Shanta Gold – High Grade Low Cost Producer

Investor Presentation
July 2014

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Shanta – Multi Asset High Grade, Low Cost producer

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AIM Listed Tanzanian focused gold mining & exploration company

High quality asset base:

New Luika Gold Mine

- Production commenced 2012
- 63k ozs in 2013 / 80k ozs forecast in 2014
- 3 mining licenses – 15km2
- Reserves - 479koz Au @ 6.1 g/t
- LOM extension opportunity

Singida

- Stand-alone gold project located in central Tanzania
- 3 mining licences (30km2) and 3 prospecting licences covering a total of 92 km2
- Ore reserve of 230,000 @ 5.1g/t

Lupa Goldfield exploration

- Over 1300 km2 of exploration properties surrounding NLGM

Board and Management Team

- **Strong track record and diverse skill sets**
- **All board members are non-executive (other than CEO)**

	Name	Discipline	Background
Management	Mike Houston CEO	Financial, technical	35 years mining experience including Anglo American Former COO, CEO and subsequently Chairman of Zimplats
	Patrick Shayawabaya CFO [1]	Financial	Chartered Accountant, former CFO of Zimplats
Non-Executive Directors	Anthony Durrant Chairman	Financial, governance	Chairman of Arias Resource Capital Management investment committee Former Global Head of Mining at UBS Investment Bank
	Robin Fryer	Accounting	Chartered Accountant, former Global Head of Deloitte mining practice
	Luke Leslie	Financial, technical	Head of Origo Partners Metals & Mining private equity
	Ketan Petal	Government & community relations	Founding member of Shanta Mining Company Limited Extensive commercial interests in Tanzania
	John Rickus	Technical	35 years mining experience, former Rio Tinto Global Head of Technical Services

1 Not a board member

Investment Summary

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Robust Production Base

- Strong production base at New Luika Gold Mine (NLGM)
- 2013 gold production of 64koz, ahead of guidance;
- 2014 guidance of 80 to 83koz gold production with AISC of $900 to $1,000/oz
- Further cost savings being realised through plant upgrades & switch to HFO

Stable Financial Position

- Cash flow positive from operations, strong balance sheet
- Development capital at NLGM largely complete
- Debt repayment commenced
- Prudent short-term hedging policy

High Quality Asset Base

- High grade multi-deposit gold resources totaling 2.2moz (1g/t cut off).
- NLGM Primary Ore reserve of 479koz (6.1 g/t)
- Singida primary ore reserve of 230,000 (5.1g/t)

Growth Potential

- NLGM Life of Mine extension and Singida development Bankable Feasibility Studies to be completed in Q3 2014.
- 'On and off mine' exploration program on going

Proven Board & Management Team

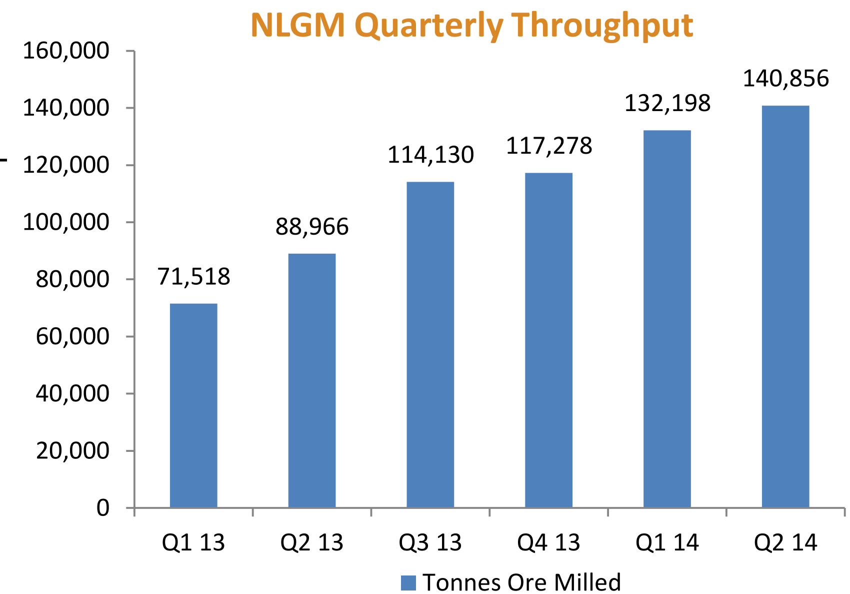
- Successful track record in the mining industry, capital markets and Tanzania
- Strong, diverse complementary skill base

