



SHANTA GOLD

Q1 2016 Production & Operational Update

April 2016

www.shantagold.com

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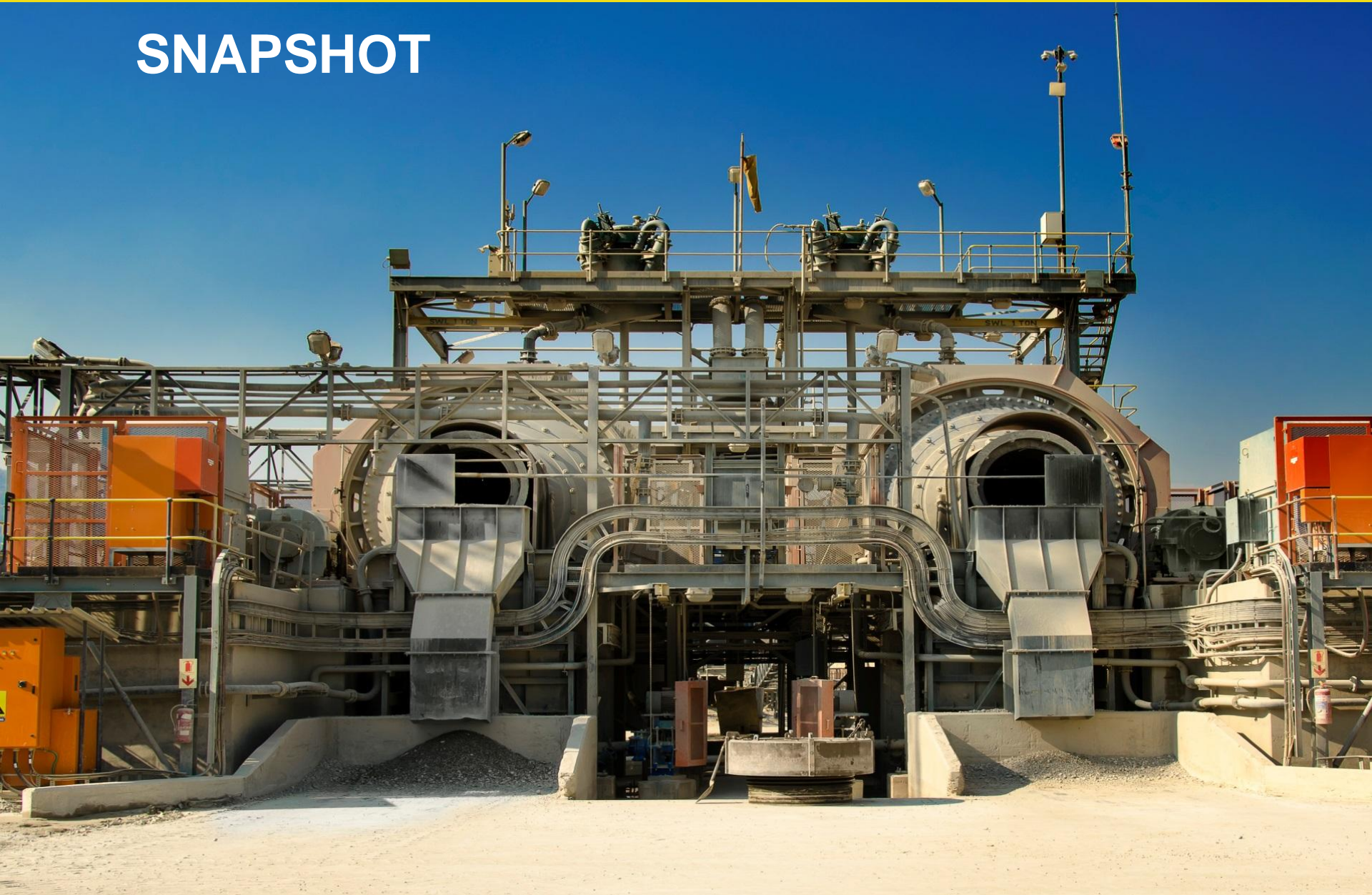
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SNAPSHOT



Foundations for a mid-tier African gold producer



Shanta highlights

Producing gold company—82,000 ounces (“oz”) in 2015; Base Case Mine Plan (2016–2020) production averaging 84,000 oz per year

High quality asset—High grade, lowest quartile cost position All In Sustaining Costs (“AISC”) of US\$845 /oz in 2015. Average of US\$695 /oz over the Mine Plan

