

3 May 2017

Shanta Gold Limited

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

Exploration Update, Nkuluwisi, Maiden Resource, Lupa Goldfields

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an update from its ongoing exploration programme, within and surrounding, the New Luika Gold Mine ("NLGM" or "the Mine"), located in the Lupa Goldfields, southwest Tanzania.

In March 2017, Shanta released encouraging drilling results from the Nkuluwisi Mineralised Target ("Nkuluwisi"), located approximately 12 kilometers ("km") northwest of the NLGM's central processing hub. Since March, the Company and its independent resource consultants have worked to produce a JORC Compliant Code (2012) maiden resource for Nkuluwisi, as detailed below.

Highlights:

At a 0.5g/t Cut-off:

- Total Resources of 3,973,000 tonnes ("t") at 1.1 grams per tonne ("g/t") for a total of 140,894 ounces ("oz") of gold achieved;
- Measured Resources of 224,000 t at 1.29 g/t for a total of 9,266 oz of gold achieved;
- Indicated Resources of 2,311,000 t at 1.13 g/t for a total of 83,888 oz of gold achieved; and
- Inferred Resources of 1,438,000 t at 1.03 g/t for a total of 47,761 oz of gold achieved.

Toby Bradbury, Chief Executive Officer, commented:

"The significant scale of Nkuluwisi opens the door to possible expansion options at our flagship New Luika Gold Mine to target lower grade orebodies which could increase production levels and add to mine life. The NLGM already has resources of 9.47 million tonnes at 2.24 g/t for 683,000 oz that sit outside the recently updated Revised Mine Plan and the Nkuluwisi maiden resource adds significantly to that. Further upside remains along strike at Nkuluwisi and also at a series of highly prospective and proximate targets in the Lupa Goldfield identified through our focused exploration program."

Enquiries:

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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.

The technical information contained within this announcement has been reviewed and approved by Mr. Awie Pretorius MSc.Pri.Sci.Nat. Mr. Pretorius is a consultant to Shanta and a member of the South African Council for Natural Scientific Professionals (SACNASP Membership Number 400060/91).

He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009.

Nkuluwisi Mineralised Target

Nkuluwisi's maiden resource forms part of the regionally prominent Nkuluwisi Shear Zone, a deformational feature with a known strike expression approaching 15 km. Nkuluwisi's mineralisation importantly remains open at depth and along strike. The near-surface expression of the Nkuluwisi mineralised zone commonly attains true thicknesses in excess of 30 meters, potentially lending itself to open pit exploitation.

Within the Nkuluwisi mineralisation feature, there are two zones characterised by localised gold enrichment. These enriched zones could be subjected to pit optimisation studies (Figure 1 & 2).

Nkuluwisi is located outside of the NLGM Mining Licence Area. The Company has secure licence tenure on the area in question and envisages that satellite deposits identified within reasonable hauling distance from NLGM may, in future, contribute to the project's resource baseline.

MEASURED RESOURCE				
Cut-Off	TONNES	AG	AU	AU oz
0.0	254,562	2.353	1.148	9,396
0.5	223,937	2.453	1.287	9,266
1.0	133,515	2.760	1.607	6,898
1.5	63,588	3.235	2.066	4,224
2.0	27,106	3.550	2.551	2,223
2.5	12,078	3.656	2.993	1,162
INDICATED RESOURCE				

Cut-Off	TONNES	AG	AU	AU oz
0.0	2,497,171	2.336	1.063	85,344
0.5	2,311,068	2.388	1.129	83,888
1.0	1,205,781	2.691	1.431	55,475
1.5	400,715	3.050	1.924	24,787
2.0	124,589	3.391	2.346	9,397
2.5	26,732	3.691	2.910	2,501
INFERRED RESOURCE				
Cut-Off	TONNES	AG	AU	AU oz
0.0	1,695,556	2.751	0.914	49,825
0.5	1,438,070	2.925	1.033	47,761
1.0	522,898	3.300	1.437	24,158
1.5	174,213	3.547	1.975	11,062
2.0	59,753	4.257	2.466	4,737
2.5	22,703	6.842	3.000	2,190
TOTAL RESOURCE				
Cut-Off	TONNES	AG	AU	AU oz
0.0	4,447,289	2.495	1.011	144,556
0.5	3,973,075	2.586	1.103	140,894
1.0	1,862,194	2.867	1.446	86,573
1.5	638,516	3.204	1.952	40,072
2.0	211,448	3.656	2.406	16,356
2.5	61,513	4.847	2.959	5,852

Table 1: Nkuluwisi Resource Tabulation – May 2017

¹ See link for accompanying plan of drill hole locations and cross-sections
http://www.rns-pdf.londonstockexchange.com/rns/9738D_-2017-5-2.pdf

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

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