



Investor Presentation

September 2017

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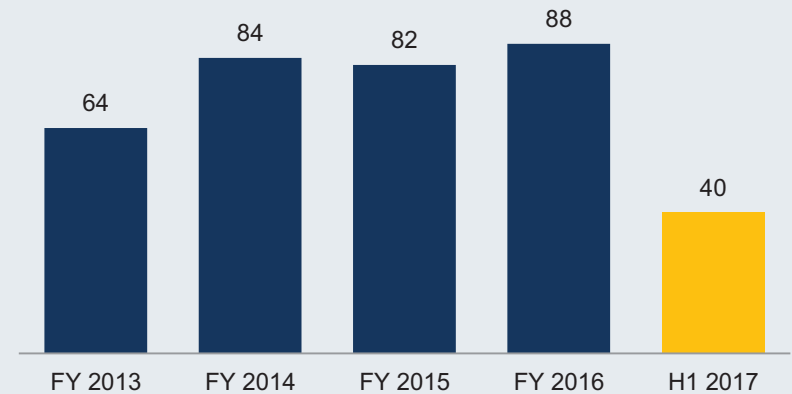
Foundations for a mid-tier African gold producer

Shanta highlights

1. **Established gold producer** in Tanzania at New Luika Gold Mine (2016: 87,713 oz) with high grade resources
2. **Low AISC:** 2016: US\$661/ oz
3. **Revised Mine Plan (Mar 2017):**
 - Produce 514 koz to 2023
 - NPV: US\$143 million (US\$1,300/oz, 8%)¹
 - 5-year AISC of US\$736/oz
4. **Significant resource** of 824 koz² outside the mine plan
5. Updating Singida historic resource³
6. **2017 guidance:** on track to achieve the lower end of production guidance of 80,000 – 85,000 oz at AISC of US\$800 – US\$850/oz
7. **Strong cash flow:** US\$22 m EBITDA in H1 2017 (US\$50 m in FY2016); and
8. Upside through upcoming **value catalysts**

1. Based on revised mine plan (23 March 2017, updated for US\$1300/ oz) adjusted for impact of higher royalties (6%) and clearing fee (1%)
2. Including Nkuluwisi of 141k oz
3. Not JORC 2012 compliant
4. 80-85,000 oz guidance originally included a contribution from the Singida pilot plant which is on hold

Annual gold production ('000oz)



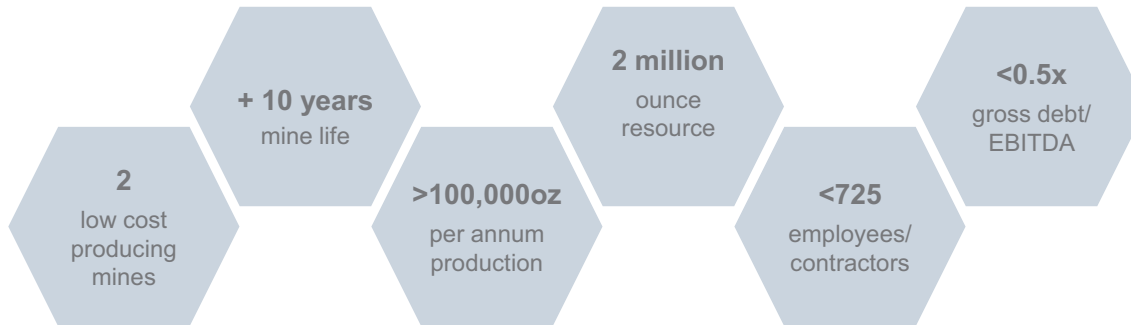
Summary Capitalisation

Share Price (GBP) ¹	4.0p
Market capitalisation	US\$40 m
Net debt ²	US\$44 m
Enterprise Value	US\$84 m
2016 EBITDA	US\$50 m
H1 2017 EBITDA	US\$22 m

1. As of 1 September 2017
2. As of 30 June 2017

Delivering shareholder value

Future State

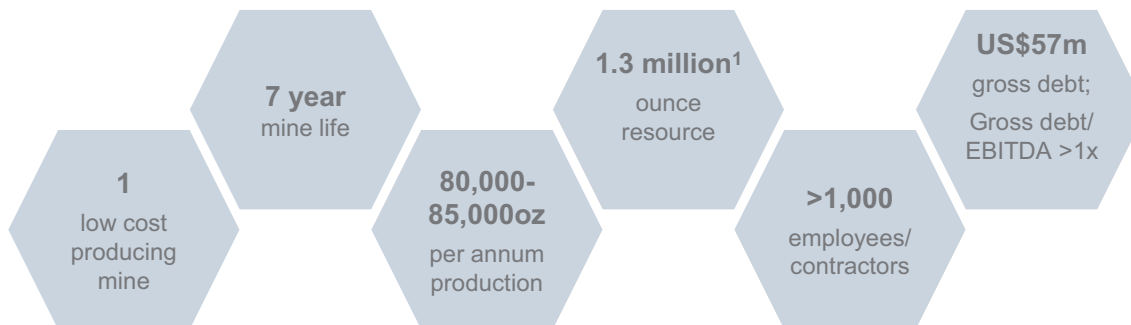


SHANTA GOLD

Company initiatives

- Deliver on NLGM UG production ramp-up in 2017/18
- US\$5 m p.a. run-rate reduction in costs
- Internalise core competencies (mining, services)
- Realign management incentives
- Refocused exploration strategy
- Re-evaluate the development of Singida and financing

Current State



1. Excludes Singida historic resource

Benefits

- Increased cash generation
- Leaner cost structure
- Diversified cash flow
- Greater Tanzanian leadership
- Reduced financial risk
- Longer term objective of dividend/ return of capital



Strategy update

Experienced African team

- ▶ Senior Tanzanian representation in key roles
- ▶ Recent changes for senior management include an average 15% salary reduction and discretionary remuneration now 100% share-based
- ▶ Scott Yelland promoted to Chief Operating Officer



Eric Zurrin
CEO

- Former CFO of Shanta Gold with 15 years' experience in mining and investment banking including five years in Tanzania and Mongolia
- Formerly with UBS Investment Bank and BMO Capital Markets



