

Q2 2015 PRODUCTION & OPERATIONAL UPDATE

July 2015



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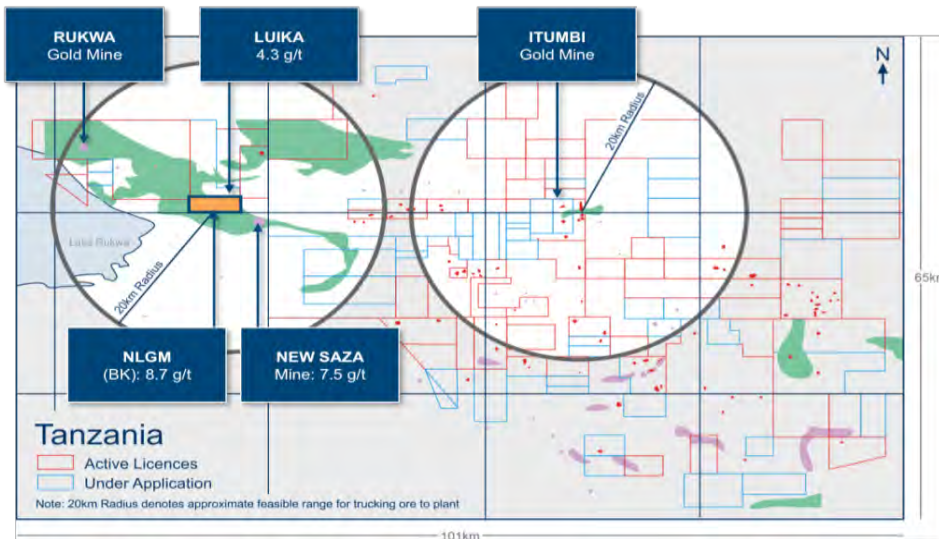
INTRODUCTION



Shanta at a glance

- East Africa-focused, gold producer, developer and explorer with 2,500 sq km of prospective ground in Tanzania
- New CEO (April 2015) focusing on delivery of sustainable mine operations with lowest cost/highest contribution through mine re-development and re-optimisation
- New Head of Exploration (May 2015), focusing on driving the value of Shanta through extending/ growing the resource base

2015 guidance 72-77,000 oz. and AISC \$US850-900/oz. unchanged despite lower gold produced in H1 2015



Financial position

Current Price (pence)*	6.38
52 week range (pence)*	5.6-14.25
Shares Outstanding	464,388,679
Market Cap*	\$46.14 million
Cash (30 June 2015)	\$5.9 million
Net Debt incl. \$25m Convertibles (30 June 2015)	\$54.5 million
Enterprise Value	\$106.5 million

