

7 December 2021

Shanta Gold Limited
("Shanta Gold", "Shanta" or the "Company")

Operational Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer announces an operational update for its New Luika Gold Mine ("NLGM" or "New Luika") in Tanzania.

Due to operational difficulties relating to the supply by a 3rd party vendor of an unreliable emulsion product and underground production charging units during Q4, production guidance for 2021 has been reduced from a range of 60,000 to 65,000 ounces to a range of 55,000 to 57,000 ounces. Emulsion product quality has been restored and the underground production charging units have been fixed.

Eric Zurrin, Chief Executive Officer, commented:

"Whilst operationally we had very much remained on track to meet our 60,000-65,000 ounces guidance for 2021, the challenges wholly relating to our emulsion product and production charging units supplier means we've had to temporarily change our underground mining sequence to prioritise ore development headings with lower grades rather than mining from stopes that were available.

"Positively, following increased grade control drilling at New Luika underground deposits over the last 6 months, reconciliation of mined ounces has been pleasing and averaged +4% versus the grade control model. This continues to point to the long-term value opportunity created by New Luika in the Shanta portfolio.

"Shanta is well funded with cash and available liquidity of US\$24.7 million at 30 November 2021 plus operating cash flow from unhedged gold sales. Shanta's negligible debt position of US\$1.4 million provides significant additional liquidity on the balance sheet.

"Growth projects at Singida and West Kenya continue on track and we look forward to providing a resource update in early 2022 for the latter."

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About Shanta Gold

Shanta Gold is an East Africa-focused responsible gold producer, developer and explorer. The company has an established operational track record, with defined ore resources on the New Luika and Singida projects in Tanzania, with reserves of 666 koz grading 3.0 g/t, and exploration licences covering approximately 1,100 km² in the country. Alongside New Luika and Singida, Shanta also owns the West Kenya Project in Kenya with defined inferred resources of 1.2 Mt grading 12.6 g/t and licences covering approximately 1,162 km². With a strong balance sheet, a growing diversified portfolio and a maiden dividend paid in 2021, Shanta offers a resilient investment opportunity for the near and long-term. Shanta is quoted on London's AIM market (AIM: SHG) and has approximately 1,048 million shares in issue.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019.