Honest Mrema
GM New Luika

- Tanzanian national, mining engineer with 20 years' experience
- Previously in Mali, DRC, Ghana
- Formerly with Anglo American, Barrick, Endeavour and Resolute



Scott Yelland
COO

- Mining engineer with 35 years' experience, including in Ghana and Zambia
- Formerly with Rio Tinto, Kinross and Ashanti Goldfields and COO of Highland Gold and Berkeley Resources



Philbert Rweyemamu
GM Singida

- Tanzanian national, mining engineer with 35 years' experience
- Previously in Tanzania, Botswana and South Africa
- Formerly with De Beers and Acacia



Luke Leslie
CFO (Interim)

- Non-executive director of Shanta Gold since 2012 with 15 years' experience in mining and finance
- Previous experience in Mongolia and Myanmar
- Formerly Co-head Trafigura-Origo, and previously with UBS Investment Bank, Accenture

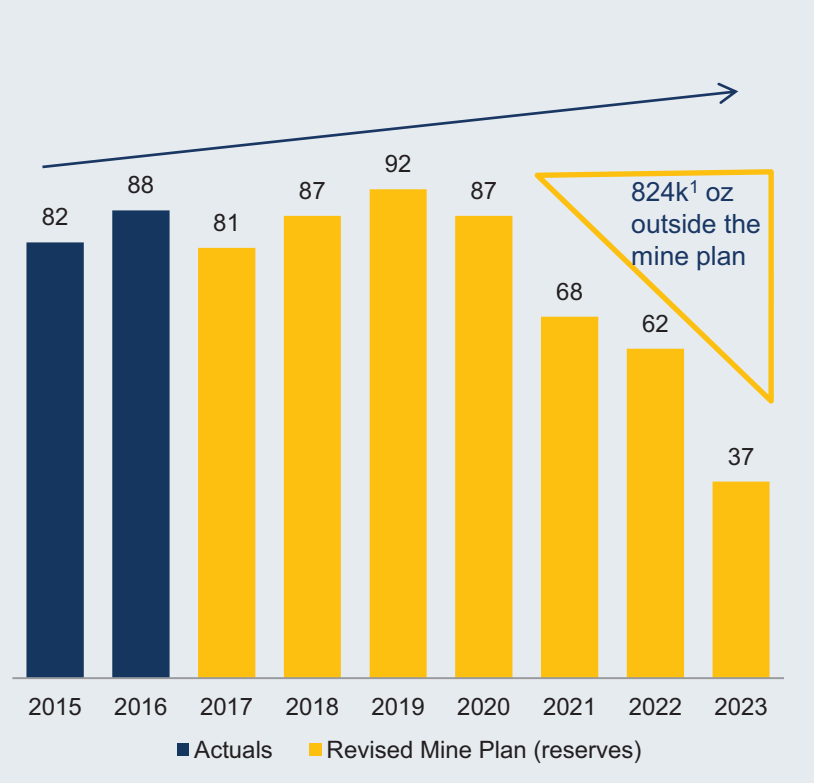


Calvin Mlingi
Head of Country Affairs

- Tanzanian national and trained lawyer
- Corporate affairs experience in Tanzania
- Formerly with Export Trading Group

New Luika: future growth with lower capex

NLGM sustainable gold production (koz)



Source: Revised Mine Plan announced March 2017

1. Including 141k oz at Nkuluwisi which is outside of the mining licences

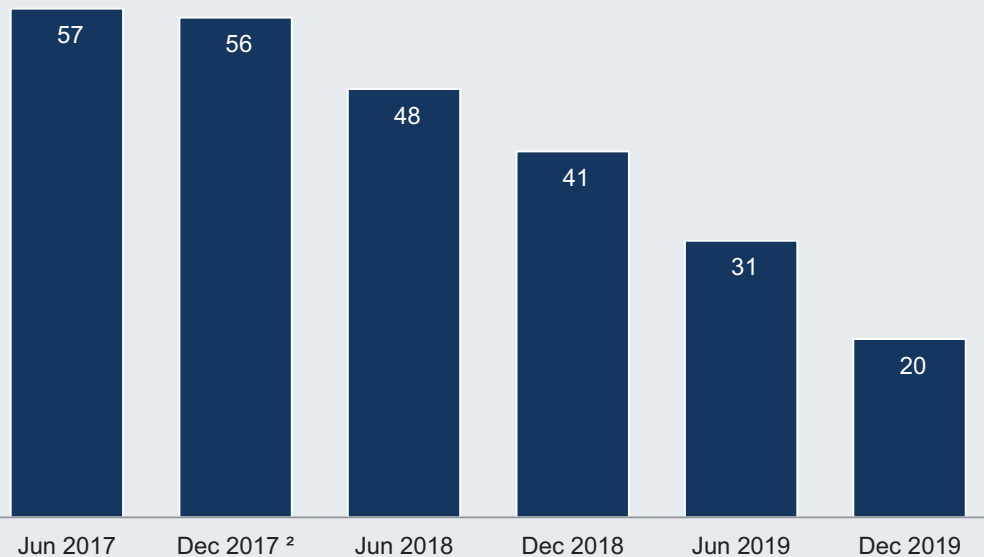
NLGM capex largely incurred (US\$m)



Source: Revised Mine Plan announced March 2017

Significant deleveraging underway

Gross debt¹ (US\$m)



- Strong cash generation, lower capital expenditure leading to significant deleveraging over 24 months
- Investec UK US\$50 m debt refinancing smooths the repayment profile in 2019
 - due diligence ongoing with Investec UK
- Cash balance of US\$13.8 m as of June 30, 2017

1. Pro forma for the US\$50 m debt refinancing announced in June 2017; diligence is ongoing and the financing is not completed
2. Assumes completion of the debt refinancing and payment of the convertible loan notes in Q4 2017

