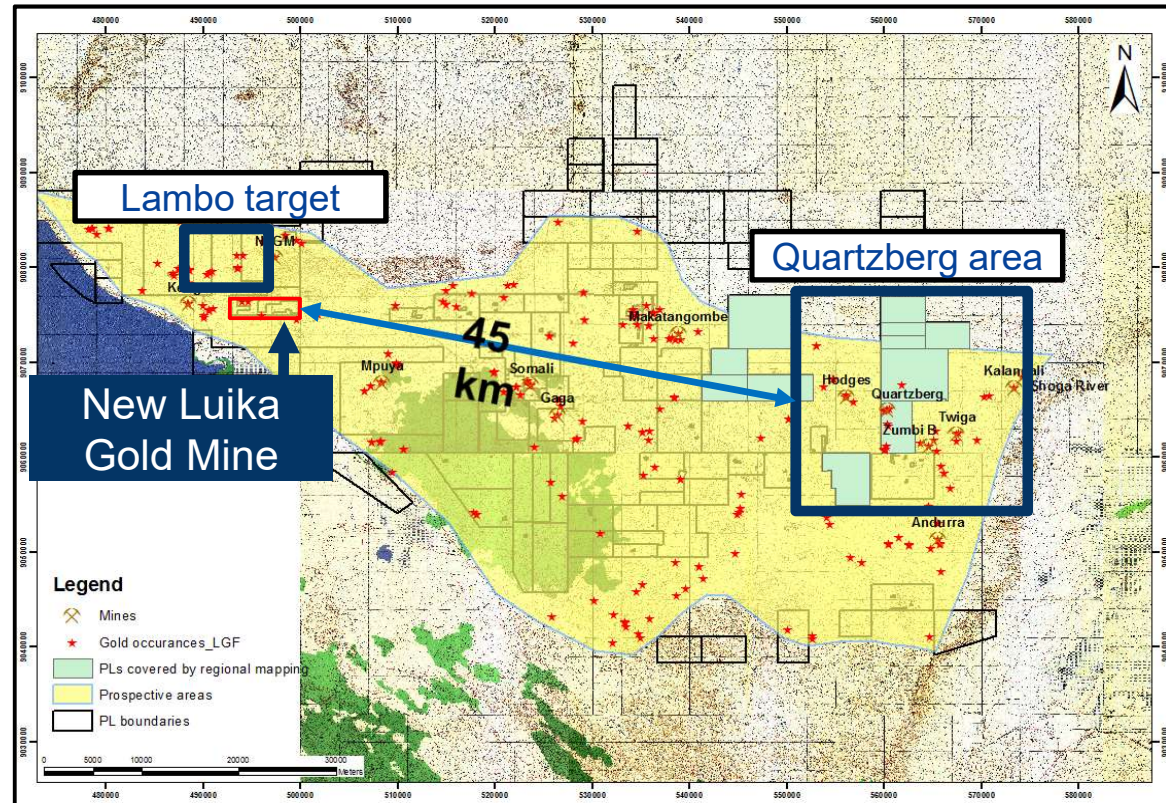
Ilunga cross section



Exploration budget increased by 100% for 2019

Exploration update:

- A campaign to evaluate the Company's regional license potential across the Lupa Goldfields continued and is now 50% complete
- Engagements underway with third-party consultants reviewing exploration portfolio
- Initial drilling at Quartzberg undertaken returned encouraging initial results
- Drilling planned for mid-H1 at Bauhinia Creek high grade underground deposit
- 2019 exploration budget approximately doubled from 2018 to US\$3.6 m



Singida project economics announced in Q4 2018

\$31
million

NPV announced in December 2018

67%

IRR over an initial 6-year mine plan

26,000
oz

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

\$19
million

Pre-production capital expenditure and working capital

**Significant
upside**

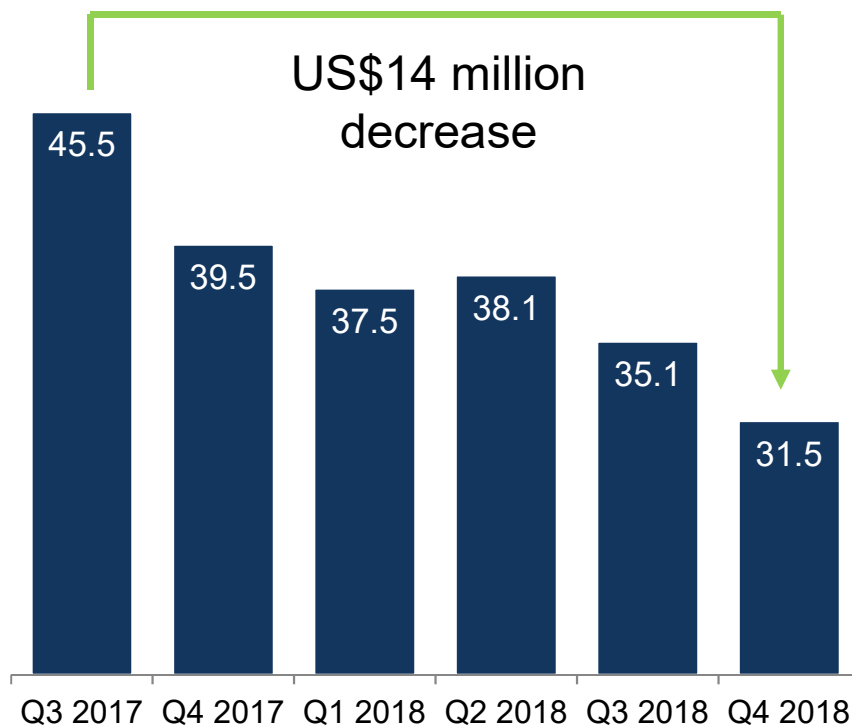
Total inferred resources outside of the project economics amount to 6.57 Mt at 1.63 g/t for 344,000 oz