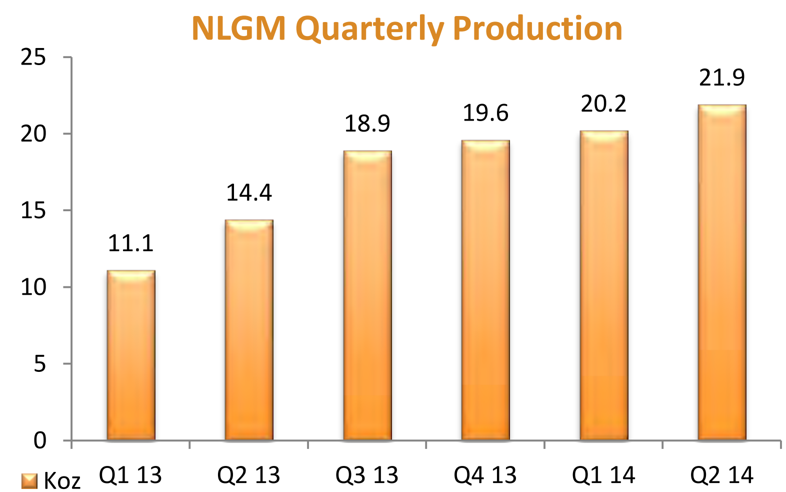
Section 2 – New Luika Gold Mine

NLGM– Robust Production Profile

Q2 2014 - Operational Highlights

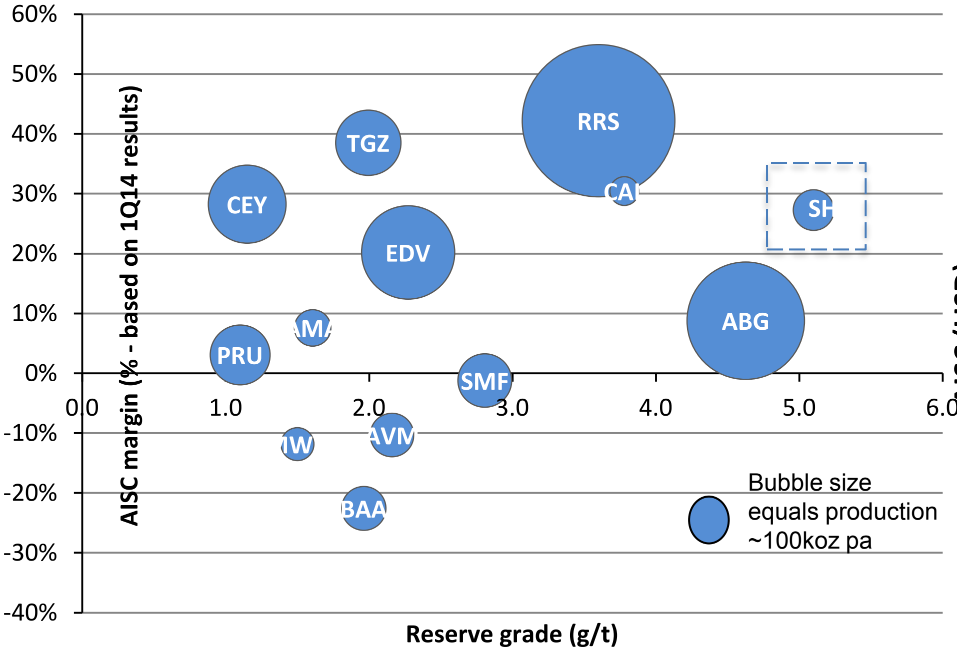
- ✓ Record quarterly gold production
- ✓ Cash cost $755 and AISC $959
- ✓ Elution – Electro-winning plant commissioned in May- gold recovery up 1% in June and silver output equivalent to +2% of gold value
- ✓ New crusher due to be commissioned in August 14
- ✓ Revised guidance of 80-83kozs
- ✓ Strong safety performance



