

Shanta Gold

Producing gold company with high grade resources across a regional portfolio

2-4 June 2020



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Experienced African Management and Board

► Management and directors own 9.3% of Shanta Gold (AIM:SHG)

On today's call

Executive Directors



Eric Zurrin
CEO

- 18 years' experience in mining including 7 years in Tanzania
- Previously CFO of Shanta Gold
- Formerly with UBS Investment Bank covering Metals & Mining Africa/ Middle East



Luke Leslie
CFO

- 18 years' experience in mining including 7 years in Tanzania and 4 years in China
- Previously with UBS Investment Bank covering Metals & Mining Africa/ Middle East
- Formerly management consultant at Accenture



Tony Durrant
Chairman

- Former Global Head of Metals & Mining at UBS Investment Bank
- Currently Chairman of the Investment Advisory Committee Arias Resource Capital Management

Non-Executive Directors:



Rob Fryer

- Led global mining practice at Deloitte
- 40 years' experience in audit/financial



Keith Marshall

- 35 years' experience 22 years with Rio Tinto
- Former President of Oyu Tolgoi in Mongolia and MD Palabora in South Africa



Ketan Patel

- MD of Export Trading Group, soft commodity trading in 22 countries across Africa
- Founder Shanta Gold

Shanta Gold – overview

- ▶ In production since 2013
- ▶ Total reserves and resources of 3.1 million ounces (inclusive of West Kenya Project)

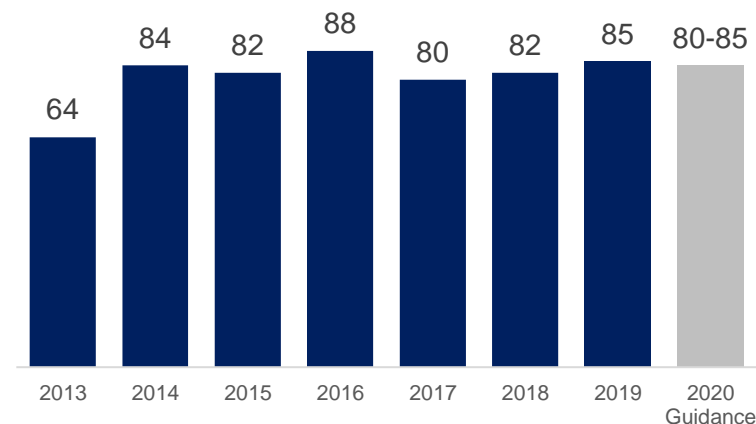
2019 highlights

- **Gold production: 84.5 koz**, better than guidance
- **AISC¹ of US\$777/oz**, better than guidance
- Cash costs of US\$544/oz
- **EBITDA² of US\$48 m**
- **Net debt³ down 55% to US\$14.3m**
- **Mine life extended at New Luika**

2020 guidance

- Gold production of 80–85k oz at New Luika
- **AISC^{1,4} of US\$830-880/oz**

Reliable, low cost producer (koz)



Summary Capitalisation

Share Price (GBP) (31May2020)	11.0 p
Market capitalization	US\$108 m
Net debt (31Mar2020)	US\$15 m
Enterprise Value	US\$123 m
2019A EBITDA *	US\$48 m
EV / 2019A EBITDA	2.6x

* Based on average 2019A realised price of US\$1377/oz



1. Development costs at the Bauhinia Creek, Luika and Ilunga underground operations are not included in AISC
2. Before non-cash loss on unsettled forward contracts
3. Includes liquidity available from unsold doré at refinery
4. Includes non-cash impact of reduction in ROM stockpile (US\$/20/oz), higher royalties due to higher gold price (US\$/20/oz), open pit mining (US\$40/oz)

Shanta Gold: Gold production and compelling growth

► Strong cashflow (2019 EBITDA of US\$48m) supporting a highly compelling growth pipeline

Production

New Luika

Gold Mine

High grade, low cost gold operation in the under-explored Lupa Gold field in SW Tanzania

Mine Life through to at least 2024
(based on reserves)

Resources ²:

1.02 Moz at 2.77 g/t

Cash costs 2019:	Koz 2019:
US\$544	85

AISC 2019:
US\$777

Development

Singida

Gold Project

Open pit project in prospective greenstone belt in Central Tanzania

Est. 6 Year Mine Life
(resources; reserve to be declared in Q2'20)

Resources ²:

