



# Q4 2020 PRODUCTION & OPERATIONAL UPDATE

25 January 2021



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## ESG INITIATIVES INTEGRAL TO BUSINESS MODEL

Shanta maintains a strong social license to operate with a long term sustainable approach

### Local expertise

**99.5%** employees recruited locally in country

New Luika staff recruited from nearby villages **40%**

- ✓ 100% of GM's are Tanzanian
- ✓ 98% of HOD's are Tanzanian

### Top 10 Employer in Tanzania (2018)<sup>1</sup>

### Working together


**\$129m** Paid to Government of Tanzania

 Zero MDA<sup>2</sup> participation by Shanta in its history

**Strong and open relationships with Senior Government Ministers**

### Positive local impact

**497** Tanzanian businesses supported<sup>3</sup>

**81%**  Recurring in-country procurement<sup>3</sup>

**\$161m** Paid to Tanzanian suppliers in 3 years<sup>3</sup>

### Environmental responsibility

**Significant environmental incidents 0**

- ✓ Home to the largest solar farm in Tanzania
- ✓ Renewables key to power and carbon strategy
- ✓ Carbon offsetting in local Patamela forest reserve

**% power drawn from grid**

2019	Q4 2020	H2 2021E
0%	11%	37%

1. Named by the Association of Tanzania Employers, a national award spanning all industries  
 2. MDA = Mine Development Agreement  
 3. Measured based on total spend over the period 2017-2019

# SHANTA GOLD OVERVIEW

## East-Africa focused portfolio with compelling growth pipeline

### NEW LUIKA GOLD MINE

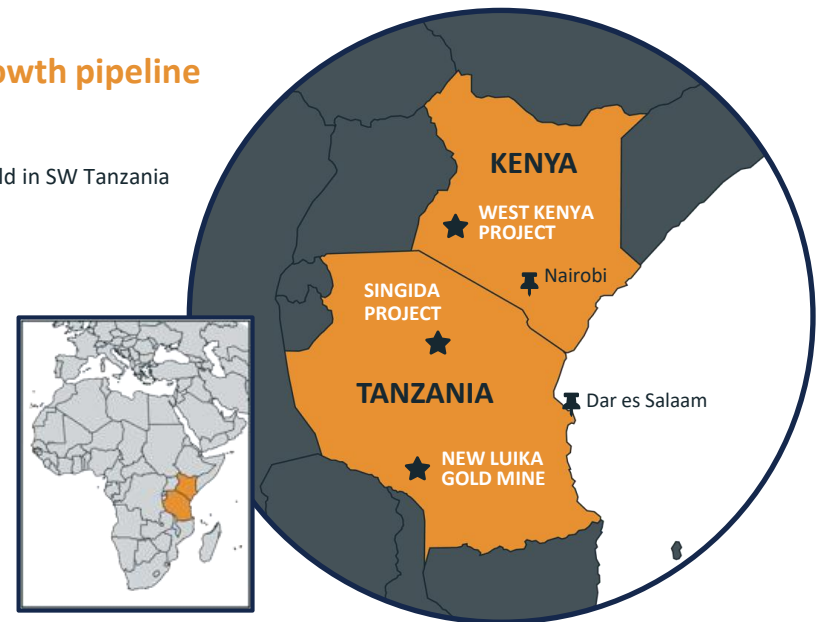
- High grade, low cost gold operation in the under-explored Lupa Gold field in SW Tanzania
- Reserves: 382 koz at 2.98 g/t; Resources: 1,105 koz at 2.56 g/t
- 2021 Production Guidance: Approximately 80 koz
- 2021 AISC Guidance: US\$900-950/oz<sup>1</sup>,
- 2021 AISC Guidance (incl. development costs): US\$1,050-1,100/oz

### WEST KENYA PROJECT

- Highly prospective gold project in the Lake Victoria gold field
- US\$65 m invested since 2010
- Resources: 1.18 Moz at 12.6 g/t
- Scoping study in place; Infill drilling begun in Q4 2020
- LOM Avg Production: 105 koz
- LOM Avg AISC<sup>2</sup>: US\$681/oz

### SINGIDA PROJECT

- Open pit gold project in prospective greenstone belt in Central Tanzania
- Reserves: 243 koz at 3.00 g/t (Est. 7 Year Mine Life)
- Resources: 0.90 Moz at 2.38 g/t
- LOM Avg Production: 32 koz
- LOM Avg AISC<sup>2</sup>: US\$869/oz