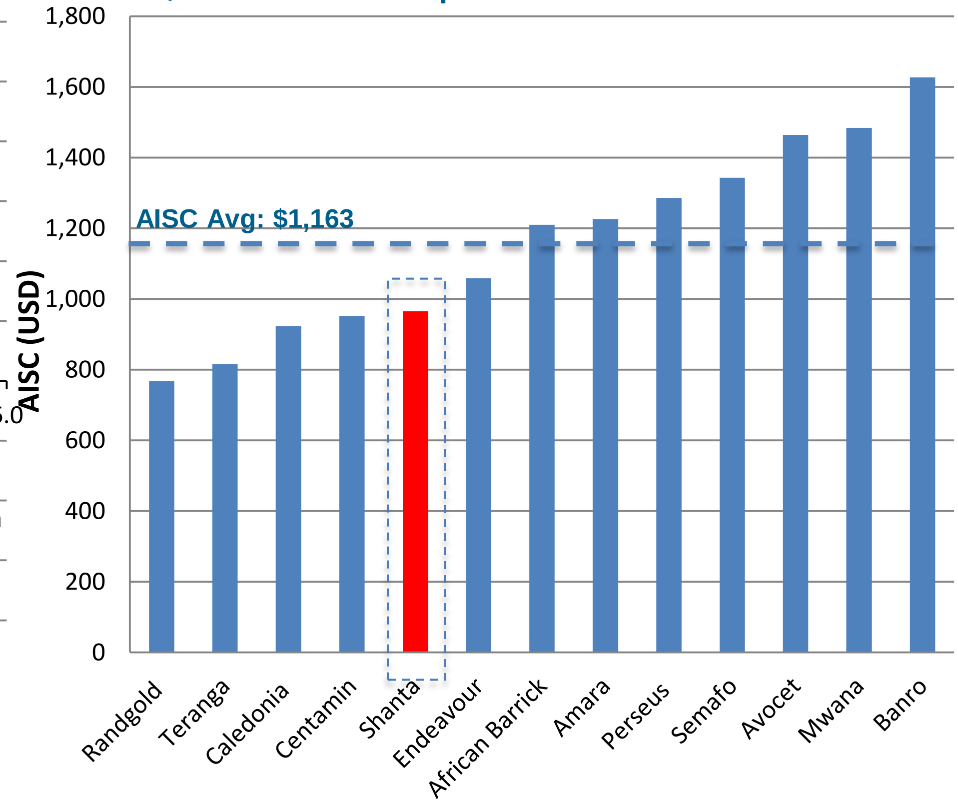


Surpassing Peers: Low AISC Cost, High Grade Producer

Q1 2014 Peer Group AISC Margin



Q1 2014 Peer Group AISC



NLGM– Delivering Production & Cost Improvements

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Optimising Gold Production

Elution electro-winning plant – Installed Q2 2014

- Immediate 1% improvement in gold recoveries to 86%
- Silver output triples – equates to +2% gold
- Expected further improvements in both gold and silver - H2
- Additional H2 revenue of circa $1.5m

Crushing circuit – commissioning Q3 2014

- Will lead to increased installed capacity and lower costs
- Finer grind + 5% through mills
- Cost savings through the removal of rented equipment are expected to be approximately $20 per ounce.

Delivering Further Cost Improvements

Ongoing activities in 2014

Targeted cost improvements:

- HFO installed in April 2014 – 86% usage by June – a $25 per oz from Q3
- Crusher rental - $20 per ounce – Q4
- In-house procurement of major items – annualised saving of $30/oz – from Q3 /Q4
- Ongoing review– mining/drilling explosives efficiencies/ sampling +assays
- Localisation drive – ex patriate reduction
- Restructured rewards to performance driven
- Reduction of corporate overheads

Abnormal costs:

- Staffing of project work
- Opencast development

Section 3 – Financial Summary

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Q2 2014 – Highlights

- $8 million generated from operations (Q1 - $10 million)
- Cash balance of $15.5 million (Q1 - $16.3 million)
- Capex of $3.1 million (Q1 - $5 million)
- $2.8 million loan repayments ($5.6 million repaid in H1)
- $2.9 million Equipment Finance at interest rate of 6% finalised
- Net Debt of $46 million (Q1 - $45 million)
- 22,400 oz sold at an average price of $1,307
- 30,000 oz sold forward from July 14 to March 15 at an average price of $1,319

Section 4 – Development Opportunities

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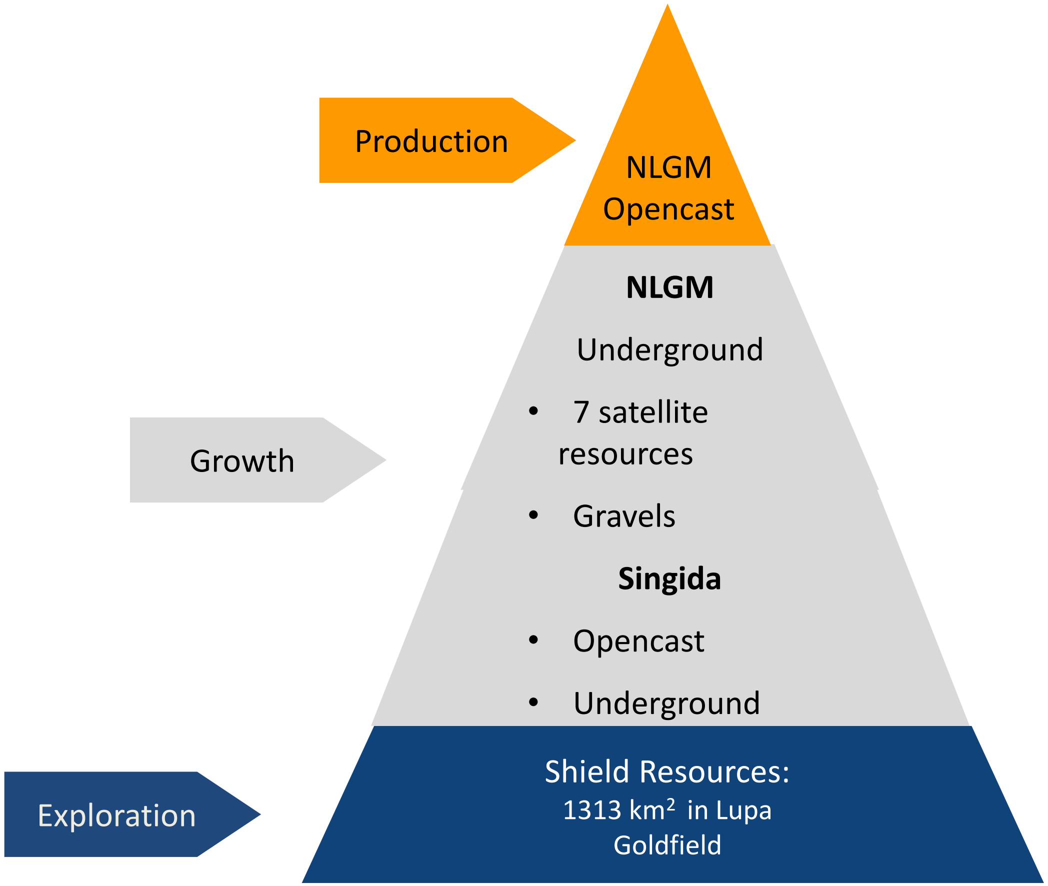
Growth Potential



