

25 April 2024

Shanta Gold Limited
("Shanta Gold", "Shanta", "Company", "Group")

Q1 2024 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 2024 (the "Quarter", "Q4" or the "Period") for its East African assets, comprising New Luika Gold Mine ("NLGM" or "New Luika") and Singida Gold Mine ("Singida") in Tanzania and West Kenya Project ("West Kenya") in Kenya.

Eric Zurrin, Chief Executive Officer, commented:

"Our diversified asset base across two mines helped mitigate the production loss during the Quarter that was caused by exceptionally wet weather in South Western Tanzania. Mine plan sequencing, equipment availability and gold recoveries at NLGM were all impacted during the Quarter. Since the end of March, the unusually heavy seasonal rains have subsided and we expect the impact of the new pre-leach thickener at NLGM in Q2 to drive an improvement in gold recoveries.

Meanwhile, Singida continued to demonstrate strong performance, which helped to offset the impact at NLGM, and drilling continued across all three assets as we continue to invest in the promise of adding new reserves and extending the mine lives.

Over the last few weeks, we have obtained all of the necessary in-country regulatory and governmental approvals relating to the acquisition of Shanta Gold by Saturn Resources and the transaction is on track to complete in May 2024."

Highlights:

- Gold production;
 - Group: 21,676 oz (Q4: 27,865 oz)
 - NLGM: 13,022 oz (Q4: 18,322 oz)
 - Singida: 8,654 oz (Q4: 9,543 oz)
- Outstanding safety record extended: TRIFR of 0.97 in Q1 and zero LTIs;
- Adjusted EBITDA¹ of US\$16.1 m (Q4: US\$21.8 m),
- Cash Operating Costs and AISC²:
 - Group: US\$1,083 /oz and US\$1,422 /oz
 - NLGM: US\$1,304 /oz and US\$1,696 /oz
 - Singida: US\$835 /oz and US\$1,173 /oz
- Cash, and available liquidity³ of US\$22.9 m at 31 March 2024 (Q4: US\$27.2 m), including US\$10.0 m undrawn (Q3: US\$10.0 m) from the Stanbic Revolving Credit facility;
- Full year guidance of 100-106 koz at AISC of US\$1,300-1,350 /oz reiterated:

- NLGM: 70-74 koz at AISC of US\$1,300-1,350 /oz
- Singida: 30-32 koz at AISC of US\$1,275-1,325 /oz

Note 1: Adjusted EBITDA is earnings before interest, tax, depreciation, and amortisation which has been derived as operating profit exclusive of depreciation/depletion of tangible assets, amortisation of intangible assets, exploration expenditure at the West Kenya Project totalling US\$0.9 million, and other extraordinary non-recurring items.

Note 2: AISC figures published include development costs, in line with the WGC definition.

Note 3: Available liquidity has been derived as unrestricted cash, the sale value of doré available for sale at the end of the Period (net of royalties and expected selling costs).

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Rule 26.1 disclosure

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on Shanta Gold's website at www.shantagold.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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 500 koz grading 2.78 g/t Au, and exploration licences covering approximately 600 km² in the country. Alongside New Luika and Singida, Shanta also owns the West Kenya Project in Kenya and licences with resources of 1,755 koz including 722 koz in the Indicated category grading 11.45 g/t Au. Shanta is quoted on London's AIM market (AIM: SHG) and has approximately 1,051 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 Evance Rwiza (the Company's Senior Resource Geologist), who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) Membership No. 317697 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 Reserve" 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").

Q1 2024 PRODUCTION & OPERATIONAL UPDATE

Operational Summary

Safety, Health and Environment

There were no Lost Time Injuries ("LTIs") in the Quarter across the Group's mining operations with a total of 4,595,044 man-hours now worked at New Luika and 2,475,223 man-hours worked at Singida since the last LTI. Shanta continues its track record of operating among the safest gold mining operations of its peers with a Total Recordable Injury Frequency Rate ("TRIFR") (per 1 million hours worked) of 0.97 (Q4: 0.00).

