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18 August 2017

SHANTA GOLD LIMITED
(“Shanta Gold”, “Shanta” or the “Company”)

SHANTA GOLD TERMINATES THE ARRANGEMENT AGREEMENT WITH HELIO RESOURCE CORP.

Shanta Gold (AIM: **SHG**) announces that it has delivered notice to Helio Resource Corp. (“**Helio**”) (TSXV: **HRC**) of its termination of the arrangement agreement dated as of 19 June 2017 (Vancouver time) (the “**Arrangement Agreement**”) with Helio as a result of the potential impact on Helio of the bills signed into law in Tanzania on 10 July 2017. Accordingly, having taken professional advice and upon due consideration, Shanta Gold will not be acquiring all of the issued and outstanding common shares of Helio as previously announced.

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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, Nkuluwisi 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 766 million shares in issue.

For further information please visit: www.Shantagold.com.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

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