0.92 Moz at 2.25 g/t

Cash costs ¹ :	Koz pa ¹ :
US\$794	26

Growth

West Kenya

Project

Highly prospective project in Lake Victoria greenstone gold field

US\$55 m invested since 2010

Resources:

1.18 Moz at 12.6 g/t

Scoping study to be progressed in 2020

1. Announced 5 Dec 2018 before resource upgrade
2. Updated company-wide reserve and resource statement expected in Q2

Singida – Mineral Reserves & Resources

► Reserves announced on May 26 2020

Resources

- Updated MRE announced 26th May 2020
- Independently estimated and verified
- JORC 2012 Compliant
- Majority of M&I Resource within 120 metres from surface

JORC Classification	Singida MRE		
	Tonnes (kt)	Grade (Au g/t)	Gold (000s oz)
Measured	1.63	3.39	179
Indicated	4.02	2.36	306
Subtotal - M&I	5.65	2.66	484
Inferred	6.15	2.12	418
Total	11.80	2.38	904

Reserves

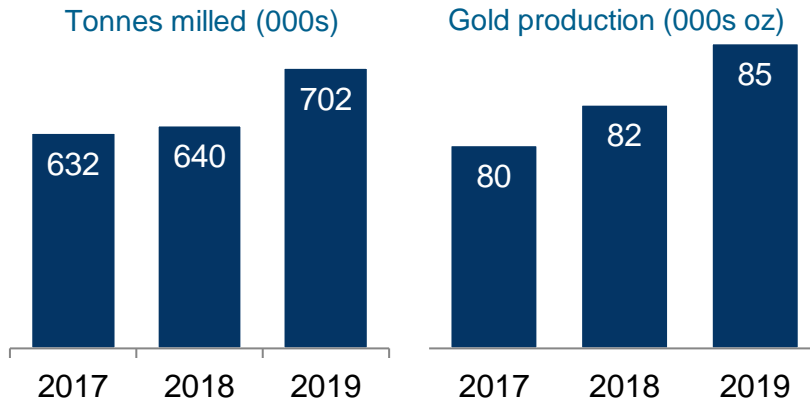
- Announced 26 May 2020; represents just 26% of total contained Resource
- >90% of contained gold within 120 metres of surface (open pit mining)
- Significant potential for reserve expansion at depth

DEPOSIT	PROBABLE RESERVES		
	Tonnes (Kt)	Grade (Au g/t)	Gold (K oz)
GOLD TREE	1,366	3.37	148
JEM	324	2.86	30
OTHER (5 deposits)	824	2.45	65
TOTAL	2,514	3.00	243

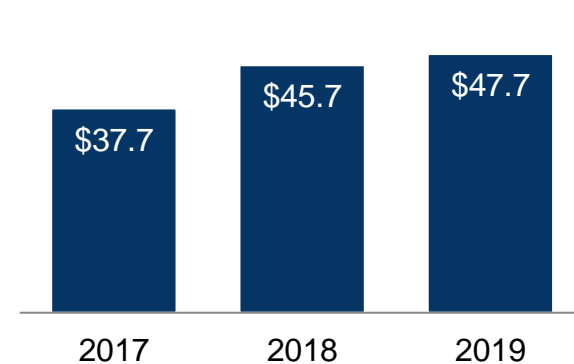
Background to acquisition in West Kenya

- ▶ Shanta's deleveraged balance sheet has increased flexibility to pursue value driven growth

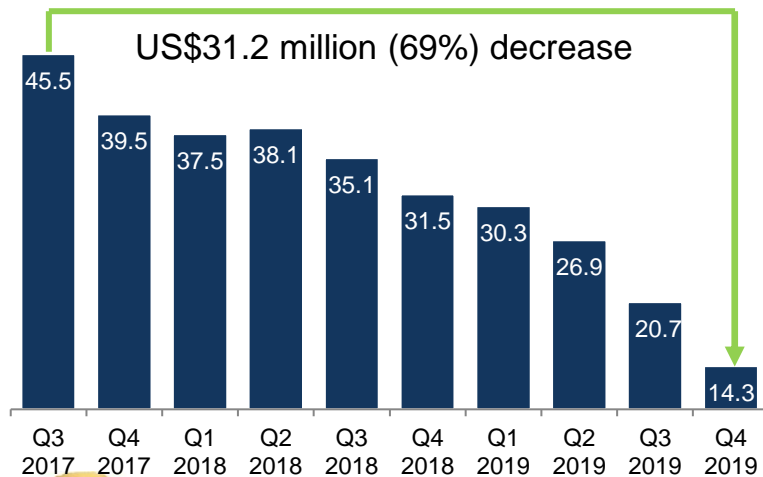
Production improvement...



