

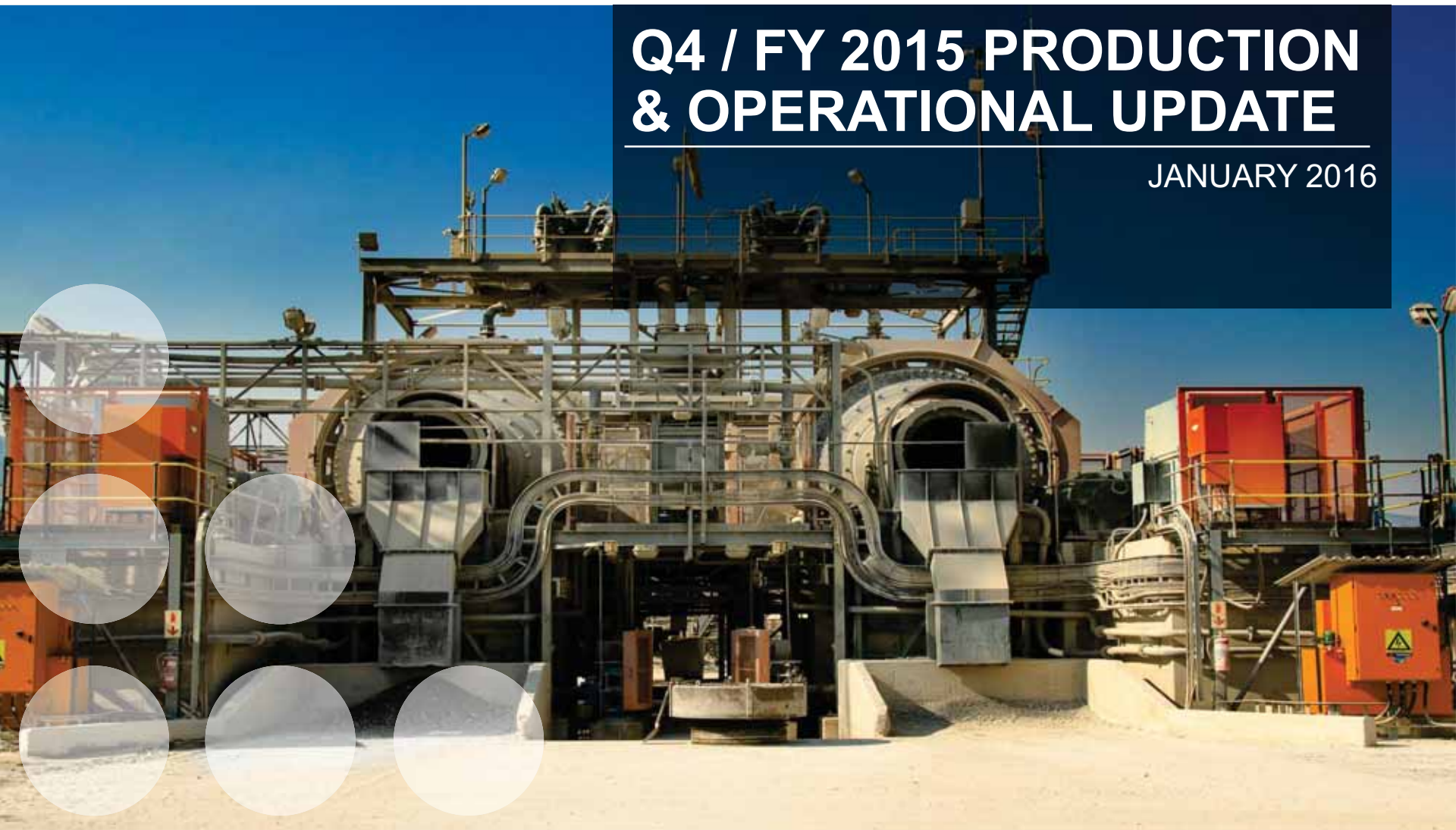


SHANTA GOLD

www.shantagold.com

Q4 / FY 2015 PRODUCTION & OPERATIONAL UPDATE

JANUARY 2016



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SNAPSHOT



- 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 Q3 2015 comprises:
 - ongoing surface mining
 - separate tailings recovery project
 - underground mining operation
- NLGM mine life extended to produce 443,000 ounces (“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
- Exceeded annual gold production guidance for 2015
 - Guidance: 72-77,000 oz and All In Sustaining Costs (“AISC”) US\$850-900 / oz
 - Actual: 81,873 oz and AISC of US\$845 / oz
- 2016 annual gold production guidance of 82-87,000 oz at AISC of US\$750-800 /oz

