2 November 2022

Shanta Gold Limited

("Shanta Gold" or the "Company")

New Luika Gold Mine Exploration Drilling Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer, and explorer, is pleased to provide an exploration drilling update at the New Luika Gold Mine ("NLGM") in Southwestern Tanzania, relating to drilling conducted in H2 2022.

These encouraging drilling intersections will be incorporated into the next update of the mine plan as Shanta Gold continues to extend the mine life at NLGM.

Website link to the slides covering today's announcement:

https://www.shantagold.com/investors/presentations/

Eric Zurrin, Chief Executive Officer, commented:

"I am pleased to announce that we continue to deliver encouraging drilling results at New Luika, adding to the exploration success that we have had around the wider portfolio this year. These results give us confidence that the reserve-based mine life at New Luika will continue to be extended beyond its current timeline of H1 2027.

In 2023, we are scheduled to continue drilling, testing the Elizabeth Hill, Porcupine South and Black Tree Hill targets following the encouraging results from the recent drilling, modelling and technical studies, as well exploring several outlined targets situated in proximity to the known orebodies, e.g. Luika South, BC North West and Black Tree Hill western conceptual high-grade shoot and Porcupine South Central. Today's announced NLGM drilling results are being incorporated into our annual mineral reserve and resource update that will be released in January 2023.

This is an exciting time for Shanta Gold as we transition towards becoming a 100,000 oz per year gold producer in March 2023 as Singida comes onstream. With a diversified asset base and a healthy balance sheet, the company is well positioned operationally to deliver on our strategy of sustainable growth through exploration."

Highlights:

- A total of 7,891 metres drilled covering 47 holes at BC North, Ilunga, Luika Deep, Black Tree Hill, and Elizabeth Hill targets at New Luika Gold Mine within the mining licenses, and Porcupine South target on the Porcupine South mining license

- Reported results are over strike lengths of 400 m, 130 m, 140 m, 410 m, and 550 m for BC North, Ilunga, Luika Deep, Black Tree Hill, and Elizabeth Hill respectively

- Most of the these newly reported drilling intersections are outside existing mineral reserves and will be incorporated into the next update of the mine plan

- Mineralisation at Luika, Black Tree Hill, and Porcupine South remains open at depth

Black Tree Hill:

- Hole CSR637: 9 m @ 17.33 g/t Au from 9 m
- Hole CSR639: 17 m @ 1.37 g/t Au from 123 m, including 3 m @ 2.92 g/t Au from 137 m
- Hole CSR640: 11 m @ 1.72 g/t Au from 89 m, including 1m @ 14.86 g/t Au from 92 m
- Hole CSR641: 7 m @ 2.80 g/t Au from 95 m
- Hole CSR642: 9 m @ 3.24 g/t Au from 100 m, including 1 m @ 12.08 g/t Au from 105 m
- Hole CSR643: 8 m @ 2.44 g/t Au from 120 m, including 2 m @ 7.67 g/t Au from 121 m

Ilunga:

- Hole CSD322: 4.15 m @ 17.30 g/t Au from 75.76 m including 1.46 m @ 46.53 g/t Au from 77.76 m

Luika:

- Hole CSD330: 5.20 m @ 5.07 g/t Au from 567.80 m, including 2.70 m @ 8.87 g/t Au from 567.80 m
- Hole CSD327: 2.40 m @ 2.10 g/t Au from 527.20 m.

Elizabeth Hill:

- Hole CSD336: 7.06 m @ 2.71 g/t Au from 103.65 m, including 1.90 m @ 5.41 g/t Au from 106.90 m
- Hole CSR644: 16 m @ 3.51 g/t Au from 93 m, including 2 m @ 7.02 g/t Au from 94 m and 3 m @ 8.33 g/t Au from 98 m
- Hole CSR645: 6 m @ 1.40 g/t Au from 142 m, including 1 m @ 4.26 g/t Au from 145 m
- Hole CSR647: 5 m @ 3.69 g/t Au from 164 m, including 2 m @ 6.92 g/t Au from 164 m
- Hole CSR648: 3 m @ 4.75 g/t Au from 153 m, including 1 m @ 12.08 g/t Au from 154 m