Strong cash flow generation—Operating cash flow of US\$35 million (“m”) in FY 2015 (unaudited)

2016 annual gold production guidance of 82-87,000 oz at AISC of US\$750-800 /oz

Significant LOM upside potential

1. Bauhinia Creek and Luika open at depth and high grade
2. Satellite deposits within the mining licence
3. Adjacent prospecting licences within economic radius of plant

Singida development asset

Shareholder	Shares (m)	%
Odey AM	109	23
Majedie AM	46	10
Export Trading Group	43	9
Brooks Macdonald	36	8
River & Mercantile	23	5
Jonathan Leslie	18	4
Sub-total	275	59
Other	194	41
Total shares outstanding	469	100

Financial Position (Mar 31 st)		
Current Price (pence)*		8.6
52 week range (pence)*		4.0 - 8.6
Shares Outstanding		469 million
Market Cap* (GBP)		40 million
Cash (US\$)		16 million
Net Debt incl. \$25m Convertibles (US\$) ²		58 million
Enterprise Value (US\$)		116 million

1 As at 18 April 2016

2 Includes US\$9.1 million Bank M letter of credit for construction of the NLGM Power Station

About Shanta Gold



- East Africa-focused gold producer, developer and explorer with 2,500 km² of prospective ground in Tanzania
- Committed to delivering sustainable low-cost mining operations through value engineering and optimisation
- Base case mine plan (“the Plan”) delivered in Q3 2015 comprises:
 - ongoing surface mining
 - separate tailings recovery project
 - underground mining operation
- NLGM mine life extended to produce 443,000 oz from January 2016 - 2022, with excellent exploration upside within and surrounding the licence area
- Exploration and development to continually add and convert resources as subsequent Mine Plan updates, concurrent to stabilised, economically competitive production





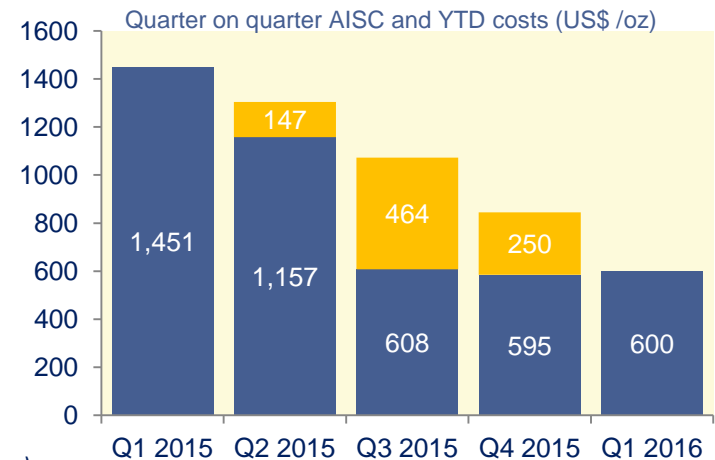
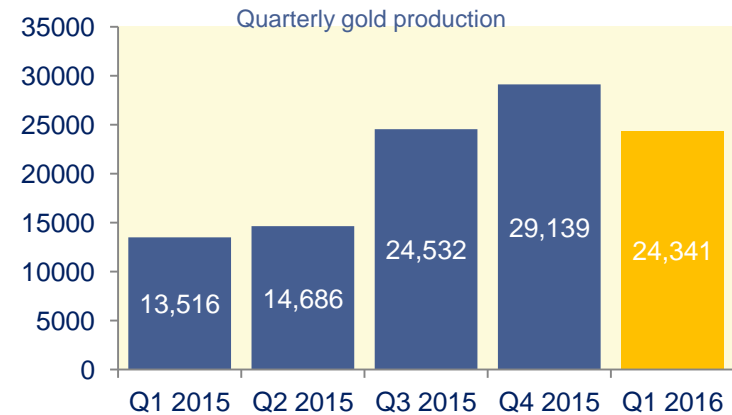
Q1 2016 HIGHLIGHTS