Total Resource at SGL

NLGM (indicated and inferred)

- 1g/t cut-off – 1.3mozs at 3.2gt
- At 3g/t cut-off – 867kozs at 5.7g/t
- Reserve 479kozs at 6.1g/t

Singida (measured/indicated and inferred)

- At 1g/t cut-off - 858kozs at 2.84 g/t
- At 3g/t cut-off- 310kozs at 8.65g/t
- Reserve 230kozs at 5.1g/t

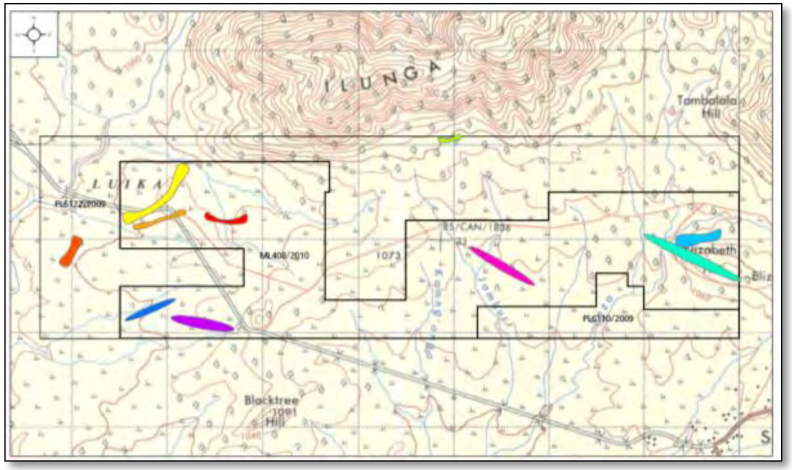
PACE OF DEVELOPMENT ALIGNED WITH FINANCIAL CAPACITY TO MAXIMISE SHAREHOLDER VALUE

New Luika - LOM and Expansion Study

Strategic Objective – Extend LOM and increase gold production to 100koz/yr from 2016

- Develop opencast and underground operations to best exploit resource (high grade shoots)
- Targeting LOM minimum grade + 4gt – maintain top quartile position
- Low capital cost plant expansion (3rd mill /CIL modification) to handle 50% increase tonnes milled
- Focus on recovery – target 91% in 2015 including silver value