Summary Capitalisation <sup>3</sup>	
Share Price (GBP)	18.0p
Market Capitalisation	US\$257.3 m
Net Cash	US\$37.3 m
Enterprise Value	US\$220.0 m

Top Shareholders <sup>4</sup>	
Odey Asset Management	13.3%
Board & Management	8.6%
Sustainable Capital	6.0%
River & Mercantile	4.9%
Canaccord/Hargreave Hale	4.0%

1. Development costs at the BC, Luika and Ilunga underground operations are not included in AISC  
 2. Development costs included in AISC, in line with WGC definition  
 3. Market data as of 22 January 2021.  
 4. As of 31 December 2020.

## Q4 2020 OPERATIONAL AND FINANCIAL HIGHLIGHTS

Consistent operational performance, with secondary assets making strong contributions to Shanta's growth prospects



### Gold production

20,622 oz (Q3: 19,973 oz)



### West Kenya

NPV<sub>8%</sub> US\$340 m, IRR 110 %



### Safety record

Zero LTI's since December 2017



### Singida

NPV<sub>8%</sub> US\$56 m, IRR 49 %  
Construction underway



### Available liquidity<sup>1</sup>

US\$53.5 m (Q3: US\$15.4 m)



### Unhedged

Final 15,000 oz settled



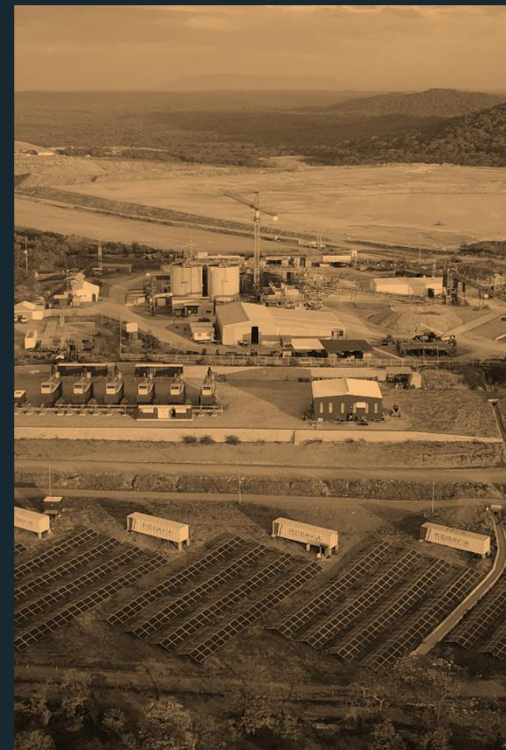
### Tanzanian team

Global workforce > 99% Tanzanian



### Cost control

Cash Costs: US\$559 /oz  
AISC<sup>2</sup>: US\$870 /oz



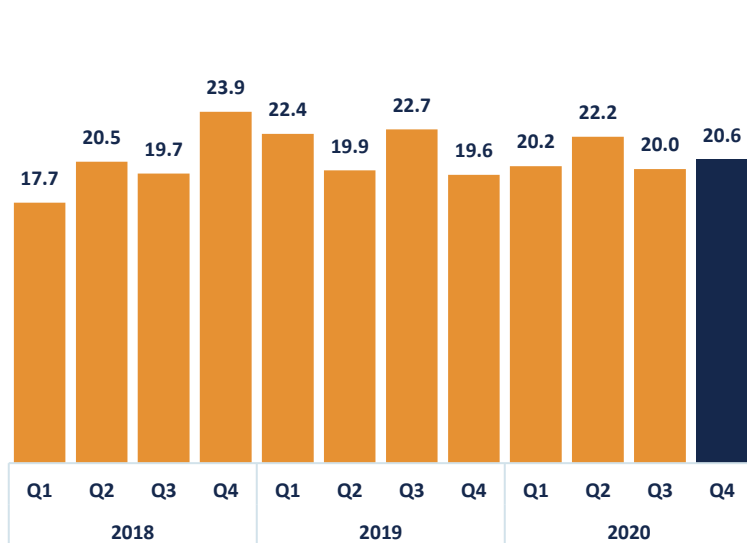
1. Derived as unrestricted cash, restricted cash and the sale value of doré available for sale at the end of the Period  
2. Development costs at the BC, Luika and Ilunga underground operations are not included in AISC



