

Q3 2019 Production and Operational Update

17 October 2019



SHANTA GOLD

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Shanta Gold – Highlights & Guidance

Q3 2019 performance

- **Zero lost time injuries** since December 2017
- Gold production of 22,726 oz (Q2: 19,856 oz)
- **Mine Resource Upgrade announced**
- Cash costs of US\$474 /oz, AISC¹ of US\$723 /oz
- **EBITDA² of US\$16.5 m** (Q2: US\$10.5 m)
- **Net debt: US\$20.7 m, down \$6.2 m**

2019 guidance reiterated

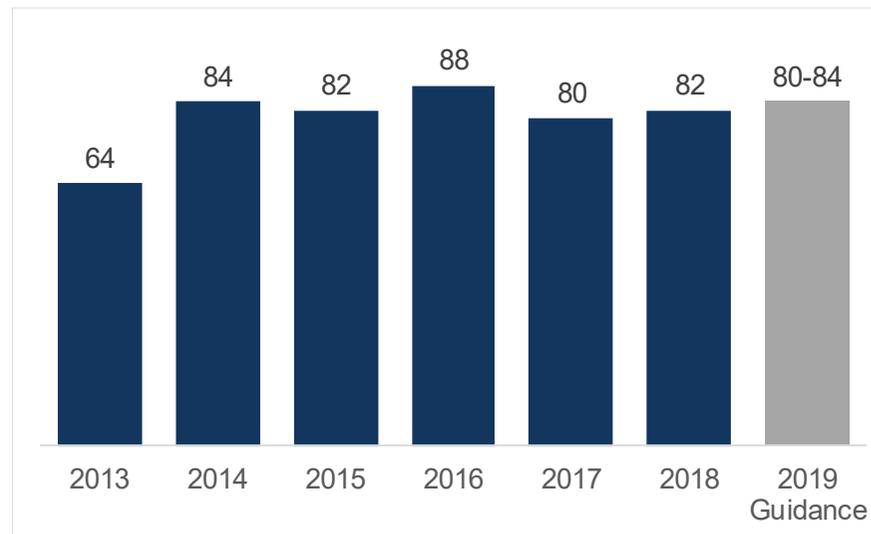
- **Comfortably on track to meet annual guidance**
- Gold production: 80,000 – 84,000
- AISC¹: US\$740 – 800 /oz

