

26 April 2022

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

Q1 2022 PRODUCTION & OPERATIONAL UPDATE

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer announces its production and operational results for the quarter ended 31 March 2022 (the "Quarter", "Q1" or the "Period") for its East African assets, including New Luika Gold Mine ("NLGM" or "New Luika") and Singida Project ("Singida") in Tanzania and West Kenya Project ("West Kenya") in Kenya.

Eric Zurrin, Chief Executive Officer, commented:

"It's been a great start to the year operationally, with mining beginning at the high-grade Bauhinia Creek Crown Pillar at New Luika one month ahead of schedule. With the initial ore being mined at the expected grades of 8 g/t, we are confident that our 2022 guidance of 68-76 Koz has been significantly de-risked.

The Singida Project remains on budget and on schedule and with construction well underway there is a clear pathway to Shanta becoming a 100,000 oz pa gold producer in Q1 2023. In order to maximise investment flexibility as we focus on the delivery of our growth projects, and being cognisant of the global cost inflation, we are exploring the possibility of securing some traditional debt funding and hope to be able to conclude those discussions in the coming weeks.

We were also pleased to announce a 31% increase in the Mineral Resource Estimate at West Kenya to 1.55 Moz during the period, showcasing the depth of quality and potential for growth throughout the portfolio. The Feasibility Study workstream will begin at West Kenya in May 2022.

Finally, the steady performance of the Company during Q1 continues to be underpinned by our first-class health and safety record, and I would like to congratulate the Shanta team on achieving a landmark 8.8 million man-hours without an LTI. We have always placed safety and social responsibility at the heart of our business, and in keeping with this approach, we have taken the important step this year to release our inaugural Sustainability Report. Acting responsibly and ethically is central to delivering sustainable returns for our shareholders, and we are committed to further enhancing our disclosure during 2022. This has been a very encouraging start to the year, and we look forward to updating shareholders further in due course.

Highlights

- Zero Lost Time Injuries ("LTI's"), with no LTI's since Q4 2017 surpassing a landmark 8.8 million man-hours without a Lost Time Injury;
- Gold production of 11,408 oz (Q4: 12,244 oz), in line with guidance provided in January 2022;
- West Kenya Project upgraded mineral resource estimate including 31% increase to 1.55 Moz and 221% increase in Indicated resources to 378 Koz grading 11.7 g/t;

- New *Ramula Regional Centre* within West Kenya Project, with maiden resources totalling 434 Koz grading 2.08 g/t and 7 new targets identified;
- Announced for the 3rd consecutive year that all mined ounces have been replaced during the year with newly defined reserves;
- Newly defined reserves of 110,000 oz added in 2021, before depletion, predominantly from the Luika Underground project;
- Inaugural 2021 Sustainability Report published in the Period; and
- Shortly after the Period end, and one month ahead of schedule, the Bauhinia Creek Crown Pillar was accessed with high grade ore being mined beginning April 19th.

Financial Summary

- Cash, and available liquidity¹ of US\$13.4 million (“m”) (Q4: US\$15.9 m);
- 3,446 oz contained within doré available for sale at the end of Q1 (Q4: 1,593 oz);
- Gross debt of US\$6.8 m (Q4: US\$2.4 m);
- Operating costs of US\$1,297 /oz (Q4: US\$1,254 /oz) and AISC of US\$1,760 /oz (Q4: US\$1,624 /oz) in the Quarter, respectively. The increase in the AISC is largely due to fewer ounces being recovered in the Period in line with the full year production plan, and cost inflation.
- Capital expenditure and investment to pursue high quality growth initiatives totalled US\$9.5 m including US\$4.9 m for Singida construction, US\$2.7 million for NLGM, and US\$1.9 m for West Kenya;
- VAT receivable of US\$25.1 m (Q4: US\$26.8 m), of which approximately US\$23 m relates to the historical period July 2017-June 2020. An application for an Out of Court Settlement now lodged in country; and
- Positive engagement with the Tanzanian Revenue Authority (“TRA”) as evidenced by a US\$3.0 million VAT offset allowed against Corporate Income Tax and a further VAT cash refund of US\$1.4 m in Q1.

Operational Summary

New Luika Gold Mine

- 214,204 t milled (Q4: 218,991 t) from underground and open pit sources;
- Average head grade of 1.9 g/t (Q4: 2.0 g/t) blended from underground, open pit, and existing ROM stockpile sources;
- Average recoveries of 87.2% (Q4: 87.1%);
- Run of Mine (“ROM”) stockpile of 155,233 t of ore grading 1.0 g/t (Q4: 150,549 t grading 1.0 g/t) containing approximately 5,000 oz;
- Underground actual mined ore grade reconciling +3% YTD versus grade control model;

- Underground mining equipment performing in line with expectations and underground mined ounces up 15% versus plan during the Quarter resulting from better than expected tonnes and grade mined versus plan;
- Open pit mining representing 20% of total planned mined ounces during the Quarter was impacted by underperformance of the mining contractor due to delays in spares and availability of mining equipment resulting in a deficit of approximately 1,700 oz during the Quarter, expected to be partially recovered in future quarters; and
- Bauhinia Creek Crown Pillar successfully accessed one month ahead of schedule. Mining of high grade ore started on April 19th, with initial material being mined at approximately 8 g/t consistent with expectations.

