

16 March 2021

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

**Exploration Drilling Update**

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an exploration update at the New Luika Gold Mine ("NLGM") in South Western Tanzania, the West Kenya Project ("West Kenya") in Kenya, and the Singida Gold Project ("Singida") in Central Tanzania.

This update relates to 5,750 meters of drilling conducted in January and February 2021.

**Highlights:**

- Total of 22 core holes drilled across New Luika, West Kenya and Singida;
- Drilling at Luika is targeting the inferred resource extension of the westerly plunging deposit with attractive potential for upgrading the existing resource estimate, from:
  - Hole CSD206 intersected 9.29 m grading 11.27 g/t Au from 441 m, incl. 4.88 m at 20.07 g/t Au;
- High grade intersections have been hit in early holes at West Kenya:
  - Hole LCD0218 at Isulu intersected 2.00 m grading 15.9 g/t Au from 233 m, incl. 0.5 m at 45.4 g/t;
  - Hole LCD0223 at Bushiangala intersected 22.9 m grading 4.81 g/t Au from 124 m;
- Drill rigs at West Kenya increased to two in January with a third rig expected to be added shortly;
- Targeting the completion of 40% of total planned exploration at West Kenya by end of December 2021;
- Drilling at Singida has identified a potential new hanging wall zone that is richer than the main zone at Cornpatch West:
  - Hole SC715 intersected 5.00 m grading 5.1 g/t Au from 61 m, incl. 1.00 m at 22.06 g/t Au;
- An encouraging step-out hole was drilled from the main Cornpatch West orebody:
  - Hole SC719 intersected 5.00 m grading 9.96 g/t Au from 133 m, incl. 2.00 m at 18.90 g/t Au; and
- Drilling at Cornpatch West at Singida within the inferred resources has intersected grades that exceed the reserve grade with results being modelled to estimate potential impact on reserves.

**Summary of locations drilled:**

<b>Project</b>	<b>Deposit(s)</b>
NLGM	Luika, Porcupine South
West Kenya	Isulu and Bushiangala

**NLGM**

- Six diamond core holes drilled at Luika underground deposit for a total of 2,593 m, with further drilling ongoing;
- The drilling campaign at Luika is targeting the immediate inferred resource extension of the westerly plunging shoot between levels 740mRL and 525mRL;
- Luika drilling highlights:
  - Hole CSD206 intersected 9.29 m grading 11.27 g/t Au from 441 m, incl. 4.88 m at 20.07 g/t Au;
  - Hole CSD208 intersected 5.44 m grading 2.48 g/t Au, incl. 1.05 m at 4.18 g/t Au from 470 m; and,
  - Hole CSD210 intersected 7.28 m grading 2.08 g/t Au from 447 m, incl. 2.34 m at 5.37 g/t Au.
- Assay results received in Q1 2021 for two Reverse Circulation (“RC”) holes and three diamond core holes drilled at Porcupine South (Northern Trend) open pit target in Q4 2020 for a total of 848 m;
- Porcupine South (Northern Trend) drilling highlights:
  - Hole PSCD001 intersected 5.95 m grading 1.43 g/t Au from 138 m, incl. 0.96 m at 3.45 g/t Au;
  - Hole PSDD001 intersected 2.35 m grading 4.60 g/t Au from 150 m; and
  - Hole PSRC045 intersected 2.00 m grading 1.80 g/t Au from 142 m;

**West Kenya**

- Infill drilling of 5 diamond core holes drilled at Isulu totalling 1,136 m and 2 diamond core holes drilled at Bushiangala totalling 402 m, with results received to date amounting to 4% of planned exploration;
- Drill rigs increased to two in January with a third rig expected to be added shortly;
- Targeting the completion of 40% of total planned exploration by end of December 2021;
- West Kenya drilling highlights:
  - Hole LCD0218 at Isulu (Zone IZ1.0) intersected 2.00 m grading 15.9 g/t Au from 233 m, incl. 0.5 m at 45.4 g/t;
  - Hole LCD0223 at Bushiangala (BZ2-BZ3 zone conjunction) intersected 22.9 m grading 4.81 g/t Au from 124 m, including:
    - 1.50 m grading 24.90 g/t Au from 129 m;
    - 3.00 m grading 7.06 g/t Au from 124 m;
    - 4.60 m grading 5.32 g/t Au from 135 m;

- 3.50 m grading 7.31 g/t Au from 143 m;
- It is encouraging that high grade intersections have been hit in early holes and the Company is looking forward to ramping up exploration over the coming months.

