

4 June 2018

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

New JORC Resource Estimate & Project Update at Singida

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, announces an updated JORC compliant Mineral Resource Estimate ("MRE" or "Resource") and project update on the Singida Gold Mining Project ("the Project") in Central Tanzania.

Highlights

- 56% increase in Measured Resource and a 12% increase in Measured and Indicated Resource, totaling 381 koz of gold at 2.08 g/t;
- Only 2 of the 7 targets within the Project mining licences were tested in the recent drilling campaign;
- As previously announced in April 2018, drilling intersections include:
 - 10 m @ 20.82 g/t gold from 138 m in hole SC702, including 3 m @ 57.13 g/t gold from 138 m, and
 - 5 m @ 10.35 g/t gold from 120 m in hole SC713
- Ground geophysical work (IP) to commence in early Q3 2018, testing the potential of the 2 km strike between Cornpatch and Cornpatch West targets;
- Construction of a high voltage power line, by Tanzania's Rural Energy Agency (REA) has commenced; and,
- Internally estimated Project Net Present Value (NPV) has been enhanced following re-optimisation of the mine plan and improvement in forecasted energy costs.

Singida Resource Estimate

- JORC compliant Project Resource totaling 12.3 Mt, grading 1.84 g/t and containing 725 koz of gold using a cut-off grade of 1.0 g/t consisting of:
 - Measured and Indicated Mineral Resource totaling 5.71 Mt, grading 2.08 g/t gold and containing 381 koz of gold; and,
 - Inferred Resource of 6.57 Mt, grading 1.63 g/t gold and containing 344 koz of gold.
- The MRE incorporates three mining licenses and seven mineralised zones with a combined strike length of 4.9 km, with widths ranging from 5-15 m and mineralisation extending approximately 500 m below the topographical surface;
- Gold Tree 1, which is at the centre of the three mining licenses, contains measured and indicated resources of 1.61 Mt, grading 2.80 g/t gold and containing 145 koz of gold at a cut-off grade of 1.0 g/t which is located near to surface (<120 m depth);
- Independent minerology testing has been previously completed with average recoveries of 91%;
- Mineralisation is open at depth and along strike with numerous parallel structures identified; and,
- Shanta will shortly be commencing an exploration programme to delineate further resources and upgrade the inferred resources near to surface in the Cornpatch and Cornpatch West targets into measured and indicated resource categories.

Singida Project Update

- The Rural Energy Authority (REA) is an autonomous body of the Ministry of Energy with an objective to improve access to modern energy services across rural Tanzania;

- The Singida project is a direct beneficiary of REA's objective and will be connected to the central government power grid, which is expected to pass within 500 metres of the proposed location of the Project site;
- Construction of the REA power supply line is expected to be completed by the end of 2018, funded by the Government and external donors;
- In March 2018, Shanta established an internal Owners Team to advance desktop work for the Project using existing internal resources, at no additional cost to Shanta. A number of workstreams are ongoing by the Owners Team across all disciplines including geology, mine planning and process design; and
- Project capital funding is being targeted from external third parties at the Singida asset level.

Eric Zurrin, Chief Executive Officer, commented:

The objective of the modest 1,600 metre RC drilling programme in Q1 2018, which targeted two of the seven key targets at Singida, was to upgrade resources from the Inferred to the Measured and Indicated (M&I) categories. This objective has been achieved – M&I Resources have now increased to nearly 400,000 oz of gold at 2.08 g/t. A geophysics programme is planned for Q3 to test upside at the Cornpatch and Cornpatch West targets as we target ongoing expansion and upgrading of the resource.

Analyst conference call

Shanta Gold will host an analyst conference call today, 4 June 2018, at 09:30 BST. Participants can access the call by dialling one of the following numbers below approximately 10 minutes prior to the start of the call.

UK Toll-Free Number: 08082370030
 UK Toll Number: +44 (0)2031394830
 PIN: 86675553#

A recording of the conference call will subsequently be available on the Company's website.

Enquiries:

Shanta Gold Limited

Eric Zurrin (CEO)

+ 255 (0) 22 292 5148

Luke Leslie (CFO)

Nominated Adviser and Broker

Numis Securities Limited

Paul Gillam / John Prior / James Black

+ 44 (0) 20 7260 0000

Financial Public Relations

Tavistock

Charles Vivian / Barnaby Hayward

+ 44 (0) 20 7920 3150

About Shanta Gold

Shanta Gold is an East Africa-focused gold producer. It currently has defined ore resources on the New Luika and Singida projects in Tanzania and holds exploration licenses covering approximately 1,500km² in the country. Shanta's flagship asset New Luika Gold Mine commenced production in 2012 and produced 79,585 ounces in 2017. The Company has

been admitted to trading on London's AIM and has approximately 778 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.