...lower costs and higher EBITDA...



... and deleveraging (Net Debt in US\$m) ¹



Key achievements over last 3 years

- ✓ Achieved US\$8.9 m p.a. cost savings in 2018
- ✓ Beat cost guidance in 2018
- ✓ Exceeded gold production guidance in 2019
- ✓ US\$31 m (69%) reduction in net debt
- ✓ Successfully built the Ilunga underground mine on budget and ahead of schedule in 2019
- ✓ Mine life extension at New Luika Gold Mine
- ✓ Singida Mineral Resource Estimate
- ✓ 44% reduction in TRIFR since 2017; No LTIs in 25 months; no fatalities

Acquisition highlights:

High Grade West Kenya Project

▶ **Highly complementary to Shanta's existing production and development portfolio**

✓ **Inferred NI 43-101 Mineral Resource Estimate of 1,182,000 ounces gold grading 12.6g/t**

- Believed to be one of the highest grading +1 Moz gold deposits in Africa

✓ **Covers 1,161 sq km within the highly prospective Lake Victoria greenstone gold fields located in NW Tanzania and SW Kenya**

- Home to Global Tier 1 assets including North Mara and Geita Gold Mine

✓ **Approximately US\$55 m invested in exploration activities since 2010**

- 221,000 meters drilling, 80,000 soil samples, regional IP

✓ **Historical gold production of approx. 259 Koz at 12.3 g/t from Rosterman mine**

- Included in the West Kenya Project, 9 km from main site in Liranda Corridor

✓ **Scoping Study and project economics to be progressed**

- Shanta focused on unlocking value and progressing project

Transaction rationale

- ▶ Shanta is one of the lowest cost practitioners of Long Hole Open Stopping underground mining, the expected mining method for the West Kenya Project

High quality asset	<ul style="list-style-type: none"> ▪ Acquisition of a high-quality gold project with high grade gold resource ▪ Inferred NI 43-101 resource of 1,182,000 ounces gold grading 12.6 g/t
Long term exploration potential	<ul style="list-style-type: none"> ▪ Major presence in a geologically rich and underexplored greenstone gold region
Diversification	<ul style="list-style-type: none"> ▪ Expands Shanta's operating presence in East Africa across Tanzania and Kenya ▪ Underground mining specialist with a diversified portfolio of assets delivering growth
Growth	<ul style="list-style-type: none"> ▪ Increases Shanta's gold resource inventory to over 3 Moz contained gold with the prospect of future growth
Complementary asset	<ul style="list-style-type: none"> ▪ Established Centre of Excellence at the New Luika Gold Mine to advance the West Kenya Project and complement the project team based in Kisumu, Kenya ▪ Complementary language and legal systems between Tanzania and Kenya based on English law

Shanta Gold: 3 assets containing 3.1 Moz across East Africa



Transaction summary

► Shanta cash and available liquidity¹ of US\$13.7 million as at 31 Dec 2019

Transaction	<ul style="list-style-type: none">▪ Shanta Gold has entered into a definitive agreement pursuant to which it will acquire 100% of the shares of Barrick's subsidiary Acacia Exploration (Kenya) Ltd. ("AEKL") from two subsidiaries of Barrick Gold Corporation ("Barrick"). AEKL's primary asset is a 100% interest in licences held by Afriore ("West Kenya", "Project")
Consideration	<ul style="list-style-type: none">▪ US\$7 million cash▪ US\$7.5 million shares<ul style="list-style-type: none">- Barrick to become Shanta's fifth largest shareholder with 6.4% interest▪ 2% life of mine NSR covering the Project Licences▪ Shanta to inherit certain liabilities and to adjust for certain working capital items, for up to an additional US\$4 m in cash consideration to settle third party liabilities on or after Closing
Conditions	<ul style="list-style-type: none">▪ Required regulatory approvals in Kenya include<ul style="list-style-type: none">- standard consents from the Mining Authorities to the assignment of interests and the transfer of Prospecting Licences- approval of the Transaction by the Competition Authority of Kenya- registration of the Company's interest in the Project Licences by the Mining Authorities
Timeline	<ul style="list-style-type: none">▪ Transaction announcement: 10 February 2020▪ Transaction expected to close around mid-2020