New Luika Production Summary

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Tonnes ore milled	219,345	227,773	226,358	219,978	217,478
Grade (g/t)	2.19	2.89	2.90	3.13	2.52
Recovery (%)	84.2	86.5	86.5	87.2	87.1
Gold (oz)					
Production	13,022	18,322	18,271	19,338	15,317
Sales	14,520	18,064	17,477	20,704	15,995
Silver production (oz)	20,676	30,001	27,242	30,672	23,152
Realised gold price (US\$/oz)	2,067	1,981	1,930	1,966	1,907

Operational and Financial Summary – New Luika Gold Mine

The New Luika Gold mine produced 13,022 oz during the Quarter, below internal forecasts due to low feed grades, low gold recoveries, and heavy rains impacting crushing and milling.

Production was soft but generally stable during the Quarter, with all months achieving >4,000 oz.

A total of 176,447 t of ore grading 2.93 g/t Au was mined from underground in Q1 compared with 179,490 t of ore grading 3.96 g/t Au in Q4. In Q1, 50,352 t of ore grading 1.49 g/t Au was mined from open pits compared with 53,209 t of ore grading 1.70 g/t Au in Q4.

The ROM stockpile at the end of Q1 was 298,293 t of ore grading 0.92 g/t Au for 8,790 oz contained (Q4: 270,067 t grading 0.95 g/t Au for 8,265 oz contained). Average recoveries of 84.2% were achieved in the NLGM processing plant during the Quarter (Q4: 86.5%), with recovery impacted by poorer quality of reagents used in processing and poor grinding efficiency. An review on the reagents inventory is ongoing and an alternative supplier has been identified.

Milled ore during the Quarter totalled 219,345 tonnes, slightly under the previous Period of 227,773 t. The average head grade of 2.19 g/t Au (Q4: 2.89 g/t Au) included a blend of material from underground, open pit, and existing ROM ore stockpile sources.

Adjusted Operating Costs of US\$1,304 /oz (Q4: US\$974 /oz) and AISC¹ of US\$1,696 /oz (Q4: US\$1,359 /oz) were achieved in the Period, respectively. Q1 AISC was higher than budget due to lower than budgeted production and higher royalty payments owing to a higher than budgeted realised gold price.

Singida Production Summary

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023¹
Tonnes ore milled	89,102	93,310	93,292	79,911	5,366
Grade (g/t)	3.2	3.3	3.4	4.0	3.2
Recovery (%)	94.3	95.1	97.4	97.9	99.3
Gold (oz)					
Production	8,654	9,543	9,664	10,065	51
Sales	8,720	11,364	7,569	8,703	-
Realised gold price (US\$/oz)	2,070	1,955	1,928	1,930	-

1. The first gold pour on 30 March 2023. Commercial production declared on 1 June 2023.

Operational and Financial Summary – Singida Gold Mine

The Singida mine produced 8,654 oz during the Quarter, exceeding internal forecasts. Production was stable with all three months achieving over 2,800 oz per month. This was due to good feed grades and recoveries. The reduction in Singida recoveries compared with previous periods is in line with expectations, and is normalising towards 91% recoveries previously announced in the 5-year Mine Plan in July 2023.

Open pit mining continued with operations focused on Gold Tree pit. Total ore of 88,092 t with an average grade of 3.6 g/t Au was mined in the Quarter (Q4: 103,577 t grading 3.3 g/t Au).

Ore stockpile level at Singida excluding gravels at the end of Q1 was 205,401 t grading an average of 1.5 g/t Au for 10,133 contained ounces (Q4: 194,565 t grading 1.6 g/t Au for 10,039 oz).

Milled ore during the Quarter totalled 89,102 tonnes, broadly consistent with the previous Quarter (Q4: 93,310 t). The average head grade of 3.2 g/t Au (Q4: 3.3 g/t Au) included a blend of material from open pit, and stockpile sources.

Adjusted Operating Costs of US\$835 /oz (Q4: US\$768 /oz) and AISC of US\$1,173 /oz (Q4: US\$1,120 /oz) were achieved in the Quarter, respectively. Operating costs and AISC were better than budget driven by strong gold production from the consistency in gold grades, good recovery, and lower than budgeted drilling, blasting and administrative costs.

Singida Process Plant metrics	Forecast	Actual (Q1 2024)	Actual (Q4 2023)
Dore bars gold purity	80%	90.2%	91.2%
Gold recovered from gravity	40%	50.7%	47.8%
Gold recoveries	91%	94.3%	95.1%

Group Financial Summary

During the Quarter, average selling price per ounce of gold increased to US\$2,068 /oz (Q4: US\$1,971 /oz). In March, the company contracted gold price protection purchasing put options at a strike price of US\$2,150 /oz covering a total of 19,000 oz from April until June 2024.