### **Singida**

- The ongoing RC drilling program at Cornpatch West is aiming to test a step-back area from the existing pit design;
- Four holes drilled at Cornpatch West for a total of 771 m, with highlights as follows:
  - Hole SC715 intersected 5.00 m grading 5.1 g/t Au from 61 m, incl. 1.00 m at 22.06 g/t Au;
  - Hole SC719 intersected 5.00 m grading 9.96 g/t Au from 133 m, incl. 2.00 m at 18.90 g/t Au; and
  - Hole SC717 intersected 4.00 m grading 3.14 g/t Au from 163m, incl. 1.00 m at 7.48 g/t Au;
- Drilling at Cornpatch West within the inferred resources below the currently designed pits has intersected grades that significantly exceed the reserve grade. These results are currently being modelled to estimate potential impact on reserves.

### **Outlook**

At NLGM, up to 39,000 metres of RC and diamond core drilling is being targeted for the remainder of 2021. Activities will ramp up significantly throughout the next six months in particular, aligned with the favorable natural conditions of the dry season. About 75% of the drilling at NLGM will be completed within the boundaries of the Company's Mining Licences and will test the strike and down-dip continuities of known mineralized structures, with the aim of extending mine life.

Drilling campaigns at the West Kenya Project will continue throughout 2021, with the main focus being conversion of the Inferred resource at Isulu and Bushiangala to Indicated category up to the depth of 500 m below surface. 35,000 m of diamond drilling has been planned for 2021 and this announcement covers results from the first 4% of drilling by two drill rigs, with preparations underway to introduce the third diamond rig in Q2 2021.

At Singida, up to 6,700 metres will be drilled in 2021 with 85% of this drilling being on Mining Licences, designed to test the strike and depth extensions of known deposits.

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

*“Early drilling results have been positive across all three assets including one of the best holes drilled at the Luika deposit over 162 holes drilled in its history.*

*At the West Kenya Project, we intersected visible gold at Isulu, while Bushiangala has returned a very wide and high-grade zone over 23 meters.*

*The Singida Project remains underexplored, particularly for a greenstone deposit, and drilling has illustrated a potential new hanging wall zone that is richer than the main zone at Cornpatch West. These drilling results have the potential to increase the size of mineable resource at Cornpatch West.*

*Exploration remains core to delivering future value and growth within our portfolio to support long-term sustainable returns to shareholders. Today's announcement covers 7% of total drilling metres planned in 2021. I look forward to providing ongoing exploration updates throughout the course of this year."*

## **Luika and Porcupine South Drilling Campaigns**

Luika is located 1.8 km to the northwest of the NLGM processing plant. The orebody strikes approximately NNE - SSW and dips ~50° to NW. The Luika and Bauhinia Creek ("BC") deposits are located within a 0.6 km wide shear zone, which has been interpreted from airborne magnetic data. These have been interpreted to be part of the same vein which has been offset by a 'Thrust Fault', with the plane of thrust modelled to dip at 40° towards 240° with a 650 m dextral displacement. Gold mineralization at Luika is closely associated with quartz veining and low sulphide mineralization (predominantly disseminated pyrite ~1-3%). The mineralized zones are presented by moderately to sub-vertical dipping quartz veins hosted by granodioritic rocks. The deposit depicts relatively higher-grade westerly plunging shoots which have potential to host significant economic mineralization and will be the target of forthcoming phases of exploration drilling. The structure drilled and modelled so far at Luika covers a strike extent of approximately 0.3 km. The ongoing drilling campaign at Luika is targeting the westerly plunging shoot between levels 740mRL and 525mRL, which had not been previously drill tested. The ongoing drilling program at Luika has been designed with drilling centre spacing of 40 – 50 m, up to the level 525mRL, which is the equivalent of the spacing applied for the indicated resource category for Luika orebody.

Porcupine South is located about 22 km to the east of the NLGM processing plant. The Northern Trend of Porcupine South strikes northwest – southeast. Gold mineralization is associated with quartz veins hosted by a shear zone at the granite – granodiorite contact and steeply dips to the northeast. Higher gold mineralization grades in the Northern Trend appear to be closely associated with quartz veining, strong silica and albite alteration and pyrite stringers and massive bands. The Northern Trend drilled and modelled so far covers a strike extent of approximately 0.5 km. The drilling program that was completed in Q4 2020 was designed to test the mineralized structure to level 1120mRL (~120m vertical depth). Drilling on the target will resume in Q2 2021 and will test the westerly strike continuity and potential high-grade plunging shoots of the mineralized structures.

Six diamond core holes have been drilled so far during the ongoing Luika drilling program, which commenced in January 2021, for a total of 2,593 m. These holes were collared on surface (approximately 1000mRL), inclined at between minus 43° and 85° with depths ranging from 323 m to a maximum of 498 m down the hole.

At Luika the reported results are over a strike length of 100 m. It is estimated that the true widths of the mineralized zones are about 85% - 95% of the intersected widths in the drillholes.