Ilunga Underground life of mine extension at NLGM

► The Ilunga project showcases Shanta's success through exploration

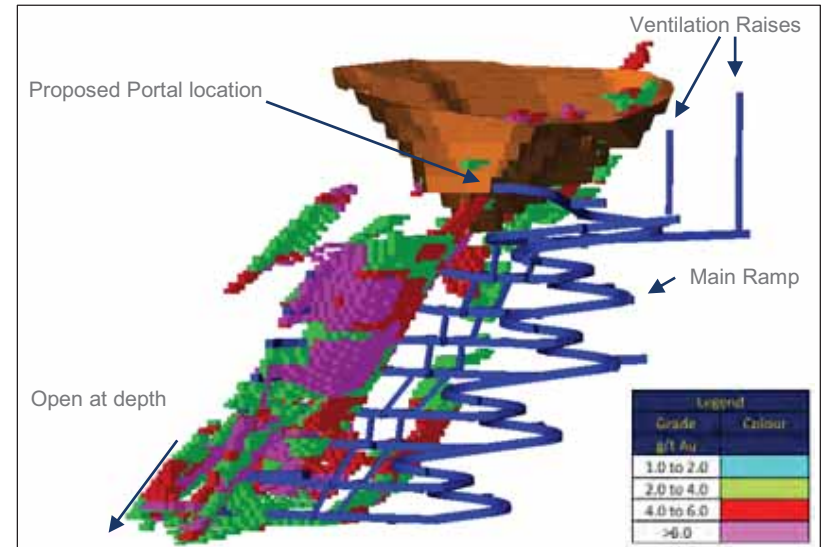
Ilunga Open Pit Mine (completed 2017)



Key highlights

Waste mined	3.4m t
Ore mined	247,044 t
Average grade	3.21 g/t Au
Period	2016-2017
Contained gold	25,485 oz

Ilunga Underground Mine



Key highlights

Ilunga reserve	660,500 t at 5.6 g/t for 118,000 oz
Projected mine life	5 years
Average annual production	21,500 oz
NPV at 8% (US\$1,200/oz)	US\$41.9 m
Project IRR (pre-tax)	129%
Pre-production capex	US\$8.5 m
Payback period	2 years
Ilunga project Cash Cost	US\$508 /oz

Singida: high grade resource approaching development decision

Overview

- 2017 review by an independent consultant is completed
- Shanta is assessing asset level financing to fund development
- Property consists of 3 mining licences and 4 prospecting licences
- Updating Singida historic resource¹
- Overall recovery from gravity and direct CIL of 91%
- 139 km south west of Dodoma, Tanzania's capital city, with good infrastructure and access to water

Previously undiscovered greenstone belt



1. Resource was reported at 1.0 g/t cut-off under JORC (2004), not JORC (2012), and is not compliant for consideration as mineral resources

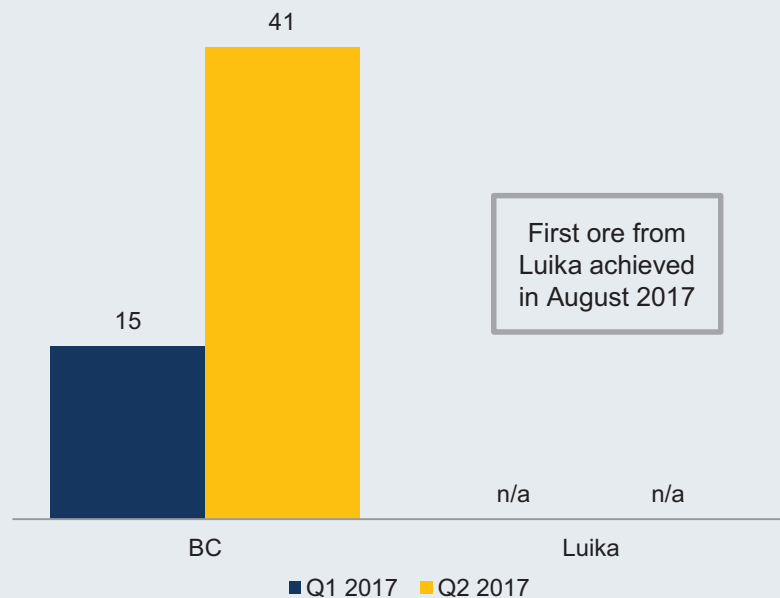


UG production update

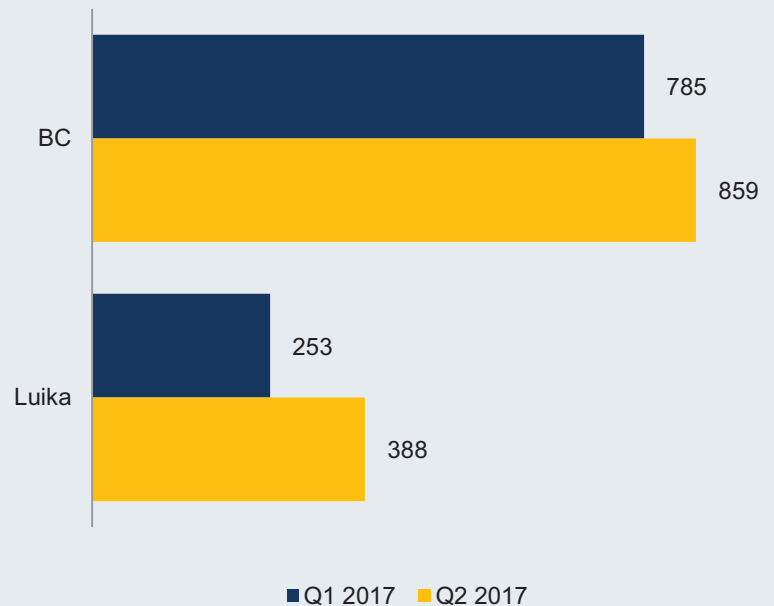
NLGM underground update

- ▶ Underground ore production ramping up since July 2017
- ▶ Improved stope availability is expected leading into Q4 2017 due to good progress with development
- ▶ Reconciled actual vs. expected gold grade on track at 7.50 g/t vs. 7.48 g/t for the year to date

Tonnes ore mined¹ (000s)



