

8 March 2017

Shanta Gold Limited

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

Exploration Update, Nkuluwisi, Lupa Goldfields

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

Reverse Circulation ("RC") drilling at the Nkuluwisi Mineralised Target ("Nkuluwisi"), located approximately 12 kilometers ("km") northwest of the NLGM's central processing hub, has intersected encouraging mineralisation which is open along strike and at depth.

A total of 44 RC drill holes comprising 5,833 meters of drilling have been completed at Nkuluwisi, identifying mineralisation down to vertical depths of approximately 120 metres below surface. Exploration to date has covered a strike length of about 900 metres and significant portions of the regionally prominent Nkuluwisi Shear Zone remain untested and exploration work is ongoing.

The drilling results are currently being modelled and will be submitted to the Company's independent resource consultants for resource estimation purposes in the near future with a maiden resource for Nkuluwisi anticipated to be delivered in Q2 2017.

Drilling highlights include:

- 13m @ 6.31 g/t gold from 60m in hole SGR090, including 5m @ 10.81 g/t
- 19m @ 3.58 g/t from 22m in hole SGR178, including 10m @ 5.3 g/t
- 15m @ 4.16 g/t gold 27m in hole SGR185, including 3m @ 10.48 g/t and 1m @ 10.8 g/t
- 12m @ 3.54 g/t gold from 54m in hole SGR186
- 10m @ 3.13 g/t gold from 116m in hole SGR098
- 5m @ 5.05 g/t gold from 24m in hole SGR179
- 4m @ 5.47 g/t gold from 7m in hole SGR088, including 1m @ 13.7 g/t
- 5m @ 4.11 g/t gold from from 30m in hole SGR181
- 9m @ 2.05 g/t gold from 120m in hole SGR099
- 6m @ 2.81 g/t gold from 56m in hole SGR122, including 1m @ 10.95 g/t
- 4m @ 4.21 g/t gold from 30m in hole SGR182
- 3m @ 3.87 g/t gold from 38m in hole SGR089

Toby Bradbury, Chief Executive Officer, commented:

"The excellent exploration results from Nkuluwisi once again showcases the geological potential of the Lupa Goldfields. Furthermore, after resource upgrades at Elizabeth Hill in 2015 and Ilunga in 2016, Shanta's exploration team continues to demonstrate its ability to convert its knowledge and experience into value-creation through the drill bit.

"The grades and thicknesses of the mineralisation at Nkuluwisi are very encouraging. The deposit remains open at depth, and strike, and we are confident that further exploration will add to the forthcoming expected maiden resource at Nkuluwisi due in Q2 2017."

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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 87,713 ounces in 2016. The Company is admitted to trading on London's AIM and has approximately 583 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.

Nkuluwisi Mineralised Target

Nkuluwisi was identified after regional soil geochemical surveys commissioned in the general area resulted in the identification of significant gold-in-soil anomalism. The gold-in-soil anomalism identified was found to coincide with airborne magnetometry and radiometrics anomalism interpreted earlier. A trenching programme targeting the achieved geochemical anomaly resulted in the identification of a mineralized ductile/brittle shear zone displaying strike extent extending several kilometers.

To date, a total of 44 RC drill holes comprising 5,833 meters of linear drilling has been completed at Nkuluwisi. Significant portions of the regionally prominent Nkuluwisi Shear Zone remain untested and further evaluation by means of focussed trenching programs is under consideration.

Thus far, a total strike expression of approximately 900 meters has been targeted with trenching and channel sampling, as well as RC drilling. Mineralised intersections in drill holes have been achieved up to a maximum vertical depth of approximately 120 meters below surface.

The drilling results are currently being modelled and will be submitted to the Company's independent resource consultants for Resource Estimation purposes in the near future. Nkuluwisi is located outside of the NLGM Mining Licence Area (Figure 1). The Company has secure licence tenure on the area in question and envisages that satellite deposits identified within reasonable hauling distance from NLGM may, in future, contribute to the project's resource baseline.