*As at 30 June 2015

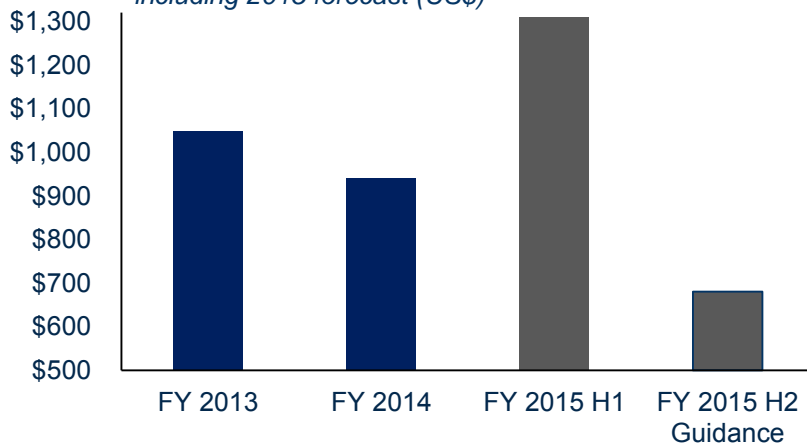
Q2 2015 HIGHLIGHTS



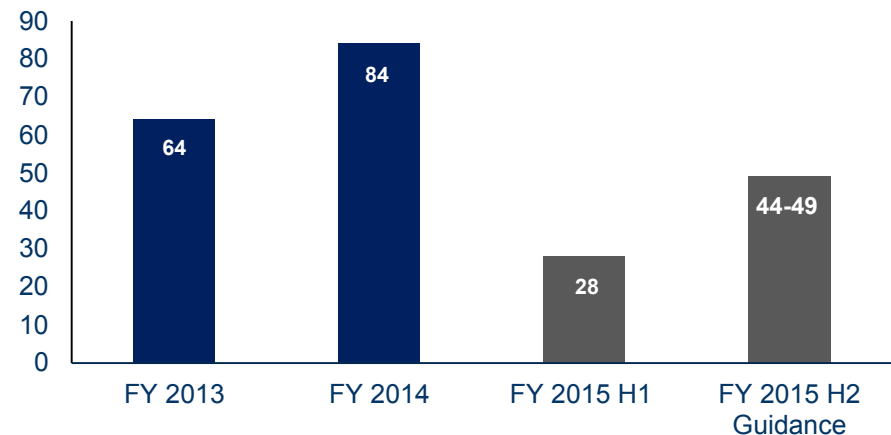
Q2 2015 production & operational highlights

- Gold production of 14,664 oz. (Q1: 13,516 oz.)
- Monthly production of 7,480 oz. achieved in June and H2 monthly production expected to be maintained at this level
- Cash Cost of US\$834/oz. (Q1: US\$1,143/oz.) and AISC of US\$1,157/oz. (Q1: US\$1,451/oz.)
- **2015 AISC guidance unchanged at US\$850 – US\$900/oz.**
- Cost per oz. adversely affected by low gold production during the quarter. Month-to-month operation illustrates return to budgeted levels for remainder of 2015 (*overleaf*)
- Bauhinia Creek Pit redevelopment completed, with first ore production blast on 13 May 2015
- Bauhinia Creek and Luika Pits re-optimised and re-designed to generate significant reduction in Life of Pit strip ratios and mining costs
- **2015 production guidance unchanged at 72-77,000 oz.**

Year on year AISC Cost graph including 2015 forecast (US\$)

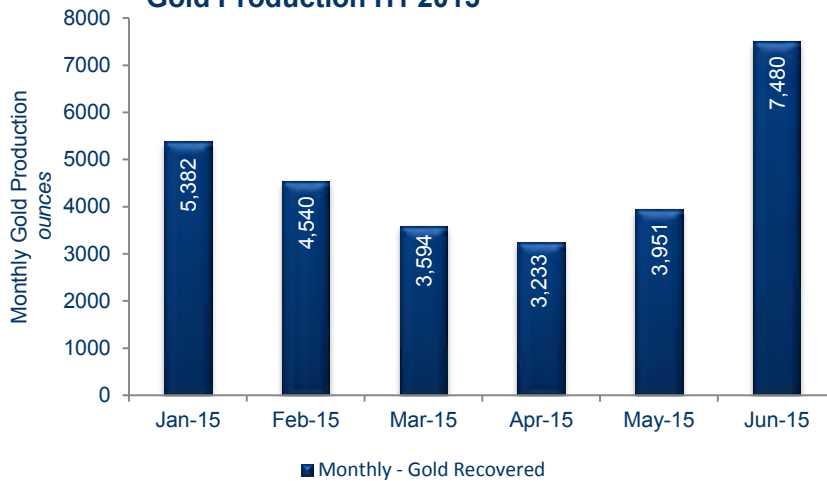


Year on year production graph including 2015 forecast (koz)

