

18 October 2017

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

Update on Debt Restructuring

Shanta Gold Limited (AIM: SHG), the East Africa-focused gold producer, developer and explorer, announces that Investec Bank plc's due diligence period is continuing whilst it evaluates the Tanzanian legislative changes announced by the Company on 30 June 2017 and 5 July 2017.

On 20 June 2017, the Company announced an agreement with Investec Bank plc ("**Investec**") to implement a new US\$50 million ("m") facility to replace the current US\$40 m facility ("**New Investec Facility**"), subject to due diligence, delivery of certain Conditions Precedent, and documentation satisfactory to Investec. The Company also announced its intention to repurchase the outstanding unsecured subordinated convertible loan notes due April 2019 ("**Loan Notes**") using the proceeds of the New Investec Facility. The Company's authority to buy back the Loan Notes expires on 20 October 2017 and as the buyback of the Loan Notes is to be funded through the above-mentioned facility from Investec, it is conditional on the New Investec Facility being drawn down by the Company.

Shanta will provide a further update on the debt restructuring to shareholders and the holders of the Loan Notes by 31 March 2018.

As of 30 September 2017, Shanta has total liquidity of US\$13.6 m including a cash balance of US\$8.0 m and access to the undrawn unrestricted Exim Bank facility totalling of US\$5.6 m out of US\$7.5 m.

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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 project in Tanzania and holds exploration licences covering approximately 1,500km² in the country. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 87,714 ounces in 2016. The Company has been

admitted to trading on London's AIM and has approximately 769 m 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.