1. Derived as unrestricted cash, restricted cash and the sale value of bullion available for sale at the end of the Period (net of royalties and expected selling costs and including 2,841 oz Au delivered to Switzerland for refining prior to 31 December 2019, for which proceeds remained unremitted at the end of December 2019

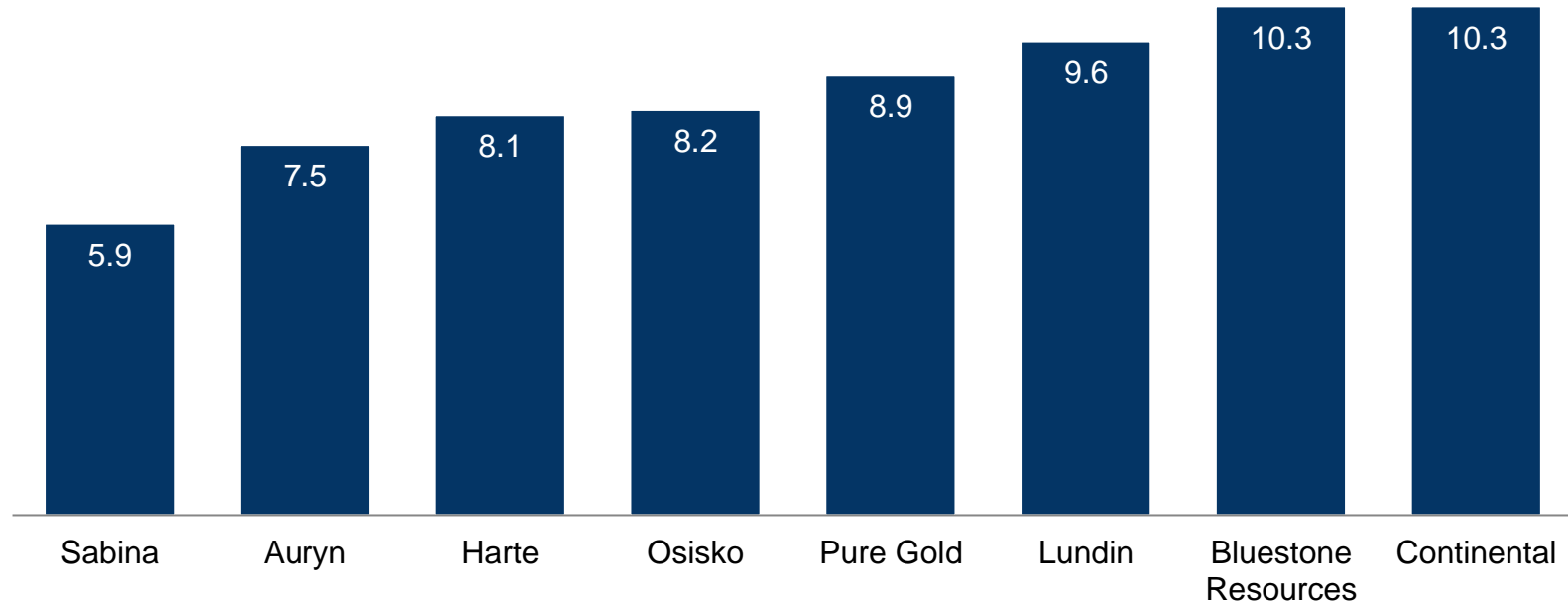
West Kenya Gold Project

Asset Overview

Selected global high grade gold resources

M&I Resource Grade (g/t)