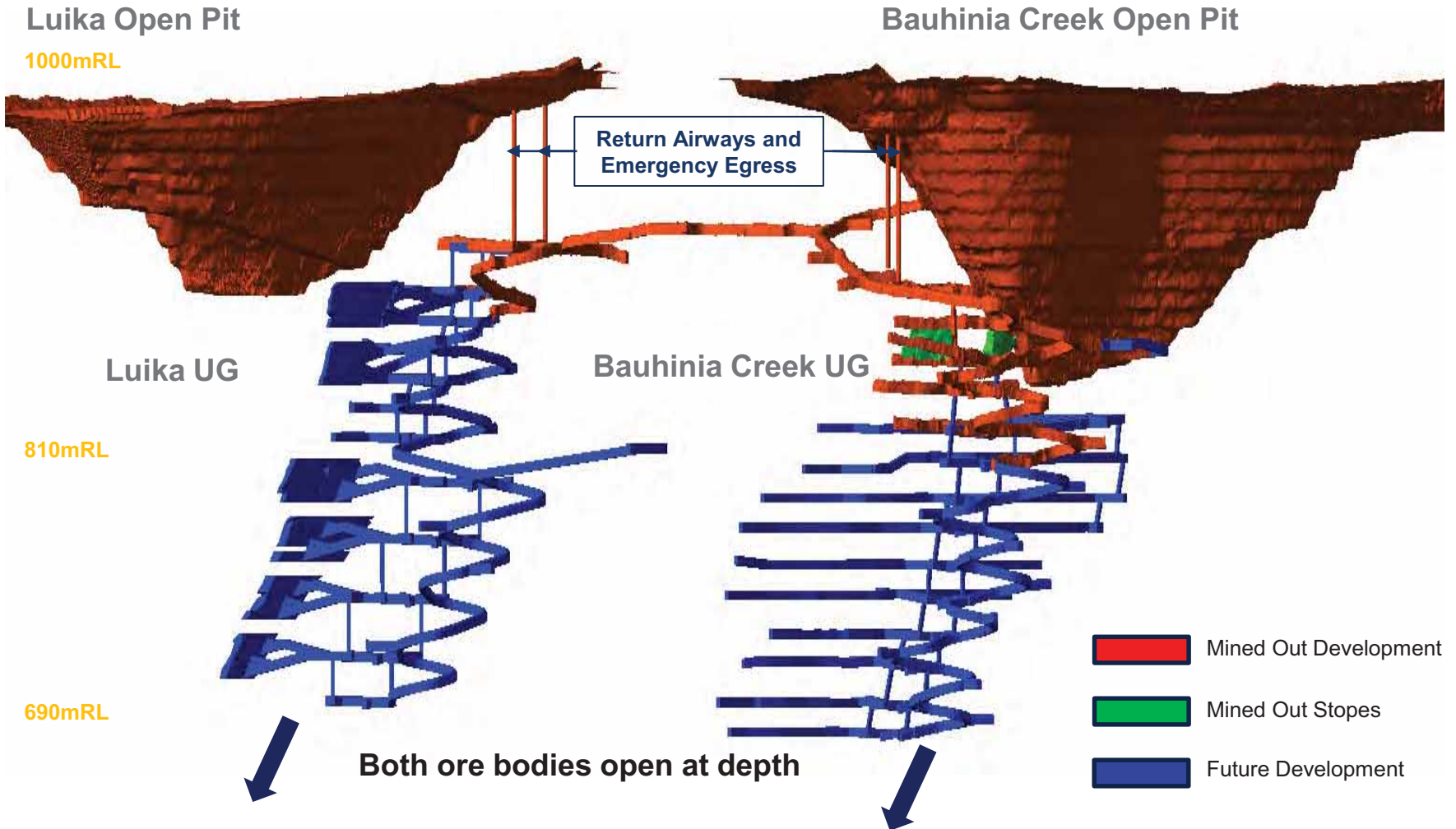
Development meters



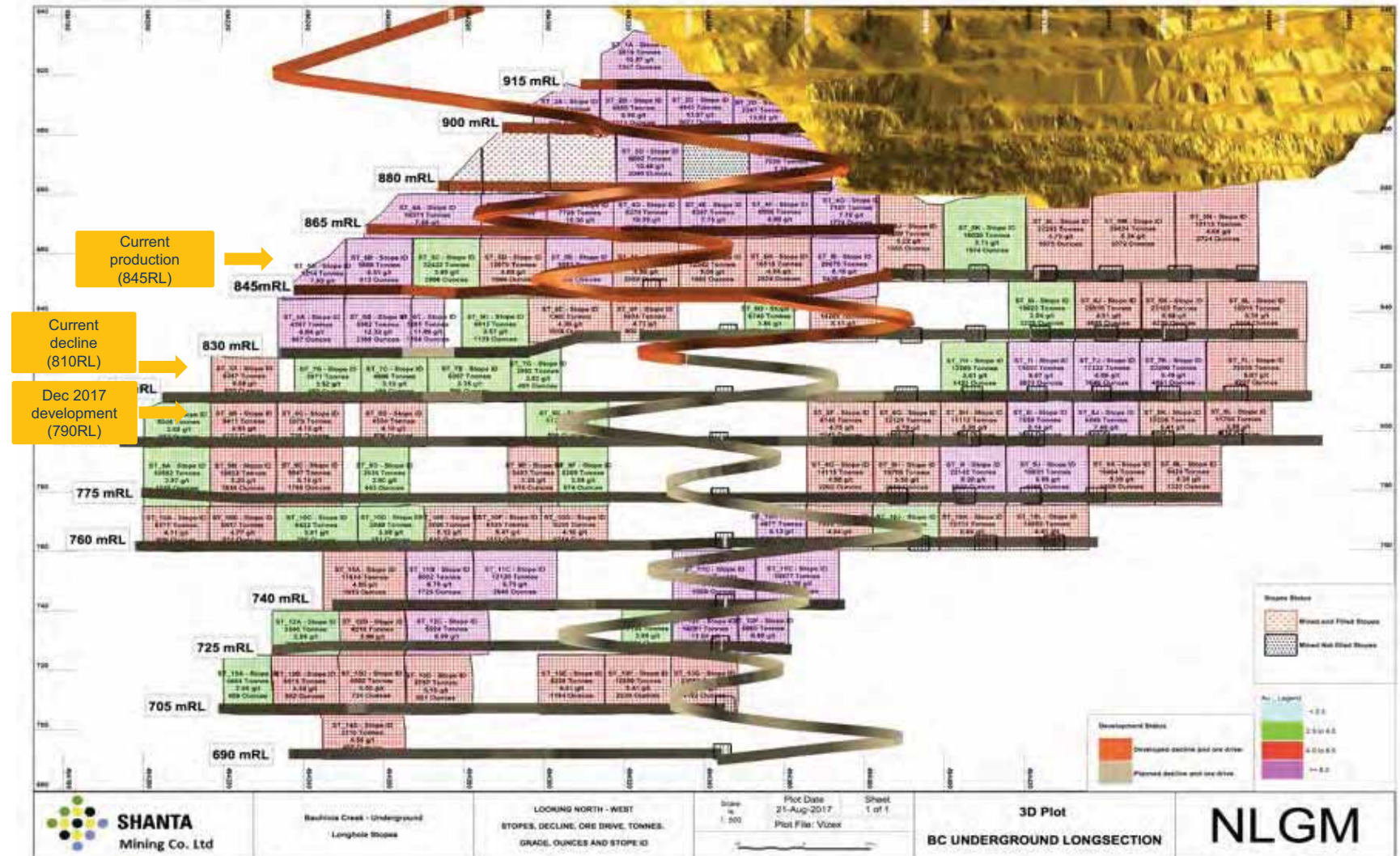
1. Includes ore from development and production

