

20 June 2019

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

Bauhinia Creek Phase 2 Drilling Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an update from the second phase of its Bauhinia Creek ("BC") drilling campaign at the New Luika Gold Mine ("NLGM") in South Western Tanzania, conducted during the second quarter of 2019.

Highlights:

- Bauhinia Creek is one of three active sources of ore currently being mined at NLGM;
- Phase 2 drilling has intersected high grade mineralisation over significant widths, providing further evidence of the continuity of the orebody to the west of BC Central where high grade results were intercepted in May 2019;
- Results from the Phase 2 drilling:
 - Hole CSD122 intersected 16.02 meters grading 9.36 g/t Au;
 - Hole CSD123 intersected 7.07 meters grading 16.10 g/t Au;
 - Hole CSD119 intersected 2.43 meters grading 5.26 g/t Au;
- The new high grade intersections announced in Phase 1 (May 2019), Phase 2 (June 2019) and the previous drill hole CSD055 (8 meters grading 8.52 g/t Au) are outside the existing mineral reserves and will be incorporated into the mine plan;
- The new area is below the existing mineral reserves at BC exhibiting higher grades and widths at depth; and
- Strike length of high-grade mineralisation below the existing reserves is estimated at 280 meters and remains open at depth.

Phase 2 drilling campaign

Phase 2 of the Company's 2019 drilling campaign at NLGM consisted of three diamond holes drilled at the BC Central-West underground mine. The drilling targeted areas on the western side of the ore body, below the existing reserves and mine plan. Holes were drilled from level 740 inclined at between minus 38.2 and 73.8 degrees and averaged 167.7 meters in depth with a maximum of 182.9 meters down the hole. These results are over a strike length of 120 meters with holes spaced between 30 to 40 meter sections. It is estimated that the true widths of the mineralized zones are > 90% of the intersected widths in the holes. The mineralized zones are presented by moderately dipping quartz veins hosted by granodioritic rocks.

Drilling results are tabulated below:

Drill	From (m)	To (m)	Interval	Au (g/t)
CSD119	142.92	149.64	6.72	2.02
	153.74	156.17	2.43	5.26
CSD122	131.78	147.80	16.02	9.36
	<i>Including:</i>			
	133.78	136.22	2.44	18.78
	145.81	147.80	1.99	34.20
CSD123	102.82	109.89	7.07	16.10
	<i>Including:</i>			
	108.20	109.89	1.69	62.97

Mine Plan Update

The results of the first and second phases of the NLGM drilling campaigns will be combined and analysed, with an updated Mineral Resource Estimate and life of mine extension expected in July 2019.

Eric Zurrin, Chief Executive Officer, commented:

“These are some of the best exploration results yet at New Luika and it is of great encouragement to see such exceptional grades and widths as we go deeper into the orebody. The vertical level of the current mine plan is only 250m below the portal and we look forward to further exploring these high grade extensions in the second half of 2019. Mine life extension is the single biggest contributor to value for Shanta Gold shareholders given the quality of the orebody and we will be combining the phase 1 & 2 results into an updated resource estimate in July.”

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The technical information contained within this announcement has been reviewed by Juma Kisunda (the Company's Chief Mine Geologist) and Paul W. Mbuya (the Company's Exploration Manager), who are Members of The Australasian Institute of Mining and Metallurgy (Aus.I.M.M).

They have 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 Persons 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.

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

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 licences covering approximately 1,500km² in the country. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 81,872 ounces in 2018. The Company has been admitted to trading on London's AIM and has approximately 787 million shares in issue.

For further information please visit: www.shantagold.com.