



Investor Update

APRIL 2013



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Company Highlights



- ▶ **Shanta anchored on the producing flagship New Luika Gold Mine in southern Tanzanian**
- ▶ **Potential upside from the surrounding Lupa Goldfields and development of the Singida project**

Shanta Highlights

Producing gold company – c.70k oz in 2013 with 5-year total production of 430k oz averaging 6.3 g/t – scope for expansion

Unlocking of Singida gold project over the medium term

Exploration upside potential covering 1300 km² of the prospective Lupa Goldfields – 100% ownership

Strong cash flow generation over 5 year mine plan and US\$23 million cash balance with development capital largely complete

Strengthened management and operating teams with new Chairman

Politically stable environment and strong local stakeholder relationships

Summary Capitalisation

Share Price (Gbp)	18p
Market capitalization	US\$126 m
Net debt	US\$38 m
Enterprise Value	US\$164 m
Gold resource (3.1 g/t)	2.3 Moz

Top Shareholders

Directors & Insiders	15%
Odey Asset Management	11%
Spearpoint	8%
Blakeney Management	7%
Investec	5%

2012 Recap and Q1 Highlights



- ▶ Positive activities shaping progress over the last 6 months
- ▶ Shanta transitioned to a producing gold company

Since October 2012

- ✓ Q4 gold production of 5,748 oz (vs 6,000 oz target)
- ✓ Crushing circuit upgraded
- ✓ US\$30 million bank financing secured
- ✓ 5-year mine plan with 430,000 recoverable ounces
- ✓ 100% consolidation of Shield licences in Lupa with over 1300 sq km
- ✓ New Chairman appointed effective 20th May– Tony Durrant

Q1 2013 Highlights

Tonnes milled:	71,518 tonnes
Q1 gold production:	11,888 ounces
<i>March gold production: 5,735 ounces</i>	
Cash balance ¹ :	US\$23 million
Safety:	1 LTI

1. Cash balance of US\$23 million as of 31 March 2013 after debt repayment of US\$9.04 million in Q1 2013

Ongoing Improvements



► Delivering according to plan

Focus Area	Issue	Action
Chairman	Leadership for transition from explorer to producer	Tony Durrant appointed as Chairman effective 20 th May 2013 Former Global Head of UBS Investment Bank Metals & Mining 38 years experience in capital markets and 27 years in Natural Resources
Operating Team	Skills base	Increased operating skills base in 2013 New senior operating hires having immediate positive impact
Production	Gold targets	5,748 oz in Q4 vs 6,000 oz planned 2013 production target of 70,000 oz achievable given successful Q2 implementation of crusher capacity and plant improvements March 2013 production of 5,735 oz – At current monthly run-rate, circa 63,000 oz production for the full year
Plant Improvements	Design weakness	Upgrade to 3-stage crusher, further upgrade planned Achieve plant capacity potential
Resource	Mining & exploration plans	NLGM mine plan – 430,000 oz over 5 years with further potential Lupa Goldfields potential Singida potential of 45,000 oz per year
Financials	Balance sheet and costs	US\$30 million loan secured 360° review of cost structure with savings underway

Strengthened Operating Team



► **Strong team with multi-disciplinary background and extensive in-country and African experience**

Area	Name	Background
GM (New Luika)	Braam Jankowitz	Geologist with over 30 years mining and mineral exploration experience
Exploration	Peet Prinsloo	22 years experience in mining and exploration, including 16 years in Tanzania with 6 years in the Lupa Goldfields
Metallurgy *	Wally Channon	Experienced metallurgist with 25 years at Anglo American and 10 years at Zimplats in Zimbabwe
Engineering *	Ian Fielding	Over 24 years with Anglo American in Africa
Singida *	Zane Swanepoel	32 years in mining including 8 years in Tanzania; former COO of Tanzanite One
Country Manager	Romani Urasa	Over 20 years with the United Nations across East Africa; Tanzanian national with over 40 years in country
Financial Controller *	Maz Mahan	UK qualified CA with 20 years experience in financial accounting in natural resources; based full time in Tanzania
SHE	Steve Quigley	Over 30 years in the mining industry, including 11 years in Tanzania. Former SHE Manager with AngloGold and Barrick
Occupational Health/ Community Relations	Dr. Kambewe	Tanzanian doctor of 15 years; close relationships with local community