At Porcupine South, assay results for five drill holes (two RC holes, two DD tails to RC pre-collars, and one DD hole) which were part of the Q4 2020 drilling campaign were received in January 2021.

Significant intersections from the Luika and Porcupine South assay results are tabulated below:

Deposit	Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)
Luika	CSD204	471.80	487.40	15.60	1.26
		<i>Including:</i> 472.60	474.40	1.80	4.79
	CSD206	436.19	437.10	0.91	15.10
		441.45	450.74	9.29	11.27
		<i>Including:</i> 442.50	447.38	4.88	20.07
		453.51	454.10	0.59	2.00
		<i>No Significant Intersection</i>			
	CSD208*	468.70	469.10	0.40	3.00
		470.00	475.44	5.44	2.48
		<i>Including:</i> 470.72	471.77	1.05	4.18
		473.76	475.44	1.68	3.33
	CSD209*	178.92	181.63	2.71	0.96
		284.44	292.09	7.65	1.69
		<i>Including:</i> 287.06	289.12	2.06	3.01
CSD210*	447.26	454.54	7.28	2.08	
	<i>Including:</i> 447.26	449.60	2.34	5.37	
	461.80	466.46	4.66	1.83	
	<i>Including:</i> 464.60	466.46	1.86	3.27	
Porcupine South	PSRC045	142.00	144.00	2.00	1.80
	PSRC047	90.00	91.00	1.00	0.79
		112.00	114.00	2.00	0.91
	PSCD001	138.35	145.00	5.95	1.43
		<i>Including:</i> 144.04	145.00	0.96	3.45
	PSCD005	147.23	147.70	0.47	0.58
		214.83	215.12	0.29	0.81
PSDD001	150.00	152.35	2.35	4.60	

\*Assay results from onsite laboratory at NLGM operated by independent third party.  
No top cut applied.

The drilling campaign at Luika started in January 2021 and is ongoing. Drilling at Porcupine South will resume in Q2 2021. The focus of these drilling campaigns is to better define the geometries of known mineralized structures and to test their down-plunge continuity with the potential to generate additional resources.

### **Isulu and Bushiangala Drilling Campaign**

The West Kenya Project spans 1,162 km<sup>2</sup>, representing the majority of the highly prospective and underexplored greenstone Archaean Busia-Kakamega Gold Belt in western Kenya. This is the northernmost greenstone belt in the prolific Lake Victoria Goldfield, which hosts world-class gold deposits such as those at North Mara and Geita gold mines. The size of the belt is analogous to well-known prolific greenstone belts in Canada and Australia (including Val-d-Or district Abitibi, Canada and Kalgoorlie district WA, Australia).

Several gold prospects exist across the project area at various stages of exploration. At present, drilling is focused on the Isulu and Bushiangala deposits, with the aim of upgrading ounces from the project's NI43-101 compliant Inferred Mineral Resource Estimate into the Indicated Resource category. The gold mineralisation is hosted by sheared pillowed to massive basalts, bounded between ultramafic volcanics and polymictic conglomerates on one side and carbonaceous mudstones and sandstones on the other side. The deposits occur within the Liranda Corridor area, a 12 km structural trend located on the eastern limb of a broad synclinal structure intruded in the centre by granitoids and dioritoids, termed the Kakamega Dome. The north-western limb of the Dome hosts the highly perspective and underexplored Rosterman target (located 8 km from the Isulu and Busiangala deposits), which was the largest colonial gold mine in Kenya, producing approximately 260 Koz @ 12.3 g/t Au in the pre-independence period.

Mineralisation is associated with quartz, quartz-carbonate veinlets within the mineralised shear zones ranging from 0.5 m to 10 m in true width. Sulphide mineralisation is present in the form of pyrite, pyrrhotite, sphalerite, arsenopyrite, and molybdenite. The mineralisation style is classified as orogenic, shear-zone-hosted quartz-carbonate vein subtype. The strike lengths of the steeply-dipping zones vary between 350 m and 650 m.

Phase 1 of the ongoing diamond drilling campaign at the project commenced in late December 2020 and is designed to infill two modelled zones at Isulu (IZ1.0 and IZ3.0) and three modelled zones at Bushiangala zones (BZ1, BZ2 and BZ3). This is being carried out with spacing of 40 m at Isulu and 30 m at Bushiangala, up to a depth of 150-200 m from surface, and is targeting both oxides and sulphides within these zones.

Assay results have been received for the first seven diamond drill holes, which is covering only a limited portion of the tested mineralised zones (a strike length of 75 m for Isulu and 35 m for Bushiangala). It is estimated that the true widths of the mineralized zones are approximately 60 to 70% of the widths intersected in the drill holes.

