

# SHANTA GOLD

## SINGIDA GOLD MINE

### 5-Year Plan & 2023 Guidance

3 July 2023



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# SHANTA GOLD HIGHLIGHTS

## Compelling investment case

- Producing **100,000 oz gold** per year at US\$1200 – 1300 /oz <sup>1</sup>
- **Strong cash flow** generation (EBITDA: US\$60 million) <sup>1</sup>
- Reserve-based mine lives to 2028 and 2030, **track record of extension**
- A **hugely valuable** development project in West Kenya (1.8 Moz at 5.5 g/t)
- Outstanding **low-cost expansion** potential at Singida
- Dividend payer, excellent balance sheet (**Net Cash** in 6 months) <sup>1</sup>
- Unhedged; fully exposed to gold price



1. Liberum research estimate



# SHANTA GOLD OVERVIEW

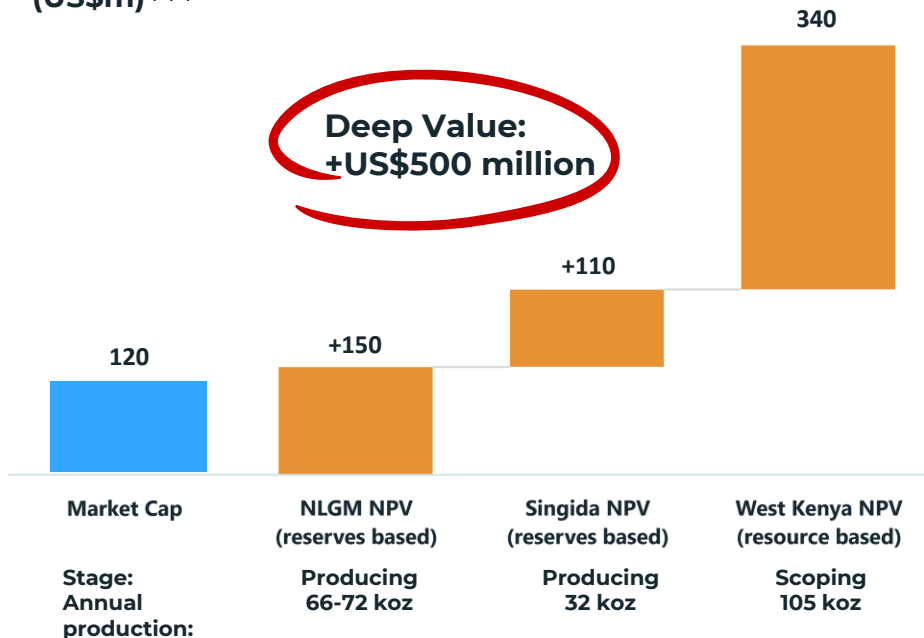
A high-quality East African ~100,000 oz p.a. gold producer with deep fundamental value

Current Capitalisation	US\$m
Share Price (30-Jun-23)	9.0 p
Market Cap	\$120
Net Debt	\$20
Enterprise Value	\$140
Dividend yield	2.2%
2023 EBITDA (Liberum research)	\$60 m
EV / EBITDA	2.3 x

Balance Sheet (at 31/3)	US\$m
Gross Debt	\$29.0
Cash & gold dore <sup>2</sup>	\$10.0
Net Debt	\$19.6

1. Basic and fully diluted shares outstanding of 1,051,467,684  
 2. Includes total of 2,080 oz in dore at NLGM and in-transit

## Market capitalisation and Group NPV by asset (US\$m)<sup>1,2,3,4</sup>



Notes:

1. Market Cap calculated using 9.0p share price
2. NPV based on Liberum research estimate
3. Singida Project economics prepared internally as announced 07 October 2020, using a LOM gold price of US\$1,900/oz, 8% discount rate. NPV accounts for construction capex spent
4. West Kenya Project economics prepared by independent consultant Bara Consulting Pty using a LOM gold price of US\$1,700/oz, 8% discount rate (2020)