Smooth transition to underground mining

► Status at the end of August 2017: 4.6 km of development and over 90,000 t of high grade ore



Bauhinia Creek: underground long section



H1 2017 highlights

- ▶ EBITDA of US\$21.5 m in H1 2017
- ▶ Commercial production declared at NLGM Underground on June 1, 2017

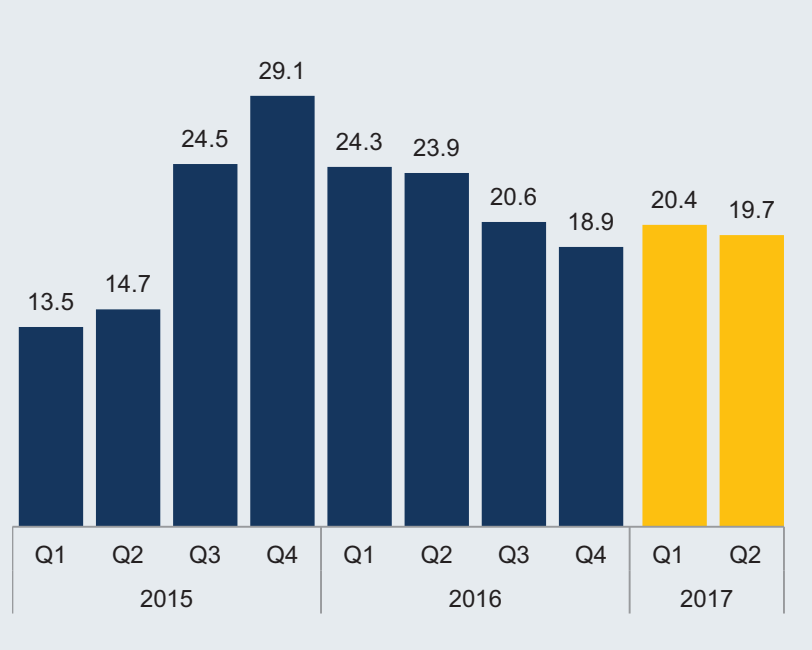
- Revenue: US\$52.7 m (H1 2016: US\$55.7 m)
- EBITDA: US\$21.5 m (H1 2016: US\$33.3 m)
- Cash generated from operations: US\$22.7 m (H1 2016: US\$34.8 m)
- Capital expenditure: US\$20.6 m (H1 2016: US\$13.3 m)
- Cash: US\$13.8 m (FY 2016: US\$14.9 m)
- Net debt: US\$43.5 m (FY 2016: US\$44.2 m)
- Declared commercial production on June 1, 2017 at NLGM Underground Operation
- Revised Mine Plan announced in March 2017

	H1 2017	H1 2016
Tonnes ore mined	317,581	460,244
Tonnes ore milled	306,945	300,826
Grade (g/t)	4.4	5.6
Recovery (%)	91.5	89.4
Gold production (ounces)	40,073	48,237
Gold sales (ounces)	41,234	47,621
Realised gold price (US\$/oz)	1,257	1,193

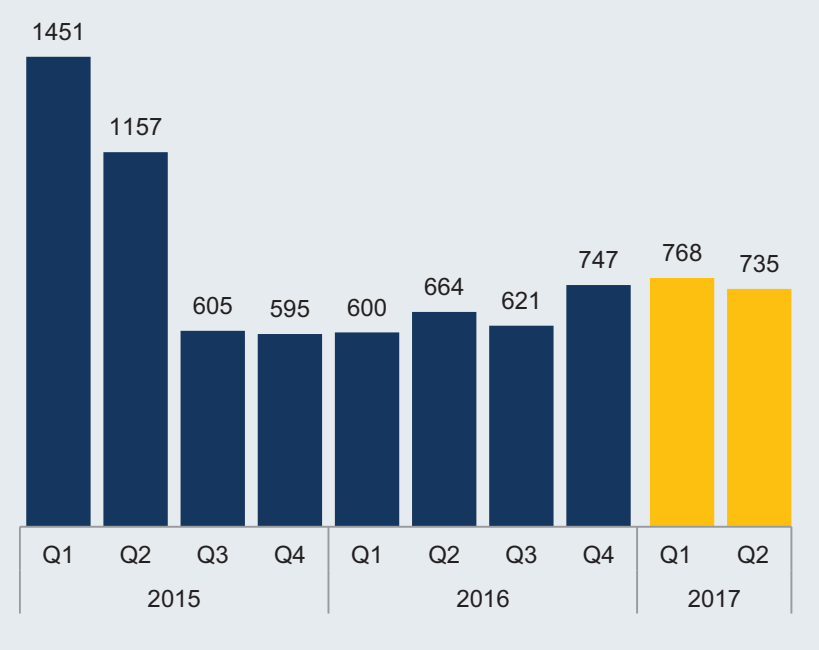
H1 2017 operational and financial highlights