Q1 2016 highlights

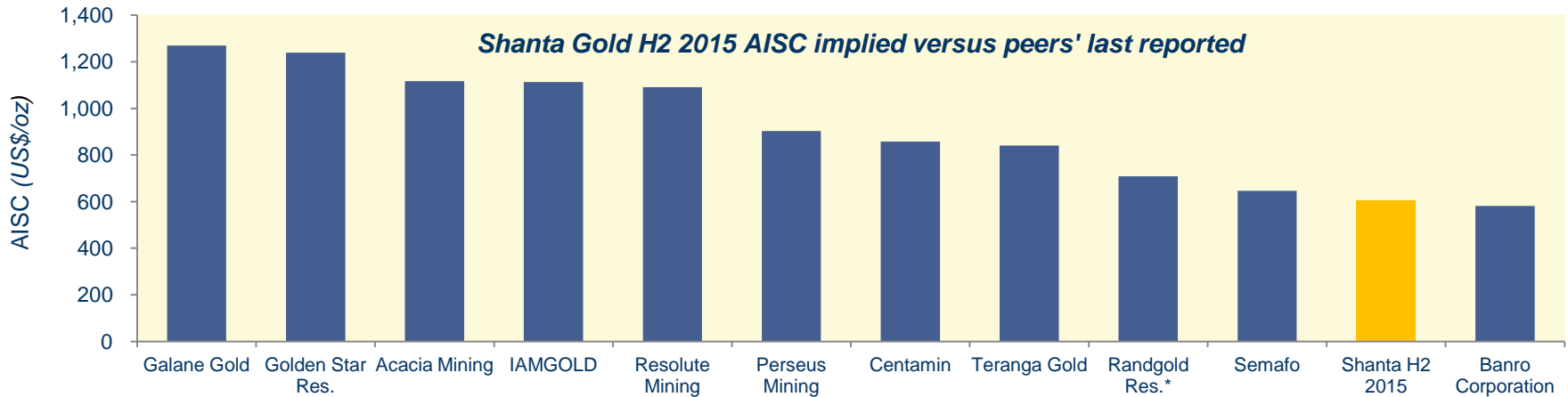
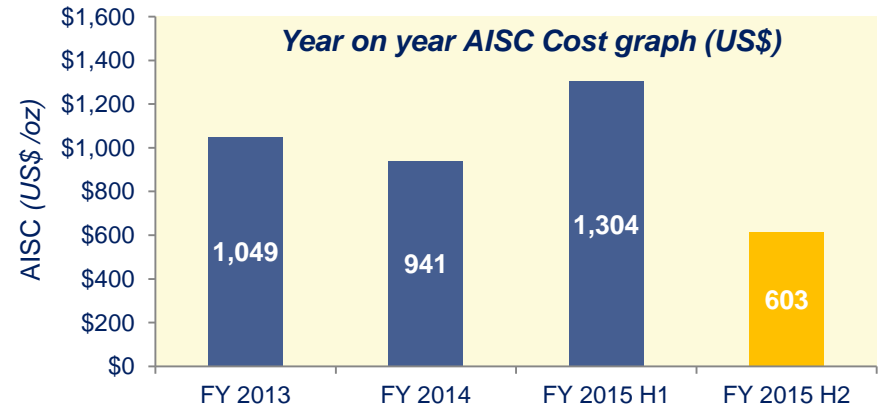
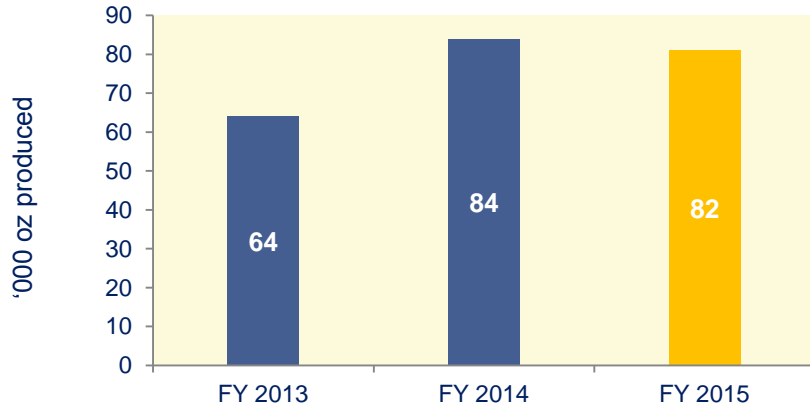
- Gold production of 24,341 oz (Q4 2015: 29,139 oz)
- Gold sales of 21,486 oz at an average price of US\$1,132 per oz (“/oz”) (Q4 2015: 29,228 oz at an average price of US\$1,087 /oz)
- Gold doré in transit of US\$2.7 m at Quarter end
- Cash Cost of US\$445 /oz (Q4 2015: US\$401 /oz) and AISC of US\$600 /oz (Q4 2015: US\$595 /oz)
- No lost time injuries
- Elizabeth Hill Reserve increased from 70,000 tonnes at 2.3 grams per tonne (“g/t”) for 5,000 oz already included in the Plan to 667,000 tonnes at 1.33 g/t for 28,000 oz
- Completion of €4.6 m underground equipment financing for NLGM; US\$9.1 m Letter of Credit arranged for NLGM Power Station financing
- RC drilling programme completed at the Askari, located ~14km west-northwest of the NLGM central processing facility



