

22 September 2020

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

**New Luika plant capacity expansion**

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, is pleased to announce the expansion of processing capacity at the New Luika Gold Mine ("NLGM"). Integration of a new pilot plant has started with commissioning scheduled for January 2021.

**Highlights:**

- Milled throughput nameplate capacity to increase by 14% at NLGM
- Total capex of approximately US\$1.2 million
- Equipment arriving on site in September 2020
- Commissioning in Q1 2021

Following commissioning, the annual nameplate processing capacity at NLGM is expected to increase to a baseline of 708Ktpa (current nameplate capacity of 620Ktpa) with the projected annual processing rate increased to a baseline of 783Ktpa (current processing rate of 695Ktpa).

The Company has commenced the New Luika plant upgrade through the integration of the 10 tonne per hour pilot plant, which was previously purchased in 2016 for the Singida Project. Installation of the pilot plant at Singida was abandoned following a review of the project economics and it has been in storage in South Africa since purchase. The cost to integrate the pilot plant at NLGM is estimated at US\$1.2 million and will be financed from cash flow.

The New Luika plant upgrade will focus on increased ball mill power, with upgrades to other components including an increase to pumping capacity, a tailings discharge system, and additional leach capacity to support the higher throughput and increase operability.

Increased plant capacity will provide New Luika with the flexibility to reduce cut off grades, thus lowering the hurdle for resources to be converted to minable ounces.

Detailed engineering design is complete, and the Company has started civil works on the mill floor and foundation. Plant capacity expansion is expected to be completed in January 2021 with milled throughput to increase immediately thereafter.

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

*"Shanta has consistently expanded plant throughput over the last three years. Throughput in 2021 is expected to be 24% higher than 2017."*

**Enquiries:**

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**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).

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