Singida

The Singida Mineral Resource is based on seven-shear zone related gold deposits with a combined strike length of 4.9 km. All of these deposits are situated within three, 100% Shanta owned, mining licenses. The deposits trend east-west to north-west-south-east.

The westernmost deposits, consisting of Corn Patch and Corn Patch West, are moderate to steep dipping, SE/NW striking brittle-ductile structures. The central set of brittle-ductile shears host three deposits: Gold Tree, Gem, and Vivian. These deposits occur in a succession of basaltic host rock and meta-sediment units. The mineralised structures trend from 295° to 310°, dipping steeply to the southwest.

To the east of the Property are two east-west trending, steep dipping mineralised shear zones comprising the Kaizer Chief and Gustav deposits. The Kaizer Chief deposit is a sub-vertical structure with gold mineralisation localised along a distinct brittle ductile shear zone within mafic metavolcanic host rock. Gold mineralisation in the Gustav mineralised prospect is located within a distinct brittle-ductile shear zone characterized by significant percentages of pyrite, chalcopyrite, pyrrhotite and arsenopyrite mineralisation.

The MRE has been delineated by diamond core drilling ("DD"), reverse circulation ("RC") and rotary air blast ("RAB"). The initial drilling campaigns were completed between 2006 and 2009 and consisted of 322 (37,827 m) RC holes, 86 (1,496 m) RAB holes and 42 (6,562 m) DD holes. A drilling phase that started late in 2016 and continued into 2017 involved drilling of 179 RC holes totaling 5,527 m. The last drilling phase was completed in February and March 2018 on the Gold Tree and Jem deposits and comprised 15 RC holes totaling 1,603m.

Drilling Summary

Drilling	Gold Tree		Jem		Vivian		Cornpatch		Cornpatch West		Kaizer Chief		Gustav	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
RAB (Phase 1)			71	1,052			15	445						
RC (Phase 1)	122	13,307	43	5,767	20	2,605	27	3,628			57	6,454	28	2,969
DD (Phase 1)	10	1,106	14	1,408	1	67	2	340			5	814	4	610

RC (Phase 2)									25	3,097				
DD (Phase 2)	3	1,108	3	1,109										
2016/17 RC	179	5,527												
2018 RC	9	991	6	612										
Total	323	22,039	137	9,947	21	2,672	44	4,413	25	3,097	62	7,268	32	3,579

All samples are submitted to the SGS Laboratories in Mwanza, Tanzania, which is accredited to conform to ISO/IEC standards. All QA/QC results have been reviewed by Sphynx Consulting CC.

It should also be noted that DRA Mineral Projects (PTY) Ltd completed an advanced metallurgical study in February 2014, based on mineralogy reports by SGS Ltd and gravity/leach test work completed by Mintek (SA) and Peacock and Simpson (Zimbabwe). The overall estimated recovery was discounted for plant inefficiencies and calculated to be 91%, from a head grade of 2.6 g/t Au, utilising discounted gravity and leach recovery values of 50% and 82.45% respectively.

As part of a number of studies completed at Singida, SRK Consulting (SA) (Pty) Ltd (SRK) conducted a mining geotechnical study. The scope of the study was to provide recommendations for pit slope designs on a feasibility level in order to facilitate the safe and economical mining of the Singida Open Pits. The results from the study recommended overall slope angles from 49-51 degrees, berms widths of 15 m and bench widths ranging from 2.84 m to 8.83 m dependent on the degree of weathering.

The Company is completing the final phase of the resettlement at Singida and continues its Corporate Social Responsibility program in the district.

Mineral Resources

Singida's Measured and Indicated Resource at 26 May 2018 is an estimated 5.71 Mt, grading 2.08 g/t and containing 0.381 Moz of gold at a cut-off grade of 1.0 g/t. The majority of the measured and indicated resources are less than 120 m from surface.

Estimated Inferred Resources total over 6.57 Mt, grading 1.63 g/t and containing 0.344 Moz of gold at a cut-off grade of 1.0 g/t.