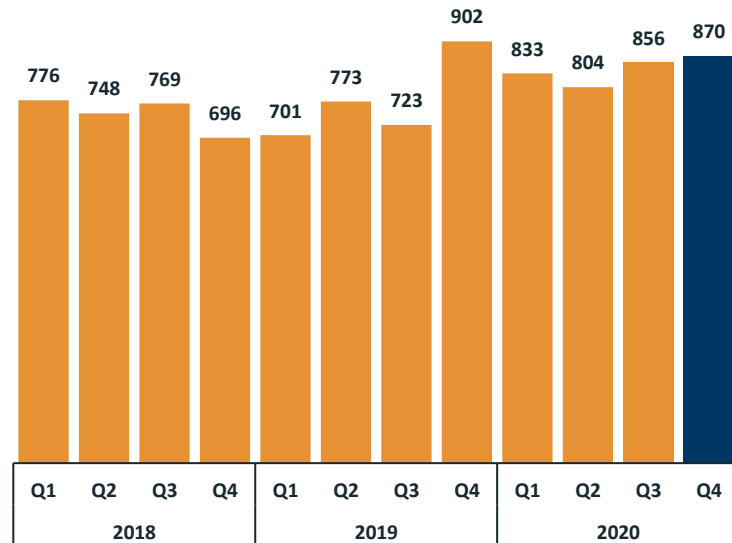
## QUARTERLY PERFORMANCE - NEW LUIKA GOLD MINE

Continued excellent performance on production and cost

QUARTERLY GOLD PRODUCTION (000'S OZ)



QUARTER ON QUARTER AISC<sup>1,2</sup> (\$ /OZ)



1. Development costs at the BC, Luika and Ilunga underground operations are not included in AISC  
 2. Q4 2019 AISC includes US\$47 /oz for accelerated power station generator refurbishments



## QUARTERLY PRODUCTION STATISTICS

Plant upgrades ongoing; 14% increase in nameplate processing capacity anticipated in Q1 2021

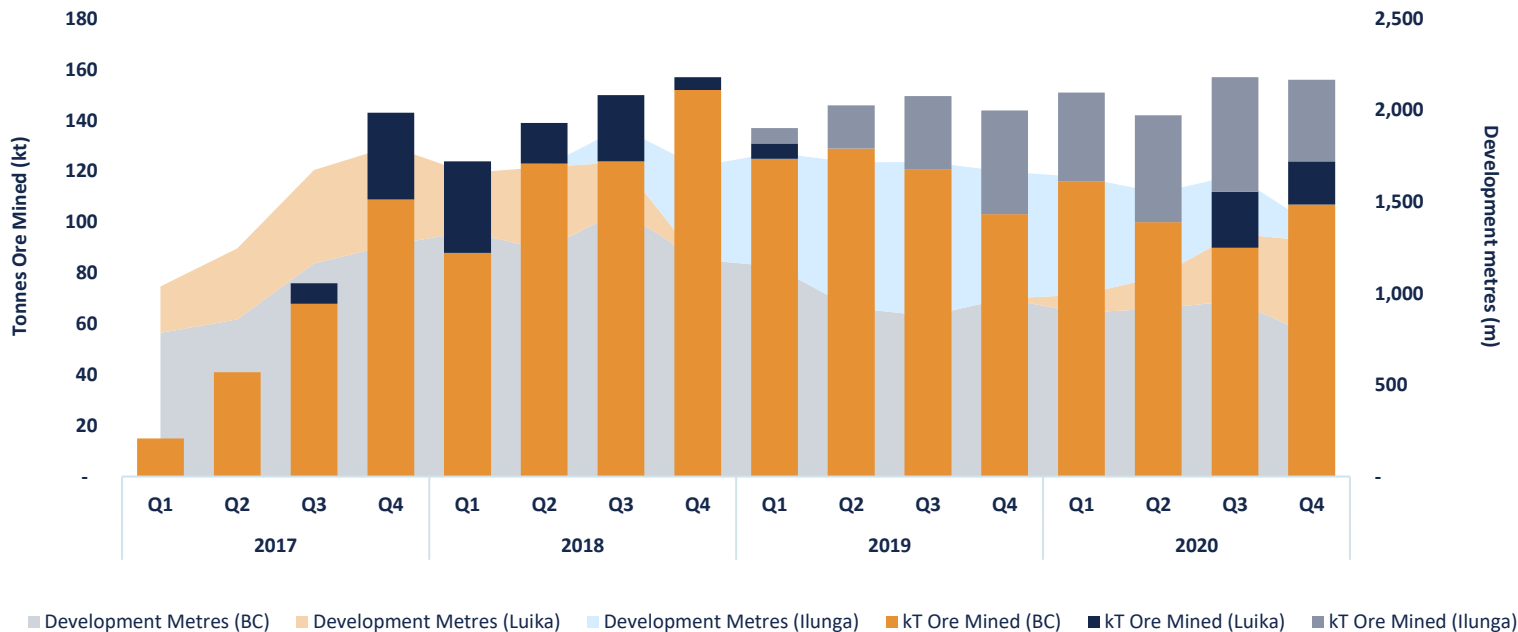
Metric	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Tonnes ore mined (OP+UG)	688,262	200,550	195,183	141,687	150,842	603,373	144,206	166,772	155,779	136,616
Tonnes ore milled	712,945	181,425	181,036	176,415	174,069	702,336	177,913	174,132	177,647	172,644
Grade (g/t)	4.03	3.91	3.84	4.36	4.03	4.19	3.83	4.54	3.91	4.49
Recovery (%)	89.7	90.4	89.3	89.7	89.1	89.4	89.2	89.3	89.4	89.9
Gold production (ounces)	82,978	20,622	19,973	22,216	20,167	84,506	19,550	22,726	19,856	22,374
Gold sales (ounces)	83,228	19,018	20,192	23,932	20,086	80,758	17,311	22,477	19,780	21,190
Realised gold price (US\$ /oz)	1,495	1,396	1,524	1,633	1,414	1,378	1,440	1,462	1,303	1,309