* Denotes new hires in Q1 2013

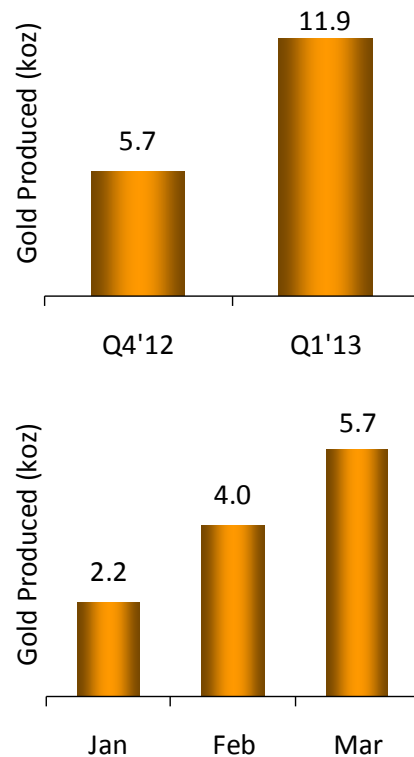
New Luika Production Update – 2013



2013 gold production target

- ▶ Full year production target of 70,000 oz in 2013 achievable with further crusher capacity and plant improvements expected in Q2 2013

Gold Production



Production Drivers

Area	Activity
Crusher	Phase 1 – 3-stage: 960 tpd (complete) Phase 2 – modified: 1200 tpd (Q2'13) Phase 3 – upgrade: 1500 tpd (Y/E '13)
CIL	CIL inventory / plant in balance
Gold Room	Incinerator operating improvement Capacity
Spares	Integrated systems and implemented stores management
Costs	Improvements achieved with additional underway

- ▶ Expansion of crushing circuit and capacity improvement in the gold room are key to unlocking increased throughput at NLGM in 2014

Plant Improvements – Crushing Circuit



- ▶ Long term sustainable crushing circuit important for steady and reliable plant processing

Crushing Circuit			
Phase	Phase 1: 3-stage: 960 tpd	Phase 2: Modified: 1200 tpd	Phase 3: Upgrade: 1500 tpd
Completion	Completed December 2012	June 2013	December 2013
Background / issues	Capacity to handle run of mine ore × Conveyors × Screens × Crusher liner usage	Operational by June 2013 Incremental operating cost	Life of mine Improve crushing & screening circuit throughput Expansion and capacity At design stage
Ore tonnage	350 kt per year	+/- 20% incremental to 440 kt per year	+/- 50% incremental to 540 kt per year
Upgrade potential	No	n/a	Additional installed capacity up to 100 tph

Plant Improvements – Processing Circuit



► **Positive continued improvements in processing functions at NLGM**

Processing Circuit

Mills

Recent test work indicates same recovery can be achieved with a coarser grind.
Potential increased production throughput