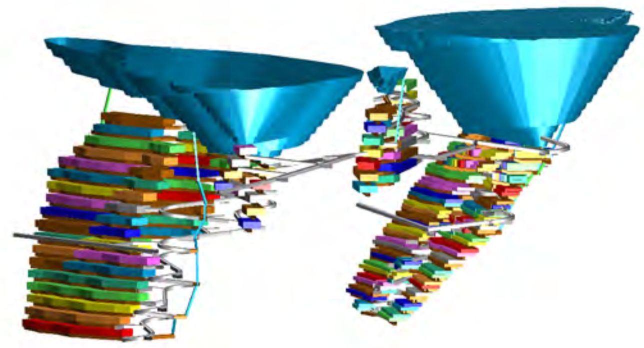
New Luika – 18km2 – 2 Million Ounces



New Luika Plant

New Luika – Underground Overview

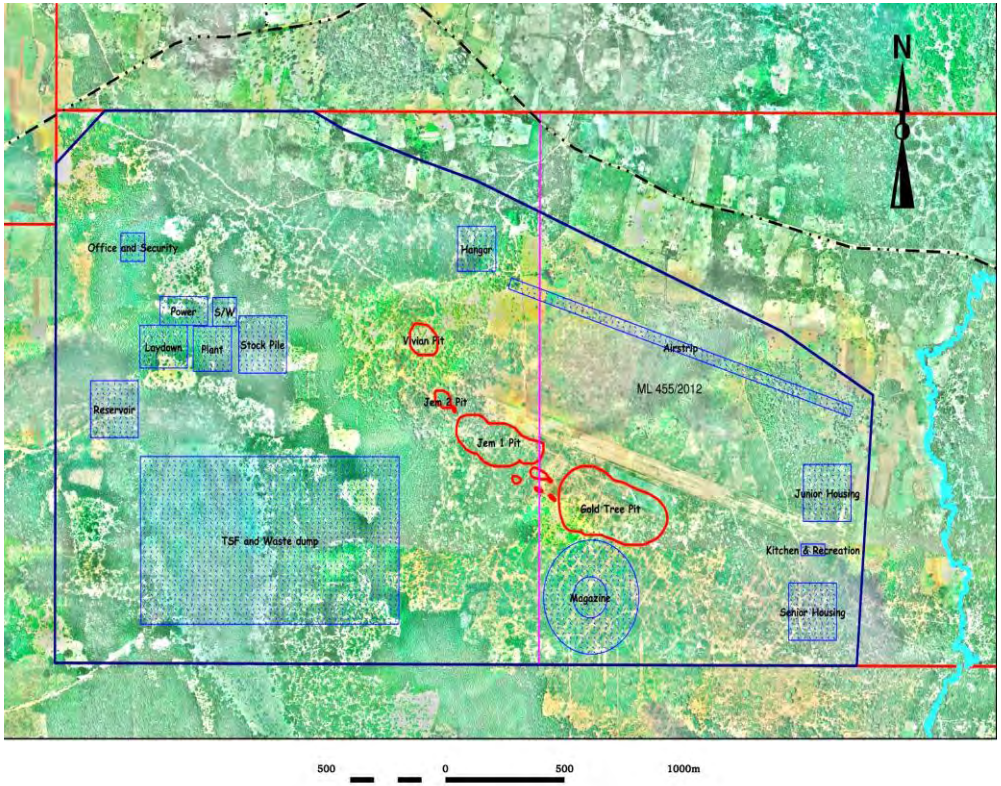
- Planned portal in central New Luika South – decline developed partially on ore
- Easy access to Luika and Bauhinia – minimal waste development
- 347k/ozs at 4.5g/t (3g/t cutoff)
- On mine drilling program to upgrade resource – encouraging mineralisation
- Open at depth
- Local and regional underground skills