Q1
2019

Site visits held in Q4 and at term sheet stage. Funding progressing

Balance sheet repair: 31% decrease in Net Debt since Q3 2017

Net debt (US\$ million)



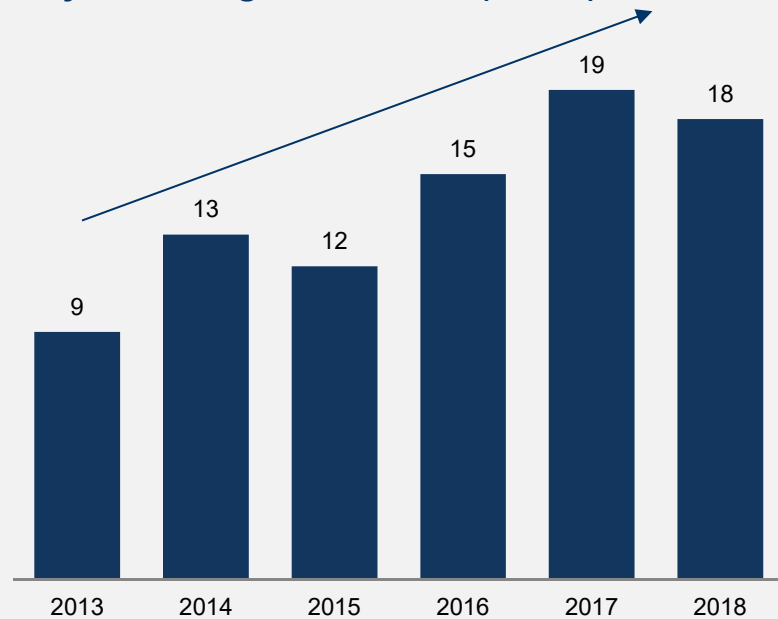
2018 highlights

- Cash balance of US\$9.0 million at 31 December 2018
- Total liquidity of US\$11.5 million
- Deleveraging despite US\$3.3 million spent on Ilunga, US\$5 million increase in ROM stockpile, and US\$6.1 million increase in VAT receivable since Q3 2017
- Gross debt at US\$40.5 m, the lowest in 6 years

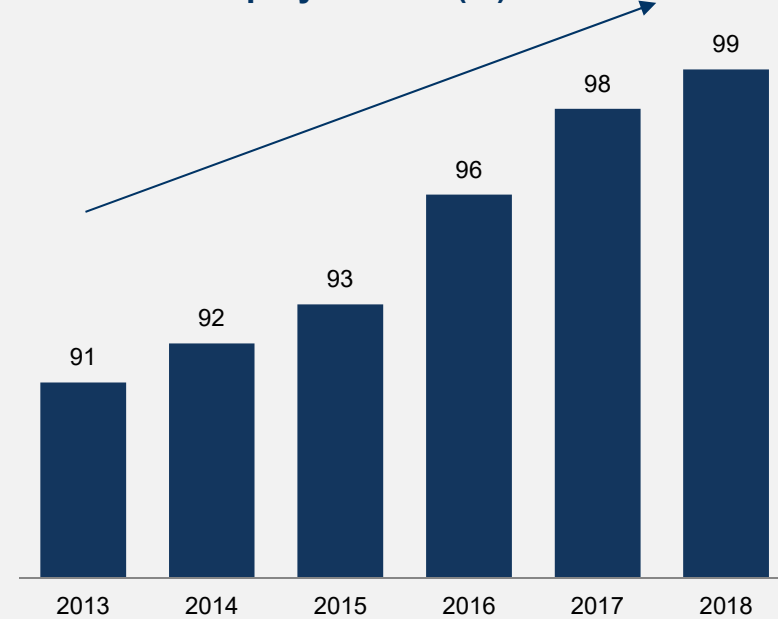
Shanta is committed to Tanzania

- ▶ US\$86 million contributed to the Government of Tanzania and >99% Tanzanian workforce
- ▶ Extensive CSR programme across all major disciplines
- ▶ Strong and open relationships with Senior Government Ministers
- ▶ Discussions on refunding or offsetting the current VAT receivable of US\$21.9 million continue

Payments to government^{1,2} (US\$m)