Porcupine South:

- A further 1,156 metres of RC and core drilling covering 13 holes at Porcupine South Mining License ("Porcupine South") located approximately 22 kilometres from the NLGM Processing Plant was drilled, including:
- Hole PSRC113: 4 m @ 1.87 g/t Au from 44 m, including 1 m @ 3.14 g/t Au from 45 m
- Hole PSRC116: 9 m @ 3.76 g/t Au from 33 m, including 2m @ 13.21 g/t Au from 38 m
- Reported results are over a strike length of 430 m at Porcupine South target

<u>BC North Exploration Drilling</u>

The BC North target is located about 1.6 km to the north of the NLGM Processing Plant. The target was initially inferred from structural study, which delineated a WSW - ENE striking shear zone, with a similar orientation/geometry and strike extent as that of the BC and Luika deposits, and inferably represent a displaced offset of the Luika orebody by the late displacement fault. Surface soil geochemistry was consistent with the inferred shear zone trend, and the follow-up trenching program intersected encouraging gold mineralisation over a strike extent of about 100 metres.

The BC North mineralised shear zone dips at about 60° to the NNW. The BC North orebody is presently in a development stage and 9,374 ounces Au has been mined to date.

Four DD holes totaling 1,267 metres were completed in H2 2022 at BC North. The drilling programme was designed to test the continuity of the BC North mineralised structure to the east and beyond “Fault 4” that has been mapped underground. Holes were inclined at between minus 50 and 74 degrees and averaged 316.75 metres in depth with a maximum of 1,267 metres down the hole. These results are over a strike length of 400 metres with holes spaced at about 100 m along strike. The mineralised zones are presented by moderately dipping quartz veins hosted by tonalite.

The holes were designed to test the model of the BC North orebody based on the structural modeling and observation collected during the mining of the shallower parts of the orebody. Based on the model the mineralised structure was displaced or terminated by the fault named the ‘Fault 4’. The holes confirmed the model and additional study is in progress to determine the nature of the Fault 4 and a potential extension of the BC North structure.

The BC North most significant intersections from available assay results are tabulated below:

HOLE ID	TARGET	DRILL TYPE	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
CSD320	BCN	DD	69.95	70.45	0.50	1.64
CSD323	BCN	DD	233.54	234.52	0.98	1.61

Assay results are from onsite laboratory at NLGM operated by independent third party.

Ilunga Exploration Drilling

Ilunga deposit is located about 2.6 km to the northeast of the NLGM Processing Plant. Rock types are predominantly granite, tonalite, and diorite. The main mineralised structure at Ilunga displays brittle to brittle – ductile deformational features and trends NE – SW, dipping moderately (40° - 50°) to the northwest. Gold mineralisation is associated with milky to smoky quartz veining, which occurs at variety of scales, from metre-scale robust veins to millimetre-scale veinlets hosted in the shear zone. Low concentration of sulphides, mainly pyrite (3 - 5%) occur within the mineralised envelope.

Open pit mining at Ilunga started in July 2016 and was completed in July 2017. A total of 247, 044 tonnes at an average grade of 3.21 g/t Au for 25,485 ounces were mined from the open pit. Underground mining at Ilunga started in August 2018 and to date a total of 436,978 tonnes at an average grade of 3.29 g/t Au for 46,248 ounces has been mined to date.

Underground exploration drill holes at Ilunga were designed with center spacing of 20 – 60 m aimed to test the orebody continuity to the eastern and western ends of Ilunga Main between levels 900 mRL and 840 mRL. A total of 12 exploration diamond drill holes representing 1,977 m were completed at Ilunga in H2 2022. The holes were collared at underground stockpiles

SP#09 and SP#10 (approximately 880 mRL and 860 mRL respectively) and inclined at between -35° and 13° with depth ranging from 86 m to a maximum of 291 m down the hole. It is estimated that the true widths of the mineralised zones are about 85% - 92% of the intersected widths in the drillholes.