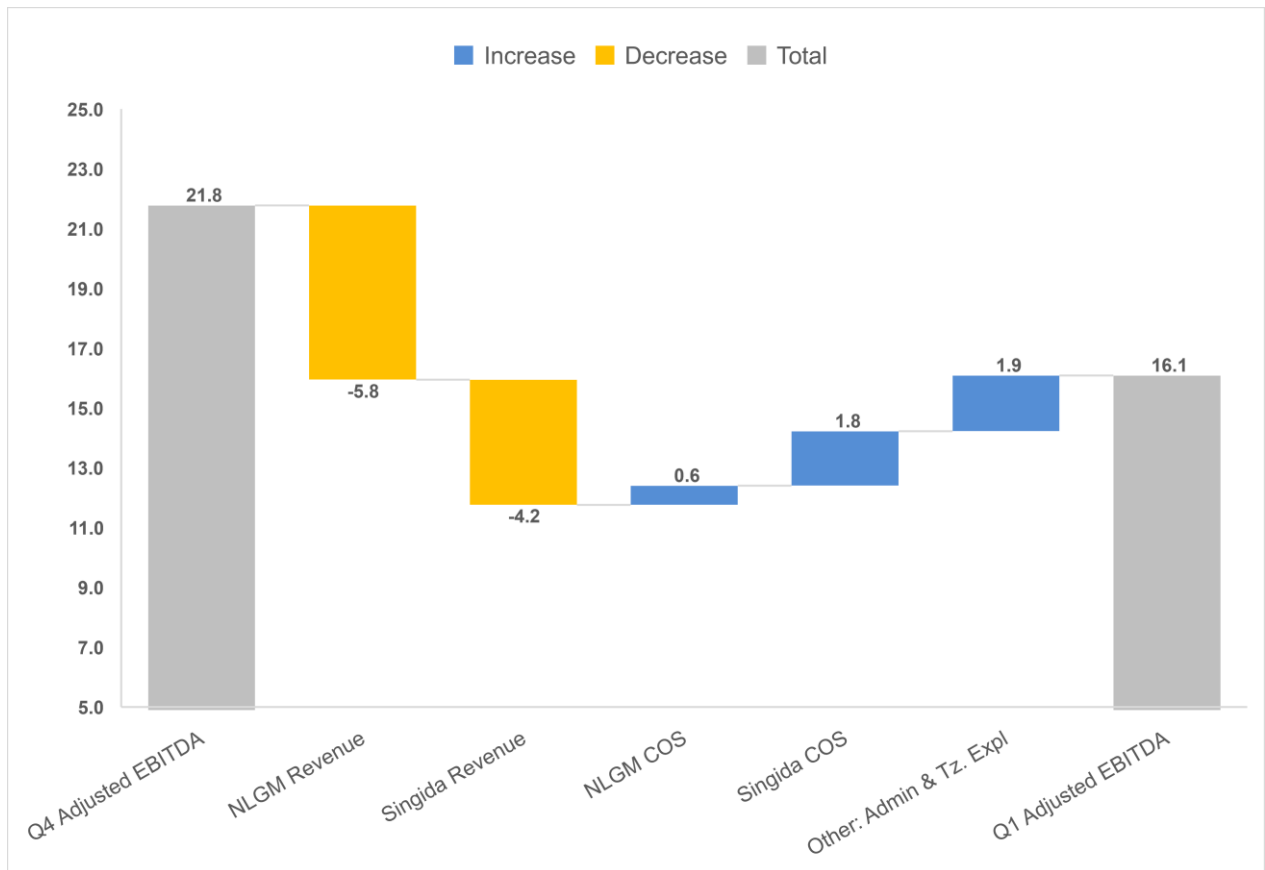
Net debt increased to US\$7.4 m (Q4: US\$2.3 m). This was primarily due to a US\$4.2 m lower cash and liquidity balance in Q1 compared with Q4, due to US\$7.6 m corporation tax payments made in the Quarter and fewer ounces in the gold room in March compared with year-end, decreasing liquidity. In addition, the latest repayment against the long-term Stanbic facility was made in the first week of April, meaning gross debt was largely unchanged from Q4.

