



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

**Forward Sale Contracts**

In view of the volatile gold price environment, the early stage production profile of the Company and the upcoming capital spend to achieve the targeted levels of production in the future, the Directors of Shanta Gold have felt it prudent to commit to a number of forward sale contracts over part of the 2013 anticipated production.

Shanta Gold is pleased to announce that 10,192ozs of gold were sold in Q1 2013, generating \$16.6m in revenue from part of both December 2012 and Q1 2013 production. The Company has cash and cash equivalents of \$21m and anticipates a capital spend of \$7m, mostly in the second half of 2013, to achieve its exploration goals, updating the Singida feasibility study and to attain anticipated levels of production at New Luika Gold Mine - covering the new crushing circuit, the upgrade of the gold room, completion of the village and certain security improvements.

The Company has now entered into forward sale contracts over 30,000 ounces to be delivered during the period to December 2013 of which 6,000 ounces will be dispatched from part of both March and April's production. These total forward sales equate to 43% of the forecast 2013 annual production and were secured at an average price of \$1,429 per oz.

Shanta Gold recently announced its five year production plan, to be enhanced by an exciting exploration opportunity on the back of the Lupa Goldfields JV transaction that secured a major area of the highly prospective Lupa Goldfields for the company. The exploration programme is also targeted at the ongoing evaluation of the current ore bodies at the New Luika Gold Mine, aiming to extend the life of the exciting high-grade Bauhinia Creek pit beyond the current published opencast production into a possible underground mining opportunity. The upgrading of the feasibility of Singida project further adds to the Company's growth potential.

Mike Houston, CEO of Shanta Gold, commented:- "Shanta in principle does not favour hedging/forward sales unless, as in this particular situation, it is put in place to provide stability during an important period in the Company's development. We continue to put the necessary building blocks in place to ensure the stability and growth of this exciting asset."

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**About Shanta Gold Limited**

Shanta Gold is an East African focused gold producing company. It currently has defined ore resources on the New Luika and Singida projects in Tanzania and holds exploration licences over a number of additional properties. The



Company's flagship New Luika Gold Mine commenced production in 2012. The Company is admitted to trading on AIM and has approximately 462 million shares in issue.

For further information visit the Company's website: [www.shantagold.com](http://www.shantagold.com).