## Q4 2020 UNDERGROUND UPDATE

Ore extracted from all 3 active underground deposits in the Period

### TONNES ORE MINED<sup>1</sup> AND DEVELOPMENT METRES, BY QUARTER



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

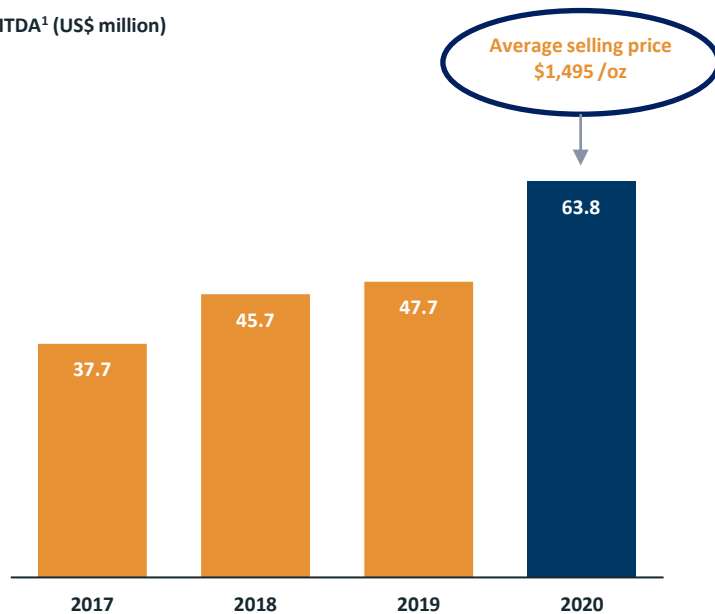




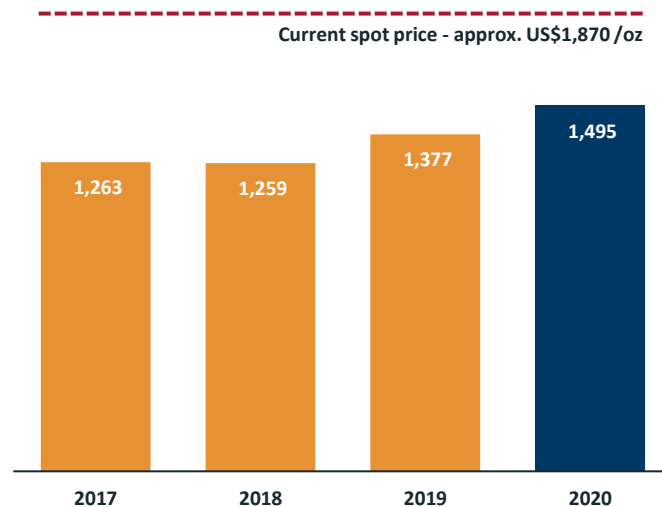
## SHANTA IS NOW UNHEDGED AND 100% EXPOSED TO THE GOLD SPOT PRICE

US\$64m EBITDA, includes impact of 40,000 oz hedging commitments settled

EBITDA<sup>1</sup> (US\$ million)