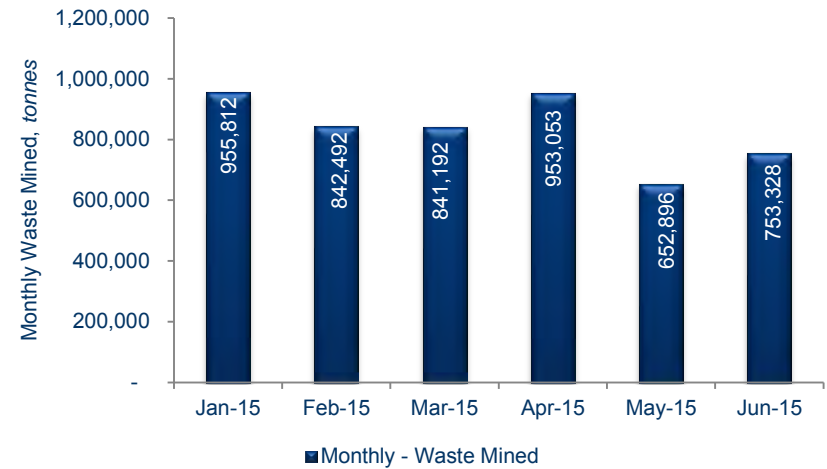


H1 2015 month-to-month return to stabilised, sustainable production

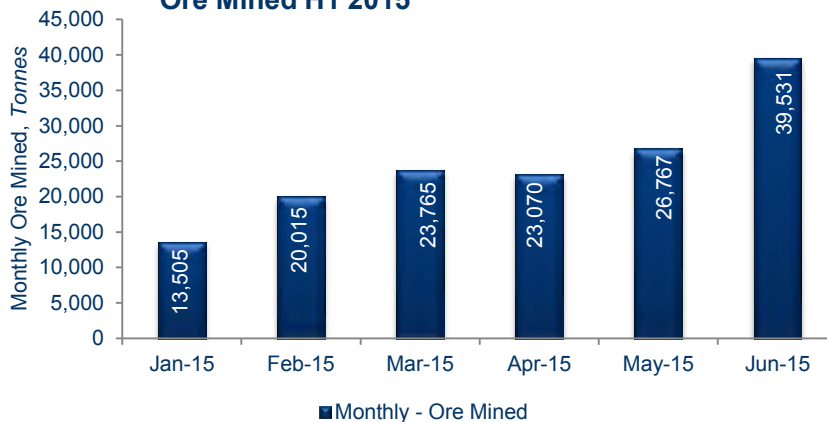
Gold Production H1 2015



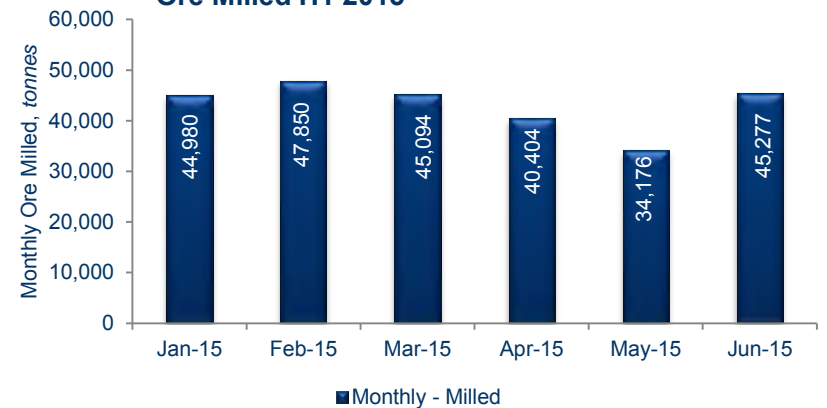
Waste Mined H1 2015



Ore Mined H1 2015



Ore Milled H1 2015



Production performance quarter-on-quarter

	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Tonnes ore milled	119,857	137,894	154,309	153,301
Grade (g/t)	4.27	3.38	4.37	4.47
Recovery (%)	89.3	90.1	88.2	89.1
Gold (ounces)				
Production	14,664	13,516	19,114	22,720
Sales	11,590	13,551	24,700	18,600
Silver production	24,398	24,600	34,768	38,999
Realised gold price (US\$)	1,222	1,252	1,253	1,306

