

16 December 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 exploration update at the Luika Deposit ("Luika") and the Porcupine South Target ("Porcupine South") at New Luika Gold Mine ("NLGM") in South Western Tanzania, based on activity conducted between September and November 2020. Porcupine South is a new open pit target and drilling results are expected to be converted into a JORC compliant resource in due course.

**Highlights:**

- Nine diamond core holes drilled at Luika totalling 4,042 metres ("m"), with further drilling ongoing;
- Twenty-eight Reverse Circulation ("RC") holes drilled at Porcupine South totalling 2,466 m;
- Luika drilling highlights:
  - Hole CSD201 intersected 3.58 m grading 14.71 g/t Au, incl. 2.54 m at 18.62 g/t Au from 420 m;
  - Hole CSD184 intersected 3.13 m grading 4.09 g/t Au from 393 m;
  - Hole CSD186 intersected 9.31 m grading 2.00 g/t Au from 435 m;
  - Hole CSD188 intersected 3.62 m grading 2.19 g/t Au from 446 m;
  - Hole CSD192 intersected 0.66 m grading 40.44 g/t Au from 410 m; and,
  - Hole CSD202 intersected 2.23 m grading 3.32 g/t Au, incl. 0.57 m at 12.18 g/t Au from 417 m.
- Porcupine South drilling highlights:
  - Hole PSRC012 intersected 7 m grading 7.26 g/t Au, incl. 2 m at 22.60 g/t Au from 20 m;
  - Hole PSRC017 intersected 12 m grading 3.63 g/t Au, incl. 5 m at 7.19 g/t Au from 41 m;
  - Hole PSRC018 intersected 5 m grading 3.30 g/t Au, incl. 3 m at 4.75 g/t Au from 41 m;
  - Hole PSRC021 intersected 8 m grading 2.29 g/t Au, incl. 2 m at 5.39 g/t Au from 83 m;
  - Hole PSRC022 intersected 6 m grading 2.38 g/t Au, incl. 3 m at 4.04 g/t Au from 71 m;

- Hole PSRC025 intersected 6 m grading 4.13 g/t Au, incl. 1 m at 13.10 g/t Au and 1 m at 6.45 g/t Au from 28 m;
  - Hole PSRC026 intersected 5 m grading 3.02 g/t Au, incl. 2 m at 4.55 g/t Au from 84 m;
  - Hole PSRC033 intersected 5 m grading 2.98 g/t Au, incl. 2 m at 4.19 g/t Au from 43 m; and,
  - Hole PSRC041 intersected 7 m grading 2.25 g/t Au, incl. 3 m at 3.69 g/t Au from 120 m.
- These newly reported drilling intersections are outside existing mineral reserves and will be incorporated into the next update of the mine plan;
  - Reported results are over a strike length of 200 m for Luika and 500 m for Porcupine South;
  - Luika is one of NLGM's three actively mined underground deposits and Porcupine South is a new target located approximately 22 km east of NLGM, which is expected to be within economically viable trucking distance from the NLGM processing plant; and,
  - Mineralization at both Luika and Porcupine South remain open at depth.

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

“These encouraging results are the latest demonstration by the Company that depleted ounces can be replaced with low cost exploration. Porcupine South is a newly discovered orebody, taking the known deposits at NLGM to twelve, each of which has the potential to increase in size. An anticipated net increase in JORC reserves is expected to be announced in early 2021.”

**Luika and Porcupine South Drilling Campaigns**

Luika is located 1.8 km to the northwest of the NLGM Processing Plant. The orebody strikes approximately NNE - SSW and dips ~50° to NW. The Luika and Bauhinia Creek (“BC”) deposits are located within a 0.6 km wide shear zone, which has been interpreted from airborne magnetic data. These 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. Gold mineralization at Luika is closely associated with quartz veining (silicification) and low sulphide mineralization (predominantly disseminated pyrite ~1-3%). The mineralized zones are presented by moderately to sub-vertical dipping quartz veins hosted by granodioritic rocks. The deposit depicts relatively higher-grade westerly plunging shoots which have potential to host significant economic mineralization and will be the target of forthcoming phases of exploration drilling. Phase 2 of the drilling campaign at Luika targeted the westerly plunging shoot between levels 650 and 600mRL, which had not previously been drill tested.

Porcupine South is located about 22 km to the east of the NLGM Processing Plant. The Northern Trend of Porcupine South strikes northwest – southeast. Gold mineralization is associated with quartz veins hosted by a shear zone at the granite – granodiorite contact and steeply dips to the northeast. Higher gold mineralization grades in the Northern Trend appear to be closely associated with strong silica and sulphide (pyrite) alteration. Pyrite occurs as

disseminated, semi massive bands and stringers that infill fractures. The Northern Trend drilled and modelled so far covers a strike extent of approximately 0.5 km. The ongoing drilling program is designed to test the mineralized structure to level 1120mRL (~120m vertical depth).

The designed drilling centres spacing of 40 – 50 m at Luika and 30 – 50 m at Porcupine South will increase confidence for Measured & Indicated (“M&I”) resource generation to level 640mRL for Luika and level 1150mRL for Porcupine South.

Nine diamond drill holes for a total of 4,042 m have been completed for the ongoing Luika Phase 2 drilling program. The holes were collared on surface (approximately 1000mRL), inclined at between minus 49° and 73° with depths ranging from 411.64 m to a maximum of 474.79 m down the hole.