Average realised gold price (US\$/oz)



1. Before non-cash loss on unsettled forward contracts



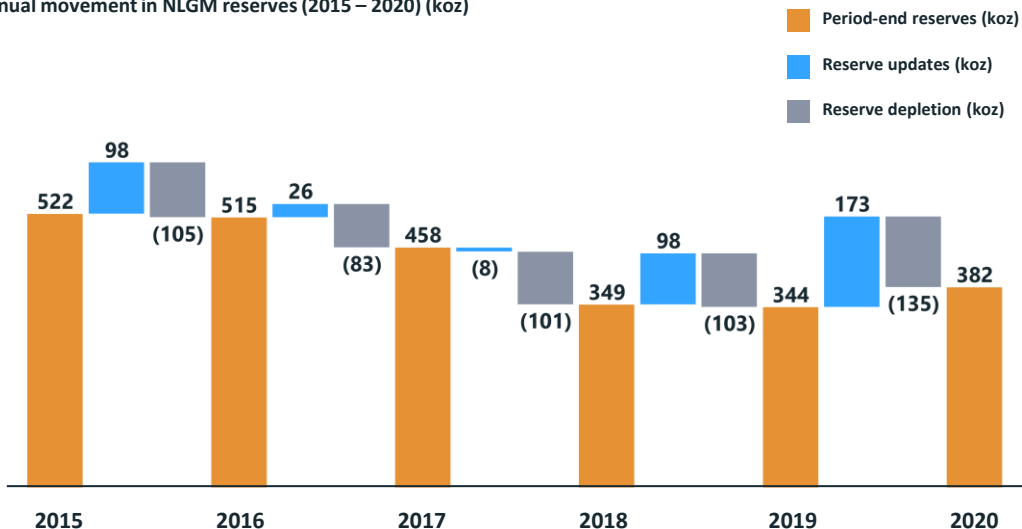
## TRACK RECORD OF REPLACING MINED RESERVES

2020 exploration budget in Tanzania increased by 50% to US\$8m

### Q4 2020 HIGHLIGHTS

- Infill drilling underway at the West Kenya project
- Mine construction underway at Singida
- New orebody identified at the Porcupine South target
- 2021 exploration budget increased 50% to US\$8.0m

Annual movement in NLGM reserves (2015 – 2020) (koz)



# WEST KENYA - PROJECT HIGHLIGHTS

## Resource expansion at West Kenya would result in significant upside to the NPV

ROBUST FUNDAMENTALS		TRANSFORMATIONAL ECONOMICS <sup>1</sup>	
<p><b>Gold Resource (NI 43-101)</b></p> <p><b>1,182,000 oz</b></p> <p>Inferred NI 43-101 Mineral Resource Estimate spanning two significant deposits (Isulu and Bushiangala)</p>	<p><b>Exceptional grades</b></p> <p><b>12.6g/t</b></p> <p>Believed to be one of the highest grading +1 Moz gold deposits in Africa</p>	<p><b>NPV on existing resource only</b></p> <p><b>\$340m NPV</b> <b>110% IRR</b></p> <p>NPV calculated using LOM gold price of US\$1,700/oz and 8% discount rate</p>	<p><b>Initial Life of Mine ("LOM")</b></p> <p><b>9 yrs LOM</b></p> <p>Several value levers available to extend LOM and Project NPV. Secures Shanta's presence across East Africa in the long-term</p>
<p><b>Highly prospective ground</b></p> <p><b>1,161 km<sup>2</sup></b></p> <p>Within the Lake Victoria gold fields located in NW Tanzania and SW Kenya, home to Global Tier 1 assets including North Mara and Geita Gold Mine</p>	<p><b>Historical investment</b></p> <p><b>\$64 m</b></p> <p>Investment in exploration activities since 2010 includes 221,000 metres of drilling and 80,000 soil samples</p>	<p><b>LOM EBITDA</b></p> <p><b>US\$1bn +</b></p> <p>Projected return on investment has the potential to be exceptional for shareholders</p>	<p><b>LOM AISC<sup>2</sup></b></p> <p><b>US\$681 /oz</b></p> <p>Shanta's experience of tight cost control expected to feed into an efficiently managed and highly cash generative operation</p>

