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6 September 2017

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

SHANTA GOLD RESPONSE TO HELIO RESOURCE CORP

Shanta Gold (AIM: **SHG**) (“Shanta”) has reviewed the news release of Helio Resource Corp. (“Helio”) (TSXV: HRC) issued today in which Helio has purported to reject Shanta’s termination of the arrangement agreement dated as of 19 June 2017 (Vancouver time) (the “Arrangement Agreement”) with Helio. Shanta maintains that it has validly terminated the Arrangement Agreement as a result of the potential impact on Helio of the bills signed into law in Tanzania on 10 July 2017, after having taken professional advice and given due consideration to its decision. Shanta’s position, and advice, remains that it had clear and compelling rights to terminate the Arrangement Agreement and that the Arrangement Agreement was validly terminated.

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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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