

Shanta Gold Limited

07:30 11 Oct 2018

Shanta Gold pleased with results of recent exploration activities

Shanta Gold Limited (LON:SHG) said drilling at Bauhinia Creek (BC) East has converted 27,240 ounces into indicated resources from 33,746 ounces of inferred resources.

The East Africa-focused miner said a total of 21,081 ounces of indicated resources at 3.43 grams per tonne (g/t) have been added to the life of mine plan at the New Luika gold mine at an implied conversion cost of US\$8 per ounce.

READ: Shanta Gold updates on the Singida and New Luika gold projects in Tanzania

Exploration drilling at BC Central is scheduled for the first half of 2019 with the aim of converting further inferred resources to indicated resources. BC Central includes a historical drill hole CSD055 intersecting eight metres averaging 8.52g/t gold (Au) that is not included in the current mine plan.

On the new Lambo target at New Luika, the recent trenching programme excavated and sampled relatively short trenches (8 - 36 metres) to test the strike continuity of the mineralisation.

Shanta said 17 trenches totalling 249.70 metres have been excavated and sampled at Lambo. Nine of the 17 trenches returned significant gold mineralisation with two trenches returning very high-grade gold including 2.1 metres (m) at 47.12g/t Au and 3.15m at 32.73g/t Au.

Additional trenching on the Lambo target and interpretation of airborne magnetic images will be completed before the end of this year to delineate the widths of mineralised zones and grade continuity along strike to help define drill targets.

At the Quartzberg targets, Shanta undertook a campaign in July to evaluate the company's regional licence potential across the Lupa goldfields.

Some of the encouraging rock chip grab samples results include 27.22 g/t Au, 19.28 g/t Au, 17.82 g/t Au, 16.98 g/t Au, 15.28 g/t Au and 14.68 g/t Au from quartz veins and country rocks.

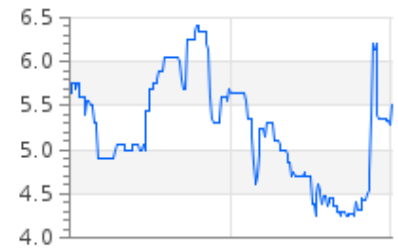
The potential presence of favourable litho-structural setting for gold mineralisation was interpreted but unfortunately the disturbed ground by artisanal mining activities make the conventional exploration methods of soil sampling and trenching not suitable for these areas, Shanta said. Further exploration has been planned for later this year to test the depth continuity of the interpreted zones of mineralisation as well as the approximate widths of the zones.

"Shanta's preliminary exploration activities at BC East has allowed us to quickly replace the company's mined reserves over the past quarter, at a compelling conversion cost of US\$8/oz. Once the inferred resources have been converted to indicated resources across the portfolio, we look forward to exploring for potentially transformational down-dip

Price: 5.34p

Market Cap: £41.59M

1 Year Share Price Graph



January 2018 July 2018 January 2019

Share Information

Code: SHG

Listing: AIM

52 week High Low
6.50p 4.20p

Sector: General Mining - Gold

Website: www.shantagold.com

Company Synopsis:

The New Luika Gold Mine (100% owned) is a low cost, established, cash generative operation boasting high grade resources rarely found around the world. Shanta is focused on delivering maximised sustainable value for shareholders from this mine, and other assets in its portfolio, through meticulous expert management throughout the business.

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extensions across all three underground orebodies (Bauhinia Creek, Ilunga and Luika), the development of which is not capital intensive for the company," said Eric Zurrin, the chief executive officer.

"Separately, we are encouraged by the strong results from our regional exploration programme, including Lambo which is located close to our existing plant and Quartzberg. I look forward to receiving the next phase of results from these programmes and updating the market in due course," he added.

Our new leach tank is now operational after 9 weeks of installation and commissioning #unlockingvalue
pic.twitter.com/os1ZIL8A57

— Shanta Gold (@shanta_gold) September 24, 2018

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