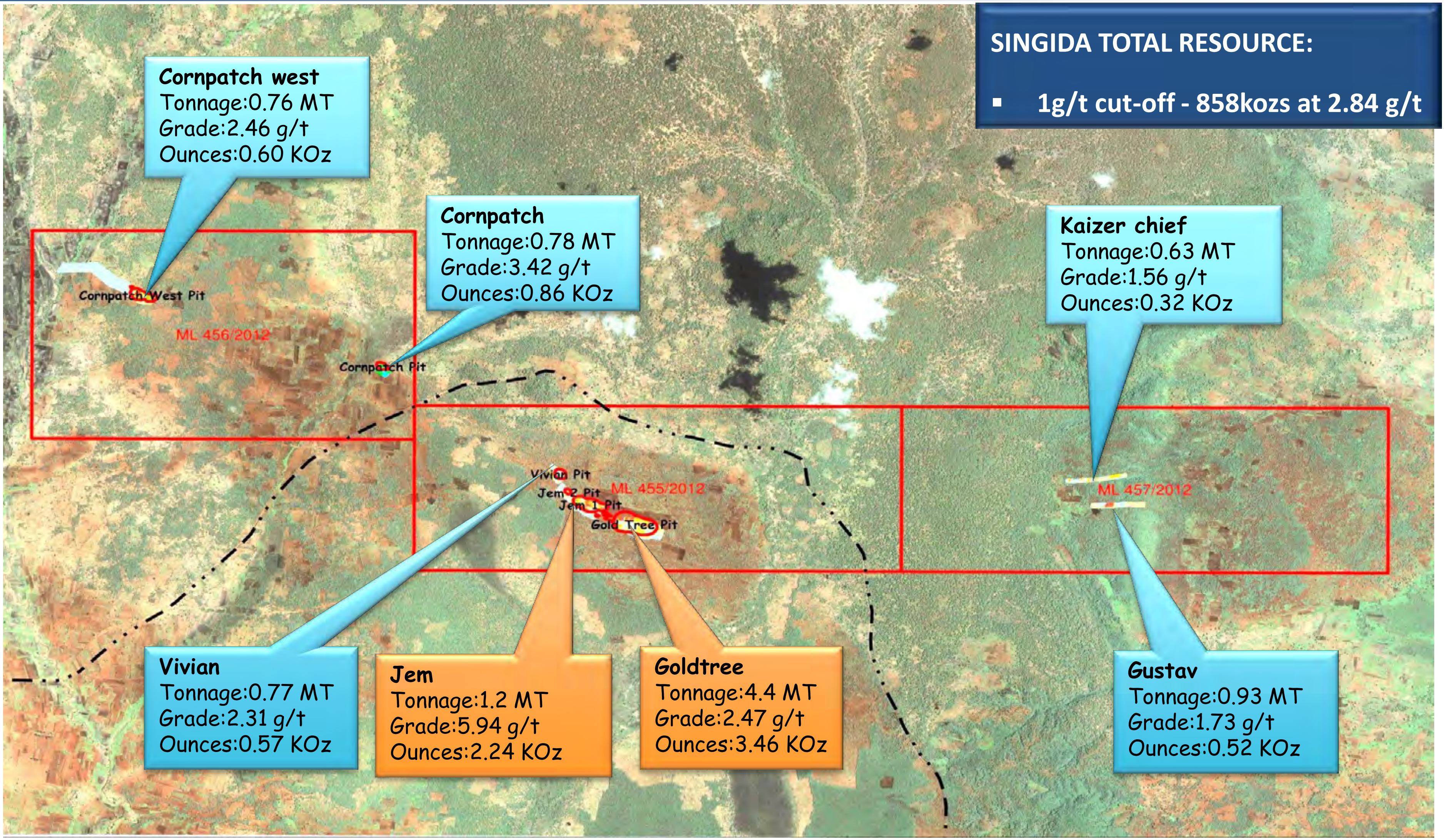
Singida Development

Project Update

- Existing Reserve - 1.39 million tonnes @ 5.1g/t for 230,000 ounces recovered gold
- Phase 1 opencast operation targeting LOM of 5.4 years at 5.4 g/t with 11:1 stripping ratio
- BFS work ongoing – to be published Q3 2014
- Evaluation of LOM extension both opencast and underground ongoing
  - – Measured resource at Jem and Goldtree 456kozs at 4g/t at 1g/t cut-off or 310kozs at 8.65g/t at 3g/t cut-off suggesting upside potential – upgrade to JORC 12 code.
- Large low grade near surface resource being evaluated for Heap Leach
- Relocation programme in progress – minimal movement of people