Singida

- Singida remains on track for first production in Q1 2023 and will transform Shanta Gold into a +100,000 oz/pa producer with a diversified resource base;
- Successful delivery of the Metso built Crushing Circuit in December 2021. All equipment and steel required was delivered in the Quarter with assembly beginning in April 2022;
- Manufacturing of the Grinding & Gravity Circuit Mill by NCP in South Africa is 100% complete with delivery due in late April 2022;
- Tailings Storage Facility Dam design is completed, all permits received, and approval has been granted by the regulators to commence construction in April 2022;
- Key infrastructure including bulk power, water, buildings, and fencing are progressing on track;
- Ore stockpile levels total 59,470 tonnes grading 1.72 g/t for 3,291 contained ounces at the end of the Quarter; and
- During the Period, phase 1 grade control drilling at the Gold Tree deposit returned +5% reconciliation versus the reserve model which de-risks the initial 12 month production plan following commissioning. The Gold Tree deposit contains 61% of the current mineral reserves at Singida.

West Kenya

- The Mineral Resource Estimate (MRE) at the West Kenya Project, increased by 31% to 1.55 Moz and Indicated resources have increased by 221% to 378 Koz grading 11.70 g/t;
- Successful regional drilling results at the Ramula Regional Center, within the West Kenya Project, were announced and a maiden Inferred resource of 434 Koz grading 2.08 g/t was declared;
- Drilling ongoing during the Quarter with all three rigs operational by March 1st following a period of one rig for the first two months of 2022 while the Mineral Resource Estimate was being completed; and

- Commencement of the West Kenya Project Feasibility Study workstream begins in May 2022.

Corporate Social Responsibility (“CSR”)

- Shanta is pleased to announce that in the Period, the Company published its first Sustainability Report, which covers its activities for the year ended 31 December 2021;
- Materiality assessment completed with internal and external stakeholders to proactively address key ESG risks and identify opportunities to maximise positive impact for stakeholders;
- Sustainability Report prepared in line with the Sustainability Accounting Standards Board (SASB) standards;
- Commitment in 2022 to start aligning climate disclosure against the framework set out by the TCFD to report in line with best practice for main market listed companies;
- Committed sponsorship of 2,100 primary and secondary school children in the community surrounding NLGM;
- Completed construction of the Saza Secondary Dormitory which will accommodate 80 female students; and
- 2,100 farmers, up from approximately 150 farmers in 2018, have enrolled in Shanta’s Mining Agriculture Improvement Program (“SMAP”) which provides advice, training, and farming materials to farmers in the local surrounding Mbangala and Maleza villages.

Note: 1. Available liquidity has been derived as unrestricted cash, restricted cash, and the sale value of doré available for sale at the end of the Period (net of royalties and expected selling costs).

Analyst conference call and presentation

Shanta Gold will host an analyst conference call and presentation today, 26 April 2022, at 10:00am BST. Participants can access the call by dialling one of the following numbers below approximately 10 minutes prior to the start of the call or by clicking on the link below.

UK Toll-Free Number: +44 (0) 800 279 6894

UK Toll Number: +44 (0) 330 165 3641

PIN: 204102

<https://events.globalmeet.com/Public/ClickToJoin/ZW5jPUVRNmNwVloU1JzVUJCaU9qcV VjcWRzaHI1NW5jVGvodEtGUTJOWFZJNjcxTnNvcEN2ZDhoZz09>

Participant Passcode: 204102

The presentation will be available for download from the Company’s website: www.shantagold.com. A recording of the conference call will subsequently be available on the Company’s website.

Investor Conference Call

Shanta Gold is hosting a live investor presentation via the Investor Meet Company platform today, 26 April 2022, at 11:00 am BST. The presentation is open to all existing and potential shareholders and questions can be submitted any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Shanta Gold via: <https://www.investormeetcompany.com/shanta-gold-limited/register-investor>

Investors who already follow Shanta Gold on the Investor Meet Company platform will automatically be invited.

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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 645 Koz grading 3.0 g/t, and exploration licences covering approximately 1,000 km² in the country. Alongside New Luika and Singida, Shanta also owns the high-grade West Kenya Project in Kenya and licences with resources of 1.6 million ounces including 378 Koz in the Indicated category grading 11.70 g/t. 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.