CIL Tanks

Plant in balance
Increased density achieved

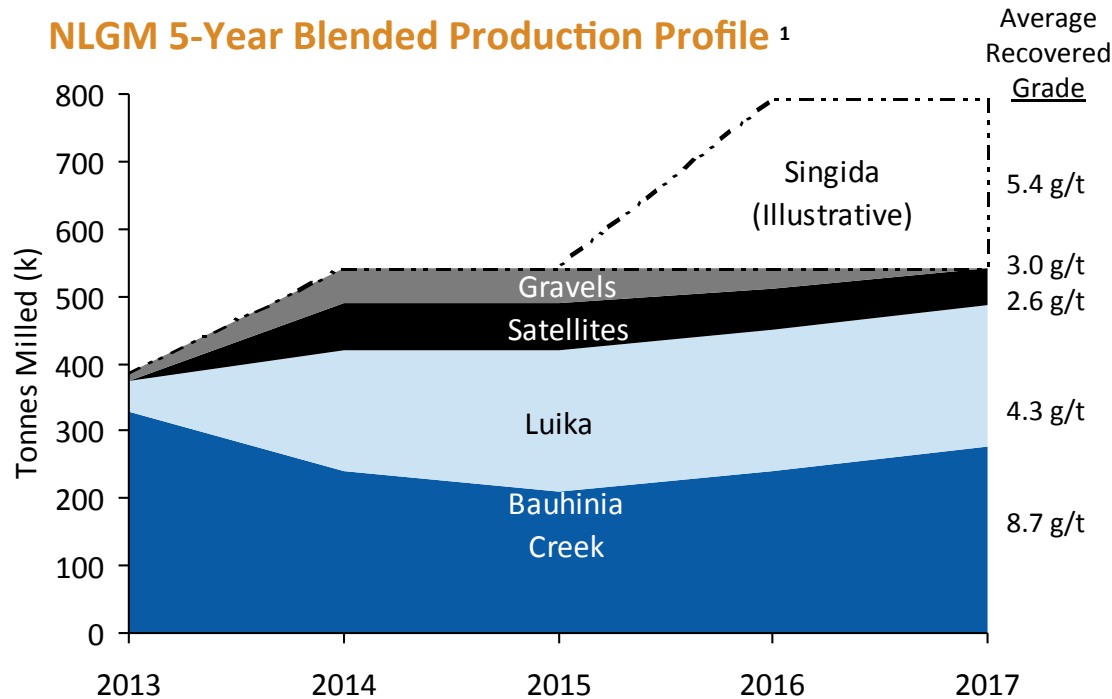
Gold Room

Replacement of furnace (safety and capacity increase) – May 2013
Reviewing increased incinerator capacity and alternative of elution plant – Q2 2013

5 Year Mining Profile



- ▶ Estimated recovered gold of 430,000 ounces at average 6.3 g/t over the next 5 years
- ▶ Expected decrease in stripping ratio over five years



Shanta: Beyond 5-Years

- Bauhinia Creek and Luika
 - underground
 - satellite deposits
- Lupa Goldfields exploration
- Singida (10 years at 5.4 g/t)

Blended Grade: 6-7 g/t
 Gold production: c.90k oz/year from 2014 ²

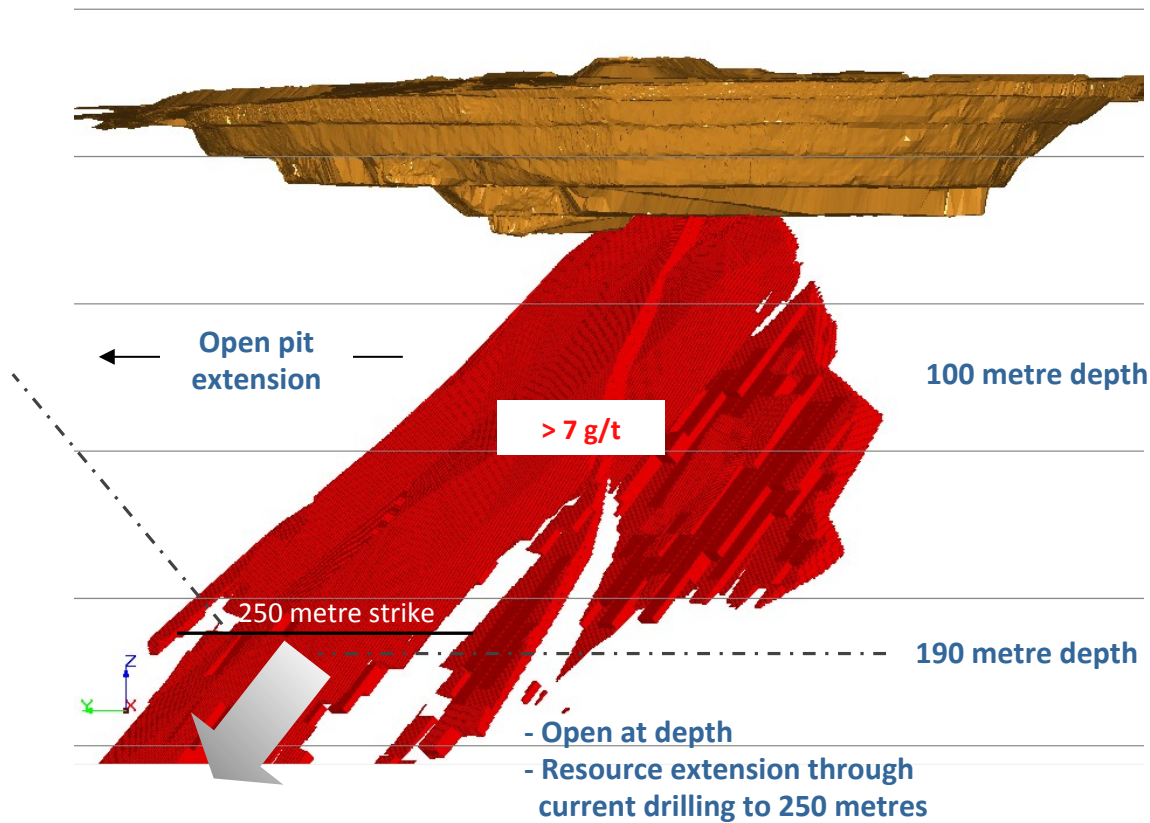
1. Final 5-year plan with Competent Person Review (early Q3' 13) based on evaluation of Q1 geo-tech drilling
 2. Excludes potential from Singida

