

12 April 2016

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

New Luika Gold Mine, Exploration and Resource Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an update from its ongoing regional exploration programme within and surrounding its flagship asset, the New Luika Gold Mine ("NLGM" or "the Mine") located in the Lupa Goldfield in southwest Tanzania.

Drilling programmes have been completed at the Ilunga ("Ilunga") and Black Tree Hill ("Black Tree Hill") mineralised prospects, located approximately 2.5 km northeast and 1 km southwest of the NLGM processing plant respectively. Extensions to prior resources were targeted at both prospects and an update to the Black Tree Hill resource is included below.

At Ilunga, encouraging mineralisation was intersected and the existing Indicated resource of 40,000 ounces ("oz") is open at depth and along strike to the west. Preparation for a further phase of drilling at Ilunga is ongoing and this data will be included in a subsequent resource update.

Highlights:

- Ilunga nine hole programme (eight reverse circulation ("RC") pre-collars with Diamond tails, and one RC hole) intersected discernable, albeit variable evidence of mineralisation at depth in all holes, including:
 - 4 metres ("m") at 6.54 grams per tonne ("g/t") gold from 143.00 m in hole CSR466;
 - 14.73 m at 14.31 g/t gold from 166.89 m in hole CSD081 including
 - 1.91 m at 3.76 g/t gold from 166.89 m;
 - 5.29 m at 21.54 g/t gold from 170.24 m; and
 - 3.06 m at 23.19 g/t gold from 178.61 m.
 - 1.74 m at 16.26 g/t gold from 205.17 m in hole CSD083;
 - 2.38 m at 23.37 g/t gold from 132.16 m in hole CSD084;
 - 2.28 m at 9.67 g/t gold from 152.41 m in hole CSD085; and
 - 4.74 m at 4.54 g/t gold from 181.52 m in hole CSD088.
- Mineralisation at Ilunga extended by 100 m from 100 m down-dip to 200 m down-dip;
- 200 m of the approximately 400 m Ilunga strike extent tested; and
- Black Tree Hill resource updated from 57,178 oz (Indicated) to 6,915 oz (Measured) and 31,071 oz (Indicated) using a 0.5 g/t cut-off with greater certainty on grade and silver content.

Toby Bradbury, Chief Executive Officer, commented:

"Today's exploration and resource update continues to showcase the ability of Shanta's exploration team to efficiently apply its knowledge and experience in the Lupa Gold Fields."

"The grades and thicknesses of the mineralised extensions to the Ilunga deposit are very encouraging. The deposit remains open at depth and strike and we are confident that further"

on-going exploration has strong potential to further upgrade and extend the resource base at Ilunga.”

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About Shanta Gold

Shanta Gold is an East Africa-focused gold producer, developer and explorer. 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 in the country. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 81,873 ounces in 2015. The Company is admitted to trading on London's AIM and has approximately 469 million shares in issue. For further information please visit: www.shantagold.com.

The technical information contained within this announcement has been reviewed and approved by Mr. Awie Pretorius MSc.Pri.Sci.Nat. Mr. Pretorius is a consultant to Shanta and a member of the South African Council for Natural Scientific Professionals (SACNASP Membership Number 400060/91).

He has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person 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.

Regional Exploration Update

Drilling at the Ilunga and Black Tree Hill deposits forms part of the Company's commitment to a systematic programme of exploration focused on the optimisation and upgrade of known mineralised prospects within the NLGM mining licence, as well as exploration on tenements in the vicinity of NLGM currently held by the Company. Shanta is exploring all options to bring additional resources into its Base Case Mine Plan, announced 29 September 2015, including high grade underground deposits which are open at depth.

Ilunga Deposit

The drilling programme described in today's update has increased the definition of mineralisation at Ilunga by about 100 m from around 100 m down-dip to approximately 200 m down-dip. Drilling targeted approximately 200 m of the thus far defined 400 m Ilunga strike expression judged to host plunging zones of gold enrichment identified during earlier work.

In particular, the Company is encouraged by the fact that a high grade strike extension at depth and to the west of the currently defined orebody, blind to surface due to a fault truncation, has been identified. This western strike extension will form the focus of future work.

The Ilunga deposit remains open at depth and down-plunge to the west. The preparation of additional drill sites has commenced and further drilling will resume once drill access roads have been prepared.

Black Tree Hill Deposit

An eight hole RC and Diamond drilling programme comprising RC pre-collar holes with diamond drill tails to the mineralised zone was commissioned at the Black Tree Hill satellite deposit. Black Tree Hill was a focus for colonial gold miners that transported ore mined from sub-vertical underground stopes at the target to the nearby New Saza Mine that was operational until 1956.