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

2. before non-cash loss on unsettled forward contracts



New Luika is now in its 7th year of gold production



Summary Capitalisation

Share Price (GBP) ³	8.0p
Market capitalisation	US\$80 m
Net debt ⁴	US\$21 m

Enterprise Value **US\$101 m**

EV / 2018 EBITDA **2.2 x**

3. As of 15 October 2019

4. As of 30 September 2019

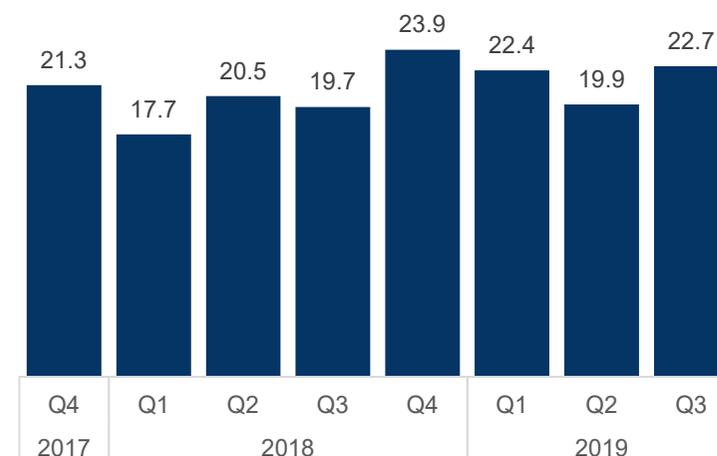
Q3 2019 performance

- **Zero lost time injuries; over 3.4 million hours since last LTI in December 2017**
- No recordable injuries during the last six months
- Gold production of 22,726 oz (Q2: 19,856 oz)
- **Drilling at BC Central converted 127k oz Inferred at 3.15 g/t into 84k oz Indicated at 7.85 g/t**
- **Mine Resource Upgrade announced**
- **AISC¹ of US\$723 /oz (Q2: US\$773 /oz)**
- Cash operating costs of US\$474 /oz (Q2: US\$564 /oz)
- **Strong EBITDA² of US\$16.5 m (Q2: US\$10.5 m)**
- **Net debt: US\$20.7 m, down 23% and lowest in NLGM's producing history**
- Gross debt: US\$25.7 m, down 15% from Q2
- Reduction of hedge book under way

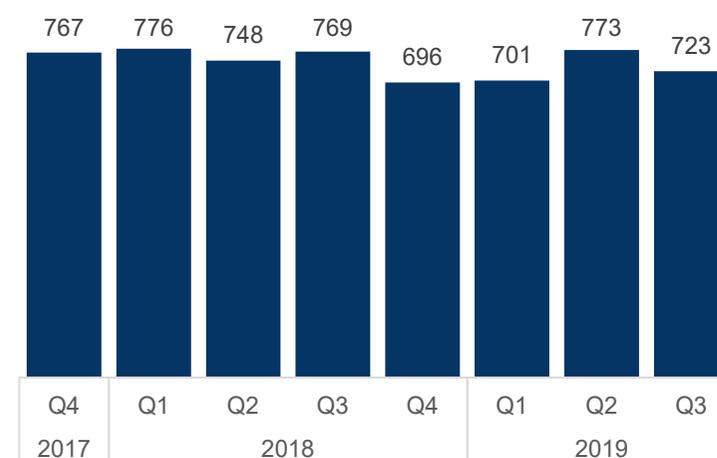
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Quarterly gold production (000's oz)

