

Shanta Gold Limited

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Shanta Gold ups exploration budget as finances improve

Shanta Gold PLC (LON:SHG) reaffirmed production guidance for the current year as revenues and cashflow jumped sharply.

The Tanzania-focused gold miner generated revenues of US\$113mln (US\$104mln) in 2019 as production rose to 84,500oz.

WATCH: Shanta Gold's Eric Zurrin reports steady production and operations at its projects

Underlying profits rose 4% US\$47.7mln, though swaps contracts meant there was a pre-tax loss of £1.2mln and an after-tax loss of £9.5mln.

Eric Zurrin, chief executive, said production from the New Luika mine was ahead of guidance and achieved against the backdrop of an uncompromised safety record.

"Our targeted on-mine exploration activities continue to produce encouraging results and we have increased our exploration budget to US\$5mln for 2020.

"Financing for Singida [another project in Tanzania] is expected to be secured in the coming year and the company's growth pipeline has been extended significantly following the significant post-period acquisition of the high-grade West Kenya Project from Barrick Gold.

"Having reduced our net debt by 55% in 2019, we now have the financial flexibility to continue pursuing value-accretive growth opportunities for our shareholders."

Production for 2020 is forecast at 80,000 - 85,000 oz at sustaining costs of US\$830-US\$880/oz.

Price: 14

Market Cap: £1111.15 m

1 Year Share Price Graph



Share Information

Code: SHG

Listing: AIM

52 week High Low
18.875 6

Sector: Gold & silver

Website: www.shantagold.com

Company Synopsis:

Shanta Gold is an East Africa-focused gold producer, developer and explorer. The Company is focused on its flagship asset, the New Luika Gold Mine (New Luika), located in southwest Tanzania.

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