Bauhinia Creek – Underpinning NLGM



- ▶ Ore body characteristic of the Lupa Goldfields as high grade and generally steeply dipping
- ▶ Potential beyond 5 years – open at depth

Bauhinia Creek Ore Body (>7 g/t)



5 Year Plan

- Current pit: 50 metre depth
- 5 years: 190 metre depth
- Est. gold extraction: 315k oz
- High strip, high grade
- Feasibility to be completed of potential underground mine
- open at depth



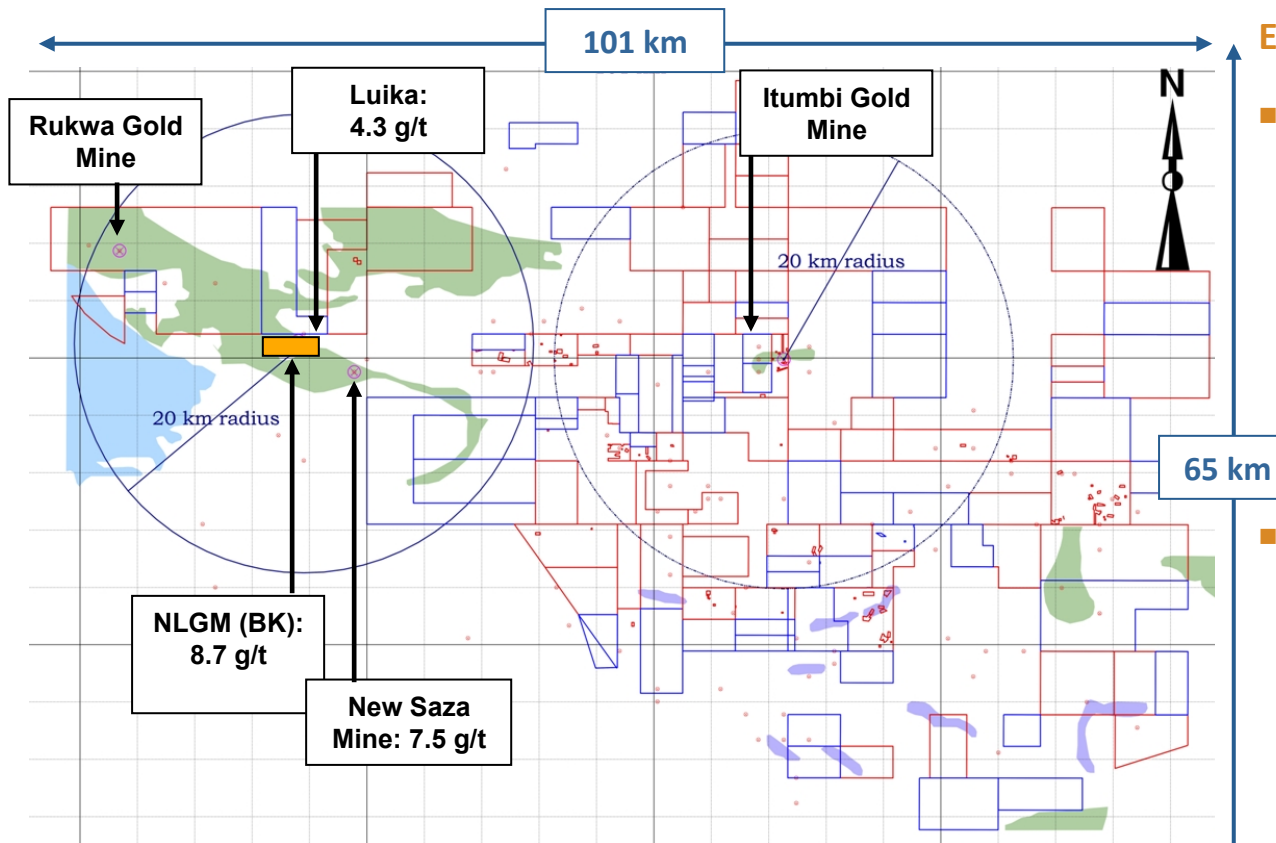
Beyond 5 Years

- Resource definition drilling
- Underground mine potential

Lupa Goldfields – Potential to develop Gold Camp



- ▶ 1,313 sq km of prospective ground with further 1,237 sq km under application
- ▶ 20km radius focus to provide additional feed sources to NLGM
- ▶ Upside potential with over 57 known artisanal or colonial gold mining operations



Exploration Strategy

- Findings to date
 - Encouraging early-stage drilling results within 8 km of NLGM
 - Inferred mineralised strike at 6 different targets of c. 400m each (incl. 475m at Rukwa Mine)
- US\$6 million exploration programme
 - 400 sq km aeromagnetic survey completed in Q1 2013 highlighting significant additional targets
 - Ground truthing
 - RC drilling 10,000m

Legend

Red: Active Licences

Blue: Under Application

Note: 20km radius denotes approximate feasible range for trucking ore to plant

100% Ownership of Lupa JV – Highlights



- ▶ **Secures Shanta Gold's exploration future across the Lupa Goldfields**
- ▶ **Transaction amount: US\$7.9 million payable through 2017**
 - (i) \$2.4 million in cash
 - (ii) deferred payment of \$2.4 million at 2.6% interest, payable in 2015
 - (iii) promissory note of \$3.1 million at 2.6% interest, payable in 2017 (or on the approval of a mine plan)

Terms of Original GBG JV

- Access Cost
 - × US\$12 million obligated spend over 3 years
 - × US\$10.2 million spend outstanding 2013/2014
 - × Restricted to gold discovery
- Discovery Cost
 - × Shareholder dilution on discovery of any gold resource of > 500,000 oz or any ounces mined