Assay results for these first seven drill holes are tabulated below:

Prospect	Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Zone
Isulu	LCD0217	204.6	205.1	0.5	1.50	IZ1.0
Isulu	LCD0218	233.0	235.0	2.0	15.90	IZ1.0
		<i>including:</i> 234.5	235.0	0.5	45.40	
Isulu	LCD0219	159.3	159.8	0.5	0.96	IZ1.0
Isulu	LCD0220	No significant intercept				
Bushiangala	LCD0221	134.5	136.0	1.5	2.42	BZ2

		181.5	183.0	1.5	4.14	BZ3
<b>Isulu</b>	LCD0222	No significant intercept				
<b>Bushiangala</b>	LCD0223	109.0	110.0	1.0	3.42	Unassigned
		113.5	114.0	0.5	4.87	BZ1
		123.6	146.5	22.9	4.81	BZ2
		<i>including:</i>				
		123.6	126.6	3.0	7.06	
		129.5	131.0	1.5	24.90	
		135.0	139.6	4.6	5.32	
		143.0	146.5	3.5	7.31	
155	157	2	2.69	Unassigned		

\*Assay results from accredited laboratory operated by SGS, an independent third party.

All results are based on half-core samples of diamond drill core. The West Kenya Project drill core samples were prepared and analyzed at SGS Laboratory in Mwanza, Tanzania, which is an ISO 17025 accredited laboratory. All Au assays are based on fire assay analysis of a 50gm charge followed by an atomic absorption finish.

Drilling campaigns at the West Kenya Project will ramp up throughout 2021, with the main focus being conversion of the Inferred resource at Isulu and Bushiangala to Indicated category up to the depth of 500 m below surface.

In addition, three diamond drill holes have been designed to explore the untested Rosterman subvertical mineralised structure as a potential ore-hosting feeder for the historically mined gently-dipping tension veins. The target has not previously been explored using diamond drilling and holds potential for the discovery of a substantial mineral resource within truckable distance (approximately 9 km) of the Isulu and Bushiangala deposits. This target is situated on the flank of an untested large and strong (>3 km, >30ppb Au) zoned gold and multi-element anomaly. This type of deposit is analogous to the Sigma-Lamaque-Triangle-Ormaque deposits in Val-d-Or district, Abitibi Belt, Canada.

### **Cornpatch West Drilling Campaign**

Cornpatch West is located about 6.3 km to the northwest of the planned site for the Singida Gold Mine processing plant, and is within one of the three existing Mining Licences. It is one of seven shear zone related gold deposits contributing to the mineral resource at Singida. Cornpatch West is the westernmost of these deposits, with gold mineralization localized along a moderate to steep dipping, southeast - northwest striking brittle-ductile structure within basaltic and meta-sedimentary host rocks. Gold mineralization at Cornpatch West is closely associated with quartz veining, silicification, and significant percentages (3 – 15%) of pyrite, pyrrhotite, arsenopyrite, and chalcopyrite alteration. Sulphides occur as disseminations, blebs, and stringers filling fractures in quartz veins.

The Cornpatch West shear structure trends at 293° and dips at 60° to the southwest. The strike extent of the structure defined so far is about 1 km, which has been tested to a vertical depth

of about 180 m. The true thickness of the orebody ranges from 3 to 11 m, with an average true thickness of 7.6 m.

The ongoing RC drilling program at Cornpatch West is aimed to upgrade some Inferred resources below the current designed pits to the M&I resource category. The drill holes are stepping back on the previous drill fences to test the down-dip continuity of the mineralized zones. Eight drill holes will be completed during the current phase of RC drilling at Cornpatch West for a total of 1,291 m. Five holes representing 771m have been completed to date, and assay results for four of these holes are available. Significant intersections from these are tabulated below:

Deposit	Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	
Cornpatch West	SC715*	61.00	66.00	5.00	5.10	
		<i>Including:</i>				
		62.00	63.00	1.00	22.06	
	SC716*	155.00	156.00	1.00	0.96	
		91.00	92.00	1.00	3.24	
	SC717*	163.00	167.00	4.00	3.14	
		<i>Including:</i>				
		165.00	166.00	1.00	7.48	
	SC719*	133.00	138.00	5.00	9.96	
		<i>Including:</i>				
		134.00	136.00	2.00	18.90	

*\*Assay results from onsite laboratory at NLGM operated by independent third party.  
No top cut applied*

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The technical information contained in this announcement was reviewed by Evance Rwiza (the Company's Senior Resource Geologist) 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 mineralization 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 Ore 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.

### **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 licences covering approximately 1,100 km<sup>2</sup> in the country. Shanta Gold also owns the West Kenya Project in Kenya with defined inferred resources of 1.2 Mt grading 12.6 g/t. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 82,978 ounces in 2020. The Company has been admitted to trading on London's AIM market and has approximately 1,048 million shares in issue. For further information please visit: [www.shantagold.com](http://www.shantagold.com).