# SINGIDA GOLD MINE HIGHLIGHTS

A game-changer for current production and sustainable growth

## Significant production additions

- Increases Shanta Gold annual gold production by 34,000 oz pa over next 5 years
- Possible addition of a US\$6.5 m 2<sup>nd</sup> ball mill for a doubling of plant throughput

## Shanta Gold production of 100,000+ oz per year

- Average annual gold production of 103,000 oz over the next 5 years

## Significant exploration and expansion opportunities

- 7-year reserve-based mine life until 2030 with significant potential for expansion
- Substantial upside through potential conversion of 664 Koz outside the Mine Plan

## Attractive cost base and cash flow margin

- Operating Costs and AISC of US\$888 /oz and US\$1,085 /oz respectively over the next 5 years



# SHANTA GOLD 2023 GUIDANCE

Company guidance of 90,000 – 98,000 oz gold production in 2023<sup>1</sup>

Average of 103,000 oz pa over the next 5 years

## New Luika Gold Mine

- Reiterated production of 66,000 – 72,000 oz gold
- AISC of US\$1,200 –1,300 /oz

## Singida Gold Mine

- Production of 24,000 – 26,000 oz gold
- Reflects 9 months of production (Apr-Dec)
- AISC of US\$1300 – 1,400 /oz

Gold Production Ounces	2023 <sup>1</sup>	2024	2025	2026	2027 <sup>2</sup>	Total
New Luika	71,391	74,125	76,519	73,289	49,742	345,066
Singida	26,124	31,455	37,189	38,001	36,114	168,883
<b>Shanta Gold Tanzania</b>	<b>97,515</b>	<b>105,580</b>	<b>113,708</b>	<b>111,290</b>	<b>85,856</b>	<b>513,949</b>




1. Singida: for the 9-month period April-December 2023
2. NLGM in 2027 excludes impact of reserve additions from ongoing exploration



# SHANTA 2.0

Shanta has evolved with the completion of Singida

Opportunity: a disconnect between fundamental value and market valuation

The Singida Gold Mine has changed Shanta's profile				
Equity story	<i>Shanta 1.0</i>	<i>Shanta 2.0</i>		<i>Staying busy over the last 2 years</i>
Date	Then: July 2021	Now: July 2023	Change	
Gold price (US\$/oz)	1775	1945	+10%	 <p><b>Singida construction</b></p>
Production pa (K oz)	~60	~100	+67%	
Producing mines (#)	1	2	+100%	 <p><b>Two producing gold mines</b></p>
Gold resources (M oz)	3.2	3.8	+20%	
EBITDA (US\$m) Liberum research	40	60	+50%	 <p><b>Takeover attempt</b></p>
EV / EBITDA (x)	4.2	2.4	-40%	
Market cap (US\$m)	190	125	-37%	
Share price (p)	13.0	9.0	-30%	





## UPDATED SHAREHOLDER REGISTER (21 June 2023)

Overall, retail investors account for approximately half of Shanta's shareholder register

Shanta Shareholders >3% (21 June 2023)	
Hargreaves Lansdown (retail)	10.3%
Sustainable Capital	8.3%
Interactive Investor (retail)	7.3%
Directors/ Insiders	5.9%
River & Mercantile	4.8%
Canaccord Genuity	4.8%
SIX SIS (custodian)	4.7%
AJ Bell (retail)	3.3%
<b>Sub-total</b>	<b>49.4%</b>

Note: Odey Asset Management updated as of 27 June 2023 holding an interest of 1.1%





# SINGIDA GOLD MINE: JULY 2023

In full gold production and operations progressing well



# 5-YEAR PRODUCTION SCHEDULE

Average annual production of 34,000 oz over the next 5 years

- Greenstone gold deposit in the Lake Victoria Gold Field
- **Open pit** contractor mining
- CIL and gravity recovery
- **1000 tonnes per day** process plant
- Designed for expansion – **opportunity to double throughput** for US\$6.5 million