Competent Person Statement

The technical information contained within this announcement has been reviewed by Juma Kisunda (the Company's Technical Services Manager), who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Yuri Dobrotin, P.Geo. Membership No.0702 (Shanta's Group Exploration Manager), who is a practicing member of the Association of Professional Geoscientists of Ontario, Canada (PGO). 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 Mineral Reserves' and for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009, and National Instrument 43-101 ("NI 43-101").

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.

Q1 2022 PRODUCTION & OPERATIONAL UPDATE

Safety, Health and Environment

There were no LTIs during the Period and the Company has now surpassed a landmark 8.8 million man-hours without an LTI. Shanta maintains its track record of operating among the safest gold mining operations of its peers and achieved a Total Recordable Injury Frequency Rate ("TRIFR") (per 1 million hours worked) of 1.72 for Q1.

Operational Summary – NLGM

Production Summary

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Tonnes ore milled	214,204	218,991	223,338	200,511
Grade (g/t)	1.90	2.00	2.23	2.49
Recovery (%)	87.2	87.1	88.6	88.6
Gold (oz)				
Production	11,408	12,244	14,194	14,201
Sales	10,527	13,538	12,001	16,828
Silver production (oz)	14,615	14,270	17,748	16,870
Realised gold price (US\$/oz)	1,883	1,796	1,790	1,812

Gold production during the period was 11,408 oz in line with guidance provided in January 2022. Overall, a total of 173,652 t of ore grading 2.46 g/t was mined from underground in Q1 compared with 177,256 t of ore grading 2.5 g/t in Q4 2021. A further 41,062 t ore grading 1.17 g/t was mined from open pits in Q1 compared with 32,562 t of ore grading 1.3 g/t in Q4 2021. The ROM stockpile at the end of Q1 was 155,233 t of ore grading 1.00 g/t (Q4: 150,549 t grading 1.00 g/t). Average recoveries of 87.2% were achieved in the plant during the period (Q4: 87.1%).

Actual mined ore from underground reconciled +3% in the Quarter versus the grade control model. Underground mining equipment performed in line with expectations and underground mined ounces were up 15% versus plan during the Quarter resulting from better than expected tonnes and grade mined versus plan. Open pit mining representing 20% of total planned mined ounces during the Quarter was impacted by underperformance of the mining contractor due to delays in spares and availability of mining equipment resulting in a deficit of approximately 1,700 oz during the Quarter which is expected to be partially recovered in future quarters.

The Bauhinia Creek Crown Pillar was successfully accessed one month ahead of schedule. Mining of high grade ore commenced on April 19th with initial material being mined at approximately 8 g/t consistent with expectations. The 2022 guidance of 68,000 - 76,000 oz has been de-risked following successful commencement of mining from the Bauhinia Creek Crown Pillar.

Processing of milled ore during the Quarter totalled 214,205 tonnes, in line with plan (Q4: 218,991 t). The average head grade of 1.9 g/t (Q4: 2.0 g/t) included a blend of material from underground, open pit, and existing ROM ore stockpile sources.

The demand for skilled operators across Africa continued from 2021, including demand for growing workforces in Tanzania as new operations commenced. This has led to upward pressure on employee compensation and turnover. Shanta has adopted a policy of training and development in situations where re-hiring was not possible or deemed economically unfavourable.

Financial

Adjusted Operating Costs of US\$1,297 /oz (Q4: US\$1,254 /oz) and AISC of US\$1,760 /oz (Q4: US\$1,624 /oz) were achieved in the Quarter, respectively. The increase in the AISC is largely due to fewer ounces being recovered in the Period in line with the full year production plan, and cost inflation.

Cost inflation has been experienced across key parts of the cost structure including consumables, spares and equipment being procured from outside Tanzania. Energy and emulsion are two of Shanta's key input costs. Shanta has proactively decreased its reliance on oil since 2019 and now sources approximately 25% of energy from the state electricity grid (largely hydro) and solar. The remaining 75% of energy needs comes from heavy fuel oil and subject to changes in the underlying oil price.

Ammonium nitrate, an important ingredient in emulsion production, has historically been 40% sourced from Russia. Since the war in Ukraine and new sanctions, shipments have disrupted

global flow of supply which will continue until sanctions reverse or substitution of processing centres emerges (eg away from Russia). Shanta's supplier of emulsion is based in South Africa and has shifted to domestic supply of ammonium nitrate. The global price of ammonium nitrate has increased q/q since Q1 2021 when it was US\$560/t to a March 2022 price of US\$1,225/t. Shanta consumes approximately 2,000 tonnes pa of ammonium nitrate at New Luika.