Tanzanian employee base (%)



1. Includes employment taxes, statutory contributions, service levies, taxes, royalties. Excludes VAT receivable
2. Audited figures (except for 2018)



Near term catalysts and news

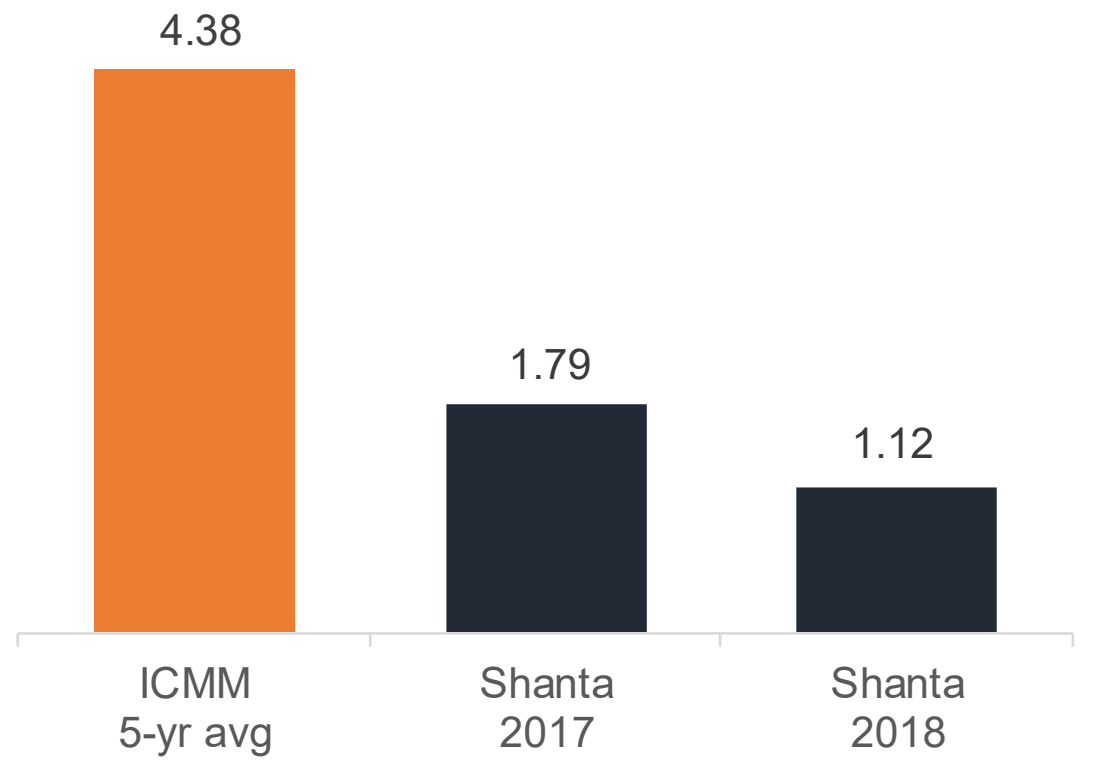
Date	Event
Next few months	Exploration update and strategy
March 2019	2018 Audited Annual Results and Net Income
March 2019	Ilunga first ore, ahead of schedule
April 2019	Repayment of US\$5 million convertible loan notes
Q2 2019	Drilling at Bauhinia Creek Central
Q1/Q2 2019	Rapid debt reduction of over US\$10 million repaid from cash flow
Q2-Q3 2019	Increased drilling across regional portfolio of licences

Ongoing engagement with the Ministry of Mines and Finance to repay and/or offset the US\$21.9 million VAT receivable (at December 2018). Singida asset level funding update expected in Q1 2019.

Excellent safety: 37% improvement since 2017

TRIFR rate

(Total Recordable Injury Frequency Rate)



Shanta highlights

- No fatalities
- No LTIs
- Approximately 1.9 million hours since last LTI
- Industry leading safety record

Note: The International Council on Metals & Mining's (ICMM) members comprise 27 of the largest global metals & mining companies





Appendix

Production performance

	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	FY 2016
Tonnes ore mined (OP + UG)	677,734	157,952	179,978	197,020	142,784	638,088	143,092	177,416	196,454	121,127	622,853
Tonnes ore milled	639,678	172,902	159,640	157,426	149,710	632,287	162,233	163,109	155,567	151,378	597,583
Grade (g/t)	4.38	4.74	4.26	4.44	3.94	4.28	4.48	3.83	4.28	4.57	5.08
Recovery (%)	90.9	90.9	90.3	91.5	91.7	91.1	91.1	90.9	90.9	92.0	89.9
Gold Production (ounces)	81,872	23,942	19,723	20,544	17,663	79,585	21,288	18,225	19,657	20,415	87,713
Gold sales (ounces)	82,457	24,893	19,737	19,475	18,352	80,365	20,644	18,487	17,982	23,252	86,332
Realised gold price (US\$ /oz)	1,259	1,225	1,218	1,302	1,303	1,263	1,273	1,267	1,265	1,249	1,220

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