Singida - Seven Defined Deposits



Singida - Opencast with underground potential

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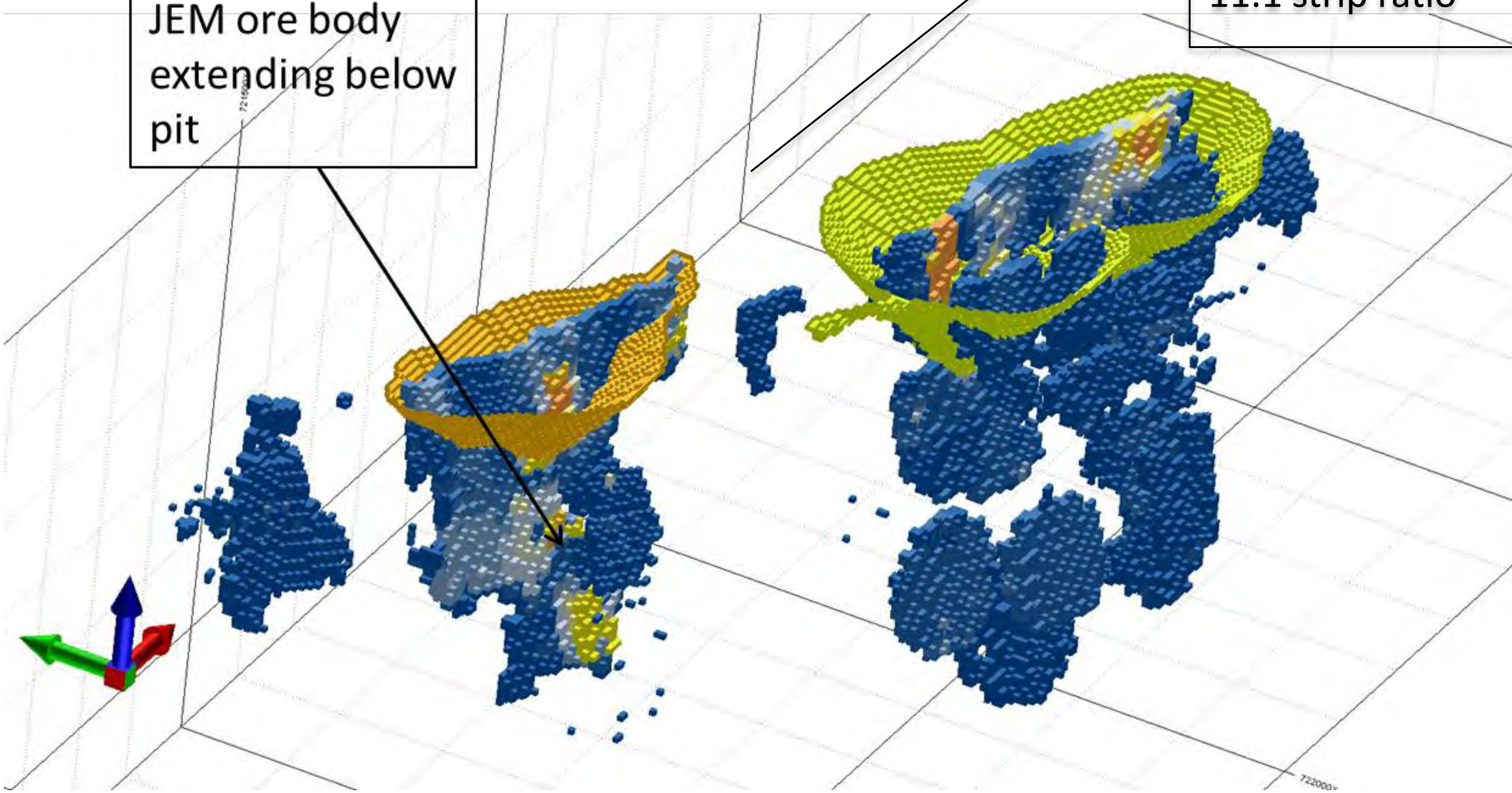
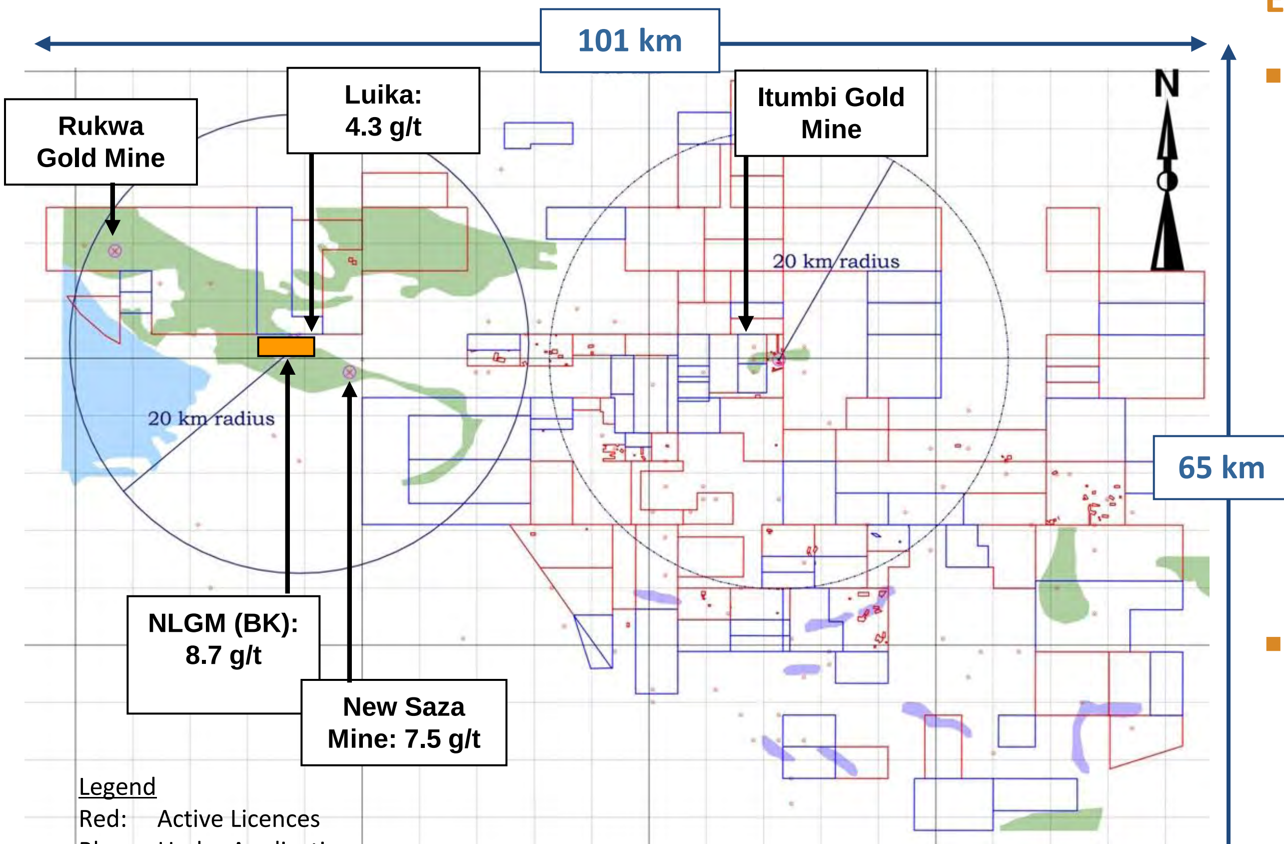


Exploration Upside – Lupa Goldfield

- 1313 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



Legend
Red: Active Licences
Blue: Under Application
Note: 20km radius denotes approximate feasible range for trucking ore to plant

Exploration Strategy

- Findings to date:
  - Encouraging early-stage drilling results within 8 km of NLGM
  - On mine drilling results exciting - Ilunga:

    6m @ 8.74g/t

    5m @ 5.9g/t
  - Evaluating Nkuluwisi shear zone – positive geochem along 16km strike.
- Exploration programme:
  - 400 sq km aeromagnetic survey completed in Q1 2013 highlighting significant additional exploration targets
  - Ground truthing