West Kenya Project has an Inferred resource grade of 12.6 g/t

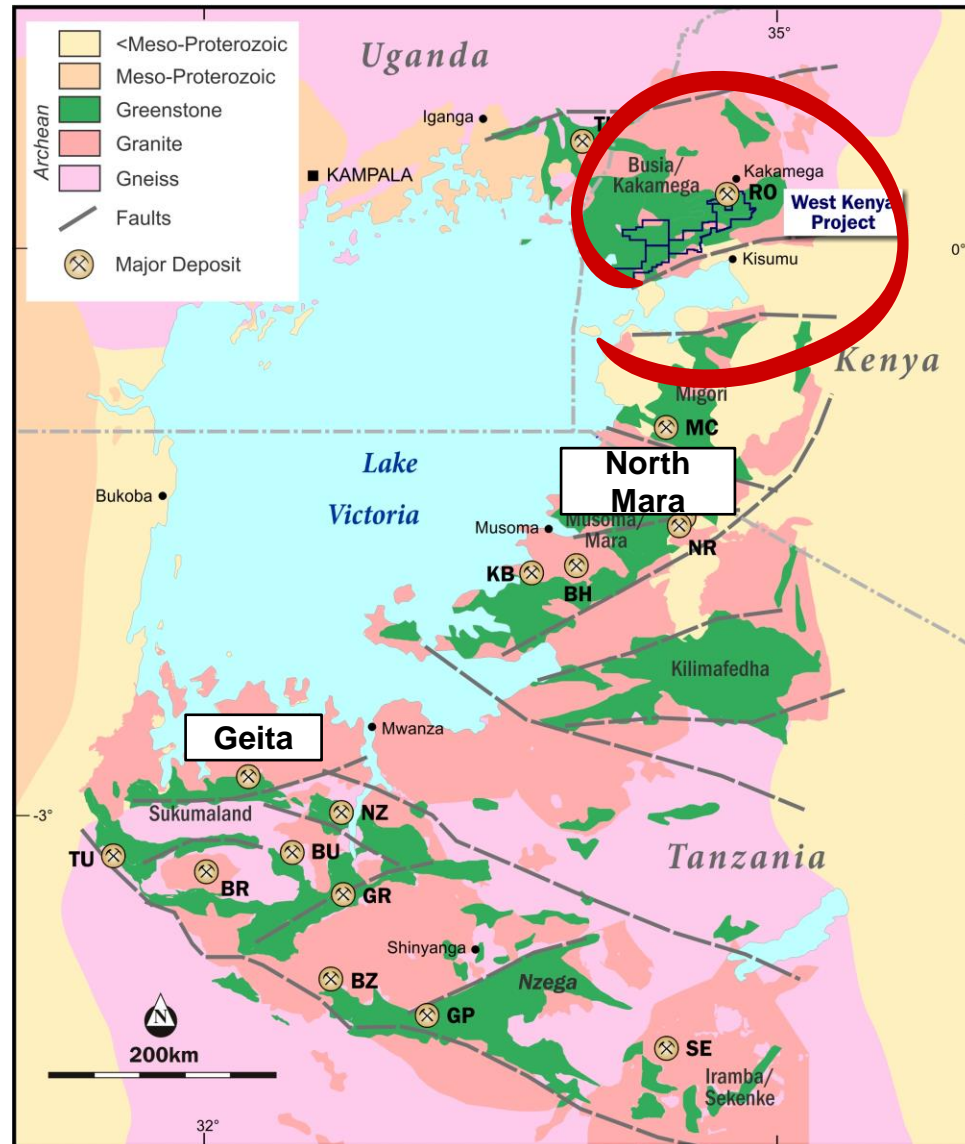


Sources: Corporate disclosure as of 1 September 2019

1. Sabina grades represent Black River Project

The well endowed Lake Victoria Gold Field

- ▶ The West Kenya project area covers the northern most greenstone belt in the Lake Victoria gold field
- ▶ Home to Global Tier 1 assets and over 35 million ounces of gold production since 1990



- BR - Buck Reef
- BH - Buhemba
- BU - Bulyanhulu
- BZ - Buzwagi
- GT - Geita
- GO - Gokona¹
- GP - Golden Pride
- GR - Golden Ridge
- KB - Kiabakari
- MC - Macalder
- NZ - Nyanzaga
- NG - Nyabigena
- NR - Nyabirama²
- RO - Rosterman
- SE - Sekenke
- TI - Tira
- TU - Tulawaka