In Q1, capital expenditure at New Luika was US\$3.4 m (Q4: US\$5.4 m), which predominantly related to Open Pit development at Elizabeth Hill of US\$0.7 m, underground development of US\$0.9 m, stay-in-business (“SIB”) expenditure of US\$0.7 m and expansion capex of US\$1.2 m for TSF lift and construction of the pre-leach thickener.

US\$0.9 m was spent at Singida (Q4: US\$2.0 m), mainly relating to SIB of US\$0.5 m and expansionary projects of US\$0.2 m.

A total of US\$2.1 m was invested in exploration and technical studies at the West Kenya Project (Q4: US\$2.2 m).

EBITDA Bridge Q4 2023 to Q1 2024 (US\$m)



Adjusted Group EBITDA of US\$16.1 m (Q4: US\$21.8 m) was achieved in the Quarter. The movement was primarily driven by a US\$10.0 m decrease in revenue across NLGM and Singida due to 6,188 fewer ounces sold in Q1 compared to Q4. This was offset by a US\$4.3 m reduction in costs due to lower royalty and selling costs and lower head office administrative expenses, resulting in a net decrease of US\$5.7 m compared with Q4.

During the Quarter, a VAT refund application has been made relating to the period from August 2023 to December 2023 which is awaiting Tanzania Revenue Authority audit. The expected VAT refund is approximately US\$7.7 m.

Tanzania Exploration

The 2024 exploration programme at NLGM is targeting resource conversion through 29,100 metres of drilling. During Q1 the Company announced a drilling update covering 5,855 metres of drilling from December 2023 to February 2024. The programme yielded positive results with mineralisation at Elizabeth Hill, Black Tree Hill, BCN, Jamhuri West and Jamhuri Main remaining open at depth. A selection of notable intersections from the drilling update include:

- Elizabeth Hill (440-metre strike):
 - Hole CSD361 intersected 6.31 m @ 3.49 g/t Au from 221 m
 - Incl. 2.43 m at 6.84 g/t Au
- Jamhuri Main (western extension):
 - Hole CSR753 intersected 5.00 m @ 4.25 g/t Au from 84 m

- Incl. 1.00 m at 16.78 g/t Au

At Singida the objective for exploration drilling in 2024 is to target resources outside the existing reserve based mine plan and to convert Inferred resources into Indicated resources at the deposits, testing lateral extent of mineralised zones and extending the mine life. During the Period a drilling update was announced covering 4,008 m of drilling from September 2023 to March 2024. The results demonstrated mineralisation at Jem, Gold Tree, and Vivian remains open at depth. A selection of notable intersections from the drilling update include:

- Jem Deposit (250m strike-length drill tested of 500m mineralised structure):
 - Hole SDD0011 intersected 2.30 m @ 9.98 g/t Au from 115m
 - Incl. 0.50 m at 30.40 g/t Au
- Gold Tree (200m strike-length drill tested to the west of the 600m mineralised structure):
 - Hole SDD0017 intersected 8.00 m @ 2.63 g/t Au from 83 m
 - Incl 1.70 m at 5.42 g/t Au
 - Hole SDD0020 intersected 17.50 m @ 2.79 g/t Au from 119 m
 - Incl. 8.50 m at 4.39 g/t Au

Work remains ongoing and will continue throughout Q2 2024.

West Kenya Project

The Environmental and Social Impact Assessment (ESIA) continues to progress with the Ramula-Mwibona scoping report submitted to the National Environment Management Authority (NEMA) and approved during the Period, enabling the next phase to commence for the detailed ESIA Study. A working group comprised of Shanta internal specialists and external experts are busy with various workstreams, including biodiversity and dust sampling which took place in the Quarter.