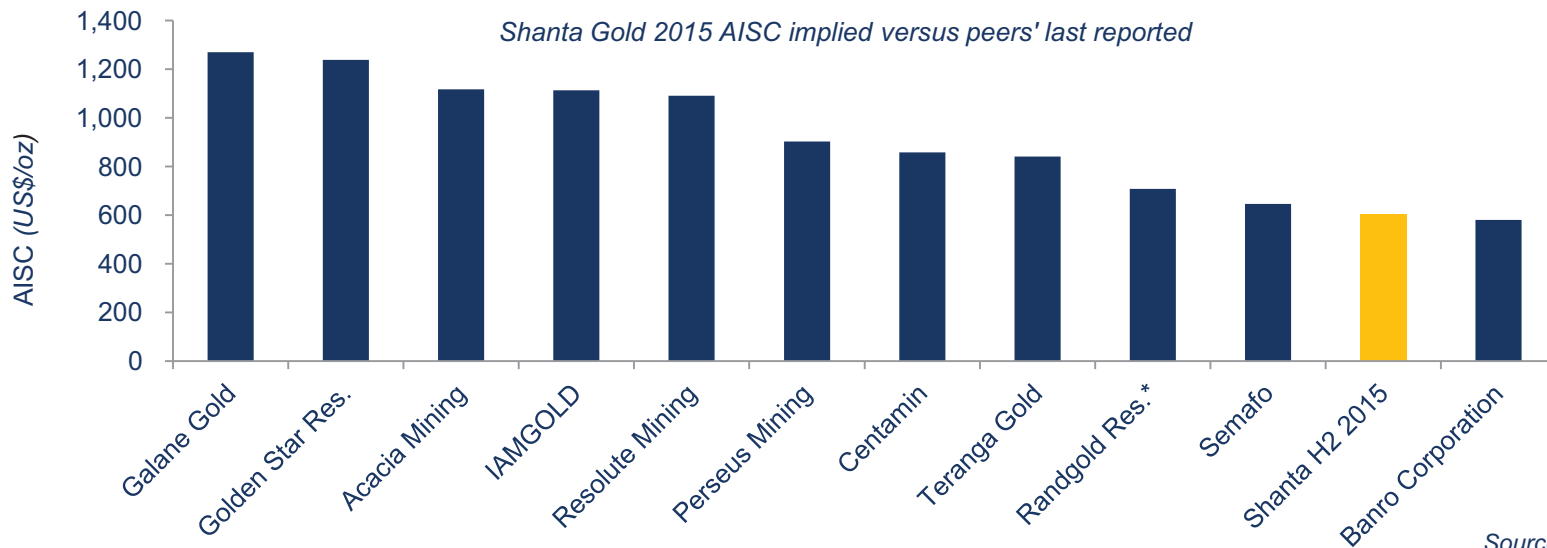
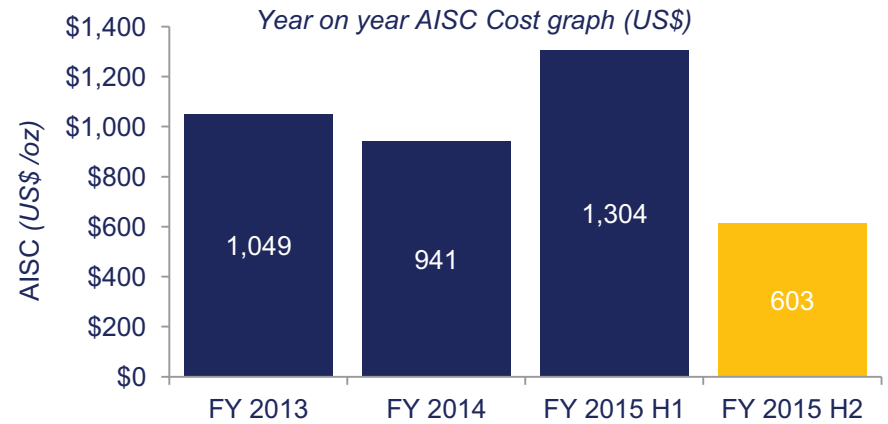
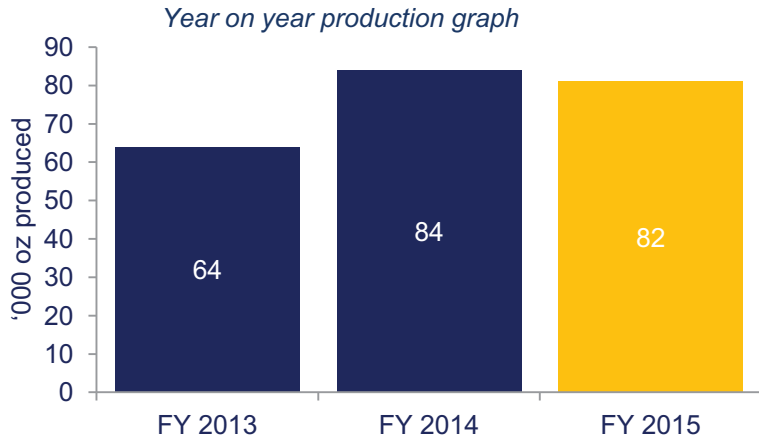