■ YTD (cumulative)
■ Actual quarterly result



FY 2015 – NLGM operations



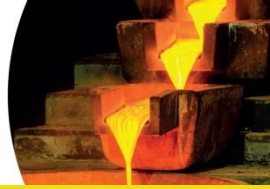
Source: GMP Securities

*Total cash cost per ounce, AISC not reported

Production performance quarter-on-quarter



	Q1 2016	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Tonnes ore mined	193,558	478,144	184,167	147,324	89,368	57,285
Tonnes ore milled	149,128	563,619	155,622	150,216	119,857	137,924
Grade (g/t)	5.69	4.96	6.50	5.68	4.27	3.38
Recovery (%)	89.3	89.6	89.5	89.5	89.3	90.1
Gold Production (ounces)	24,341	81,873	29,139	24,532	14,686	13,516
Gold Sales (ounces)	21,486	80,622	29,228	26,254	11,590	13,551
Silver production	35,144	121,682	39,153	36,107	22,145	24,278
Realised gold price (US\$ /oz)	1,132	1,163	1,087	1,175	1,222	1,252



FINANCIAL HIGHLIGHTS





Financial highlights

- Q1 2016 cash generated from operations before change in working capital of US\$12.3 m (Q4 2015: US\$16.4 m). US\$6.1 m increase in inventory and US\$4.5 m increase in receivables and prepayments in Q1
- Gold doré in transit of US\$2.7 m at Quarter end
- Q1 2016 capital expenditure of US\$5.6 m (Q4 2015: US\$6.2 m) including open pit development expenditure
- Cash balance of US\$16.3 m (Q4 2015: US\$19.1 m)
- Continued improved unit cost performance as a result of lower strip ratios, higher gold production and efficiency improvement philosophy
- Forward sales from April to September 2016 of 32,000 oz at an average price of US\$1,172 /oz
- Financings of €4.6 m (US\$5.2 m) for underground equipment purchases and US\$9.1 m for power station equipment completed in February and March, respectively
- Following the Quarter-end, drawdown of remaining US\$10 m Investec Facility B, resulting in US\$40 m Investec senior secured debt fully utilised

2015 AISC of US\$845 /oz places Shanta in the lowest quartile of current producers

Q1 2016 Cash Cost and AISC of US\$445 /oz and US\$600 /oz respectively

All figures US\$m	Q1'16	Q4'15
Cash generated from operations before working cap	12.3	16.4
Capital expenditure	5.6	6.2
Gross Debt	74.7	60.2
Cash balance	16.3	19.1
Net debt	58.4	41.1



DEVELOPMENT & EXPLORATION UPDATE





Development & Exploration Update

DEVELOPMENT

- Underground project development remains on schedule and within budget
- Orders placed in Q4 2015 and Q1 2016 for long lead items for the underground and power projects
- Preparation work completed and underground equipment deliveries started to arrive in April
- Financing of €4.6 m (US\$5.2 m) for underground equipment purchases and US\$9.1 m letter of credit for 7.5MW power station equipment completed in February and March, respectively
- Earthworks underway for underground project surface infrastructure
- Portal development to commence in Q2 2016

EXPLORATION / POTENTIAL

- Reserve update completed for Elizabeth Hill increasing probable reserves to 28,000 oz
- Drilling programme completed within the Mining Licence for Ilunga and Black Tree Hill exploring underground extensions
- Stage one drilling results announced for the Askari mineralised prospect that sits immediately to the west of the New Luika Mining Licence
- Total resources that sit outside of the Mine Plan at 6.69 million tonnes at 2.37 g/t for 510,000 oz
- Un-utilised mill capacity over the next few years representing 362,000 tonnes of spare throughput
- Ongoing exploration and planning work in 2016 to convert resources to reserves



Organic growth potential

► Growth around a Central Processing Facility

1 Extensions at depth

- High grade underground deposits at Bauhinia Creek and Luika are open at depth and carry inferred resources that will be further explored
- Inferred resource at depth of 91,000 oz of at 4.8 g/t (3 g/t cut-off) at Bauhinia Creek