Post Period the Company released a drilling update which covered the West Kenya drilling programme for Q4 2023 and Q1 2024. The primary aim of this programme was to convert additional near-surface extension at the Ramula deposit. The results were encouraging, with a selection of notable intersections from the drilling update including:

- Hole RMD0062 intersected 2.1 m @ 9.26 g/t Au from 0 m
- Hole RMD0074 intersected 4.5 m @ 4.44 g/t Au from 21.6 m
 - Incl. 1.5 m @ 9.77 g/t Au from 23.1 m

This programme also included the testing of the most prospective early-mid-stage targets near the Ramula camp, including Miruka and Anomaly 22. Results from the holes at Miruka returned intercepts with economic range mineralisation, confirming continuity of the mineralisation to +120 m depth and +150 m lateral extent, with mineralisation open both at depth and along strike. Results from the holes at Anomaly 22 returned intercepts with economic range mineralisation, confirming continuity of the mineralisation that is open both at depth and along strike. A selection of notable intersections from the drilling update include:

- Miruka
 - Hole RMD0094 intersected 7.2 m @ 4.33 g/t Au from 159 m

- Anomaly 22
 - Hole RMD25B intersected 24.6 m @ 2.18 g/t Au from between 30-125 m
 - Incl. 6.2 m @ 4.6 g/t Au

A mineral resource estimate update for Ramula is planned for Q2 2024.

Corporate Social Responsibility (“CSR”)

New Luika Community

Work progressed in the Period on Songwe District’s English Medium Primary School, which Shanta is directly funding, and which is expected to provide a safe learning space for nearly 400 students aged 4-11 years each year when complete. Phase I included the construction of two pre-primary school classrooms, and ablution block for staff, toilets for students, and roofing work. Roofing and plastering were completed in the Period, and Phase I is on track to be completed by the end of April, with commencement of Phase II targeted for mid-June.

Shanta is also working on improving the educational prospects of underprivileged youth in the surrounding Songwe community. During the Period Shanta contributed to the Education Sponsorship of Underprivileged Students programme, which will provide a total of 318 students from eight primary schools and one secondary school with two pairs of uniforms, a pair of shoes, and stationary to support these students so they have the same opportunities to learn and succeed as their peers.

Singida Community

Shanta progressed its Livelihood Agriculture Project in advance of the upcoming harvest, with planting for demo farms cleared and ploughed for the 2023/24 season. Key workstreams across planting, germination, thinning, seeding, and pesticide application were completed during the period. Harvesting is planned to commence in Q2, where it is expected the yields will be approximately 409 tonnes, benefiting 554 farmers with income of nearly US\$0.5 m in the upcoming farming season.

In one of Singida’s surrounding communities, Tupendane Village, Shanta is supporting an education project to construct two classrooms at Mbhogo Primary School. During the Quarter work progressed and the project is now approximately 90% complete, with gypsum and skimming completed. In addition, a borehole will be drilled at the school to provide water for the school. During the Quarter the geophysical survey report was completed, and the tender process has commenced with drilling expected to be completed in Q2.

Corporate

On 19 March 2024, Shanta announced that the boards of directors of Saturn Resources (“Bidco”), a wholly-owned subsidiary of ETC Holdings (Mauritius) Limited and Shanta had reached an agreement on the terms of a recommended increased and final cash offer by Bidco

for the entire issued, and to be issued, share capital of Shanta not already owned by any member of the Bidco Group (the “Acquisition”) for 14.85 pence per Shanta ordinary share, valuing the entire issued share capital of Shanta at approximately £151.1 m.

On 2 April 2024, Shanta announced that Shanta and Bidco received unconditional approval of the Acquisition from the Competition Authority of Kenya.

On 4 April 2024, Shanta announced that the resolutions in relation to the Acquisition, were passed by the requisite majorities of Voting Scheme Shareholders at the Court Meeting, and by the requisite majority of Shanta Shareholders at the General Meeting,

On 8 April 2024, Shanta announced that Shanta and Bidco received unconditional approval of the Acquisition from the Tanzania Fair Competition Commission.

On 16 April 2024, Shanta announced that Shanta and Bidco received unconditional approval of the Acquisition from the Tanzanian Mining Commission.

On 19 April 2024, Shanta announced that Shanta and Bidco have received unconditional approval of the Acquisition from the Cabinet Secretary for Mining, Blue Economy and Maritime Affairs in Kenya.

On 24 April 2024, Shanta announced that it intends to seek the Court’s sanction of the Scheme on 8 May 2024 resulting in the suspension of dealings in Shanta shares on 10 May 2024.

In addition, each Shanta shareholder holding shares at the relevant record date of 2 April 2024 will receive and retain an interim dividend of up to 0.15 pence per share which is expected to be paid on 26 April 2024.

ENDS