Q2 2015 financial highlights

- Cash generated from operations negative US\$3m, reflecting low gold production. US\$5.6m period gold proceeds received after period end
- 11,590 oz. gold sold under forward sales contracts at an average price of US\$1,222/oz (Q1: 13,551 at US\$1,252/oz). At period end, a further 2,673 oz. in transit
- Lower strip ratios following pit re-design expected to deliver a reduction in mining costs for H2 2015, keeping AISC guidance of US\$850 - US\$900/oz. unchanged
- Investec loan enabled refinancing of the FBN loan balance (US\$18.8m), and a US\$10m drawdown for working capital. It provides Shanta with greater financial flexibility and reduced financing costs

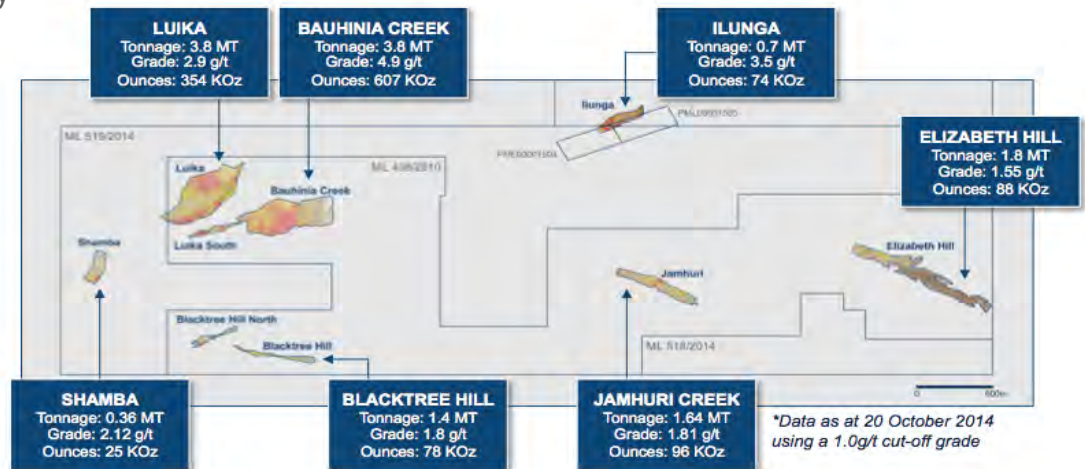
2015 guidance for AISC places Shanta in the lowest quartile of current producers

June 2015 Cash Cost and AISC of US\$520 and US\$780 per oz respectively

<i>All figures US\$m</i>	Q2 2015	Q1 2015
Cash generated from operations	-3	5.8
Cash balance	5.9	9.2
Capital expenditure	6.6	8.1
Gross Debt	60.4	52.7
Net debt	54.5	43.5

Q2 2015 exploration & development & 2H 2015 targets

- Peet Prinsloo re-joined Shanta as Head of Exploration ✓
- Bauhinia Creek and Luika Pits re-optimised and re-designed in 1H 2015 ✓
- Promising drill intersections in the Bauhinia Creek Resource, improving confidence at depth ✓
- Development of the Jamhuri Satellite Pit for production risk mitigation as a supplementary source of ore
- Singida project resource review underway
- Actively reviewing Lupa Goldfields and Luika tenement holding to assess the value of existing opportunities where appropriate
- New emphasis on exploration, focusing on existing ore bodies in New Luika Mining Licence and surrounding area
- New Luika underground feasibility study and Life of Mine Plan on track for Q3 2015, to target low cost, high grade underground operations
- New Luika resource and open pit reserve update in Q3 2015



OUTLOOK & STRATEGY



Balancing capital expenditure with near-term cost reduction

2014 cost saving initiatives

- Q2 - Elution & electro winning plant installed silver credit of US\$30/oz ✓
- Q2 - Conversion of power from diesel to HFO saving of US\$20/oz ✓
- Q4 - Crusher & screening circuit commissioned saving of US\$20/oz ✓
- Q4 - Fuel price saving of US\$25/oz ✓