2 NLGM Satellite deposits

- Additional resources brought into the Plan to further extend the life of the high grade underground resources, push out capital expenditure, extend the life of the operation and improve the NPV
- Elizabeth Hill, Jamhuri, Ilunga, Black Tree Hill, Shamba
- Within existing mining licence –rapid development

3 Surrounding licences

- 20km economic radius
- Medium term potential
- Strong exploration capability

Key achievements (last 12 months)

- July 2015: NLGM resource upgrade to 1.3m oz (1g/t cut-off)
- September 2015: Base Case Mine Plan announced including 506k oz of reserves at 5.9 g/t
- September 2015: Elizabeth Hill resource upgrade to 128k oz
- January 2016: Elizabeth Hill reserve upgrade to 28k oz from 5k oz
- February 2016: RC & DD drilling programme has been completed at Askari
- April 2016: Drilling programmes completed at Ilunga and Black Tree Hill



SUMMARY & OUTLOOK





SUMMARY

- Q1 2016 quarterly gold production of 24,341 oz and gold sales of 21,486 oz
- Q1 2016 Cash Cost of US\$445 /oz and AISC of US\$600 /oz
- Annual guidance reiterated for FY 2016 of 82,000 – 87,000 oz at AISC of US\$750 – US\$800 /oz
- Underground project development remains on schedule and within budget

FIVE YEAR OUTLOOK

- Production for five years from 2016 to average 84,000 oz per annum
- NLGM mine life extended to produce 443,000 oz between January 2016 – 2022, with potential to subsequently add and convert further resources
- Underground production expected to commence from Q2 2017
- Targeted exploration program advancing multiple near mine and on licence mineralisation
- Subsequent resource upgrades to be added into the mine plan, benefitting from un-utilised mill capacity



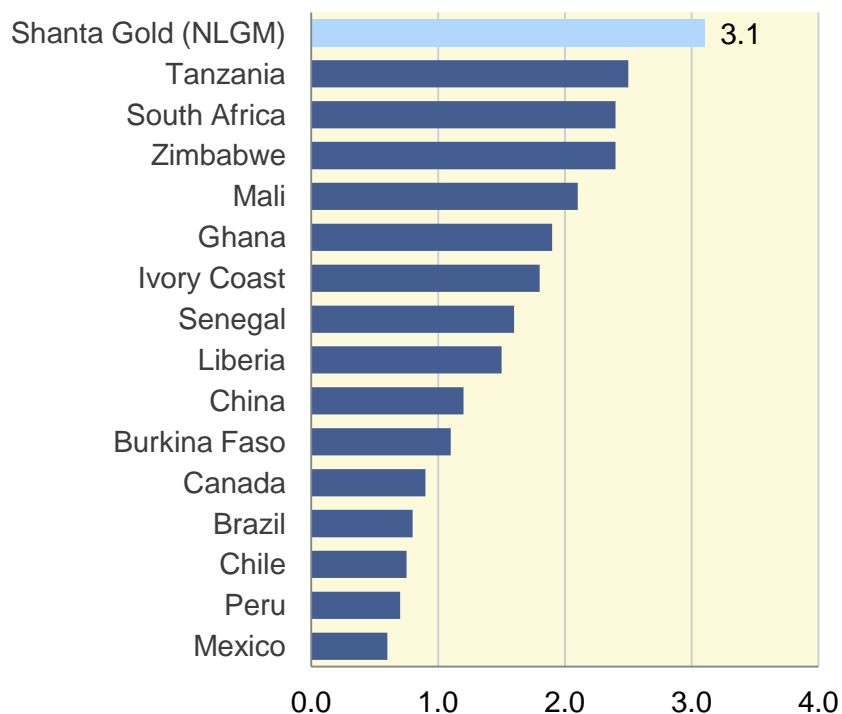
APPENDIX





High quality asset

High grade resource



Total resource grade of gold deposits, by country (g/t)

Source: BMO Capital Markets Research, Metal Economics Group

Shanta Gold—New Luika resources

Deposit	Grade (g/t)	Gold Oz (000s)	
		Resource ¹	Reserve ²
Bauhinia Creek	5.3	438	348
Luika	3.1	192	108
Elizabeth Hill ³	1.6	116	28
Jamhuri	1.8	90	8
Black Tree Hill ³	1.3	80	5
Ilunga	3.5	93	18
Shamba	2.1	25	9
Total NLGM ⁴	3.1	1,034	524