PRODUCTION		2023	2024	2025	2026	2027	Total
<b>Open Pit</b>							
Material Mined	<i>M tonnes</i>	5.8	6.0	5.1	3.6	4.9	<b>25.3</b>
Ore Mined	<i>K tonnes</i>	234	327	419	348	377	<b>1,705</b>
Strip Ratio	<i>x</i>	23.6	17.3	11.1	9.4	12.0	<b>13.9</b>
Grade	<i>g/t</i>	2.86	3.05	3.20	3.70	3.45	<b>3.28</b>
Contained Gold	<i>koz</i>	21,549	32,107	43,122	41,356	41,717	<b>179,851</b>
<b>Processing</b>							
Tonnes Milled	<i>K tonnes</i>	272	366	365	365	365	<b>1,733</b>
Head Grade	<i>g/t</i>	3.27	2.94	3.48	3.56	3.38	<b>3.33</b>
Recovery	<i>%</i>	91	91	91	91	91	<b>91</b>
Gold Produced	<i>oz</i>	26,124	31,455	37,189	38,001	36,114	<b>168,883</b>



# 5-YEAR OPERATING COST FORECAST

## Increasing cashflow throughout the 5-year plan

- Average Adjusted Operating Costs of US\$888/ oz and All In Sustaining **Costs (“AISC”)** of **US\$1,085 /oz** over the Plan Period
- **Cash flows increase from 2025** following normalisation of waste stripping

OPERATING COSTS		2023	2024	2025	2026	2027	TOTAL
Open Pit Mining	\$/oz	667	589	389	350	381	<b>459</b>
Mine Overheads		180	167	141	138	146	<b>152</b>
Processing	\$/oz	263	274	237	232	244	<b>248</b>
<b>Adjusted Operating Costs<sup>1,3</sup></b>	\$/oz	1,110	1,030	767	720	770	<b>859</b>
Royalty & Selling	\$/oz	119	137	136	136	136	<b>134</b>
Other (SIB, Corp, Exploration)	\$/oz	129	80	39	51	41	<b>64</b>
<b>AISC<sup>2,3</sup></b>	\$/oz	1,357	1,247	943	908	947	<b>1,057</b>

1. Adjusted Operating Costs are derived as the sum of mining costs, processing costs, mine overheads, by-product credit and royalty & selling costs
2. AISC is derived as the sum of Adjusted Operating Costs, UG & OP development costs and other costs (stay in business (“SIB”) capital expenditure, corporate overheads and sustaining exploration)
3. Figures may not total exactly due to rounding.