 - × Payment in shares of \$70/oz Measured & Indicated and \$20/oz Inferred

Acquisition Benefits

- ✓ Significant risks removed
 - eliminates high dilution of Shanta Gold on discovery
 - missed exploration spend target would have resulted in loss of JV earn-in
 - inflexible timing & direction of exploration spend
- ✓ Consolidation of prospective exploration ground into 100% ownership
- ✓ Tight control of license management

Unlocking Singida's Potential



▶ A important value pillar for Shanta to begin being unlocked in 2013

Background

- Stand-alone gold project in central Tanzania
- Well defined resource - stated at 858,485 oz at 2.9g/t - with over 45,000 metres drilled
- Definitive Engineering Study completed in 2011 currently undergoing upgrading in 2013
- Similar profile to NLGM with high grade ore body
- Longer term underground potential (open at depth)

Small Scale Relocation Settlement Plan

- ✓ Positive traction with local village
- ✓ Resettlement action plan for submission to the government in Q2 2013
- ✓ Land being identified for relocation



Singida prospecting licences:
flat accessible terrain

► **Key actions over the next 9 months provide visibility for timing of potential start-up**

Definitive Engineering Study (August 2011) ¹

- Average tonnes milled: 255kt per year
- Average recovered grade: 5.43 g/t
- Mine life: 10 years
- Average gold production: 45koz per year

1. Currently being reviewed by Shanta technical team for confirmation and upgrading in 2013

Indicative Timetable

- | | |
|--|-------------------------|
| ■ Pre Feasibility Study ¹ : | 9 months to end of 2013 |
| ■ Relocation: | 18 months to mid 2014 |
| ■ Funding: | H1 2014 |
| ■ Development: | H2 2014 – H2 2015 |
| ■ Production: | H2 2015 |
- 

1. Upgradeable to Bankable Feasibility Study for Funding

Cost Structure in Focus



- ▶ A review of the cost structure underway with improvements achieved and ongoing targets throughout 2013

