

3 September 2020

**Shanta Gold Limited**  
(“Shanta Gold” or the “Company”)

**New Luika Gold Mine Exploration Drilling Update**

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an update from the first phase of its Luika Deposit (“Luika”) and Black Tree Hill Deposit (“Black Tree Hill”) drilling campaigns at the New Luika Gold Mine (“NLGM”) in South Western Tanzania, conducted during the second and third quarters of 2020.

**Highlights:**

- 12 diamond core holes drilled at Luika totalling 4,066 metres, with further drilling ongoing;
- 18 Reverse Circulation (“RC”) holes drilled at Black Tree Hill totalling 2,567 metres;
- Drilled holes have returned encouraging intersections, which are currently being modelled;
- Luika drilling highlights:
  - Hole CSD168 intersected 8.12 metres grading 5.50 g/t Au;
  - Hole CSD154 intersected 6.06 metres grading 6.59 g/t Au;
  - Hole CSD179 intersected 5.34 metres grading 6.65 g/t Au;
  - Hole CSD153 intersected 7.45 metres grading 2.37 g/t Au;
  - Hole CSD176 intersected 7.87 metres grading 2.57 g/t Au, incl. 3.69 metres at 5.19 g/t Au; and,
  - Hole CSD182 intersected 3.07 metres grading 3.34 g/t Au, incl. 1.53 metres at 5.95 g/t Au.
- Black Tree Hill drilling highlights:
  - Hole CSR590 intersected 4.00 metres grading 5.20 g/t Au, incl. 1.00 metre at 13.90 g/t Au;
  - Hole CSR594 intersected 3.00 metres grading 6.64 g/t Au, incl. 1.00 metre at 15.90 g/t Au;
  - Hole CSR589 intersected 6.00 metres grading 2.51 g/t Au, incl. 1.00 metre at 7.95 g/t Au; and,
  - Hole CSR585 intersected 4.00 metres grading 2.15 g/t Au, incl. 1.00 metre at 5.29 g/t Au; also intersected 4 metres grading 2.54 g/t Au, incl. 1.00 metre at 4.47 g/t Au.
- All of these newly reported drilling intersections are outside the existing mineral reserves and will be incorporated into the mine plan;

- Reported results are over a strike length of 553 metres for Luika and 700 metres for Black Tree Hill;
- Luika is one of NLGM's three actively mined underground deposits and Black Tree Hill is currently scheduled to be a location for future open pit mining; and,
- Mineralization at both Luika and Black Tree Hill remains open at depth.

**Eric Zurrin, Chief Executive Officer, commented:**

*“The positive results of this Phase 1 drilling have contributed to the replacement of mined ounces and an overall increase to our JORC reserves which has also been announced today. The New Luika Gold Mine consists of 7 known deposits which all have the potential to increase in size. High grade mineralisation remains open at depth at Luika underground and will be targeted by phase 2 of the drilling campaign while diamond drilling at depth is being planned for Black Tree Hill.”*

**Drilling Campaign – Phase 1**

Luika is located about 1.8 km to the northwest of NLGM Processing Plant. The orebody strikes approximately NNE - SSW and dips ~50° to NW. Luika and Bauhinia Creek (“BC”) deposits are located within a 0.6 km wide shear zone, which has been interpreted from airborne magnetic data and are considered to be part of the same vein which has been offset by a ‘Thrust Fault’, with the plane of thrust modelled to dip at 40° towards 240° with a 650 m dextral displacement.

Black Tree Hill is located about 0.8 km to the south of the NLGM Processing Plant. The orebody strikes approximately WNW – ESE and dips steeply (~88°) to SSW. Three main veins (including Black Tree Hill North) have so far been drilled and modelled covering a strike extent of approximately 0.7 km.

Gold mineralization at Luika and Black Tree Hill are closely associated with quartz veining (silicification) and low sulphide mineralization (dominantly disseminated pyrite ~1-3%). The mineralized zones are presented by moderately to sub-vertical dipping quartz veins hosted by granodioritic rocks. The deposits depict relatively higher-grade westerly plunging shoots which have potential to host significant economic mineralization and will be the target of the subsequent phases of exploration drilling.

Phase 1 of the drilling campaigns at Luika and Black Tree Hill are targeting areas on the central and western side of the current extents, which are yet to be drill tested or had only been sparsely drilled historically. Moreover, this phase of drilling is focused on infill drilling to increase confidence, resource conversion from Inferred to Measured & Indicated (“M&I”) category between levels 830mRL and 670mRL, and resource generation below level 670mRL for Luika underground; and between levels 960mRL and 830mRL for Black Tree Hill open pit.