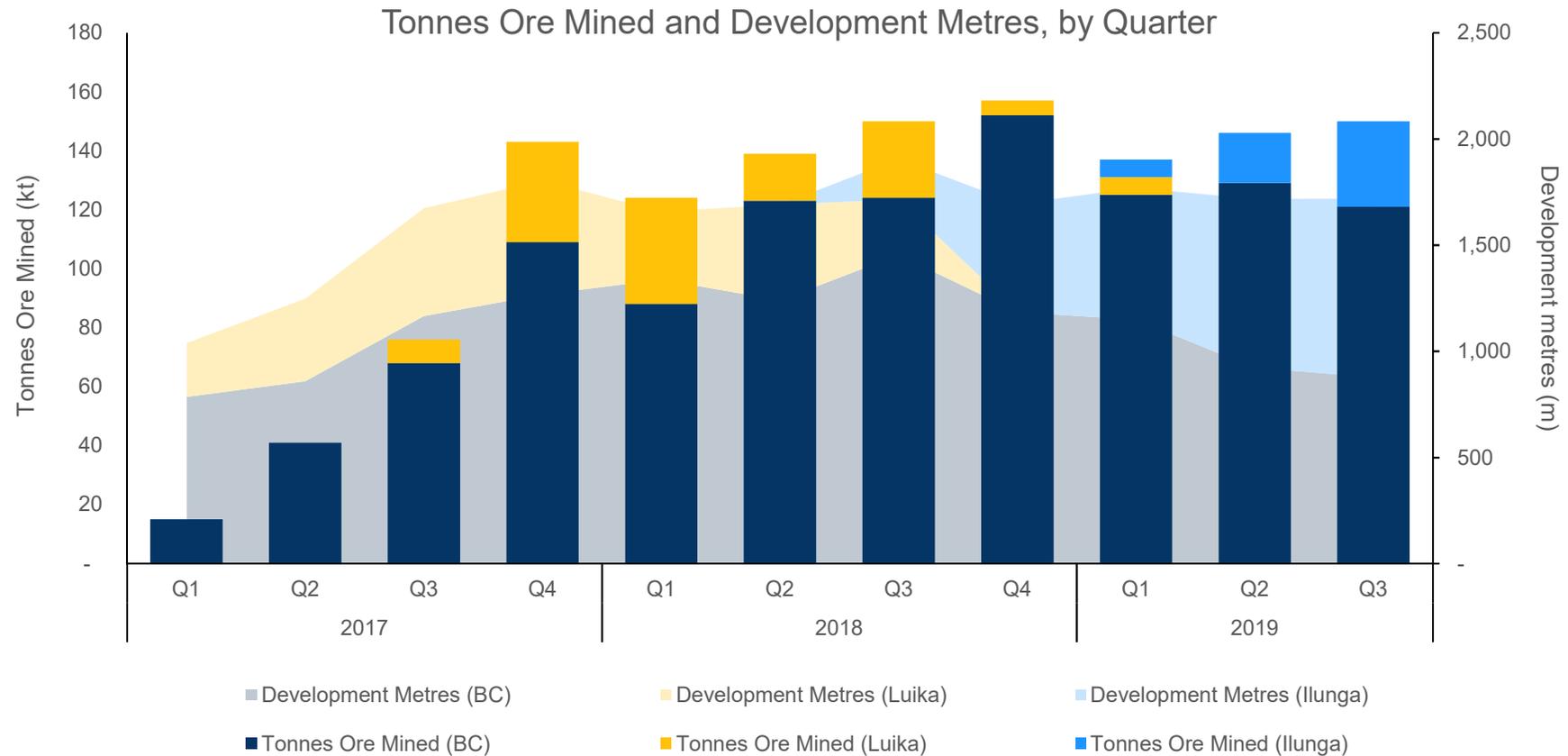


Quarter on Quarter AISC² (\$ /oz)



Q3 2019 underground update

▶ 149 kt of ore grading 5.78 g/t mined from NLGM's active high-grade underground deposits