Financial position

Current Price (pence)*	5.62
52 week range (pence)*	4.13 - 11.25
Shares Outstanding	468.7 million
Market Cap* (GBP)	26.3 million
Cash (US\$)	19.1 million
Net Debt incl. \$25m Convertibles (US\$)	41.1 million
Enterprise Value (US\$)	78.6 million

*As at 15 January 2016

FY 2015 - NLGM operations



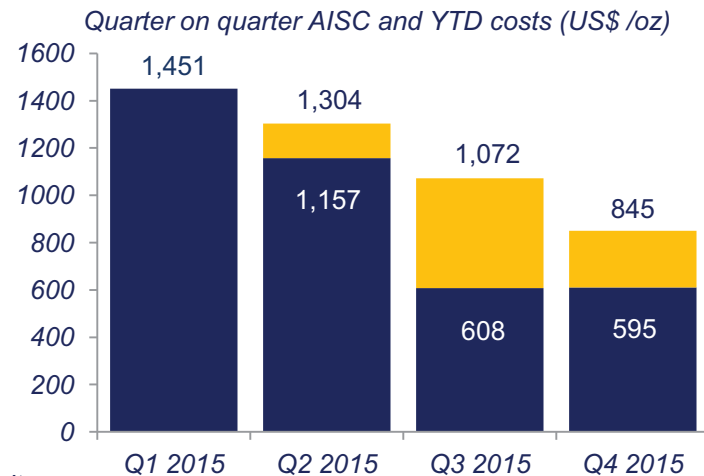
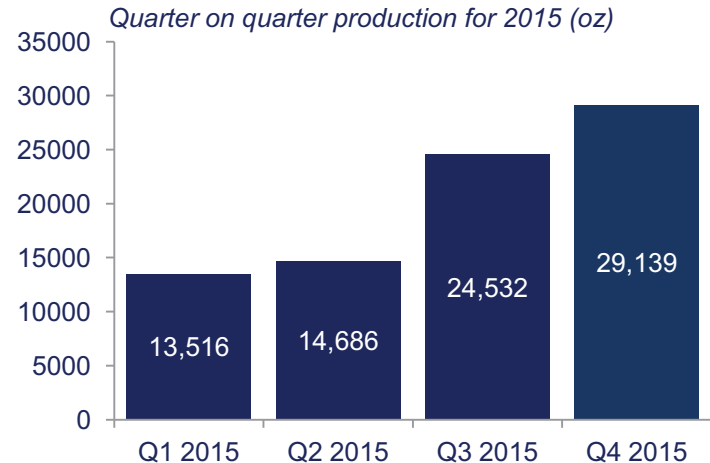
Source: GMP Securities