The Ilunga most significant intersections from available assay results are tabulated below:

HOLE ID	TARGET	DRILL TYPE	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
CSD321*	IL	DD	108.77	109.38	0.61	1.47
CSD322*	IL	DD	75.76	79.91	4.15	17.30
			Including:			
			77.76	*79.22*	*1.46*	*46.53*
			93.75	94.24	0.49	2.20
			128.80	129.80	1.00	1.75
CSD333	IL	DD	102.14	103.03	0.89	0.60
CSD335	IL	DD	97.52	101.00	3.48	2.64
			Including:			
			98.13	*98.99*	*0.86*	*5.28*
			107.52	108.21	0.69	1.28

Assay results are from the onsite laboratory at NLGM operated by independent third party.

**Assay results are from the accredited independent commercial laboratory (SGS Mwanza).*

The drillholes intercepted the mineralised structure which represent western and eastern extensions of the known Ilunga orebody. Based on the drill results, the western extension has very limited potential. The eastern orebody extension testing delivered mixed results, returning high-grade and wide mineralised intercept, yet with the limited continuity. Modelling is in progress.

Luika Exploration Drilling

Luika is located 1.8 km to the northwest of the NLGM Processing Plant. The Luika deposit is currently in production by way of underground mining. The orebody strikes approximately NNE - SSW and dips ~50° to NW. Gold mineralisation at Luika is closely associated with quartz veining (silicification and albitization) and low sulphides mineralisation (predominantly disseminated pyrite ~1-3%).

Underground mining at Luika started in May 2017 and to date a total of 625,680 tonnes at an average grade of 2.61 g/t Au for 52,544 ounces has been mined

The mineralised zones are presented by moderately to sub-vertical dipping quartz veins hosted predominantly by tonalite and locally by diorite. The deposit depicts relatively higher-grade westerly plunging shoots which have potential to host significant economic mineralisation below the presently explored area and continue to be the target of future exploration drilling programs.

Surface exploration drill holes at Luika were designed with center spacing of 40 - 60 m aimed to increase confidence for the Indicated resources down to a level of 560 mRL below surface. Two exploration diamond drill holes for a total of 1,207 m were completed at Luika in H2 2022.

The holes were collared on surface (approximately 990 mRL), inclined at minus 52° and 56° with depths of 602 m and 604 m respectively. It is estimated that the true widths of the mineralised zones are about 85 – 100% of the intersected widths in the drillholes.

Luika most significant intersections from available assay results are tabulated below:

HOLE ID	TARGET	DRILL TYPE	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
CSD227	LK	DD	527.20	529.60	2.40	2.10
CSD330	LK	DD	175.39	175.86	0.47	2.44
			563.93	564.47	0.54	0.56
			567.80	573.00	5.20	5.07
			Including:			
			567.80	*570.50*	*2.70*	*8.87*
			576.37	577.12	0.75	2.80

Assay results are from onsite laboratory at NLGM operated by independent third party.

The holes confirmed the presence of the minable mineralised structure comparable with the previous intercepts on the higher levels, providing additional confidence for the current resource. Additional drilling is designed to test the downdip – down-plunge extension of the orebody.

Black Tree Hill Exploration Drilling

Black Tree Hill target is located about 1 km to the west of the NLGM Processing Plant. The mineralisation is hosted in a brittle-ductile shear zone that trends WNW - ESE, and dips vertically - sub-vertically to the NNE.

Recent soil sampling for the ME-MS61 multielement analysis confirmed a strong, large and zoned gold and path-finder anomaly, elevating the potential of the target.

To the west, the mineralised structure appears to splay resulting in two mineralised shear zones. The mineralisation is open to the west and at depth. The Black Tree Hill shear zone is hosted within tonalite and diorite lithological units and partially controlled by their contacts. The mineralised shear zone is associated with quartz veining of variable intensity.

Surface exploration drill holes at Black Tree Hill were designed with the aim of increasing confidence for the Indicated resources of 81k ounces grading 2.00 g/t Au to level 900 mRL. Seven RC holes totaling 882 m were completed at Black Tree Hill in H2 2022. The holes were collared on surface (approximately 1020 mRL) and inclined at between minus 48° and 63° with depth ranging from 90 m to a maximum of 156 m down the hole. It is estimated that the true widths of the mineralised zones are about 85% - 95% of the intersected widths in the drillholes.