Section 5 – Outlook

Upcoming Milestones

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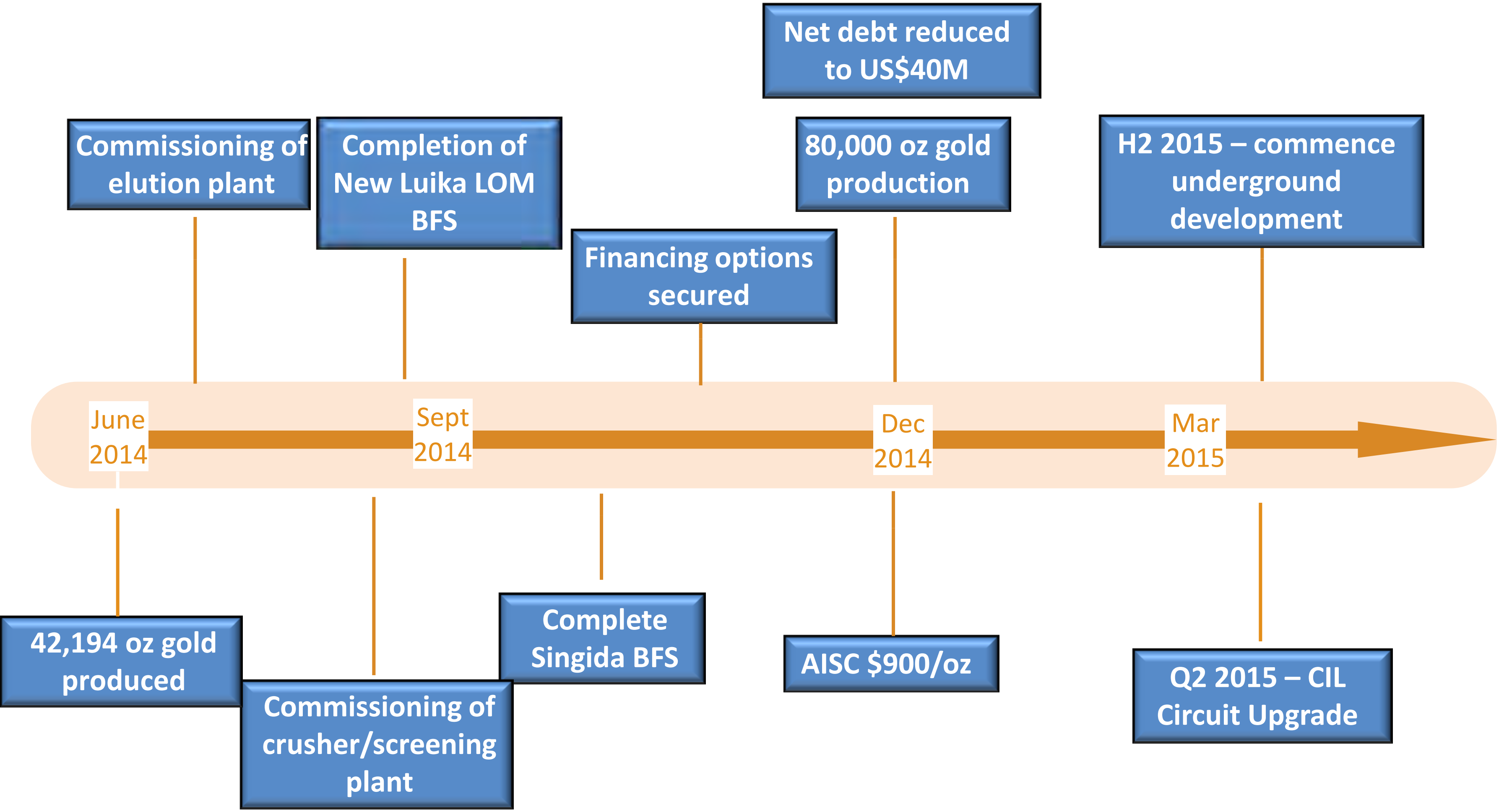

Continue targeting cost improvements throughout 2014 with AISC of $900-1,000/oz

Investment Case

High quality assets with robust production base and expansion potential

- Targeting 80-83koz in 2014, targeting 100koz from 2016 (2013: 64koz)
- Life of Mine expected to increase from 5-8 years (taking NLGM to 2022)
- Continuing to reduce costs – targeting AISC of US$900/oz by end of 2014

Stable financial position

- Significant reductions to net debt
- Strong cash balance, covers c.1.5 months operating costs
- Prudent short-term hedging policy

Development pace aligned to financial and management capacity

- Significant growth opportunities at NLGM Underground, Singida and Lupa Goldfields

Appendix

Tanzania – Highly Prospective & Established Mining Destination

Snapshot

Population	44.9 million (2012)
Capital City	Dodoma (*Dar es Salaam de facto commercial capital*)
Religion	Christian/Muslim,
Economy	
GDP (per capita)	US$28 billion (official exchange rate)
Primary Industries	Agriculture, tourism, mining
2012 GDP Growth	6.9%
Political	
System	Parliamentary republic (democratic)
Elections	Every 5 years (next in Oct 2015)

Source: World Bank, various

Mining Destination

- Africa's 3rd largest gold producer
- Two key goldfields: Lake Victoria & Lupa
- Sophisticated infrastructure network
- Stable political environment, pro-mining, position resources as key economic growth driver, workable tax and regulatory regime
- 100% Capital allowances
- Favourable corporate tax rate – 30%
- Dividend tax – 10%
- Royalty – 4%

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