1H 2015 cost saving initiatives

- Q1 - New hires secured including GM; Head of Exploration; Technical team ✓
- Q2 - New Investec debt secured which reduces interest payments, saving ≈ US\$3.5/oz. ✓
- Q2 - Bauhinia Creek & Luika pit optimisation – greater than \$20m savings over 2 years ✓

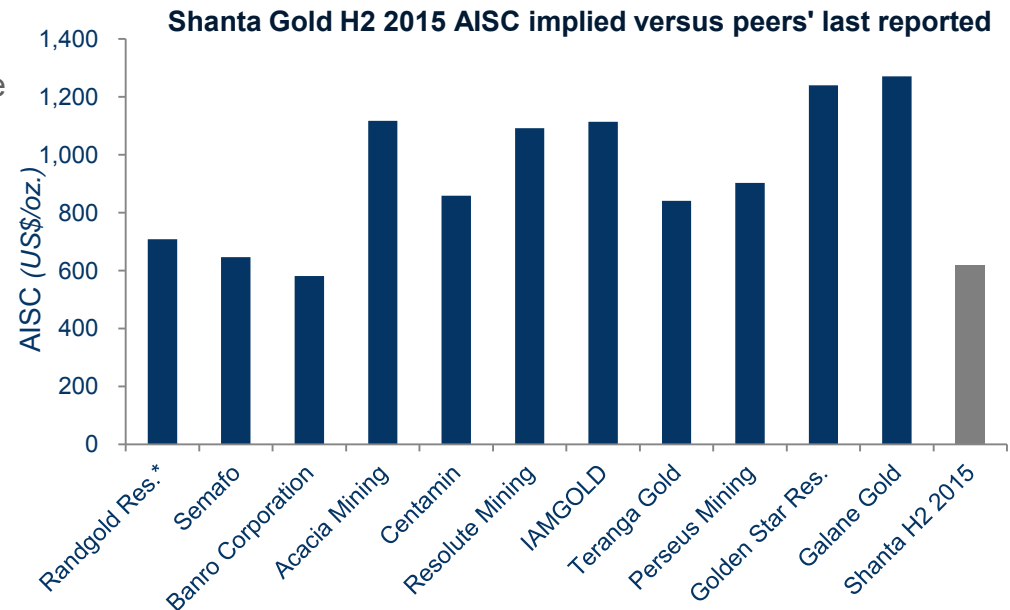
Outlook for H2 2015

Operations and development

- Q3 - Completion of NLGM underground feasibility study and LOM Plan
- Q3 - Development of Jamhuri Pit
- Q3 - New CIL tank commissioned
- Q4 - Commence new tailings storage facility
- Q4 - Complete long term water security options analysis
- Q4 – Deliver 72-77,000 oz. production guidance

Financial

- Q3 - Mining costs reduce as higher production stabilises
- Q4 - Achievement of AISC 2015 guidance of US\$850-900/oz
- Q4 –Strengthen balance sheet - No new debt planned
- Q4 – Protect cash flow through prudent hedging



Source: GMP Securities

*Total cash cost per ounce, AISC not reported

APPENDIX



Bauhinia Creek - supplementary exploration drilling & analysis

Target	BH ID	From (m)	To (m)	Width (m)	Grade Au g/t
BC	CSD060	311.52	316.9	5.38	11.64
BC	CSD061	288.4	292.55	4.15	12.42
And					
BC	CSD061	294.15	297.99	3.84	1.07
And					
BC	CSD061	306.78	308.78	2.00	4.07
BC	CSD062	256.48	271.09	14.61	2.3
BC	CSD063	299.83	305.76	5.93	42.22
And					
BC	CSD063	309.44	310.2	0.76	2.1
BC	CSD064	233.06	233.97	0.91	1.22
And					
BC	CSD064	240.86	251.46	10.6	11.79

Luika - supplementary exploration drilling & analysis

Target	BH ID	From (m)	To (m)	Width (m)	Grade Au g/t
LUIKA	CSD056	265.83	268.37	2.54	2.18
LUIKA	CSD057	242.66	243.21	0.55	0.28
LUIKA	CSD058	198.48	202.77	4.29	7.29
LUIKA	CSD059	204.53	205.79	1.26	4.80