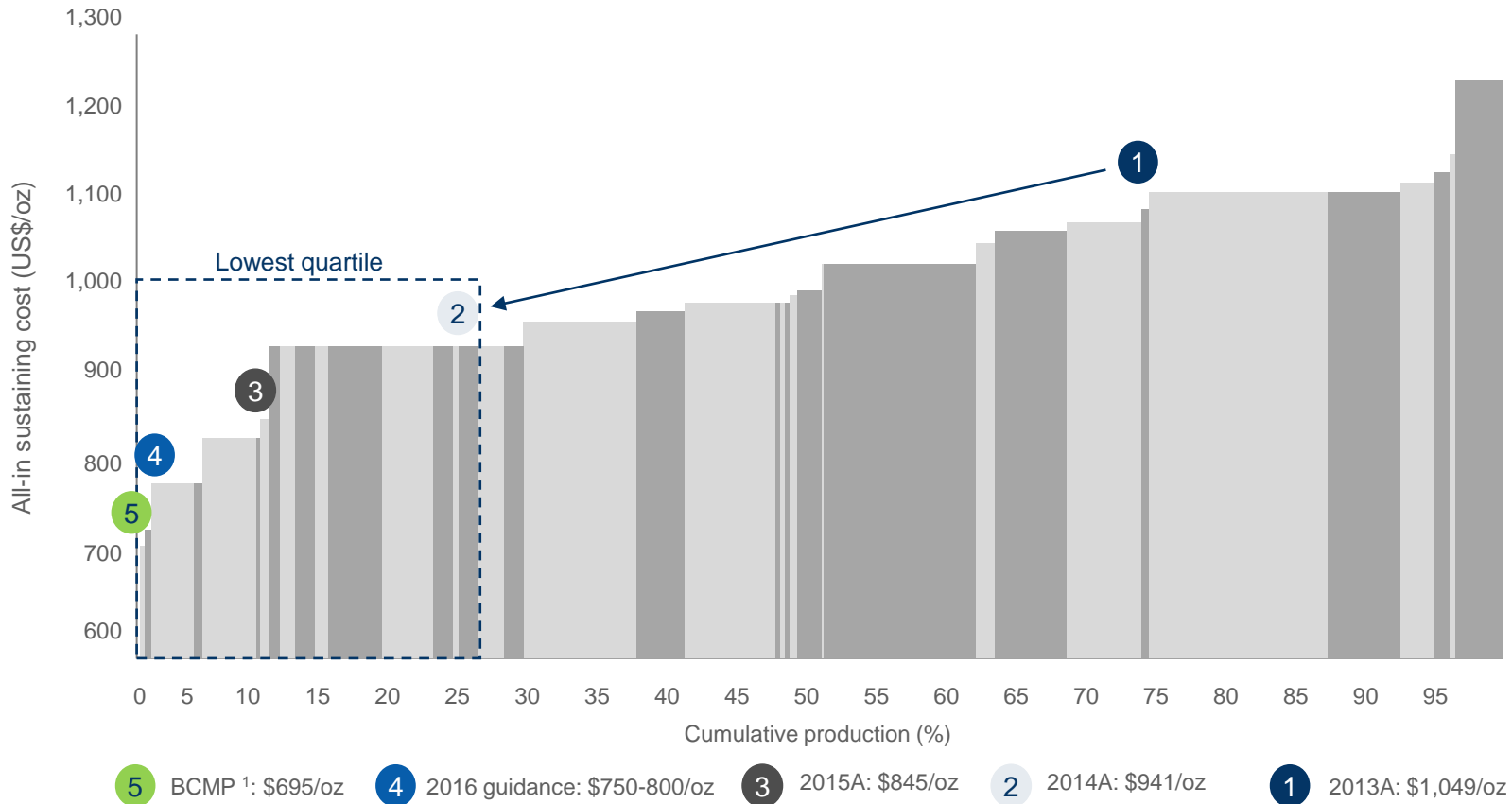
Note:

1. As of July 2015, resources is inclusive of reserves
2. Base Case Mine Plan of 506koz plus incremental 23koz from Elizabeth Hill reserve upgrade less 5koz reduction at BTH. Split 37% OP and 63% UG (using a 3.0 g/t cut-off at BC and 3.5 g/t cut-off at Luika)
3. Elizabeth Hill as of Jan 2016. BTH as of Apr 2016
4. Excludes Singida development asset with 858k oz at 1.0 g/t cutoff