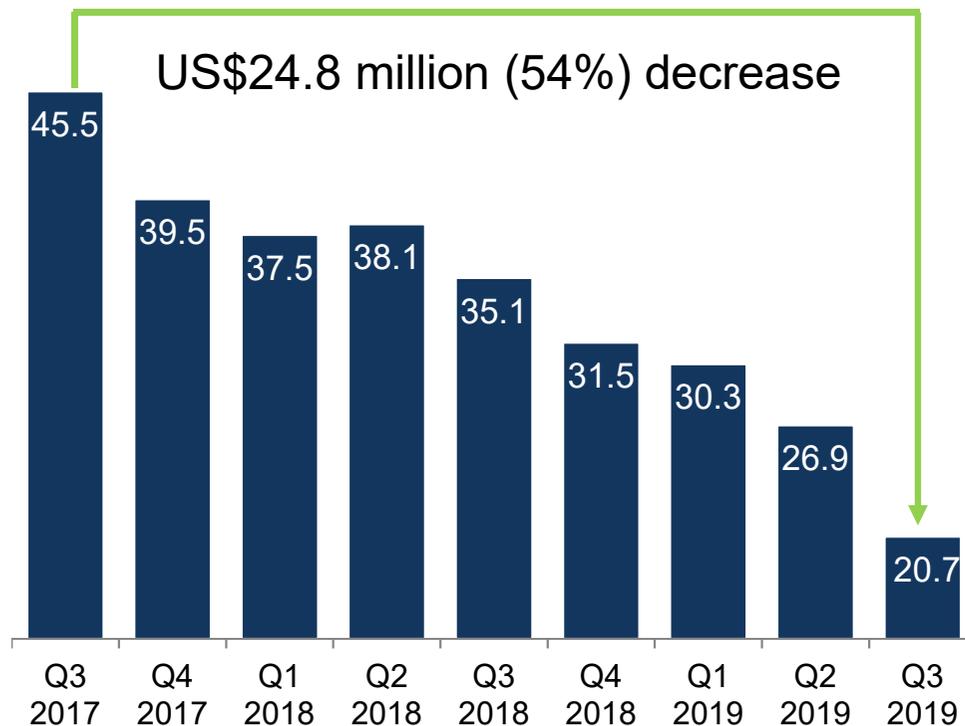


1. Includes ore from development and production
BC = Bauhinia Creek



Balance sheet repair: 54% decrease in Net Debt since Q3 2017

Net debt (US\$ million)



Q3 2019 highlights

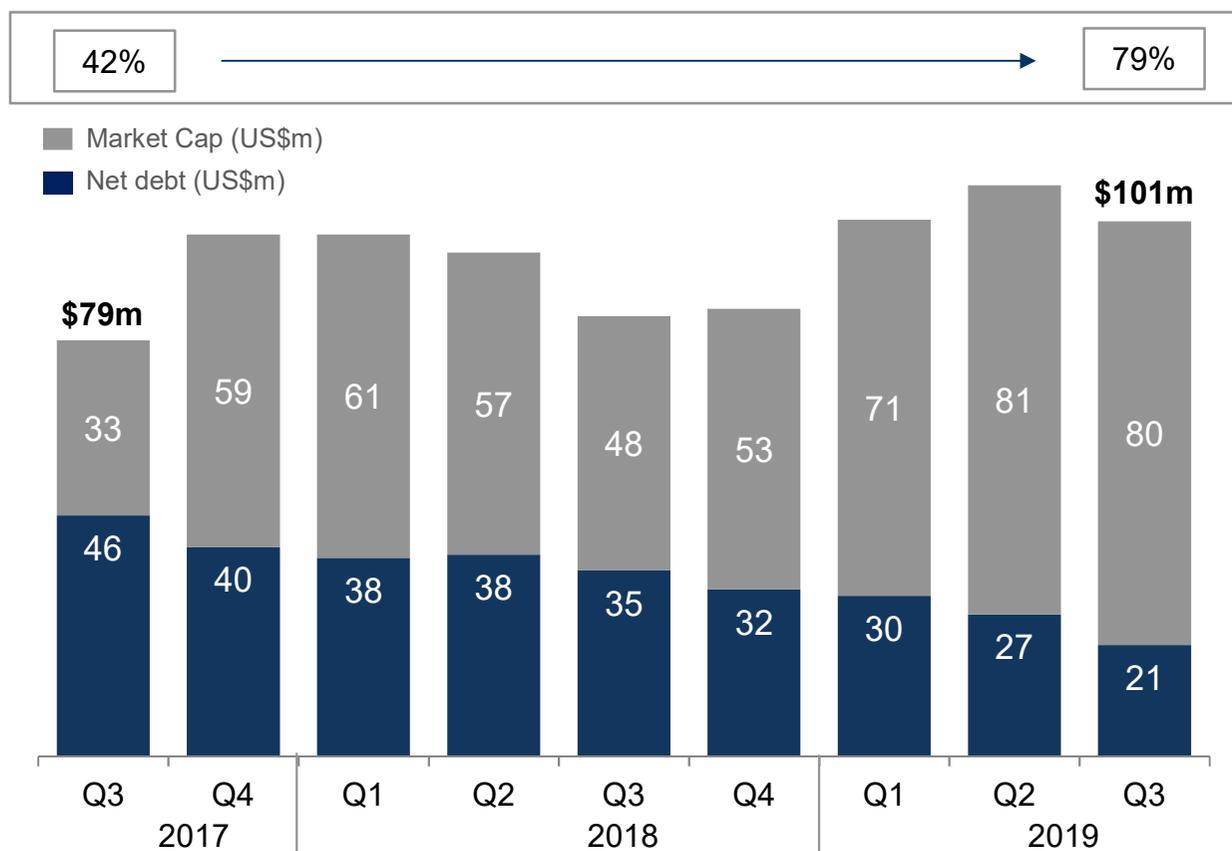
- Sharp fall in quarterly net debt
- Unrestricted cash balance of US\$5.0 million at 30 September 2019
- Total liquidity of US\$11.6 million, including US\$4.1 million of bullion available for sale at the end of Q3
- Gross debt at US\$25.7 m, the lowest in over 6 years