The most significant intersections from available assay results for Black Tree Hill are tabulated below:

HOLE ID	TARGET	DRILL TYPE	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
CSR637*	BTH	RC	7	18	11	15.35
			Including:			
			14	*17*	*3*	*47.98*
CSR639*	BTH	RC	123	132	9	1.41
			137	141	4	2.53
			Including:			
			138	*140*	*2*	*3.79*
CSR640	BTH	RC	90.00	93.00	3.00	5.41
			Including:			
			92.00	*93.00*	*1.00*	*14.86*
			96.00	100.00	4.00	0.58
CSR641	BTH	RC	84.00	88.00	4.00	1.23
			95.00	102.00	7.00	2.82
			Including:			
			99.00	*101.00*	*2.00*	*6.42*
CSR642	BTH	RC	10.00	11.00	1.00	0.54
			73.00	74.00	1.00	0.56
			85.00	86.00	1.00	0.50
			90.00	93.00	3.00	0.36
			96.00	97.00	1.00	0.64
			100.00	109.00	9.00	3.24
			Including:			
			101.00	*102.00*	*1.00*	*6.64*
			105.00	*106.00*	*1.00*	*12.08*
			114.00	115.00	1.00	0.62
			118.00	119.00	1.00	1.30
			126.00	127.00	1.00	1.26
CSR643	BTH	RC	70.00	71.00	1.00	0.92
			84.00	85.00	1.00	0.56
			120.00	128.00	8.00	2.44
			Including:			
			121.00	*123.00*	*2.00*	*7.67*
			130.00	131.00	1.00	0.90
			141.00	145.00	4.00	1.20

Assay results are from onsite laboratory at NLGM operated by independent third party.

**Assay results are from the accredited independent commercial laboratory (SGS Mwanza).*

Drilling confirmed a presence of the high-grade and wide parts of the Black Tree mineralised structure, as well as the potential extension to the west towards the conceptual higher-grade

shoot inferably controlled by the intersection of two structures i.e., Black Tree and Black Tree North splay. Additional drilling is designed to further test these targets and improve and extend the previous resources of the Black Tree orebody.

Elizabeth Hill Exploration Drilling

The east - west trending Elizabeth Hill (EH) Main and North structures are located about 4 km to the east of the NLGM Processing Plant. Elizabeth Hill is a brittle - ductile 5 km long shear zone hosting robust quartz veins (locally up to 10 metres wide) within tonalite. The EH North shear zone is an ENE – WSW trending splay of the NW – SE trending EH Main shear zone. The intersection zone between EH Main and EH North has potential for a discovery of a higher-grade shoot. Quartz veins occurring within the shear zone display a high degree of variability in appearance, from smoky vein quartz to massive, largely undeformed white to milky white quartz veins occurring in close association with highly brecciated and foliated quartz veins that display evidence of intense structural deformation.

The Elizabeth Hill Pit is currently in production by open pit mining and contains a total resource of 231koz grading 1.72g/t Au as of 31st December 2021.

During H2 2022, exploration and resource infill drilling involved completion of nine drill holes totaling 1,403 metres at Elizabeth Hill. The drilling programme was designed to infill areas that were identified to have potential to convert some inferred resources into Measured & Indicated category resources following a review of the geological model.

Holes were drilled at between minus 45 and 62 degrees and averaged 170 metres in depth with a maximum of 210 metres down the hole. These results are over a strike length of 550 metres with holes spaced using 30-metre drill fences. It is estimated that the true widths of the mineralised zones are 90-100% of the intersected widths in the holes.