► Sustainable, robust and reliable operating mine

Quarterly gold production ('000 oz)



Quarterly AISC (US\$/oz)

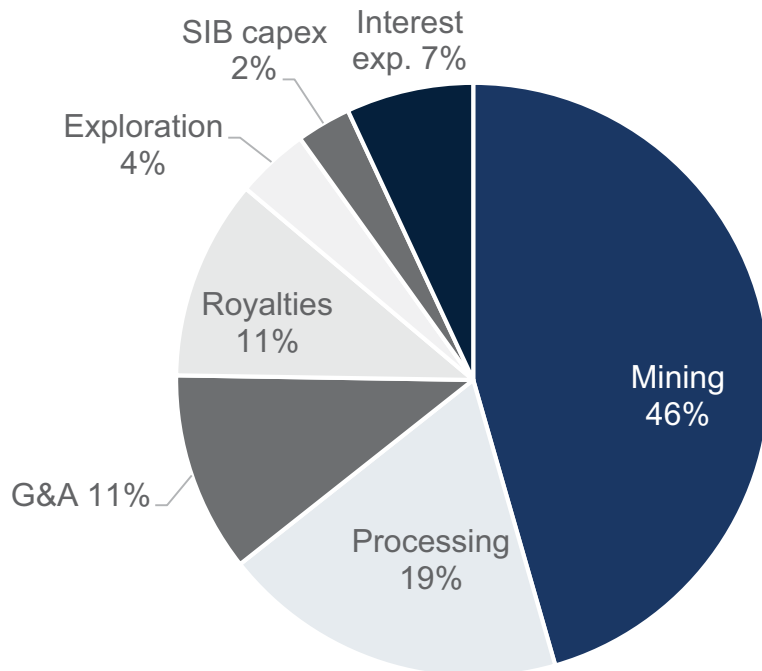




Value improvements

Cost structure in focus

- ▶ Mining, processing and G&A accounts for 76% of total costs
- ▶ Within this 76%, the focus is on the top 10 suppliers and direct labour which account for 65% and 25%, respectively









Indicative breakdown ¹	\$/ oz	\$/ t
Mining	379	51
Processing	154	21
G&A	92	12
Royalties (@7%)	88	12
Interest exp.	56	8
Exploration	35	5
SIB capex	21	3
Total	825	112

1. Split is based on combination of management budget and actual figures, using 2017E guidance of US\$800-850/ oz and 600,000 tonnes p.a.

Targeted cost improvements

► Cost savings of US\$5 million p.a. on a run-rate basis (c.US\$60/ oz)

Cost group	Key Drivers	Cost improvement initiatives	Level of opportunity
Mining	UG equipment Explosives Labour Power	Internalise open pit mining Consignment stock with major suppliers Contracts review	
Processing	Lab Consumables Power Labour	Contracts review Optimising consumption rates of reagents Attrition of expat labour	
G&A	Aircraft Service suppliers (local/offshore) Contractors	Contracts review (local and offshore) Restructuring of senior management pay Streamline use of contractors	
Interest expense	Senior debt / convertible loan notes	Debt refinancing reducing cost of capital	
Exploration	Labour Required minimum expenditures Licence fees	Relocate exploration camp Focused on mine exploration Optimise the exploration portfolio	
SIB capex	Capital goods	Rationalise discretionary spend	
Total		Up to \$5 m p.a. of targeted cost improvements	

 High  Med  Low

Rightsizing the operation



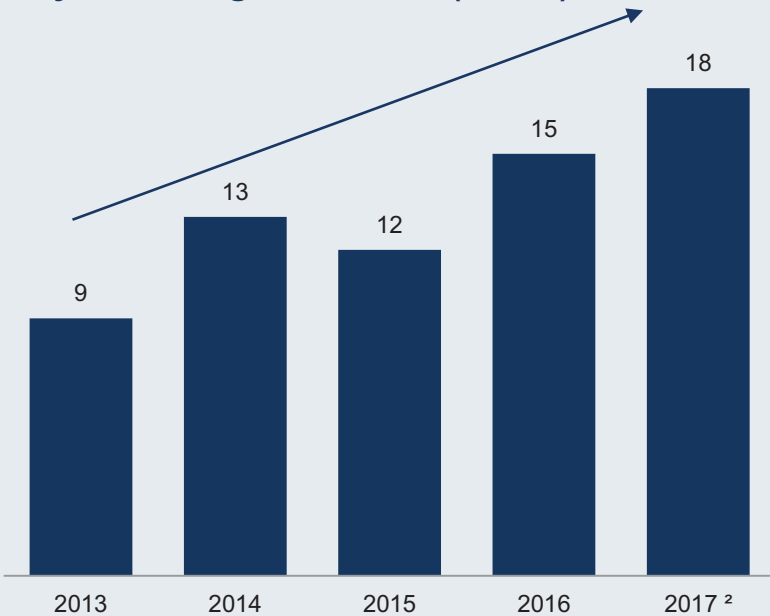
1. Excludes Dar office and Singida personnel

- NLGM Underground Operations is well staffed with **no changes to underground staffing plans**
- Headcount reduction through:
 - a decrease in capital project activity, and
 - internalising large functions that are currently outsourced (ie open pit mining and catering)
- Positive impact to costs by rightsizing the business and reducing ancillary support functions

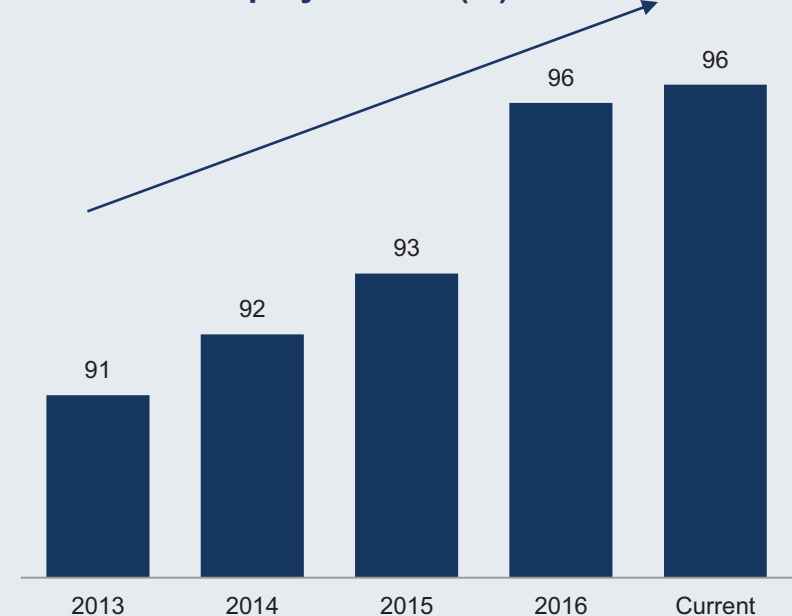
Shanta is committed to Tanzania

- ▶ Since starting production in 2013, Shanta has made payments to the Tanzanian government totalling US\$67 million¹ and employed an increasing number of talented local employees

