

3 August 2017

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

Chief Executive and Director Change

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, announces that following the recent changes to the regulatory, operating and fiscal environment in Tanzania, the Company will be refocusing its strategy on cost control and shareholder returns.

As part of the revised strategy, Toby Bradbury and the Company have agreed that he will retire as Chief Executive Officer ("CEO") but will remain on the Board of Directors ("Board") until September 2017 to assist with the transition. The Board is pleased to announce the appointment of Eric Zurrin who will take over as CEO with immediate effect.

Eric Zurrin was re-appointed to the Company as Chief Financial Officer ("CFO") on 13 March 2017. Eric has previously worked across a range of roles within the Company over the last four years including as interim CFO in 2015/2016 leading the financial restructuring and as Adviser to the CEO in 2013 leading an operational restructuring of the business as New Luika ramped up production. Eric holds a Bachelor of Commerce (Accounting) degree and has 15 years' experience in investment banking and mining, previously with UBS Investment Bank in London and serves as a director of Kincora Copper Limited (TSX-V:KCC). Eric will be based in the UK from September 2017. It is intended that Eric will be formally appointed to the Board shortly and the Company will look to appoint a Chief Financial Officer in due course.

The Company produced 40,073 ounces ("oz") of gold in the first half of 2017 at an all-in sustaining cost ("AISC") of US\$755 /oz. Production in July has been maintained at those levels and the Company remains on track to meet full year guidance of 80,000 – 85,000 oz at AISC of US\$800 – US\$850 /oz.

Tony Durrant, Chairman, commented:

"On behalf of the Board I would like to thank Toby Bradbury for his contributions to Shanta as CEO over the last two and a half years. Under his tenure the Company has made significant steps forward, particularly in demonstrating New Luika to be a sustainable, robust and reliable, low-cost gold producer, as well as successfully commencing its transition to a predominately underground operation.

"Following the changing business environment in Tanzania, however, it is important that the Company accordingly adapts and refocuses its strategy on cost and capital control. The Board and Toby have mutually agreed that the time is right for a new Chief Executive to lead these initiatives and therefore is very pleased that Eric Zurrin has accepted the role of CEO of Shanta.

"Eric knows the Company extremely well, having advised Shanta for the last four years prior to being re-appointed as CFO in March 2017. His extremely strong finance, investment and

commercial expertise will help guide the Company through the next stage in its development, which will prove invaluable for Shanta during this evolving period in Tanzania.”

Eric Zurrin, Chief Executive Officer, commented:

“I am delighted to have been appointed to the role of CEO of Shanta Gold and look forward to working with the Board and the wider Shanta team as we adjust the Company, and its cost base, to the new environment in Tanzania. I am excited by the prospect of invigorating an entrepreneurial spirit in a very exciting junior gold mining company. Since re-joining Shanta, we have maintained the principle of always seeking to improve and, in response to a changing environment, we have clear areas for improvement and cost-effective growth that we will start executing over the coming months.

“The Company’s assets at New Luika and Singida are of high quality and the exploration rights across the Lupa Goldfield remain extremely exciting and prospective. Our vision remains to demonstrate and deliver on the true potential value of our assets. Shanta has an excellent operating team on the ground at New Luika with highly experienced underground mining leadership. The recent appointment of Keith Marshall, as a Non-Executive Director of the Company, solidifies the senior oversight of the operations and ensures that we are well positioned to complete our transition into a successful underground mining operation.

“Tanzania is undergoing a period of change however the country remains one of the fastest growing African nations and ranked no. 5 in Africa for gold producing nations. The Company’s footprint across the Lupa Goldfield, a highly prospective goldfield in Africa, positions us favourably for long term success.

“The Board and I remain confident in continuing to deliver a sustainable and cash generative business with a focus on shareholder value.”

Toby Bradbury, Director, commented:

“I would like to thank the Board and the wider Shanta team for the opportunity to deliver the successes that we have achieved and I wish Eric and the Company the very best for the future.”

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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 87,714 ounces in 2016. The Company has been admitted to trading on London's AIM and has approximately 766 million shares in issue. For further information please visit: www.shantagold.com.

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

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