Value transfer to Shanta Gold shareholders

Significant transfer of value from debt to equity since Q3 2017, benefitting Shanta Gold shareholders

Shanta Gold Enterprise Value

$EV (US\$m) = Net\ debt + Market\ Cap^1$



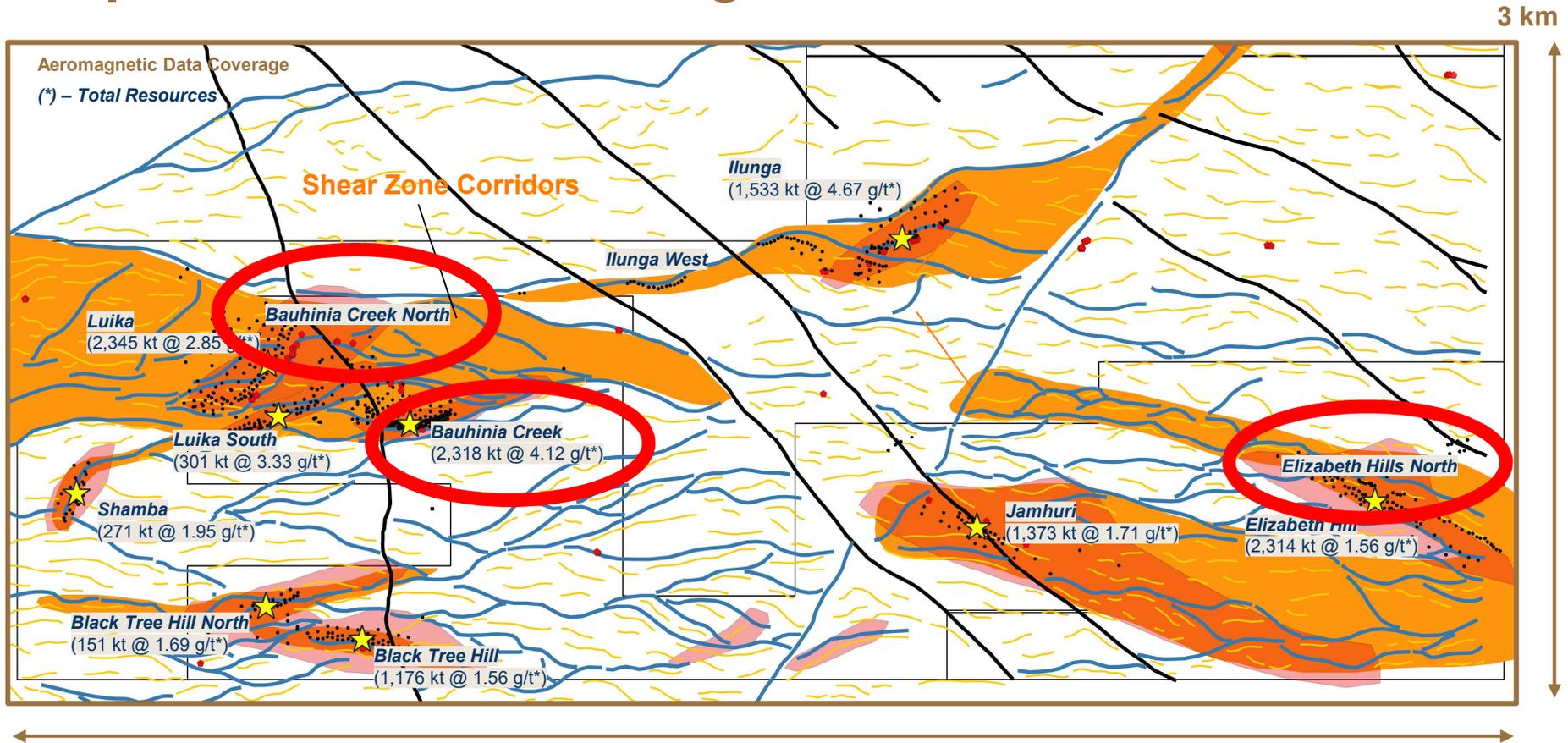
Highlights

- Shanta's market cap now accounts for 79% of Enterprise Value, up from 42% in Q3 2017
- SHG share price continues to re-rate, up 156% in the two years since Q3 2017 results (17 October 2017)

1. Net debt and Market Cap based on the figures reported in quarterly results presentations since Q3 2017



Exploration: NLGM Mining Licence



New promising targets for H2 2019

- ✓ Bauhinia Creek underground extensions
- ✓ Bauhinia Creek North
- ✓ Elizabeth Hills North strike extensions

- ★ Mine/Deposit
- ◆ High-grade Grab Sample (Shanta Gold)
- ◆ High-grade Soil Anomaly (Shanta Gold)
- Structural Fabric: Gneissosity (Archaean)
