

23 February 2016

Shanta Gold Limited

(“Shanta Gold” or the “Company”)

New Luika Gold Mine, regional exploration 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.

A Reverse Circulation drilling programme has been completed at the Askari mineralised target (“Askari”), located approximately 14 kilometres west-northwest of the NLGM central processing facility. Askari is one of the early stage targets that form Shanta’s exploration programme within and surrounding the NLGM licence.

Highlights:

- Phase 1 drill programme of 2,699 m encountered mineralisation in 24 of 26 holes including:
 - 4 m @ 8.6 grams per tonne gold (“g/t”) from 76 m in hole SGR164;
 - 4 m @ 31.2 g/t from 61 m in hole SGR165;
 - 8 m @ 7.2 g/t from 108 m in hole SGR167;
 - 3 m @ 11.6 g/t from 93 m in hole SGR168;
- Sub-vertical mineralisation, fault-truncated to the southwest, open on strike to the northeast and open at depth;
- 300 m of strike extent tested, of which approximately 250 m exhibited mineralisation concentrated around approximately 100 m strike of elevated grades¹;
- Phase 2 drilling at the Askari target is expected to include step-out and in-fill drilling. The work would be incorporated in Shanta’s wider 2016 exploration programme.

Table 1: Drill hole results – selected intersections

Hole Number.	From	To	Au (ppm)	Intersection Width ² (m)	Average Au Grade (g/t) ³
SGR150	54	55	11.2	1	11.2
SGR164	76	77	0.58	4	8.6
	77	78	1.1		
	78	79	23		
	79	80	9.81		
SGR165	61	62	46.4	4	31.2
	62	63	75.9		
	63	64	1.62		

	64	65	0.72		
SGR166	61	62	10.2	1	10.2
SGR167	108	109	28.2	8	7.2
	109	110	13.6		
	110	111	0.34		
	111	112	3.89		
	112	113	4.07		
	113	114	0.56		
	114	115	5.12		
SGR168	93	94	18.1	3	11.6
	94	95	15.7		
	95	96	0.86		
SGR172	130	131	0.9	4	3.0
	131	132	8.85		
	132	133	1.27		
	133	134	1.03		
SGR175	35	36	12.7	2	7.1
	36	37	1.39		

¹ See link for accompanying plan of drill hole locations

http://www.rns-pdf.londonstockexchange.com/rns/7790P_-2016-2-22.pdf

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

³ No top-cut applied

Shanta has committed to a systematic program 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.

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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.

Table 2: Drill hole results – all significant intersections

Borehole Nr.	From	To	Au (ppm)	Intersection Width (m)	Average Au Grade (g/t)
SGR150	54	55	11.2	1	11.2
AND					
SGR150	57	58	0.88	1	0.9
AND					
SGR151	68	69	1.37	1	1.4
AND					
SGR152	63	64	0.83	1	0.8
AND					
SGR152	69	70	2.03	1	2.0

SGR153	42	43	1.44	5	2.5
	43	44	0.32		
	44	45	4		
	45	46	3.75		
	46	47	3.14		
AND					
SGR154	54	55	2.03	2	2.6
	55	56	3.07		
AND					
SGR159	102	103	1.04	1	1.0
AND					
SGR159	108	109	1.48	2	1.5
	109	110	1.58		
AND					
SGR159	117	118	1.01	2	1.0
	118	119	1.03		
AND					
SGR161	130	131	0.7	1	0.7
AND					
SGR161	134	135	1.05	1	1.1
AND					
SGR161	137	138	2.07	1	2.1
AND					
SGR161	140	141	1.21	1	1.2
AND					
SGR162	126	127	2.89	2	1.7
	127	128	0.48		
AND					
SGR163	103	104	0.9	1	0.9
AND					
SGR164	76	77	0.58	4	8.6
	77	78	1.1		
	78	79	23		
	79	80	9.81		
AND					
SGR164	85	86	1.44	1	1.4
AND					
SGR165	55	56	2.2	1	2.2
AND					
SGR165	61	62	46.4	4	31.2
	62	63	75.9		
	63	64	1.62		
	64	65	0.72		
AND					
SGR166	61	62	10.2	1	10.2
AND					

SGR167	108	109	28.2	8	7.2
	109	110	13.6		
	110	111	0.34		
	111	112	3.89		
	112	113	4.07		
	113	114	0.56		
	114	115	5.12		
	115	116	1.57		
SGR168	93	94	18.1	3	11.6
	94	95	15.7		
	95	96	0.86		
SGR171	129	130	2.32	6	1.7
	130	131	1.41		
	131	132	2.57		
	132	133	0.68		
	133	134	1.64		
	134	135	1.42		
SGR172	130	131	0.9	4	3.0
	131	132	8.85		
	132	133	1.27		
	133	134	1.03		
SGR173	38	39	0.35	3	0.4
	39	40	0.35		
	40	41	0.4		
SGR174	46	47	1.88	2	2.0
	47	48	2.03		
SGR175	35	36	12.7	2	7.0
	36	37	1.39		

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.