A total of 12 diamond drill holes totaling 4,066 metres have been completed for the ongoing Luika drilling program. At Black Tree Hill, 18 RC holes totaling 2,567 metres have been drilled. These holes were collared on surface (approximately 1000mRL), inclined at between minus 48° and 80° with depth ranging from 78 metres to a maximum of 430 metres down the hole.

The reported results are over a strike length of 553 metres with holes spacing of 40 – 50 metres for Luika and over a strike length of 700 metres with holes spacing of 25 - 50 metres for Black

Tree Hill. It is estimated that the true widths of the mineralized zones are > 86% of the intersected widths in the drillholes.

Assay results for the drillholes were received as tabulated below:

Deposit	Drill Hole	From (m)	To (m)	Interval	Au (g/t)	
Luika	CSD153	203.45	210.90	7.45	2.37	
	CSD154	220.89	221.53	0.64	4.98	
		229.35	235.41	6.06	6.59	
	CSD155	143.65	144.43	0.78	2.76	
		196.44	199.91	3.47	3.11	
	CSD156	235.63	236.52	0.89	1.46	
		239.52	242.35	2.83	1.26	
	CSD158	No Significant Intersection				
	CSD160	237.34	237.83	0.49	4.12	
		239.24	241.00	1.76	1.77	
		247.35	248.70	1.35	1.67	
	CSD166	373.12	373.83	0.71	1.36	
	CSD168	366.99	375.11	8.12	5.50	
	CSD176	381.20	389.07	7.87	2.57	
		<i>Including:</i> 386.00	389.69	3.69	5.19	
	CSD179	364.55	365.24	0.69	0.98	
		397.75	403.09	5.34	6.65	
	CSD180	396.22	397.54	1.32	2.52	
		403.65	406.26	2.61	0.70	
	CSD182	390.10	393.17	3.07	3.34	
<i>Including:</i> 391.64		393.17	1.53	5.95		
Black Tree Hill	CSR585	101.00	105.00	4.00	2.15	
		<i>Including:</i> 103.00	104.00	1.00	5.29	
		108.00	112.00	4.00	2.54	
	CSR589	<i>Including:</i> 109.00	110.00	1.00	4.47	
		140.00	146.00	6.00	2.51	
		<i>Including:</i> 144.00	145.00	1.00	7.95	
	CSR590	158.00	160.00	2.00	2.76	
		<i>Including:</i> 159.00	160.00	1.00	4.30	
		133.00	137.00	4.00	5.20	
	CSR591	<i>Including:</i> 134.00	135.00	1.00	13.90	
		139.00	143.00	4.00	1.37	
		167.00	173.00	6.00	1.41	
	CSR592	153.00	154.00	1.00	2.13	
		172.00	173.00	1.00	0.60	
		175.00	176.00	1.00	0.99	
		193.00	194.00	1.00	1.97	
	CSR593	146.00	149.00	3.00	1.68	
		152.00	153.00	1.00	0.61	
		154.00	155.00	1.00	0.61	
	CSR594	77.00	80.00	3.00	6.64	
	<i>Including:</i>					

		78.00	79.00	1.00	15.90
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The drilling program at Luika will continue through to the end of 2020 and will focus on upgrading known Inferred resources into the M&I category, generating new additional resources by drill-testing the continuity of higher grade shoots at depth, and better defining mineralized vein geometry on the western side of Luika deposit through infill drilling.

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The technical information contained in this announcement was reviewed by Evance Rwiza (the Company's Senior Resource Geologist) and Paul W. Mbuya (the Company's Exploration Manager), who are Members of The Australasian Institute of Mining and Metallurgy (AusIMM).

They have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

**About Shanta Gold**

Shanta Gold is an East Africa-focused gold producer. It currently has defined ore resources on the New Luika and Singida projects in Tanzania and holds exploration licenses covering approximately 1,200km<sup>2</sup> in the country. Shanta Gold also owns the West Kenya Project in Kenya with defined ore resources of 1.2Mt grading 12.6 g/t. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 84,506 ounces in 2019. The Company has been admitted to trading on London's AIM and has approximately 849 m shares in issue. For further information please visit: [www.shantagold.com](http://www.shantagold.com).