Payments to government¹ (US\$m)



Tanzanian employee base (%)



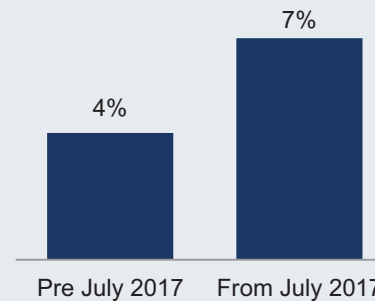
1. Includes employment taxes, statutory contributions, service levies, taxes, royalties. Excludes VAT receivable of US\$15 million as at 31 August 2017
2. H1 actual and H2 management estimate

Impact of new Tanzanian legislation

- ▶ The US\$3 m increase in costs from higher royalties is offset by management's US\$5 m cost savings
- ▶ While VAT remains a cash outflow, VAT per month is being curtailed as capex decreases and large contracts are internalised

- New Finance Act and legislation Bills enacted as laws in July 2017:
 - Written Laws Act
 - Sovereignty Act
 - Unconscionable Terms Act
- Impact to:
 - cash costs resulting from higher royalties/clearing fee
 - ownership: potentially 16%¹

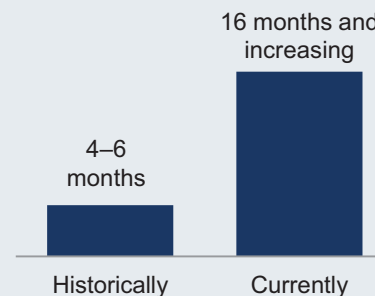
Royalties & clearing fee



Impact on Shanta

- c.US\$3 m p.a. additional cost.
- Equivalent to US\$39/ oz

Working capital receivables



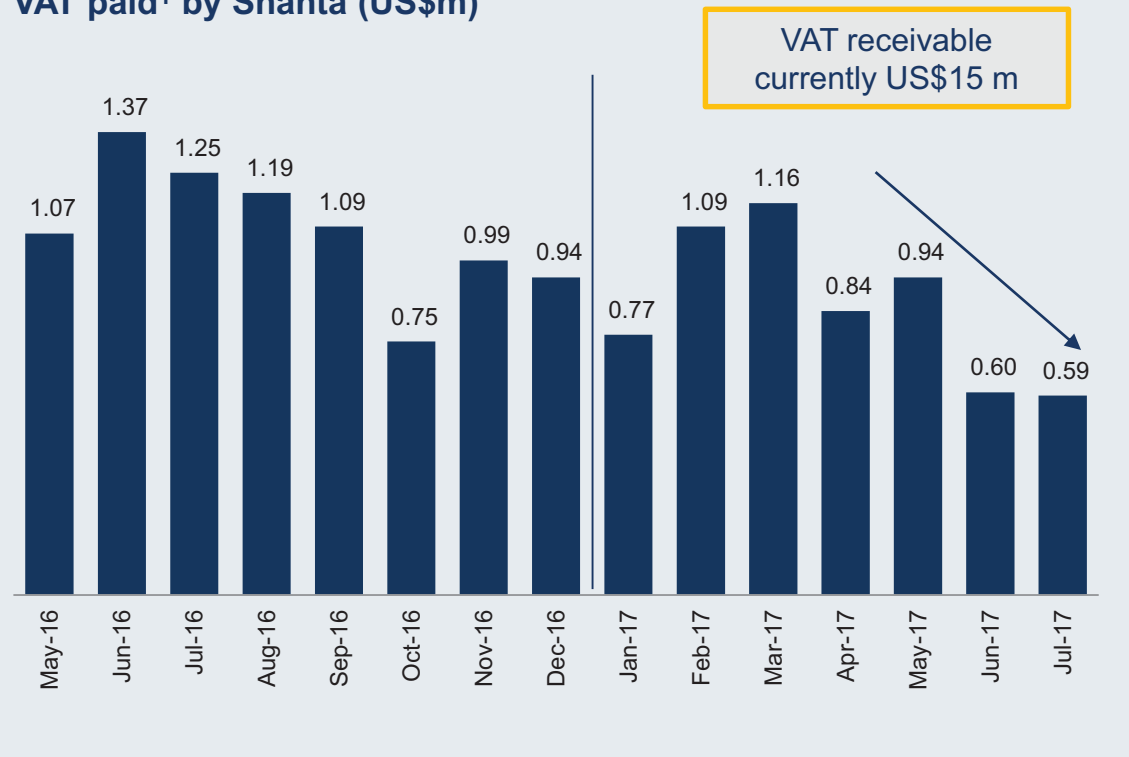
Impact on Shanta

- Run-rate cash outflow of US\$7 m p.a., down from US\$12 m
- VAT receivable is a current asset and discussions are ongoing with the Tanzanian government to recover it

1. Potential for up to 50% under terms of the new laws

Update on VAT

VAT paid¹ by Shanta (US\$m)