The purpose of the programme was the evaluation of underground mining potential at depth over a strike expression of approximately 400 m, below levels to be exploited by means of open pit mining techniques. All drill holes intersected mineralisation but improved definition of colonial mined-out voids as well as generally lower than expected gold grades achieved during the most recent down-dip drilling programme resulted in an overall reduction of the Black Tree Hill resource base.

New data derived from the above drilling programme, coupled with data from 108 close-spaced RC drillholes drilled earlier for grade control purposes was submitted to the Company's independent Resource Estimation Consultants for resource estimation.

The Black Tree Hill deposit can now be considered to be drilled out for planning purposes and an updated reserve will be declared in due course. Prior internal estimates for the open pit reserve base based on the 2012 resources at Black Tree Hill were 145,000 tonnes at 1.95 g/t for 9,000oz gold at US\$1,300 /oz.

Table 1: Ilunga Mineralised Intersections¹

BHID	FROM	TO	Sample No.	Au Ave	Intersection Width (m)²	Au ppm³
CSR466	143	144	287795	5.41	4.00	6.54
	144	145	287796	7.76		
	145	146	287797	8.94		
	146	147	287798	4.05		
AND						
CSD081	166.89	167.36	683539	13.6	1.91	3.76
	167.36	167.75	683540	0.11		
	167.75	168.30	683542	0.75		
	168.30	168.80	683543	0.65		
AND						
CSD081	170.24	170.53	683547	0.61	5.29	21.54
	170.53	171.10	683548	2.34		
	171.10	171.55	683549	4.45		

	171.55	171.87	683551	17		
	171.87	172.37	683552	2.06		
	172.37	172.86	683553	2.07		
	172.86	173.40	683554	38.55		
	173.40	173.90	683555	29.8		
	173.90	174.50	683556	105.93		
	174.50	175.00	683558	5.98		
	175.00	175.53	683559	1.3		
AND						
CSD081	177.14	177.73	683564	1.13	0.59	1.13
AND						
CSD081	178.61	178.98	683568	3.19	3.06	23.19
	178.98	179.41	683569	109		
	179.41	179.91	683570	7.05		
	179.91	180.35	683571	1.87		
	180.35	180.69	683573	3.58		
	180.69	181.12	683574	39.7		
	181.12	181.67	683575	0.49		
BHID	FROM	TO	Sample No.	Au Ave	Intersection Width (m)	Au ppm
CSD082	219.20	219.72	683641	2.05	4.12	1.00
	219.72	220.31	683642	1.25		
	220.31	220.73	683643	1.18		
	220.73	221.15	683644	0.76		
	221.15	221.62	683645	0.42		
	221.62	222.12	683647	0.48		
	222.12	222.60	683648	0.89		
	222.60	222.88	683649	0.74		
222.88	223.32	683650	0.95			
AND						
CSD082	224.66	225.22	683655	1.14	0.56	1.14
AND						
CSD082	266.82	267.32	683728	0.47	0.94	0.51
	267.32	267.76	683729	0.55		
AND						
CSD082	272.20	272.64	683741	1.02	1.34	0.69
	272.64	273.20	683742	0.55		
	273.20	273.54	683743	0.48		
BHID	FROM	TO	Sample No.	Au Ave	Intersection Width	Au ppm
CSD083	205.17	205.72	683833	1	1.74	16.26

	205.72	206.10	683834	61.9		
	206.10	206.54	683835	1.44		
	206.54	206.91	683836	2.99		
AND						
CSD083	230.46	231.00	683877	3.18	0.77	2.99
	231.00	231.23	683878	2.57		
AND						
CSD083	232.52	232.68	683883	2.24	1.48	0.79
	232.68	233.15	683884	0.73		
	233.15	233.60	683885	0.43		
	233.60	234.00	683886	0.68		
AND						
CSD084	132.16	132.47	683917	2.07	2.38	23.37
	132.47	132.69	683918	157		
	132.69	133.16	683920	24.2		
	133.16	133.62	683921	18.15		
	133.62	133.77	683922	1.2		
	133.77	134.18	683923	0.23		
	134.18	134.54	683924	1.22		
AND						
CSD085	152.41	152.87	683971	0.83	2.28	9.67
	152.87	153.23	683972	18.2		
	153.23	153.48	683974	4.23		
	153.48	153.88	683975	7.23		
	153.88	154.12	683976	2.41		
	154.12	154.34	683977	0.35		
	154.34	154.69	683978	30		
AND						
CSD085	173.45	173.71	684001	1.16	0.26	1.16
AND						
CSD086	142.28	142.52	684057	0.3	0.61	0.31
	142.52	142.89	684058	0.31		
AND						
CSD087	173.45	173.75	684123	0.49	0.3	0.49
AND						
BHID	FROM	TO	Sample No.	Au Ave	Intersection Width (m)	Au ppm
AND						
CSD088	175.03	175.47	684150	4.69	1.32	2.40