Shanta Gold Ltd - Singida Gold Project Tanzania
Mineral Resource Estimate (MRE) - 26 May 2018

JORC 2012 Classification	Tonnes	Gold Grade	Gold
	Mt	g/t	Moz
Measured	2.35	2.50	0.189
Indicated	3.36	1.78	0.192

Sub - Total M+l	5.71	2.08	0.381
Inferred	6.57	1.63	0.344
Total	12.28	1.84	0.725

The Singida Mineral Resource is based on seven-shear zone related gold deposits with a combined strike length of 4.9 km. Historical drilling has identified mineralisation extending down to 500 m from surface in the Gold Tree One deposit.

	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
	TONNES	GRADES	OUNCES	TONNES	GRADES	OUNCES	TONNES	GRADES	OUNCES	TONNES	GRADES	OUNCES
	('000)	g/t	('000 oz)	('000)	g/t	('000 oz)	('000)	g/t	('000 oz)	('000)	g/t	('000 oz)
CORNPATCH WEST	-	-	-	722	1.67	39	995	1.4	45	1,716	1.51	84
CORNPATCH	-	-	-	415	1.73	23	474	2.07	31	889	1.91	54
VIVIAN	-	-	-	259	2.27	19	153	2.25	11	412	2.26	30
JEM ZONE 1&2	577	2.62	49	430	1.96	27	655	1.98	42	1,663	2.19	117
GOLD TREE ZONE 1	1,179	2.95	112	431	2.37	33	1,479	1.68	80	3,089	2.26	224
GOLD TREE ZONE 2	172	1.51	8	130	1.31	5	250	1.2	10	552	1.32	23
GOLD TREE ZONE 3	295	1.67	16	303	1.71	17	1,867	1.61	96	2,464	1.63	129
KAIZER CHIEF	-	-	-	234	1.27	10	398	1.36	17	632	1.33	27
GUSTAV	128	1.12	5	435	1.41	20	295	1.29	12	858	1.33	37
TOTAL	2,351	2.50	190	3,359	1.78	193	6,566	1.63	344	12,275	1.84	725

Estimation Methodology

The top and bottom contacts of the orebodies were defined along section lines using geological, structural and alteration data as well as gold assay grades. The orebodies were defined by 3D wireframe interpretation with sub cell block modelling.

Statistical analysis of the data was undertaken for each prospect in order to inform decisions on treatment of extreme grade values, compositing length, variography and orientation of the resource model.

In order to determine the optimum model block size, the Kriging Efficiency and Regression slope was studied for the Gold Tree 3 orebody and the block size obtained was applied to the other deposits.

Ordinary Kriging was used as the estimator and a three-pass search strategy was utilised with either an octant search method or a limit placed on the amount of data per hole that informed the estimate so that the informing data was not clustered.

The resultant block models were validated against the raw input data to ensure the block model grades are both realistic and representative.

The resource was classified into Measured, Indicated and Inferred mineral resources according to guidelines compliant with the Australasian Code for Reporting (2012) as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy (JORC).

Recommendations to get to PFS and Mine Reserve

The Company will now focus on reviewing and upgrading the inferred resources near to surface in the Jem, Gold Tree and Corn Patch deposits into measured and indicated resource categories, with the objective of establishing and completing a Singida Mineral Resource and Ore Reserve statement.

The MRE was completed by independent consultants – Sphynx Consulting CC from South Africa. 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.

Glossary of Terms

cut-off grade	the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
g/t	Grams per metric tonne. The unit of measurement of metal content or grade, equivalent to parts per million.
Measured Mineral Resource	<p>A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.</p> <p>Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.</p> <p>A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.</p>
Mineralisation	the process or processes by which a mineral is introduced into a rock, resulting in a valuable or potentially valuable deposit. It is a general term, incorporating various types; e.g., fissure filling, impregnation, and replacement.
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Indicated Mineral Resource	<p>An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.</p> <p>Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.</p> <p>An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.</p>
Inferred Mineral Resource	<p>An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.</p>
In-Situ	In its natural position or place.
JORC Code	<p>The <i>Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves</i> (the 'JORC Code' or 'the Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Joint Ore Reserves Committee ('JORC') was established in 1971 and published several reports containing recommendations on the classification and Public Reporting of Ore Reserves prior to the release of the first edition of the JORC Code in 1989.</p> <p>Revised and updated editions of the Code were issued in 1992, 1996, 1999, and 2004. The 2012 edition supersedes all previous editions.</p>
Koz	One thousand Troy ounces. All references to ounces are Troy ounces with the conversion factor being 31.1034768 metric grams per Troy ounce
Mt	One million metric tonnes
Recoverable Ounces	That portion of the metal contained within the ore that can be recovered through metallurgical processing
ROM	Mined ore that can be processed by the recovery plant

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