At Porcupine South, twenty-eight RC holes have been drilled for a total of 2,466 m. The holes were collared on surface (approximately 1240mRL), inclined at between minus 50° and 53° with depth ranging from 42 m to a maximum of 138 m down the hole.

The reported results are over a strike length of 200 m for Luika and over a strike length of 500 m for Porcupine South. It is estimated that the true widths of the mineralized zones are >85% 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 (m)	Au (g/t)	
Luika	CSD183	406.30	408.76	2.46	2.29	
		<i>Including:</i>				
		407.51	408.32	0.81	5.11	
	CSD184	393.49	396.62	3.13	4.09	
		<i>Including:</i>				
		395.23	396.05	0.82	9.06	
	CSD186	256.26	259.38	3.12	2.53	
		435.08	444.39	9.31	2.00	
		<i>Including:</i>				
		443.66	444.39	0.73	4.94	
	CSD188	446.33	449.95	3.62	2.19	
	CSD190	No Significant Intersection				
	CSD192	221.80	222.39	0.59	4.06	
		409.50	410.16	0.66	40.44	
		<i>Including:</i>				
	409.50	409.81	0.31	83.80		
CSD194	No Significant Intersection					
CSD201	367.19	367.66	0.47	2.99		
	414.87	415.79	0.92	1.05		
	416.51	416.76	0.25	2.05		
	419.58	423.16	3.58	14.71		
	<i>Including:</i>					
	420.03	422.57	2.54	18.62		
CSD202	416.90	419.13	2.23	3.32		
	<i>Including:</i>					
		418.56	419.13	0.57	12.18	
	421.17	424.07	2.90	1.54		
<i>Including:</i>						
	422.31	423.48	1.17	2.88		
Porcupine South	PSRC012	20.00	27.00	7.00	7.26	
	<i>Including:</i>					

	22.00	24.00	2.00	22.60
PSRC017	41.00	53.00	12.00	3.63
	<i>Including:</i>			
	42.00	47.00	5.00	7.19
PSRC018	41.00	46.00	5.00	3.30
	<i>Including:</i>			
	43.00	46.00	3.00	4.75
PSRC019	64.00	67.00	3.00	0.99
PSRC020	54.00	62.00	8.00	1.67
	<i>Including:</i>			
	58.00	62.00	4.00	2.23
PSRC021	83.00	91.00	8.00	2.29
	<i>Including:</i>			
	87.00	89.00	2.00	5.39
PSRC022	71.00	77.00	6.00	2.38
	<i>Including:</i>			
	73.00	76.00	3.00	4.04
PSRC023	45.00	52.00	7.00	1.58
	<i>Including:</i>			
	48.00	52.00	4.00	2.24
PSRC024	111.00	115.00	4.00	1.82
PSRC025	28.00	34.00	6.00	4.13
	<i>Including:</i>			
	28.00	29.00	1.00	13.10
	32.00	33.00	1.00	6.45
PSRC026	84.00	89.00	5.00	3.02
	<i>Including:</i>			
	87.00	89.00	2.00	4.55
PSRC027	70.00	76.00	6.00	1.10
PSRC028	68.00	71.00	3.00	0.70
	79.00	80.00	1.00	1.39
PSRC029	16.00	25.00	9.00	1.07
	44.00	45.00	1.00	1.70
PSRC030	17.00	20.00	3.00	1.20
PSRC031	92.00	96.00	4.00	1.73
	<i>Including:</i>			
	94.00	95.00	1.00	3.02
PSRC032	105.00	112.00	7.00	1.61
	<i>Including:</i>			
	108.00	111.00	3.00	2.56
PSRC033	43.00	45.00	2.00	1.95
	57.00	62.00	5.00	2.98
	<i>Including:</i>			
	60.00	62.00	2.00	4.19
PSRC034	62.00	66.00	4.00	1.87
	<i>Including:</i>			
	64.00	66.00	2.00	2.56
	70.00	78.00	8.00	1.48
PSRC035	108.00	114.00	6.00	1.53
	<i>Including:</i>			
	111.00	114.00	3.00	2.20
PSRC036	51.00	55.00	4.00	1.91
	<i>Including:</i>			
	54.00	55.00	1.00	2.56
PSRC037	116.00	120.00	4.00	1.61
	<i>Including:</i>			
	117.00	119.00	2.00	2.13
PSRC038	9.00	12.00	3.00	1.00
	<i>Including:</i>			

	9.00	10.00	1.00	1.50
PSRC039	No Significant Intersection			
PSRC040	No Significant Intersection			
PSRC041	120.00	127.00	7.00	2.25
	<i>Including:</i>			
	122.00	125.00	3.00	3.69
PSRC042	29.00	31.00	2.00	1.45
PSRC043	80.00	84.00	4.00	1.60
	<i>Including:</i>			
	81.00	82.00	1.00	4.02
	88.00	93.00	5.00	2.34
	<i>Including:</i>			
	89.00	92.00	3.00	3.14
	97.00	102.00	5.00	2.07

The drilling campaigns at Luika and Porcupine South will continue into Q1 2021 with a focus on defining the geometry of the mineralized structures and testing their down-plunge continuity extension with the potential to generate new additional resources.

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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 mineralization 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 licences covering approximately 1,100 km<sup>2</sup> in the country. Shanta Gold also owns the West Kenya Project in

Kenya with defined ore resources of 1.2 Mt 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 market and has approximately 1,043 million shares in issue. For further information please visit: [www.shantagold.com](http://www.shantagold.com).