Low cost producer



Lowest quartile cost position



Source: Bloomberg, company reports
Shanta Gold 2013-15 actual AISC (2015 unaudited)

Note:
1. Average AISC over the Base Case Mine Plan (2016-22)



Sept 2015 – Mine Plan

Strategy: maximise value through optimised use of existing assets and extension of mine life within and in close proximity to the mining licence

- Includes ongoing surface mining, a tailings recovery project and incorporates the underground mining operation
- Extraction of 2.79 Mt for the production of 443,000 oz from January 2016 to Q1 2022 with 133,000 oz (30%) from open pit and 310,000 oz (70%) from underground resulting in combined NPV of US\$110.4 million (US\$1200 /oz)
- A separate tailings recovery project produces a further 19,000 oz with a project NPV of US\$5.1m at an 8% discount rate and a pre-tax IRR of 49%
- Substantial scope to improve the mine plan from further resource delineation - unutilised mill capacity over the next five years representing 362,000 tonnes of spare throughput
- Production for next five years averages 84,000 oz pa

Key assumptions

Base-Case Mine Plan Summary

Open pit and underground reserve	2.65 Mt at 5.9 g/t for 506,000 oz
Projected mine life	Six years
NPV (post-tax) at 8% (US\$1200 /oz)	US\$110.4 m from 1 Jan 2016
Total capital expenditure over project life	US\$77.6 m from 1 Jan 2016
Payback period	Three years
Life of Mine Cash Cost	US\$535 /oz
Life of Mine AISC	US\$695 /oz

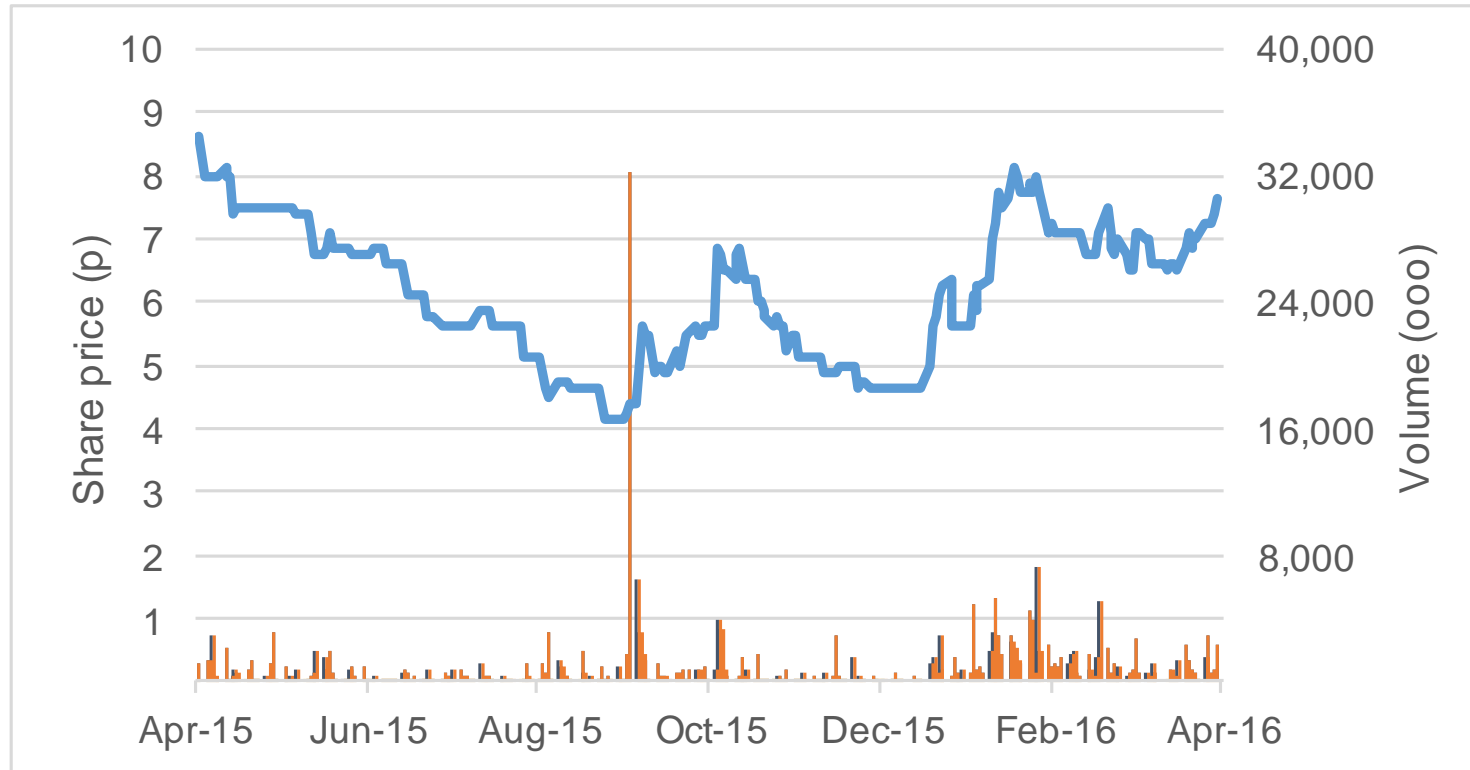
NPV Gold Price & Discount Rate Sensitivity

