



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

Maiden Reserve of 230,000 ounces at the Singida Gold Mining Project

Shanta Gold, the East Africa focussed gold production and exploration company, is pleased to announce a maiden reserve for its Singida Gold Mining Project ("Singida") in Central Tanzania.

Highlights

- Proven Insitu Ore Reserve at Singida of 1.39 million tonnes @ 5.1g/t for 230,000 ounces recovered gold
- Ore Reserve based on a gold price of US\$1,300 per ounce
- Average cash cost inclusive of contingencies and royalties US\$605 per ounce.
- Drilling has indicated the ore bodies extend at depth signifying the potential for underground mining operations at Singida
- Both the economic pits fall within the currently defined Measured and Indicated Resources of 5.18 million tonnes @ 3.3 g/t for 550,000 ounces.

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 2012 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 seven defined deposits at Singida; namely the Gold Tree and Jem deposits.

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

"I am very pleased that we are able to announce a maiden Reserve for Singida as it was important to provide our shareholders with the confidence that we have an attractive ore body that can be exploited initially through opencast mining. The reserve supports a mine plan covering what we believe would be the first phase of this operation, a five year opencast mine producing 265,000 tonne of ore with an average grade of 5,1 g/t at 40,000 ounces per annum. These additional ounces will come at a competitive back of mine cost with very little overheads thus importantly pulling Shanta further down the cost curve. It will be critical as part of the work we are doing now that we manage the capital cost carefully but with the experience gained at New Luika I am confident we can deliver a competitive project.

We are also excited about the longer term potential of Singida, with five other deposits in the vicinity that are being investigated that could provide additional opencast ore. In addition, drilling results indicate that the Gold Tree and Jem ore bodies are open at depth and contain interesting high grade pay-shoots.

Taken alongside the potential for life of mine extension at New Luika as well as the wider potential of the Lupa Goldfields, our Singida project will form a significant part of our long term growth strategy."



Upgrade of Mineral Resource to Ore Reserve Status

The JORC (2012 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 Gold Tree and Jem deposits by SRK Consulting (Pty) Ltd. At this point in time it is envisaged that gold production will be 40,000 ounces per annum. The JORC (2004 Edition) compliant April 2009 Mineral Resource estimate of 5.18 million tonnes @ 3.3 g/t for 550,000 ounces 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 envisaged mining operation's cost structure and pit slopes defined in the geotechnical report by SRK.

All the Ore Reserves estimated at the Singida Gold Mining Project are contained within the Measured and Indicated Resource category envelop and result in two open pits; one located at Gold Tree and one at Jem to depths of up to 150m and 100m below surface respectively. It is envisaged that the reserve will be depleted at a rate of 265,000 tons per annum over an approximate five year period. Gold production from the open pits over this period averages 40,000 ounces per annum. Studies are currently underway to assess the underground mining potential at both Gold Tree and Jem.

The Ore Reserve estimate is summarised below:

Target	Reserves for Gold Tree and Jem January 2014		
	Tonnes	Gold Grade	Ounces in Situ
	(millions)	(g/t)	(koz)
Gold Tree	1.15	4.0	149
Jem	0.24	10.5	81
Total Proven Ore Reserve	1.39	5.1	230

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	49 - 51 ¹
Total Contained Ore	Mt	1.39



Total Contained Waste	Mt	51.16
Average stripping ratio	Waste/Ore	11.4/1
Contained Gold in Situ	Koz Au	230
Mining Dilution Added	%	6
Mining Recovery	%	94
Processing Plant Feed Rate	Tonnes per year	265,000
Average Head Grade	Au g/t	5.1
Processing Recovery	%	89
Average Mining Cost	USD per tonne ore mined	37.32
Processing Cost	USD per tonne milled	28.80.
General & Administration Cost	USD per tonne milled	6.51
Contingency	USD per tonne milled	10.89
Royalty Payment	%	4

Note: 1) Based on the SRK Geotech Report

Based on the above parameters, the economic cut-off grade is 1.0 g/t and the average cash cost inclusive of a 15% contingency and royalties is USD605 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 2012 ("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 and produced 64,000 ounces in 2013. 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.