1. Economics highlights prepared by independent consultant Bara Consulting Pty using a LOM gold price of US\$1,700 /oz  
 2. Calculated in accordance with World Gold Council methodology



# SINGIDA GOLD PROJECT – PROJECT HIGHLIGHTS

Singida is expected to generate an average annual FCF of \$13m over 7yrs at \$1,700/oz gold

## ROBUST FUNDAMENTALS

### Gold Reserve (JORC 2012)

**243koz @ 3.0g/t**

Represents just 26% of total contained Resource. >90% of contained oz are between 0-120 metres from surface

### Landscape

**7 gold deposits**

Seven significant gold deposits identified over an extensive combined strike of 5km. Extensive historical studies completed.

### Gold Resource (JORC 2012)

**484 koz M&I**

Gold Resource (JORC 2012) of 11.8Mt @ 2.38 g/t for 904k oz, independently verified

### Fully permitted project

**3 Mining Licences**

Major permitting received, EIA permit secured. All deposits situated within Shanta's existing mining licenses

## COMPELLING ECONOMICS<sup>1</sup>

### Significant untapped value

**US\$56m NPV**

NPV calculated using LOM gold price of US\$1,700/oz and 8% discount rate. Represents significant value pillar for Shanta

### Initial Life of Mine ("LOM")

**7 yrs LOM**

Several value levers available to extend LOM and Project NPV. Reserve remains shallow and open at depth

### Unlevered IRR

**49% IRR**

Attractive IRR with a 3-yr project payback period on upfront construction/stripping costs of US\$37m

### LOM AISC<sup>2</sup>

**US\$869 /oz**

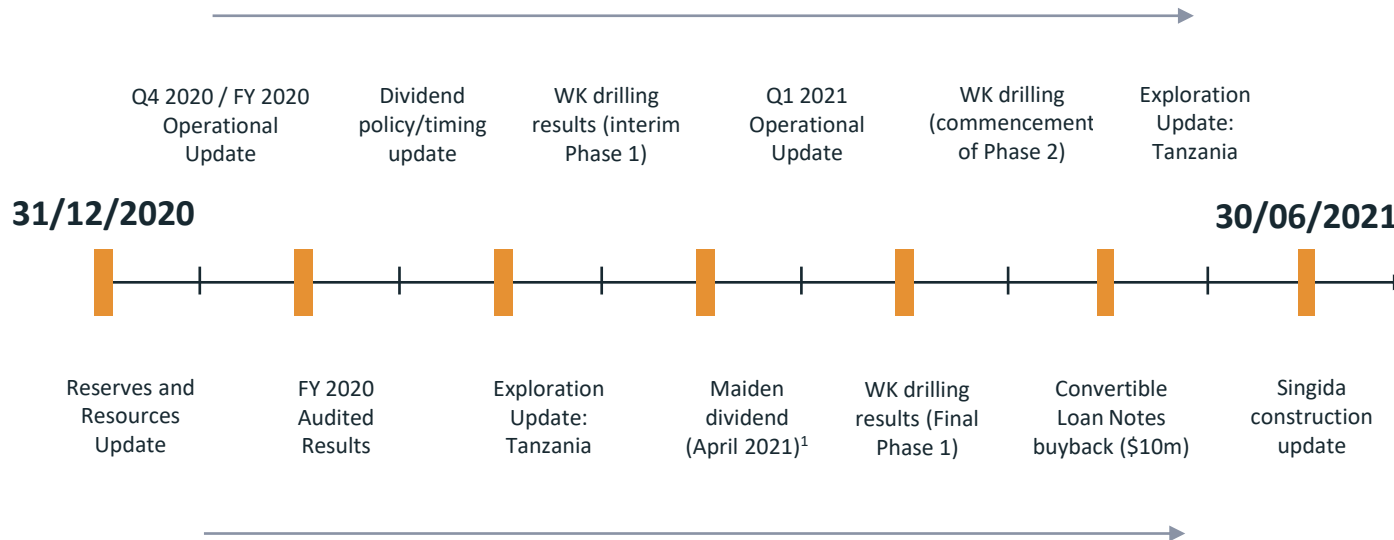
Shanta's experience of tight cost control expected to feed into an efficiently managed and highly cash generative operation

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2. Calculated in accordance with World Gold Council methodology



## VALUE CATALYSTS – H1 2021

Major share price catalysts are expected



1. As disclosed within capital fundraising announcement 22 October 2020



# Q&A



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