Cost Group	% Split ¹	Key Drivers	Cost Improvements
Mining	36%	Mining Contractor	Contract restructured Owner mining review Explosives/Drilling
Processing	23%	Power Plant Operator Labs	Power alternatives Owner managed Contract restructured
Site G&A	10%	Security Personnel	Contract restructured Ongoing rationalization
2013 Cash Costs (incl. royalties)	\$800-\$850/oz	Year-end '13 Exit Cash Costs	\$675-\$775/oz
Exploration	8%	Singida Shield	n/a
Corporate Overhead	8%	Personnel	Ongoing rationalization
Maintenance Capex	9%	Village Upgrade Stores	n/a
2013 All-in Costs ²	<\$1150 / oz²	Total	Up to \$100/oz of Targeted Cost Improvements

1. Split based on Shanta management budget; 4% royalties (equal to approx. 5% of all-in costs) included but not shown in table

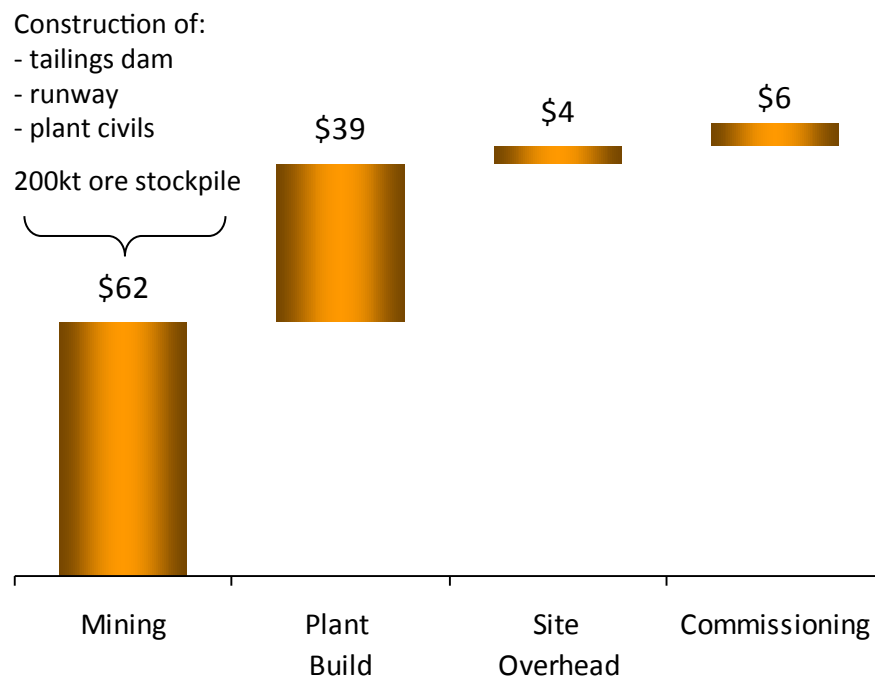
2. All-in cash costs include operating cash costs, corporate overhead, exploration, maintenance capex; based on production of 70,000 ounces

Financial Summary



- ▶ **Healthy financial position with US\$23 million cash and development capital requirements largely complete**
- ▶ **Shanta forecasted to be cash flow positive from Q2 2013**

NLGM Development Costs (US\$ million)



- Capitalized total of US\$111 million
- Depreciated over 15 years life of NLGM plant

Capitalisation ¹ (US\$ million)

Market capitalization (18p)	\$126 m
Convertible notes	\$25 m
Loan	\$36 m
Cash	\$23 m
Enterprise Value	\$164 m