A total of US\$4.4 m of the VAT receivable was received as a refund/offset from the TRA in Q1 (Q4: US\$4.2 m). The Company's Tanzanian VAT receivable decreased from US\$27.7 m to US\$25.1 m, the entirety of which is subject to verification audit by the TRA before being available for further offsets. Approximately US\$23 million of the US\$25.1 million relates to the period July 2017-June 2020. An application for an Out of Court Settlement has now been lodged in country.

Capital expenditure at New Luika was US\$2.7 m (Q4: US\$3.8 m) for the Quarter, which predominately related to underground development at the Bauhinia Creek and Luika mines, vehicles, and equipment.

At the end of the Quarter, US\$5 million was drawn from an unsecured standby facility with Standard Bank in Tanzania (US\$1 million at Q4 2021). Shanta is exploring the possibility of securing some traditional debt funding and hope to be able to conclude those discussions in the coming weeks.

Singida Gold Mine

Construction of the Singida Gold Mine is progressing on schedule and in line with capital spending expectations. Several major project milestones have now been completed on site with construction now 51% complete highlighting a clear path to transforming Shanta into a +100,000 oz/ pa gold producer in Q1 2023. US\$4.8 m in capital expenditure was incurred in Q1 2022.

Significant construction milestones were achieved in the Quarter with delivery of the newly designed Crushing Circuit and with all equipment and steel now on site, assembly is underway. Manufacture of the Grinding and Gravity Circuit mill is 100% complete with shipment to site targeted for late April 2022 and installation planned for May 2022. The Tailings Storage Facility ("TSF") and Waste Rock Dump construction has begun following the approval of permits in 2021 and the appointment of the Independent Registered Engineer. Further key infrastructure including bulk power, water, buildings, fencing are progressing steadily on track.

Open pit operations continued during the Quarter with operations focused mainly on stripping waste in Gold Tree pit. Overall ore stockpile levels to date at Singida are 59,470 tonnes grading an average of 1.72g/t for 3,291 contained ounces.

During the Period, phase 1 grade control drilling at the Gold Tree deposit returned +5% reconciliation versus the reserve model which de-risks the initial 12 month production plan

following commissioning. The Gold Tree deposit contains 61% of the current mineral reserves at Singida.

West Kenya

During the Quarter, Shanta announced that the Mineral Resource Estimate (MRE) at the West Kenya Project increased by 31% to 1.55 Moz and Indicated resources increased by 221% to 378 Koz grading 11.70 g/t.

The results of the regional exploration drilling at the Ramula target were also announced in the Quarter, adding a further 434 Koz grading 2.08 g/t to total resources at the West Kenya Project, delivering a 37% increase in the West Kenya Resource and confirming Shanta's confidence in district scale potential.

The exploration strategy for West Kenya over the remainder of 2022 is to increase the resource conversion with approximately 700,000 oz of additional Inferred resources being targeted for potential conversion to Indicated category and expand the existing resource inventory.

There are currently three drill rigs operational at West Kenya with Feasibility Study work due to begin in May 2022. Drilling in Q1 totalled 7,007 metres.

Corporate Social Responsibility (“CSR”)

In Q1, Shanta published its inaugural Sustainability Report, which covers its activities for the year ended 31 December 2021 both at a corporate level and on the ground at the New Luika Gold Mine, Singida Project, and the West Kenya Project. In 2022 Shanta will look to enhance the disclosure in anticipation of mandatory TCFD reporting for AIM-listed companies and further enhance the Companies sustainability performance with a focus on setting clear targets and pathways and integrating these into our operations.

Shanta has continued developing the education prospects of local communities around NLGM. 185 (2021: 175) students from primary and secondary schools in the local area have been sponsored for 2022. Each student will be provided with two pairs of uniforms, one pair of shoes and stationery to cover for the whole 2022 academic year.

During the Quarter Shanta completed the construction of the Saza Secondary Dormitory which will accommodate 80 female students preventing the need for them to walk over 16 kilometers to and from school to attend classes. Work to complete construction of the Saza dispensary staff house progressed well during the Quarter, upon completion the house will accommodate up to five medical staff members and is expected to be complete by May 2022.

Uptake in Shanta's Mining Agriculture Improvement Program (“SMAP”) continued to increase during the Quarter, and there are now approximately 2,100 farmers enrolled for the 2022 farming period. During the Period, the CSR team coordinated a two-day capacity building training for AMCOS leaders from two wards being Saza and Mbangala where 90% of the enrolled farmers attended. To improve the efficiency and to add value to the farming practices

in the surrounding community, Shanta has ordered 14 seed planters of 2 different models, which will be distributed in the villages around May 2022.

Post Period

Shortly after the Period end, and one month ahead of schedule, the Bauhinia Creek Crown Pillar was accessed with high grade ore being mined beginning April 19th.

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