

23 May 2017

Shanta Gold Limited

(“Shanta Gold”, “Shanta” or the “Company”)

### **First underground ore produced from the New Luika Gold Mine**

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that first stope ore has been produced from the New Luika Gold Mine (“NLGM”) underground operation.

The underground ore is being sourced from a long-hole open stope between the 900 - 880 metre levels in the Bauhinia Creek orebody. Establishment of further stopes will continue throughout 2017 to support the increasing production scheduled from the underground operations.

Coincidentally, on 19 May 2017, ore was intersected in the Luika orebody on the 937 metre level, ahead of schedule, with first production ore from Luika scheduled in Q4 2017.

A summary of the current status of the underground operation at the NLGM is as follows:

- Over 3,000 metres of total underground development, including the portal development from the 960 metre level, has been completed since 24 June 2016;
- A total of 37,000 tonnes of development ore at 7.70 grammes per tonne (“g/t”) has been produced from Bauhinia Creek underground to date;
- Development of the Bauhinia Creek orebody has been completed on the 915, 900 and 880 levels, is in progress on the 865 level and the main decline is now approaching the 845 level turn-out;
- The Bauhinia Creek main fan was commissioned in early May 2017;
- The final ventilation raise bore shaft for the Luika orebody is on track for completion this quarter;
- The Cement Rock Fill plant construction is underway to commence operation this quarter;
- Two loaders have been equipped with tele-remote operation, with training completed; and
- The underground workforce now stands at 138.

#### **Toby Bradbury, Chief Executive Officer, commented:**

“In September 2015, Shanta announced its Base Case Mine Plan with a commitment to commence underground production from Bauhinia Creek in Q2 2017 at the New Luika Gold Mine. Every material milestone has been achieved in the delivery of this project which is a credit to the entire Shanta team.”

“The performance of New Luika Gold Mine through the transition from an exclusively surface mining operation to a predominantly underground operation has been well planned and well executed. Naturally there have been, and will continue to be challenges, but the resolve with which this achievement was accomplished reflects the way in which Shanta will continue to deliver in the future.”

"After a strong Q1 2017, gold production in Q2 is running ahead of expectations with favourable grades being achieved from the Ilunga open pit, reaffirming the Company's production guidance for 2017 of 80-85,000 oz."

**Enquiries:**

**Shanta Gold Limited**

Toby Bradbury (CEO)

+255 (0)22 2601 829

Eric Zurrin (CFO)

**Nominated Adviser and Broker**

Peel Hunt LLP

Matthew Armit / Ross Allister / Chris Burrows

+44 (0)20 7418 8900

**Financial Public Relations**

Tavistock

Jos Simson / Emily Fenton / Barney Hayward

+44 (0)20 7920 3150

**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 583 million shares in issue.

For further information please visit: [www.shantagold.com](http://www.shantagold.com).

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

ENDS.