# SINGIDA GOLD MINE – VALUE UPSIDE

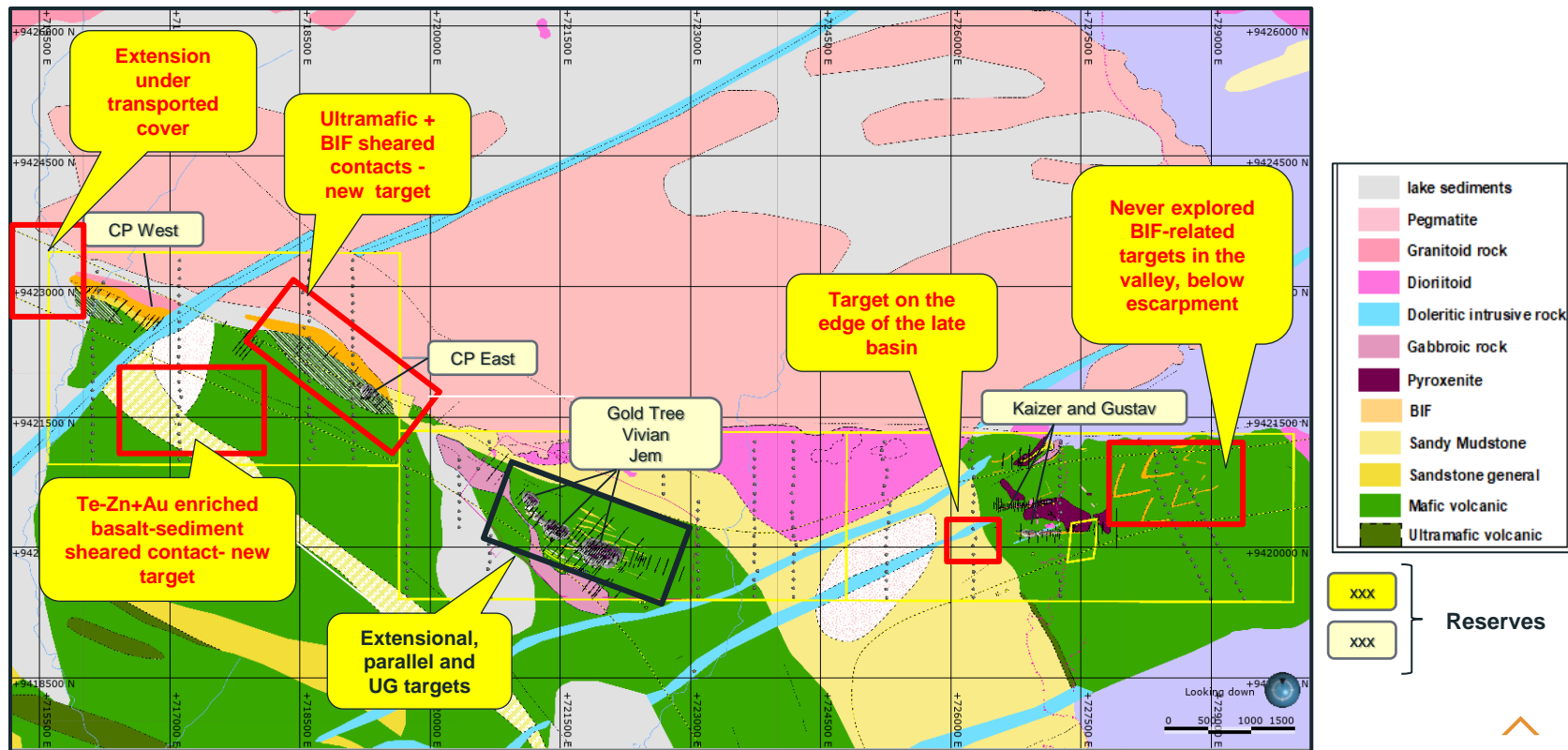
Value levers available with significant scope to further increase Singida's Project NPV

CURRENT POSITION	UPSIDE POTENTIAL
Pit shells designed assuming long-term gold spot price of US\$1,350/oz;	Add ounces to mine plan at ~\$1,500 current spot price, grow NPV
Recovery rates planned at 91%	Potential for higher gold recoveries, >ounces, >cashflow
Gravity recovery planned for 40% of total	Gravity recovery being assessed, >ounces, >cashflow
Gold purity estimated at 80%	Gold purity being assessed, >ounces, >cashflow
Declared gold reserves just 26% of existing total contained resources	Explore, add reserves, increase mine life, and grow NPV
Only 75,000 meters of drilling completed to date	