Table 1: Detailed Intersection Summary – Significant intersections > 1g/t

Borehole ID	Depth From (m)	Depth To (m)	Intersection Width (m)	Composite Au Grade (g/t)
SGR088	7	11	4	5.47
And				
SGR088	49	52	3	1.01
And				
SGR088	56	65	9	1.17
SGR089	38	41	3	3.87
And				
SGR089	51	52	1	1.61
And				
SGR089	55	59	4	1.12
And				
SGR089	74	76	2	1.15
And				
SGR089	89	92	3	1.23
SGR090	60	73	13	6.31
And				

SGR090	93	98	5	1.51
SGR091	1	3	2	1.06
And				
SGR091	8	9	1	2.61
And				
SGR091	59	70	11	1.81
And				
SGR091	72	73	1	2.09
SGR092	42	44	2	3.70
And				
SGR092	54	56	2	1.25
And				
SGR092	62	67	5	1.34
And				
SGR092	69	77	8	1.04
SGR093	54	60	6	2.72
SGR094	65	70	5	1.38
SGR096	111	119	8	1.48
SGR097	2	3	1	2.10
And				
SGR097	106	111	5	1.10
SGR098	112	115	3	1.39

And				
SGR098	116	126	10	3.13
SGR099	120	129	9	2.05
And				
SGR099	133	142	9	1.02
And				
SGR099	145	147	2	2.34
And				
SGR099	153	154	1	1.85
SGR100	175	176	1	1.16
And				
SGR100	185	186	1	1.00
SGR114	38	40	2	1.07
And				
SGR114	58	69	11	1.74
SGR115	135	145	10	1.17
SGR116	59	62	3	1.13
And				
SGR116	63	68	5	1.40
SGR118	64	68	4	1.33
And				
SGR118	85	86	1	1.13

SGR119	121	123	2	1.13
And				
SGR119	130	132	2	1.42
SGR120	64	65	1	7.72
And				
SGR120	67	72	5	1.44
And				
SGR120	78	79	1	1.59
And				
SGR120	108	109	1	1.64
SGR121	117	123	6	1.62
And				
SGR121	155	156	1	1.07
SGR122	56	62	6	2.81
SGR123	110	112	2	1.20
SGR124	61	62	1	1.55
SGR176	96	99	3	1.14
SGR177	17	22	5	2.04
And				
SGR177	54	62	8	1.92
And				
SGR177	66	69	3	1.10

SGR178	22	41	19	3.58
SGR179	24	29	5	5.05
And				
SGR179	31	32	1	1.07
SGR180	78	83	5	1.02
And				
SGR180	87	92	5	1.23
And				
SGR180	106	110	4	1.62
And				
SGR180	111	115	4	1.11
SGR181	30	35	5	4.11
And				
SGR181	63	68	5	1.72
SGR182	30	34	4	4.21
And				
SGR182	45	51	6	1.07
And				
SGR182	55	58	3	1.28
And				
SGR182	75	76	1	1.89
And				
SGR182	81	82	1	3.19
SGR183	69	70	1	1.23

And				
SGR183	73	74	1	1.12
And				
SGR183	100	111	11	1.04
SGR184	12	17	5	1.23
And				
SGR184	25	40	15	1.72
And				
SGR184	42	45	3	1.14
And				
SGR184	56	59	3	1.78
And				
SGR184	60	66	6	2.54
SGR185	27	42	15	4.16
And				
SGR185	48	60	12	1.09
SGR186	54	66	12	3.54
And				
SGR186	67	76	9	1.85
And				
SGR186	91	92	1	2.54
SGR187	47	48	1	1.18
And				
SGR187	50	56	6	1.07

And				
SGR187	87	89	2	2.00
SGR188	21	23	2	1.63
SGR189	22	23	1	2.27
And				
SGR189	32	42	10	1.36
SGR190	49	57	8	1.30
SGR191	56	61	5	1.65

¹ See link for accompanying plan of drill hole locations
http://www.rns-pdf.londonstockexchange.com/rns/7894Y_-2017-3-7.pdf

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

³ No top-cut applied

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

ENDS