

13 June 2022

## **Shanta Gold Limited**

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

### **New Loan Facility and Trading Update**

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that it has signed binding definitive documents with Stanbic Bank Tanzania Limited ("Stanbic") for a US\$20 million loan facility (the "Facility") which will be used to accelerate the growth in Shanta's portfolio.

The Company is also pleased to provide an operational update for its New Luika Gold Mine ("NLGM") in Tanzania where Q2 gold production is expected to be approximately 45% higher than Q1.

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

*"The signing of this 4 year US\$20 million Facility is a significant step for Shanta as it will enable the Company to accelerate growth across the wider portfolio, specifically at the Singida Project where we are now fully funded, as we look to reach our target of becoming a +100,000 oz pa gold producer in Tanzania. With the additional news of a material production increase at NLGM where we have seen the strongest level of output in over 12 months, we can be confident that the task of reaching that +100,000 oz target by Q1 2023 has been significantly de-risked.*

*Not only was NLGM gold production in May 2022 at the highest level in over 12 months but monthly gold production is expected to be in excess of this level in the near term, underpinning our confidence in the reiterated FY 2022 production guidance of 68-76 koz.*

*Today's loan facility increases our financial flexibility to demonstrate the significant value of our assets. Combined post-tax NPV from our growth projects at Singida and West Kenya alone is in excess of US\$450 million<sup>1</sup> with NLGM increasing that too well over half a billion dollars of NPV.*

*We look forward to updating shareholders on the future progress at Singida as we approach the first gold pour in Q1 2023."*

Notes 1: Using US\$1800 /oz, and an 8% discount rate. Singida is based on an internal feasibility study announced in October 2020 and West Kenya is based on an independent Scoping Study announced in October 2020.

#### **Stanbic Loan Facility Highlights:**

- Facility – US\$20 million senior secured loan facility
- Interest rate – 3 Month Term SOFR<sup>2</sup> + Credit Adjustment Spread + Margin of 5.5%. Current total cost of financing is 6.84%
- Four-year term including a one-year capital grace period
- Repayment in 12 equal capital repayments following the end of the capital grace period with no early repayment penalties

- Gold price protection covering 16,000 oz over the next 12 months, representing approximately 2% of Shanta's total gold reserves and +/-20% of the next 12 months of production. A range of hedging alternatives is being considered
- The facility will primarily be utilised to support the ongoing construction of the Singida Gold Project ("Singida")
- The Singida project capex is fully funded into positive cash flow. Singida is scheduled for the first gold pour in Q1 2023
- The Facility is secured over the business assets of Shanta Gold's Tanzanian subsidiary company, Shanta Mining Company Limited ("SMCL"), and a pledge over the Company's shares in SMCL
- Financial close is subject to conditions precedent typical for a facility of this nature

Note 2: Secured Overnight Financing Rate

### **Trading Update:**

- In the first full month of mining the Crown Pillar, May 2022 has seen gold production of 6,354 oz, the highest monthly production level in over 12 months
- Q2 2022 production is on track to be +45% from Q1
- Monthly gold production is expected to be in excess of May 2022 in the near term underpinning confidence in our reiterated FY 2022 production guidance of 68-76 koz

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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 3.04 g/t, and exploration licences covering approximately 900 km<sup>2</sup> 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 Indicated 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.

***About Stanbic Bank Tanzania Limited:***

Stanbic Bank Tanzania Limited ("Stanbic"), a wholly owned subsidiary of Standard Bank of South Africa (Africa's largest bank), is a full-service commercial bank (Retail and Corporate) incorporated in Tanzania with company Registration number 22443 licensed by the Bank of Tanzania under Bank license number CBA0006 to conduct banking business in Tanzania. Stanbic specialises in providing facilities and services to public and private sector corporations, diplomatic missions and international organisations, and is the fourth largest bank in Tanzania by customer assets, with a presence across 6 regions having 13 points of presence. Stanbic's Corporate and Investment Banking offering includes global markets, project and structured finance, corporate finance, global custody, and a myriad transactional and electronic banking solutions. Read more about Stanbic Bank Tanzania Limited at [www.stanbicbank.co.tz](http://www.stanbicbank.co.tz) and Standard Bank Group at [www.standardbank.com](http://www.standardbank.com)