Source: CEIC data



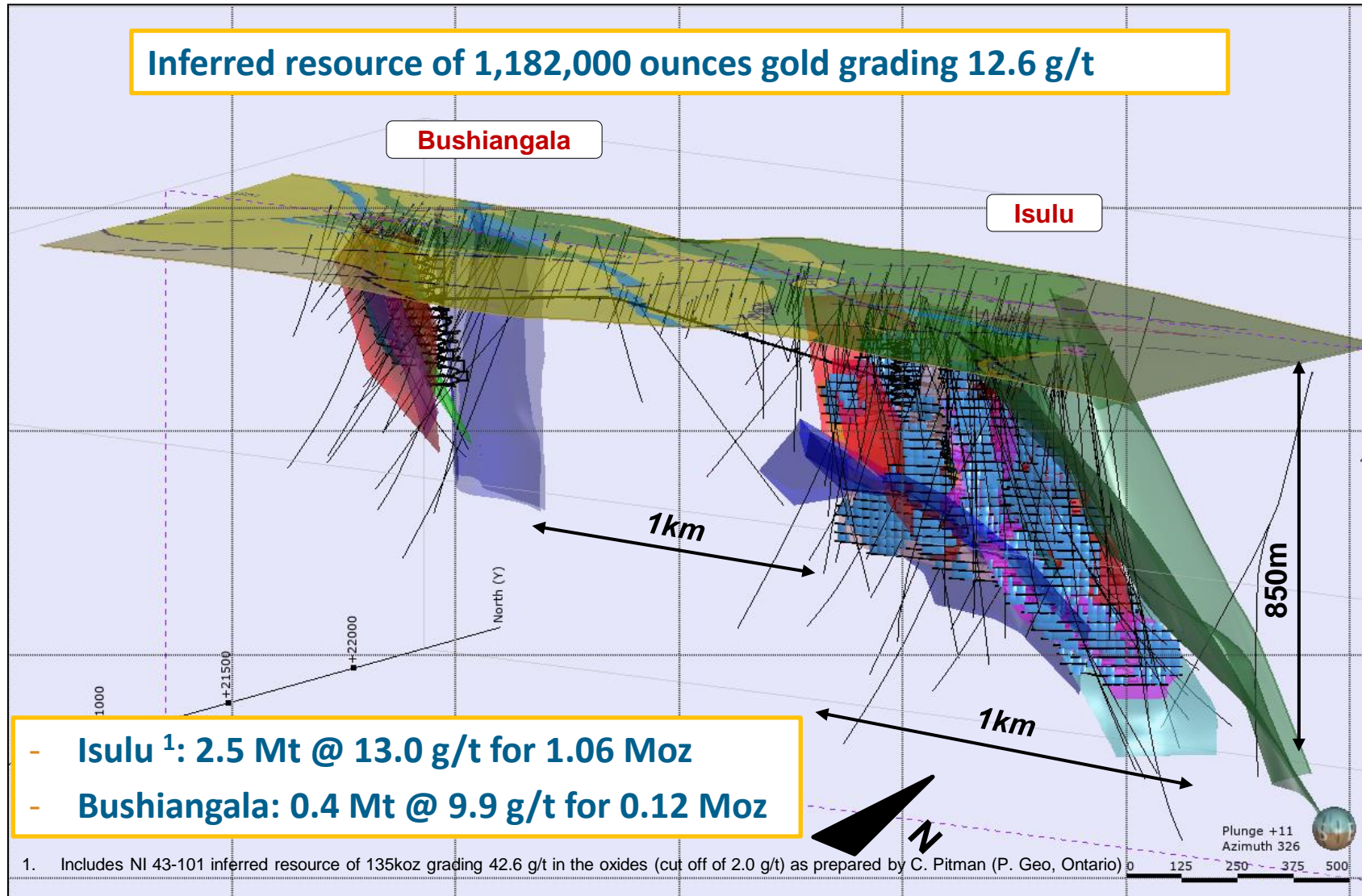
1. Gokona: North Mara underground mine
2. Nyabirama: North Mara open pit mine