- Structural Fabric: Mylonite/Shears (Lupa Mineralization)
- Collars (Drilling and Trenches)



Resource upgrade and mine life extension

US\$164,000 was spent on drilling at Bauhinia Creek to replace all of the expected ounce depletion from 2019 production

Exceptional results from 6 holes drilled at Bauhinia Creek (BC) underground mine

Hole at BC	Intersection
115	7.33 metres @ 6.24 g/t Au
116	2.03 metres @ 4.77 g/t Au
117	3.68 metres @ 6.57 g/t Au
119	2.43 metres @ 5.26 g/t Au
122	16.02 metres @ 9.36 g/t Au
123	7.07 metres @ 16.10 g/t Au

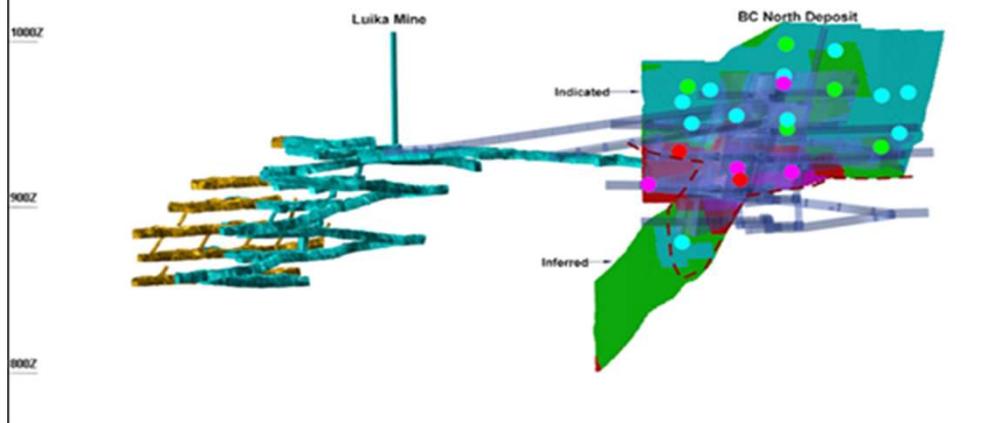
Outcomes

- Converted 126,787 oz of Inferred Resources grading 3.15 g/t into 83,543 oz of Indicated Resources grading 7.85 g/t
- Conversion cost of US\$2 /oz
- Additional 58,553 ounces of new Inferred Resources grading 4.79 g/t
- Further drilling results at Bauhinia Creek announced in early October, with Resource update to follow in due course