Loan Repayments

2013 ²	\$24 m
2014	\$20 m

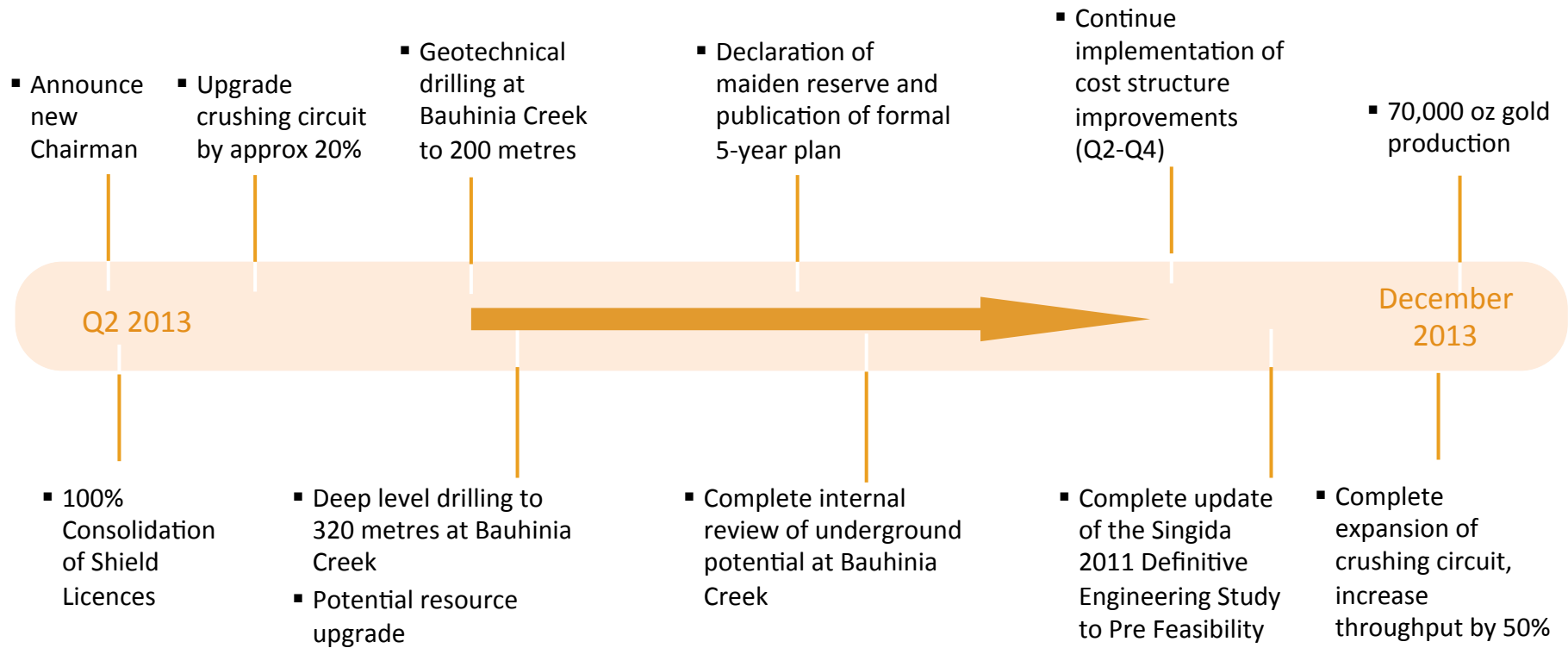
1. As of 31 March 2013

2. US\$9.04 million repaid in Q1 2013 (US\$5.3 million to YA Global and US\$3.75 million to FBN)

2013 Value Catalysts



► Potential catalysts for Shanta in 2013



Shanta Commitment to Tanzania



► Successful mines driven by strong community relations

Employment

- NLGM and Singida will grow to be major sources of new employment
- Over 30% of workforce from NLGM currently employed from local communities

Education

- Construction of 6 classrooms and 8 offices at Mbangala
- Ancillary equipment provided

Health

- Provision of the site ambulance to transport patients from Mbangala to hospital in Mwakajuni
- Bore hole drilling for water supply

Community – Sustainable Projects

- Ongoing re-settlement program at Singida to conditions with sustainable land use





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Appendix:

Supplementary Information

New Luika Gold Mine



- ▶ **New Luika Gold Mine is Shanta's anchor in the Lupa Goldfields, second largest gold producing area in Tanzania**

Background

- Three prospecting licences over 191 sq km and three mining licences over 16 sq km
- Total stated resource of 1.484 million oz at 3.22 g/t
- Development of mine began in 2011 with construction of plant completed in August 2012
- Conventional CIL plant using jaw and cone crushing circuit with twin ball mills producing first gold pour in August 2012
- Centered in the NW area of the Lupa Goldfields as regional processing hub; extensive potential from adjoining 1,300 sq km of licences from 100% owned Shield