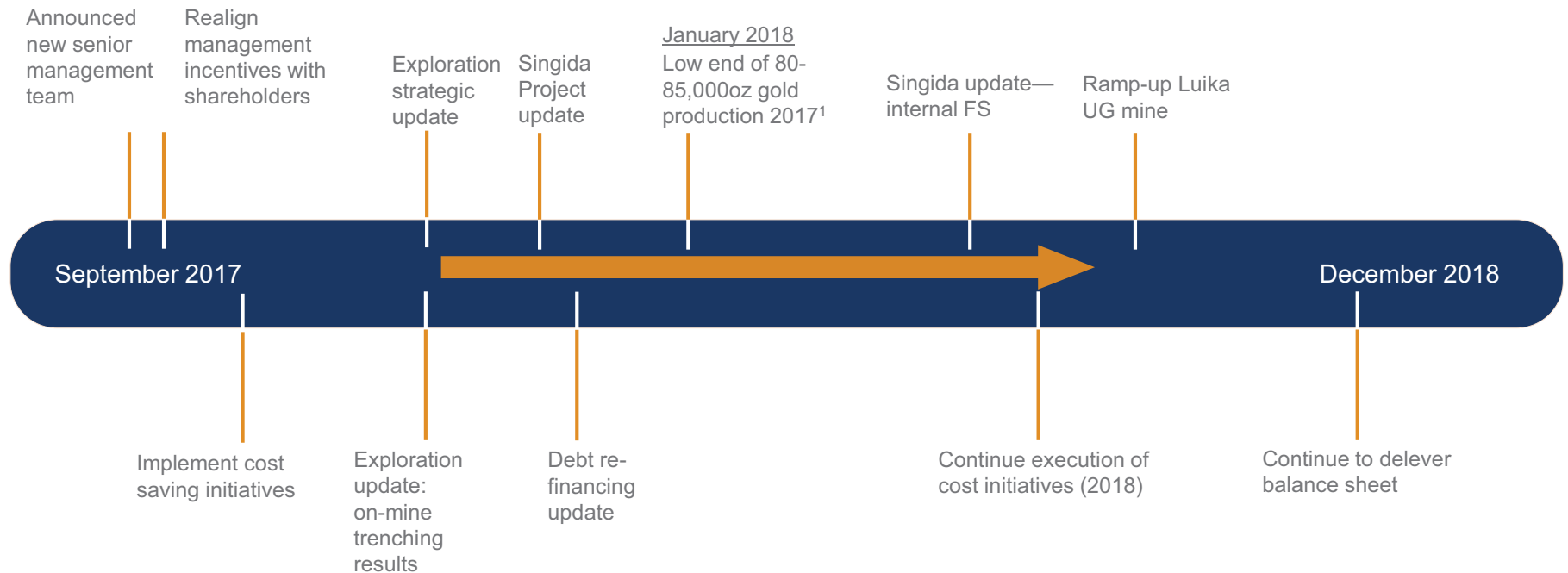


- VAT outflows per month contracted significantly in June and July 2017
- This follows the decision in April/May to complete capital project work and ensure contractors are retrenched
- Internalising open pit mining and catering services will further reduce VAT outflows

Period	Avg. Monthly VAT (US\$m)
FY2014	US\$0.63
FY2015	US\$0.84
FY2016	US\$1.03
Jan-May 2017	US\$0.96
Jun/Jul 2017	US\$0.60
Run-rate	TBD

1. May 2016 to current reflects the period of time that Shanta has paid VAT but not received a refund

Value catalysts



Discussions with the Government of Tanzania around the current US\$15 million VAT receivable are ongoing

1. 80-85,000 oz guidance originally included a contribution from the Singida pilot plant which is on hold, therefore 2017 production is expected to be toward the lower end of guidance as detailed in the Company's announcement of 18 August 2017



Appendix

About Shanta Gold

- ▶ A low-cost established producing gold company engaged in mining and exploration projects in highly prospective, under-explored areas of Tanzania

Shareholder	# shares	%
Odey AM ¹	175.4	23
Majedie AM	76.0	10
River & Mercantile	52.8	7
Ketan Patel	43.0	6
Brooks Macdonald	37.1	5
Sub-total	384.3	50
Other	381.5	50
Total shares outstanding	765.8	100

Source: Equiniti

1. Includes Contract for Differences position

Financial Position (As at 1 Sep 2017)

Share Price (pence)	4.0p
52 week range (pence)	2.6 – 13.4
Shares Outstanding	766 million
Market Cap (US\$)	40 million
Cash (US\$)	14 million
Gross Debt (US\$)	58 million
Enterprise Value (US\$)	84 million

Note: Balance sheet figures as of June 30, 2017



Share price trading history (SNG.L)



Risk reduction through focus on broad Business Sustainability

Employment

- NLGM has grown to be a major source of new employment
- 44% of workforce at NLGM currently employed from local communities
- Growth of local business ventures dealing with poultry and farm products

Education

- Construction of 6 classrooms and 8 offices at Mbangala
- Built 2 Classrooms and 1 office in Patamela
- 600 desks donated
- 120 scholarships awarded
- Lab constructed in Saza
- 20k liter rain water harvesting

Health

- Provision of the site ambulance to transport patients from Mbangala to hospital in Mwakajuni
- Bore hole drilling for water supply
- Installation of solar panel at Mbangala
- Assistance with medicine

Community

- Ongoing re-settlement program at Singida to conditions with sustainable land use
- Shamba resettlement complete and Elizabeth Hill resettlement on track
- Livelihood Improvement Programme



Tanzanian mining profile

▶ Africa's 4th largest gold producer

Tanzania mining regime

- Two key goldfields: Lake Victoria and Lupa
- Sophisticated infrastructure network
- Corporate tax rate—30%
- Dividend tax—10%
- Royalty & Clearing Fee—6% & 1%

Selected gold companies in Tanzania

Company:	Gold production
Acacia Mining	830 koz (2016)—3 mines in Northern Tanzania
AngloGold Ashanti	527 koz (2015)—Geita mine
Shanta Gold	88 koz (2016)—New Luika Gold Mine

Source: Company reports, Tanzania Chamber of Mines

Snapshot

Population	54 million (2015)
Capital City	Dodoma (Dar es Salaam is the de facto commercial capital)
Religion	Christian/Muslim
<i>Economy</i>	
GDP 2015	US\$46 billion
Primary Industries	Agriculture, tourism, mining
2016 GDP Growth	6.9%
<i>Political</i>	
System	Parliamentary republic (democratic)
Elections	Every 5 years (most recently in October 2015)

Source: World Bank, various



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