Gold price	Discount rates		
	5%	8%	10%
US\$1,100/oz	87.3	76.1	69.6
US\$1,200/oz	124.8	110.4	102.0
US\$1,300/OZ	162.4	144.8	134.5

Shanta Gold share price



Share price trading history (SHG.L)





Risk reduction through focus on broad Business Sustainability

- ▶ Shanta Gold's CSR commitment of 0.5% of revenue per year deployed in local programs
- ▶ Shanta Gold's employee base is 93% Tanzanian

Employment

- NLGM has grown to be a major source of new employment
- Over 40% of workforce from NLGM currently employed from local communities

Education

- Construction of 6 classrooms and 8 offices at Mbangala
- Ancillary equipment provided
- Laboratory constructed at Saza Secondary School

Health

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

Community

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



Experienced African team

Function	Name	Background
CEO	Dr. Toby Bradbury	30 years' experience with expertise in opencast and underground mining operations Previously COO for Anvil Mining (DRC) and Senior VP at AngloGold Ashanti (Ghana)
CFO	Eric Zurrin	12 years' metals and mining experience including 5 years in Tanzania and Mongolia Previously with UBS Investment Bank
GM (New Luika)	Scott Yelland	Mining engineer with over 30 years' experience, including in Ghana and Zambia Previously with Rio Tinto, Kinross and Ashanti Goldfields
Deputy GM	Honest Mrema	Tanzanian national, mining engineer with 19 years' experience including in Mali, DRC, Ghana Previously with Anglo American, Barrick, Endeavour and Resolute
Metallurgy	Wally Channon	Chartered Engineer with 40 years' experience in metallurgical and mining industries Previously 26 years at Anglo American and 10 years at Zimplats
Projects	Ian Fielding	Chartered Engineer with 40 years' experience in process and mining industries 28 years in Africa, previously with Anglo American
Occupational Health/ Community Relations	Dr. Menrad Kambewe	Tanzanian medial doctor of 18 years. Close relationships with community
Exploration	Peet Prinsloo	24 years' mining and exploration experience, including 16 years in Tanzania 8 years experience in the Lupa Goldfield
Country Manager	Calvin Mlingi	Tanzanian national and trained lawyer. Corporate affairs experience in Tanzania
Head of Underground	Richard Dunn	24 years' mining and geotechnical experience including 16 years underground development and operations in DRC, Ghana and Mali
Accounting/ Procurement	Mark Rosslee	25 years' mining experience, Chartered Accountant (South Africa)



Tanzania: an attractive operating environment

- ▶ Africa's 4th largest gold producer, after South Africa, Ghana and Mali

Tanzania mining regime

- Two key goldfields: Lake Victoria and 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%

Selected gold companies in Tanzania	
Company:	Gold production:
Acacia Mining	732koz pa (2015)—3 mines in Northern Tanzania
AngloGold Ashanti	477koz pa (2014)—Geita mine
Shanta Gold	82koz pa (2015)—New Luika Gold Mine

Source: Company reports, Tanzania Chamber of Mines

Snapshot	
Population	52 million (2014)
Capital City	Dodoma (Dar es Salaam is the de facto commercial capital)
Religion	Christian/Muslim
Economy	
GDP 2014	\$48 billion
Primary Industries	Agriculture, tourism, mining
2014 GDP Growth	7.0%
Political	
System	Parliamentary republic (democratic)
Elections	Every 5 years (most recently in October 2015)

Source: World Bank, various



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