The most significant intersections from available assay results for Elizabeth Hill are tabulated below:

HOLE ID	TARGET	DRILL TYPE	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
CSD336	EH	DD	27.25	27.98	0.73	3.38
			101.78	102.76	0.98	0.66
			103.65	110.71	7.06	2.71
			Including:			
			106.90	*108.80*	*1.90*	*5.41*
CSR644	EH	RC	93.00	109.00	16.00	3.51
			Including:			
			94.00	*96.00*	*2.00*	*7.02*
			98.00	*101.00*	*3.00*	*8.33*
CSR645	EH	RC	142.00	148.00	6.00	1.40
			Including:			
			145.00	*146.00*	*1.00*	*4.26*
CSR647	EH	RC	161.00	162.00	1.00	0.84
			164.00	169.00	5.00	3.69
			Including:			
			164.00	*166.00*	*2.00*	*6.92*
			172.00	173.00	1.00	1.62
CSR648	EH	RC	153.00	156.00	3.00	4.75

			Including:			
			154.00	*155.00*	*1.00*	*12.08*

Assay results are from onsite laboratory at NLGM operated by independent third party.

The programme is confirming the expected grade and width of the Elizabeth Hill orebody and the results will be included into the resource update before the end of 2022.

Porcupine South Exploration Drilling

Porcupine South is located about 20 km to the east of the NLGM Processing Plant. The structure that hosts the current Porcupine South Main strikes west northwest – east southeast and dipping sub-vertically to the north northeast. Gold mineralisation is associated with quartz veins hosted by a shear zone at the granite – dolerite contact. The relatively higher gold mineralisation grades at Porcupine South Main appear to be closely associated with strong silica/albite and sulphides (pyrite) alteration. Pyrite occurs mainly as disseminations in the quartz veins and the country rock, and locally as semi massive bands and stringers infilling fractures.

In H2 2022, drilling at Porcupine South focused on the western extension of Porcupine South Main in the gap between Area 1 and Area 2 targets. Area 1 and Area 2 targets are located about 930 m and 1,450 m to the east of Porcupine South Main.

The Porcupine South Mining licence contain a total resource of 114k ounces grading 1.94g/t Au as of 31st December 2021.

A total of 12 RC holes and one DD holes have been drilled in H2 2022 for a total of 1,156 m. The holes were collared on surface (approximately 1232 mRL), inclined at between minus 50° and 70° with depth ranging from 48 m to a maximum of 130 m down the hole.

The reported results are over a strike length of 430 m. It is estimated that the true widths of the mineralised zones are approximately 90-95% of the intersected widths in the drillholes.

The most significant intersections from available assay results for Porcupine South are tabulated below:

HOLE ID	TARGET	DRILL TYPE	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)
PSRC110*	PS	RC	31	33	2	0.94
PSRC111*	PS	RC	60	68	8	1.44
			Including:			
			61	*62*	*1*	*2.47*
			67	*68*	*1*	*3.19*
PSRC112*	PS	RC	38	42	4	0.48
PSRC113*	PS	RC	44	47	3	1.99
			Including:			
			45	*46*	*1*	*3.08*
PSRC114*	PS	RC	33	34	1	0.5
			37	38	1	0.63
			45	50	5	0.74
			53	54	1	0.89

PSRC116*	PS	RC	33	42	9	3.76
			Including:			
			38	*40*	*2*	*13.21*
PSRC118	PS	RC	16.00	17.00	1.00	1.60
			104.00	105.00	1.00	0.72
PSRC119	PS	RC	51.00	58.00	7.00	0.77
			Including:			
			56.00	*58.00*	*2.00*	*1.51*
			67.00	68.00	1.00	0.90
			81.00	83.00	2.00	0.66
PSRC120	PS	RC	2.00	3.00	1.00	0.88
			60.00	66.00	6.00	0.95
			Including:			
			61.00	*62.00*	*1.00*	*1.32*
			64.00	*66.00*	*2.00*	*1.57*
			68.00	69.00	1.00	0.60
			89.00	90.00	1.00	0.54
			93.00	96.00	3.00	0.87

Assay results are from onsite laboratory at NLGM operated by independent third party.

**Assay results are from the accredited independent commercial laboratory (SGS Mwanza).*

The drilling confirmed a presence of the mineralisation within the previously poorly-tested 'gap' at the Porcupine South structure and the results will be included into the resource update before the end of 2022.

