

22 May 2017

Shanta Gold Limited

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

Power Station equipment financing

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that it has received US\$10.0 million financing from Exim Bank (Tanzania) Limited (“EXIM”) following the commissioning in March 2017 of its 7.5 Mega Watts (“MW”) Power Station (the “Power Station”) at the New Luika Gold Mine (“NLGM” or “the Mine”) located in the Lupa Goldfield in southwest Tanzania.

Highlights:

- US\$10.0 million provided by Exim, one of the largest commercial banks in Tanzania;
- Four-year term loan amortizing quarterly, bearing variable interest at 7.25% per annum (2.75% below the Exim Base Lending Rate);
- Comprises US\$7.5 million long term funding and US\$2.5 million short-term funding for working capital;
- The term loan is secured against the NLGM Power Station which was commissioned in Q1 2017 and is now fully operational;
- NLGM power capacity has more than doubled to 7.5 MW following the installation of the Power Station;
- Terms are an improvement to the original agreement with a competing lender previously agreed and announced in Q1 2016.

Toby Bradbury, Chief Executive Officer, commented:

“This power station has proven a great success for the New Luika Gold Mine. It is now delivering reliable power with a significant drop in per kilowatt hour power costs. In 2016, Shanta decided to pay the capital costs of the power station out of cash flow in anticipation of improved financing terms, which it has now realised with the Exim term loan.”

“The power plant’s commissioning in Q1 2017 will serve NLGM for many years and deliver the increased power required to support the new underground operation that remains on schedule to deliver first stope ore this quarter.”

“As noted in Shanta’s recent quarterly update, the Company continues to defer non-essential expenditure, while it completes the development of the underground operation, due to the large sum, now outstanding, in VAT refunds.”

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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 583 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.