*Total cash cost per ounce, AISC not reported

Q4 2015 HIGHLIGHTS



- Record gold production of 29,139 oz (Q3: 24,532 oz)
- Gold sales of 29,228 oz at an average price of US\$1,087 per oz (“/oz”) (Q3: 26,254 oz at an average price of US\$1,175 /oz)
- Cash Cost of US\$401 /oz (Q3: US\$453 /oz) and AISC of US\$595 /oz (Q3: US\$608 /oz)
- Surpassed 2015 production guidance:
 - **Guidance: 72,000-77,000 oz**
 - **Actual: 81,873 oz**
- Beat 2015 AISC guidance:
 - **Guidance: US\$850 /oz to US\$900 /oz**
 - **Actual: US\$845 /oz**
- Orders placed and deposits paid (US\$3.2 million) for underground equipment and surface infrastructure development



■ YTD (cumulative)
■ Actual quarterly result

Production performance quarter-on-quarter

	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Tonnes ore mined	478,144	184,167	147,324	89,368	57,285	94,846
Tonnes ore milled	563,619	155,622	150,216	119,857	137,924	154,309
Grade (g/t)	4.96	6.50	5.68	4.27	3.38	4.37
Recovery (%)	89.6	89.5	89.5	89.3	90.1	88.2
Gold (ounces)						
Production	81,873	29,139	24,532	14,686	13,516	19,114
Sales	80,622	29,228	26,254	11,590	13,551	24,700
Silver production	121,682	39,153	36,107	22,145	24,278	34,768
Realised gold price (US\$ /oz)	1,163	1,087	1,175	1,222	1,252	1,253

Note: quarterly production results reconciled at year end

Q4 / FY 2015 financial highlights

- Q4 cash generated from operations US\$17.3 m. (Q3: US\$13.2 m)
- Q4 capital expenditure of US\$6.2 m (Q3: US\$7.3 m) including open pit development expenditure
- Year end net debt of US\$41.1 m (Q3: US\$49.1 m) and gross debt of US\$60.2 m (Q3: US\$60.3 m)
- Year end cash balance of US\$19.1 m (Q3: \$11.2 m)
- Continued improved unit cost performance as a result of lower strip ratios, higher gold production and Efficiency Improvement Philosophy
- Forward sales from January 2016 to June 2016 of 30,000 oz at an average price of US\$1,129 /oz

Q4 2015 Cash Cost and AISC of US\$401 /oz and US\$595 /oz respectively

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

<i>All figures US\$m</i>	2014	2015
Cash generated from operations	39.0	34.9
EBITDA	33.8	29.4
Capital expenditure (including pit pushback)	23.0	28.2
Gross Debt	55.6	60.2
Cash balance	14.9	19.1
Net debt	40.7	41.1

SUMMARY & OUTLOOK



SUMMARY

- Record quarterly gold production of 29,139 oz and gold sales of 29,228 oz
- Cash Cost of US\$401 /oz and AISC of US\$595 /oz
- Exceeded annual production guidance of 72,000-77,000 oz at AISC of US\$850 /oz to US\$900 /oz
- Cash generated from operations of US\$34.9 million including US\$17.3 million in Q4 2015

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

DEVELOPMENT

- Underground development team substantially recruited
- Orders placed in Q4 2015 for long lead items for the underground and power projects
- Total deposits paid of US\$3.2 million in Q4 2015
- US\$5.0 million financing being finalised for underground equipment
- Earthworks underway for underground project surface infrastructure
- Financing discussions on-going for the power project

2016 GUIDANCE

- Production: 82-87,000 oz gold
- Costs: US\$750-800 /oz AISC

EXPLORATION / POTENTIAL

- Total resources that sit outside of the Mine Plan at 6.69 million tonnes at 2.91 g/t for 519,000 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

APPENDIX



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



www.shantagold.com

Shanta@tavistock.co.uk

twitter.com/shanta_gold