	175.47	175.99	684151	0.09		
	175.99	176.35	684152	2.94		
AND						
CSD088	181.52	181.74	684167	0.44	4.74	4.54
	181.74	182.00	684168	0.71		
	182.00	182.53	684169	0.21		
	182.53	182.97	684171	0.42		
	182.97	183.39	684172	6.75		
	183.39	183.88	684173	1.16		
	183.88	184.12	684174	0.1		
	184.12	184.50	684175	30.3		
	184.50	184.91	684176	5.92		
	184.91	185.17	684177	4.59		
	185.17	185.42	684178	0.6		
	185.42	185.61	684179	1.74		
	185.61	185.85	684180	3.97		
	185.85	186.26	684181	2.22		

¹ See attached PDF for accompanying plan of drill hole locations

² All holes were drilled at inclinations of -50° to -60° into a sub-vertical mineralised zone

³ No top-cut applied

Table 2: 2016 Black Tree Hill Resource Estimation Figures – 2016 vs. 2012

Fresh Rock Density: 2.76g/cm³

Measured 2016

Cut	Tonnes	Au	Ag	Ounces
Off		g/t	g/t	Au
g/t				
0.0	209 435	1.09	0.88	7 313
0.5	169 487	1.27	0.96	6 915
1.0	101 195	1.63	1.27	5 300
1.5	49 858	2.03	1.27	3 246
2.0	22 295	2.40	1.40	1 722
2.5	6 732	2.77	1.53	599
3.0	1 009	3.11	3.32	101
3.5	0			

Measured 2012

Cut	Tonnes	Grade	Ounces
Off		g/t Au	Au
g/t			
0.0			
0.5			
1.0			
1.5			
2.0			
2.5			
3.0			
3.5			

Indicated 2016

Cut	Tonnes	Au	Ag	Ounces
Off		g/t	g/t	Au
g/t				
0.0	982 855	1.05	2.25	33 148
0.5	784 418	1.23	2.37	31 071
1.0	462 215	1.58	2.64	23 480
1.5	218 053	1.98	2.78	13 853
2.0	81 841	2.40	3.20	6 325
2.5	23 164	2.94	3.79	2 190
3.0	9 213	3.25	3.91	962

Indicated 2012

Cut	Tonnes	Grade	Ounces
Off		g/t	Au
g/t			
0.0	1 129 050	1.60	58 006
0.5	1 060 097	1.68	57 178
1.0	839 111	1.92	51 733
1.5	573 358	2.23	41 059
2.0	319 233	2.62	26 895
2.5	149 232	3.05	14 657
3.0	56 260	3.60	6 517

3.5	1 004	3.89	4.87	126	3.5	24 998	4.07	3 271
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Inferred 2016

Cut Off g/t	Tonnes	Au g/t	Ag g/t	Ounces Au
0.0	1 081 653	1.12	2.84	38 845
0.5	914 665	1.27	2.98	37 229
1.0	612 287	1.53	3.36	30 119
1.5	247 321	1.97	3.99	15 625
2.0	113 251	2.29	4.39	8 345
2.5	10 664	2.97	5.24	1 018
3.0	4 367	3.24	5.18	455
3.5	697	3.57	7.60	80

Inferred 2012

Cut Off g/t	Tonnes	Grade g/t	Ounces Au
0.0	974 166	1.13	35 271
0.5	793 275	1.30	33 128
1.0	515 873	1.61	26 746
1.5	259 229	1.97	16 418
2.0	119 952	2.28	8 806
2.5	14 918	2.69	1 290
3.0	897	3.21	93
3.5	0	0.00	0

Total 2016

Cut Off g/t	Tonnes	Au g/t	Ag g/t	Ounces Au
0.0	2 273 943	1.08	2.39	79 250
0.5	1 868 570	1.25	2.54	75 215
1.0	1 175 697	1.56	2.90	58 892
1.5	515 232	1.98	3.22	32 716
2.0	217 387	2.35	3.64	16 397
2.5	40 561	2.92	3.80	3 807
3.0	14 589	3.24	4.25	1 518
3.5	1 701	3.76	5.99	206

Total 2012

Cut Off g/t	Tonnes	Grade g/t	Ounces Au
0.0	2 103 216	1.38	93 276
0.5	1 853 373	1.52	90 306
1.0	1 354 984	1.80	78 479
1.5	832 587	2.15	57 477
2.0	439 184	2.53	35 701
2.5	164 150	3.02	15 947
3.0	57 157	3.60	6 610
3.5	24 998	4.07	3 271

ENDS