# EXPLORATION AND FUTURE POTENTIAL

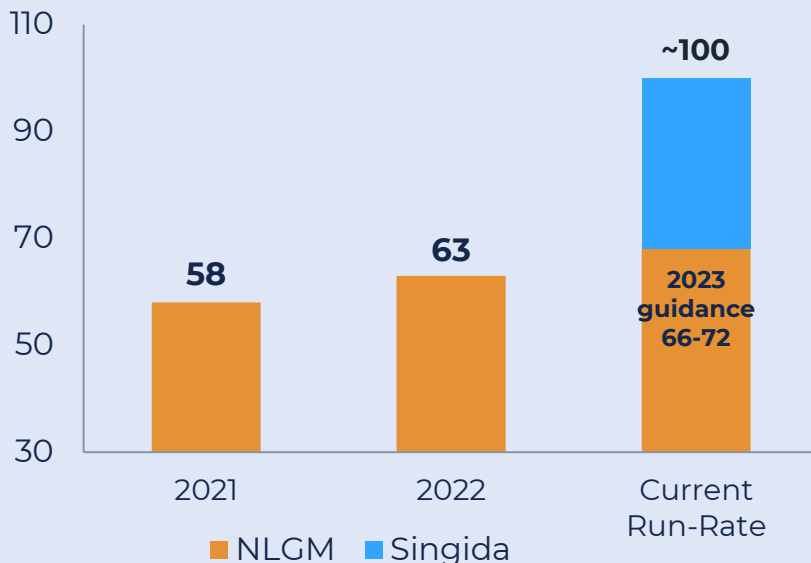
Upside potential from resources (9.8 Mt grading 2.11 g/t for 664,000 oz) currently sitting outside the reserve-based Plan



# SUMMARY: AFRICA'S NEWEST 100,000 oz PER YEAR GOLD PRODUCER <sup>14</sup>

Diversified income stream with excellent growth

## Shanta Gold Production (Koz per year)



## Drilling planned at all three assets in 2023

### NLGM

- Mine life extension and reserve additions
- Regional consolidation

### Singida

- In production and underexplored
- Process plant designed for expansion

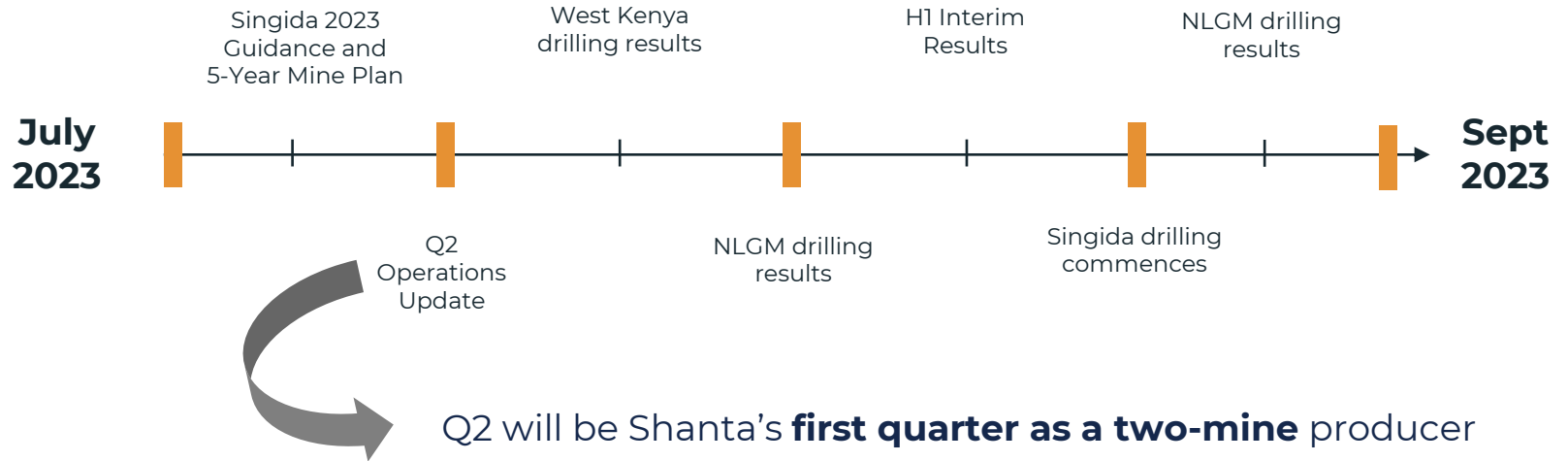
### West Kenya

- Accounts for 48% of Shanta's resources
- Potential to more than double Shanta Gold's production



# EXPECTED NEWSFLOW

Upcoming operating results and drilling news





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