Unique deposit with significant visible gold

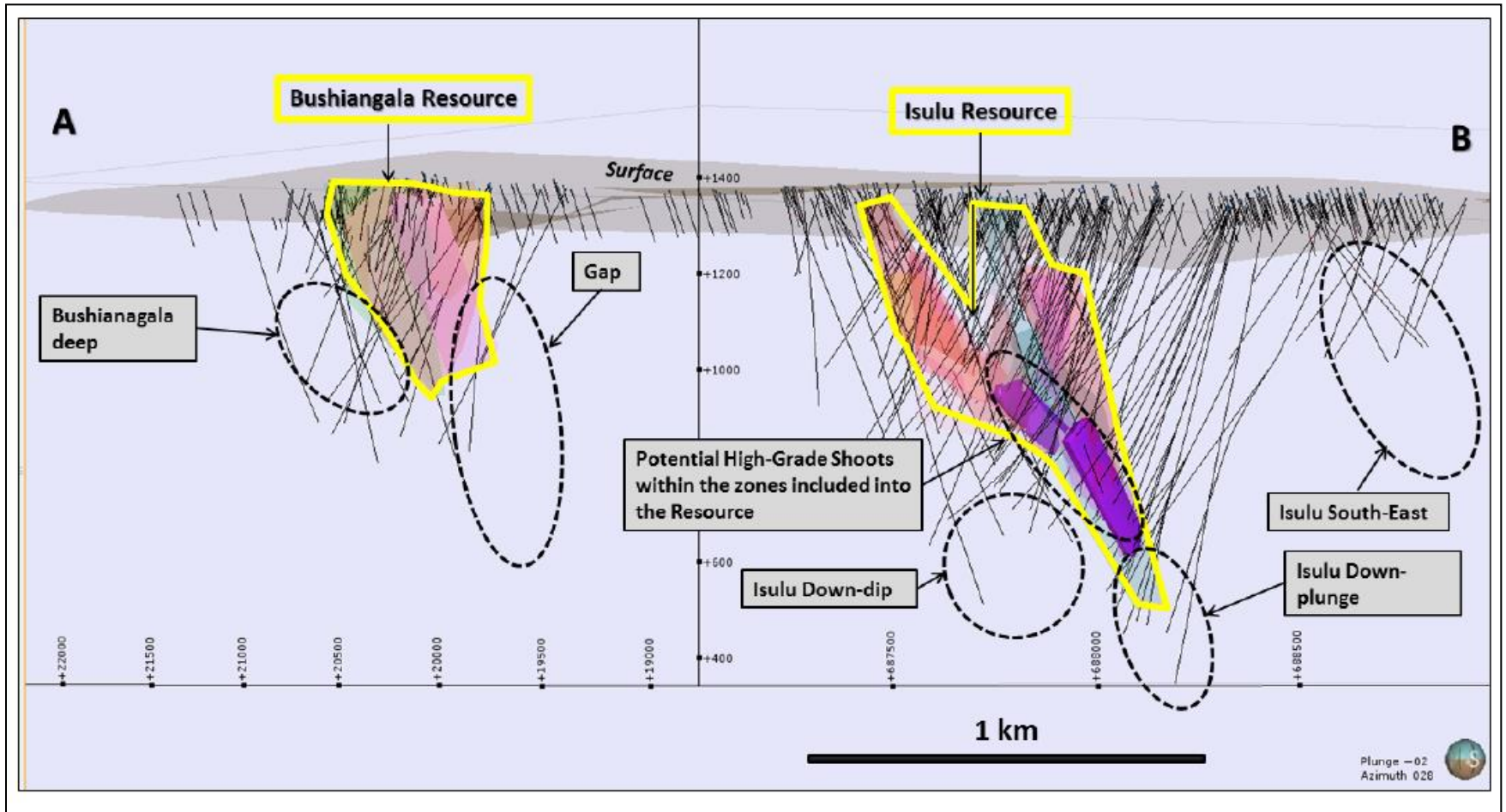
- ▶ Visible gold recorded in 62 drill holes (out of 190 drilled) comprising the resource
- ▶ 36 mineralised zone intercepts returned multiple occurrence of visible gold



Believed to be one of the highest grading +1 Moz gold deposits in Africa



Numerous targets to significantly increase the gold resource



Summary

Summary highlights and future work

- ▶ Updated mineral resource estimate and process to reach a construction decision could take up to 36 months

Transaction summary

- ✓ Inferred Mineral Resource Estimate of 1.2 Moz gold grading 12.6 g/t
 - ✓ 1,161 sq km within the Lake Victoria greenstone gold field
 - ✓ Extensive exploration data set following US\$55 m invested in exploration since 2010
 - ✓ Historical gold production of approximately 259,000 oz at 12.3 g/t from Rosterman mine within the Project licences
-

Future work planned by Shanta

- Progressing a scoping study
 - Infill drilling campaign
 - Pre-Feasibility Study
 - Definitive Feasibility Study
-

Appendix

Pro forma shareholder register

- ▶ Post Closing, around mid-2020, Barrick will become a 6.4% shareholder in Shanta Gold

Shareholder	# shares (million)	% interest
Odey	147	17.3
Sustainable Capital	95	11.1
Majedie	58	6.8
Hargreaves Lansdown	55	6.5
Barrick	55	6.4
River & Mercantile	44	5.2
Management & Board	74	8.7
Other	321	37.8
Total	849	100%

Source: Shareholder register as of 31 Dec 2019 adjusted for issuance to Barrick and PDMR update in January 2020

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