CEO TOBY BRADBURY	CFO Patrick Shayawabaya	Shanta has materially strengthened its own technical & operational management teams
	Head of Exploration Peet Prinsloo	
	Risk	
	Human Resources Calvin Mlingi	
	Project Director Ian Fielding	
	New Luika General Manager Scott Yelland	Chief Mining Engineer
	Consulting Metallurgist Wally Channon	Mine Planning Engineer
		Underground Mining Engineer
		Project Mining Engineer

Recap: 2014 Performance Review

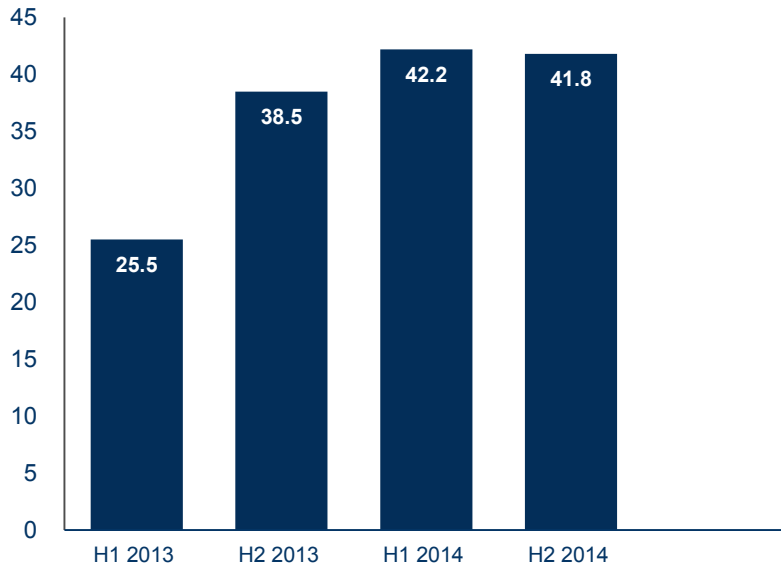
Solid operational performance

- Production and AISC within guidance
- Production up 31% year-on-year
- Strong cash generation

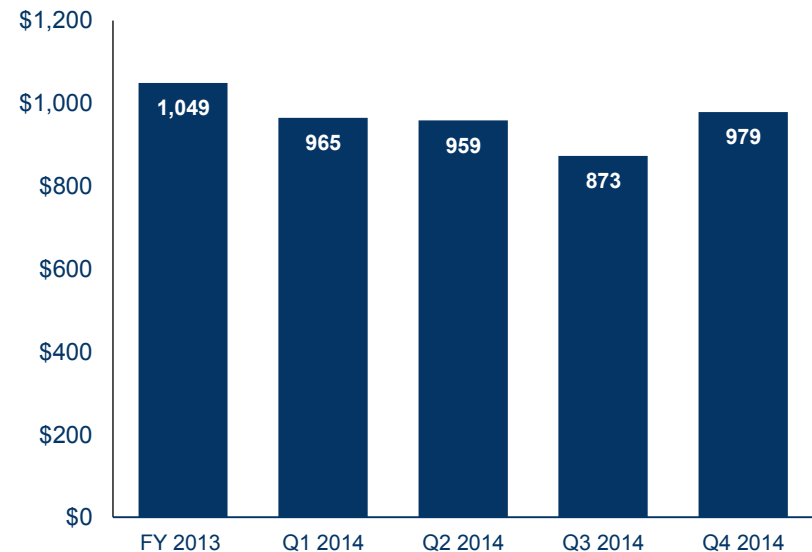
Significant turnaround in financial position

- Revenue of US\$115m, up 31%
- Profit before tax of US\$16.6m compared to a loss of US\$4.4m for the prior year
- US\$11m of debt paid down

Production increase through to Q4 2014



Year on year AISC cost decline





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