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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 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 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 responsible gold producer, developer, and explorer. The company has an established operational track record, with defined ore resources at the New Luika and Singida projects in Tanzania, with reserves of 645 K ounces grading 3.0 g/t Au, and exploration licences covering approximately 800 km2 in the country. Alongside New Luika and Singida, Shanta also owns the rights to the high-grade West Kenya Project in Kenya and exploration licences covering 580 km2 with resources of 1.6 million ounces including 378 K ounces in the Indicated category grading 11.70 g/t Au. 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.

Glossary

Glossary of Technical Terms

"Au"	chemical symbol for gold
"cut off grade" (COG)	the lowest grade value that is included in a resource statement. It must comply with JORC requirement 19: "*reasonable prospects for eventual economic extraction*" the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification
"g/t"	grammes per tonne, equivalent to parts per million
"Inferred Resource"	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes which may be limited or of uncertain quality and reliability
"Indicated Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade, and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
"JORC"	The Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves
"koz"	thousand troy ounces of gold
"Measured Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade, and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics,

	and continuity of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC
"Mt"	million tonnes
"oz"	troy ounce (= 31.103477 grammes)
"Reserve"	the economically mineable part of a Measured and/or Indicated Mineral Resource
"t"	tonne (= 1 million grammes)

APPENDIX 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	• ***Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*** • ***Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*** • ***Aspects of the determination of mineralisation that are Material to the Public Report.*** • ***In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.***	• **Sub surface samples have been collected by a variety of different drilling techniques. Samples either comprise chips from reverse circulation (RC) or core from diamond.** • **RC samples are homogenised by riffle splitting prior to sampling and then assayed as 1m intervals with 2-3kg submitted for assay.** • **Diamond core is split by a core saw with half the core submitted for assay and the other half stored in trays on site. Samples are typically submitted as 1m intervals although within the mineralised zones irregular lengths are collected to reflect rock type and alteration intensity.** • **Drill holes are oriented perpendicular to the interpreted strike of the Mineralised trend.** • **Samples are submitted to the on-site lab (Minopex) or to the SGS Laboratory in Mwanza for analysis. CRMs, blanks and duplicates are inserted into the sample stream prior to dispatching to laboratory.** • **At least 3kg sample pulverized and a 50g charge fire assayed with AAS finish for gold.**
Drilling techniques	• ***Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit, or other type, whether core is oriented and if so, by what method, etc).***	**Drilling techniques used at New Luika Gold Mine:** • **Reverse Circulation (RC).** • **Diamond Core/NQ diameter, standard tube with all core oriented when feasible.**
Drill sample recovery	• ***Method of recording and assessing core and chip sample recoveries and results assessed.*** • ***Measures taken to maximise sample recovery and ensure representative nature of the samples.*** • ***Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.***	• **Core sample recoveries routinely measured and recorded in spreadsheet database.** • **Samples split half core perpendicular to strike of structures.**
Logging	• ***Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*** • ***Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*** • ***The total length and percentage of the relevant intersections logged.***	• **Logging of geology, alteration, and geotechnical aspects recorded in drill logs for diamond core drilling.** • **Logging is qualitative; All drill core photographed.** • **Entire intervals that drilled were logged.**

Sub-sampling techniques and sample preparation	• ***If core, whether cut or sawn and whether quarter, half or all core taken.*** • ***If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*** • ***For all sample types, the nature, quality, and appropriateness of the sample preparation technique.*** • ***Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*** • ***Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*** • ***Whether sample sizes are appropriate to the grain size of the material being sampled.***	• **Half core taken; sawn.** • **For trench samples, the entire sample for the respective interval aggregated, not riffled, or split. Samples are typically dry.** • **Aggregated half core; Entire 3kg sample pulverized at laboratory prior to fire assay in order to minimize bias.** • **Drilling and channels planed orthogonal to the strike of structures/lithologies in order to maximize representativeness.** • **Field duplicates sampled at appropriate intervals.**
Quality of assay data and laboratory tests	• ***The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*** • ***For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*** • ***Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.***	• **Fire assay is appropriate for the nature of gold mineralisation being assayed.** • **No geophysical tools used to generate exploration results.** • **Registered reference material inserted at the interval of 20 samples.** • **Levels of accuracy and precision (detection limit) for gold is 0.01 ppm which is suitable for the level of assays reported.**
Verification of sampling and assaying	• ***The verification of significant intersections by either independent or alternative company personnel.*** • ***The use of twinned holes.*** • ***Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*** • ***Discuss any adjustment to assay data.***	• **Significant intersections that were reported by field personnel are yet to be verified by an independent CP.** • **No twinning of drill holes.** • **Primary data was logged onto paper and later transferred into database, verified by a Senior Geologist, and stored in electronic database, which is regularly backed up. Database is verified and compared with standard assays stored in using established company protocols.** • **No adjustments have been made to assay data.**
Location of data points	• ***Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*** • ***Specification of the grid system used.*** • ***Quality and adequacy of topographic control.***	• **Drill holes were accurately located and surveyed using Trimble DGPS survey equipment.** • **All RC and diamond holes have been surveyed by a down hole camera.** • **Drill holes are surveyed in UTM Coordinates System Arc 1960 zone 36S.** • **Topographical surveys were done using Aerial Lidar Survey.**
Data spacing and distribution	• ***Data spacing for reporting of Exploration Results.*** • ***Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity***	• **Drilling assayed on a maximum of 1 m downhole.** • **The data spacing was enough to establish the degree of geological and grade continuity appropriate for the**

	appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	mineral resource estimation procedures. • Samples were not composited.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling planned perpendicular to the interpreted strike of lithological units and geological structures. • No sampling bias was interpreted.
Sample security	• *The measures taken to ensure sample security.*	• Samples secured by senior personnel on site and transported directly by company vehicle to the laboratories (Minopex Labs in NLGM and SGS in Mwanza).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal reviews are regularly completed but no external audits were carried out for the currently reported results.

APPENDIX 2: REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• ML408/2010 • Valid to 20/09/2030
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical colonial exploration and mining works.
Geology	• *Deposit type, geological setting, and style of mineralisation.*	• Underlain by a complex association of high grade metamorphic and intrusive lithologies, commonly intruded by dykes of variable composition. Modally, granodioritic and granitic lithologies are most encountered. • These granodiorites and granites have been interpreted as late-orogenic intrusive phases associated with gold mineralisation in the area. Subordinate diorite, porphyroblastic hornblende gabbro, quartzo-feldspathic felsite and migmatite are also regularly observed. • Dyke intrusive rocks include dolerite, pegmatite, and

		common aplite and alaskite, seemingly randomly crosscutting major lithologies, and therefore regarded as younger than the country rock.

Drill hole Information	• ***A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:***
	  ○ ***easting and northing of the drill hole collar***
	  ○ ***elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar***
	  ○ ***dip and azimuth of the hole***
	  ○ ***down hole length and interception depth***
	  ○ ***hole length.***
	• ***If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.***
		• **Relevant tables included summarizing drill holes locations, RL, azimuth, length/depth, and significant intersection intervals.**

Data aggregation methods	• ***In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*** • ***Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*** • ***The assumptions used for any reporting of metal equivalent values should be clearly stated.***	• **Exploration results from drilling sampling have been weighted by interval.** • **No high-grade caps have been applied.** • **Lower cut-off grade of 0.5 g/t Au has generally been applied to significant intersections.** • **Aggregate drilling and trenching intervals do not incorporate longer lengths of low-grade results.** • **No metal equivalent reported.**
Relationship between mineralisation widths and intercept lengths	• ***These relationships are particularly important in the reporting of Exploration Results.*** • ***If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*** • ***If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').***	• **Drill holes have been drilled as perpendicular as possible to the general strike of the mineralised zones and structures so that the intersected lengths are close to true widths.**
Diagrams	• ***Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.***	• **Maps and sections are being generated.**
Balanced reporting	• ***Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.***	• **All significant drilling results have been reported.**
Other substantive exploration data	• ***Other exploration data, if meaningful and material, should be reported including (but not limited to): geological***	• **Metallurgical studies on mineralised material from the Bauhinia Creek deposit during 2010/2011 indicated that**

	observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	**the ore is amenable to direct cyanidation leaching with an average of 85% gold liberated.**
Further work	• ***The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*** • ***Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.***	• **Drilling to be continued to test the down-dip continuity of the delineated mineralisation.**

ENDS