New gold discoveries on Mining Licences

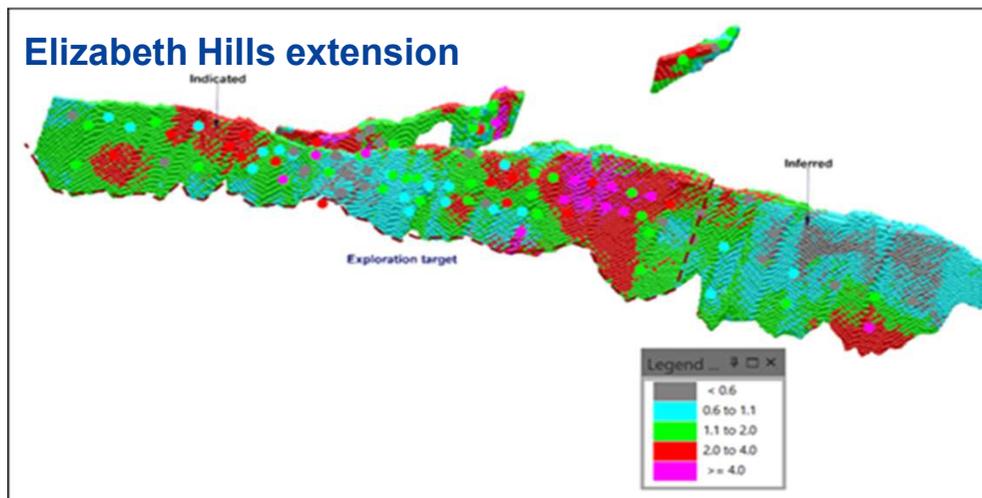
BC North and Elizabeth Hill North Exploration Potential

BC North deposit



- BC North deposit is located 300m from the New Luika Mine
- The orebody has been defined from surface
- High grade intercepts increase with depth
- Drilled to around 70 m of vertical depth with follow-up drilling ongoing

Elizabeth Hills extension



- Elizabeth Hill North deposit is located 4km to the North East of the Process Plant
- Strike length of the mineralized structure is c.350 m, drilled to around 70 m of vertical depth
- The mineralized structure is subvertical dipping and still open at depth – follow-up drilling is scheduled for Q1 2020

Operating environment improving following Barrick takeover of Acacia

- ▶ Strong and open relationships with Senior Government Ministers
- ▶ Discussions on refunding or offsetting the current VAT receivable of US\$27.4 million continue

Q3 2019 key events in Tanzania

Date	Event	Status
19 th July	Acacia Board recommend Barrick offer	✓
9 th August	Tanzanian Government authorise Acacia to resume gold exports at North Mara	✓
3 rd September	Shareholder vote in favour of Barrick acquisition of Acacia	✓
13 th September	Final Court approval	✓
17 th September	Effective date	✓



Appendix

Production performance

	Q3 2019	Q2 2019	Q1 2019	FY 2018	Q4 2018	Q3 2018	Q2 2018	Q1 2018	FY 2017	Q4 2017
Tonnes ore mined (OP + UG)	166,772	155,779	136,616	677,734	157,952	179,978	197,020	142,784	638,088	143,092
Tonnes ore milled	174,132	177,647	172,644	639,678	172,902	159,640	157,426	149,710	632,287	162,233
Grade (g/t)	4.54	3.91	4.49	4.38	4.74	4.26	4.44	3.94	4.28	4.48
Recovery (%)	89.3	89.4	89.9	90.9	90.9	90.3	91.5	91.7	91.1	91.1
Gold Production (ounces)	22,726	19,856	22,374	81,872	23,942	19,723	20,544	17,663	79,585	21,288
Gold sales (ounces)	22,477	19,760	21,290	82,457	24,893	19,737	19,475	18,352	80,365	20,644
Realised gold price (US\$ /oz)	1,462	1,303	1,309	1,259	1,225	1,218	1,302	1,303	1,263	1,273

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