



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

Maiden Reserve of 479,000 ounces at New Luika Gold Mine

Shanta Gold, the East Africa focussed gold production and exploration company, is pleased to announce a maiden reserve for its New Luika Gold Mine ("New Luika") in Tanzania.

Highlights

- Probable Ore Reserve at New Luika 2.46 million tonnes @ 6.1g/t for 479,000 ounces gold
- Ore Reserve based on a gold price of US\$1,300 per ounce
- Average cash cost inclusive of royalties US\$748 per ounce.
- Underpins the development of the Company in the Lupa Goldfield
- Recent drilling has indicated the ore bodies extend at depth indicating potential for underground mining operations at New Luika
- Both the economic pits fall within the currently defined Measured and Indicated Resources.

The Reserve is based on the completion of a study compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2004 Edition) which focusses on the economically mineable portion of the previously defined JORC (2004 Edition) compliant Measured and Indicated Mineral Resource. The reported Reserve is based on two of the nine defined deposits at New Luika; namely Bauhinia Creek and Luika.

Commenting on the maiden reserve, Mike Houston, CEO said:

"With the Company having being operational for almost a year it was very important we established our maiden reserve at New Luika to give shareholders the comfort that the initial five year production profile previously announced could be achieved within conservative economic parameters. With recent drilling indicating that the high grade Bauhinia Creek deposit is open at depth and the adjoining Luika target also has high grade shoots, it provides an opportunity for the Company to review the total resource and mining method. New Luika has unique opportunities in that it can blend the ores from various deposits to optimise the grade through both opencast and underground mining thereby maximising shareholder value".

Upgrade of Mineral Resource to Ore Reserve Status

The JORC (2004 Edition) compliant study supporting the Ore Reserve statement was completed by Philip van Vuuren, Shanta Gold's consultant Mining Engineer, incorporating the newly completed geotechnical investigation at the Bauhinia Creek and Luika deposits by Middindi Consulting (Pty) Ltd. The ongoing plant expansion was also taken into consideration which is planned to enable gold production to be increased to 80,000 ounces per annum. The JORC (2004 Edition) compliant July 2012 Mineral Resource estimate formed the basis of this Ore Reserve estimate and the Measured and Indicated Mineral



Resources are inclusive of those Mineral Resources that have been modified to produce the Ore Reserves stated here.

Ore Reserves were estimated with Micromine 2013, utilising the Lerchs-Grossman optimisation algorithm, using the current mining operation's cost structure and pit slopes defined in the geotechnical report by Middindi.

All the Ore Reserves estimated at the New Luika Gold Mine are contained within the Measured and Indicated Resource category envelop and result in two open pits; one located at Bauhinia Creek and one Luika at depths up to 220m and 125m below surface respectively. The reserve currently supports average production rates from the Bauhinia Creek and Luika operations of 480,000 tonnes per annum over a five year life. Gold production from the open pits over this period averages 80,000 ounces per annum. Studies are currently underway to assess the underground mining potential at both Bauhinia Creek and Luika. The open pit and underground mining potential of the other seven mineralised targets within the New Luika mining license are also being investigated as well as the on-surface auriferous gravel occurrences on the property.

The Ore Reserve estimate is summarised below:

Target	Reserves for Bauhinia Creek and Luika October 2013		
	Tonnes	Gold Grade	Ounces in Situ
	(millions)	(g/t)	(koz)
Bauhinia Creek	1.42	8.0	368
Luika	1.04	3.3	111
Total Probable Ore Reserve	2.46	6.1	479

The following key technical, operational and financial parameters were used in the determination of the Ore Reserve:

Parameter	Units	Value
Gold Price	US\$ per ounce	1,300
Overall Pit Wall Slope	Degrees	45 ¹
Total Contained Ore	Mt	2.46
Total Contained Waste	Mt	51.16
Average stripping ratio	Waste/Ore	18.8:1
Contained Gold in Situ	Koz Au	479



Mining Dilution Added	%	6
Mining Recovery	%	94
Processing Plant Feed Rate	Tonnes per year	480,000
Average Head Grade	Au g/t	5.7
Processing Recovery	%	89
Average Mining Cost	USD per tonne mined	4.12
Processing Cost	USD per tonne milled	34.20
General & Administration Cost	USD per tonne milled	Included in the Processing cost
Royalty Payment	%	4

Note: 1) Poor hanging wall conditions resulted in this lower than normal average pit slope

Based on the above parameters, the economic cut-off grade is 1.14g/t and the average cash cost inclusive of royalties is USD 748 per ounce.

The reported Ore Reserves have been compiled by Mr. Philip van Vuuren BSc (Min) Eng, BComm (UNISA) is a member of the SAIMM (member number 20424) and ECSA (member number 865248) and an *independent consulting Mining Engineer*. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. Mr. van Vuuren gives Shanta Gold Limited consent to use this reserve estimate in reports.

Competent Persons Statement

Philip van Vuuren BSc (Min) Eng, BComm, Shanta Gold's Independent Consulting Mining Engineer, is a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, and has reviewed and approved the technical information contained in this announcement.

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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.