

7 August 2019

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

Singida US\$10 million Asset Level Financing and Project Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an update on the Singida Gold Mining Project ("the Project") in Tanzania.

US\$10 million Singida Asset Level Financing

In connection with the planned Initial Public Offering ("IPO") on the Dar es Salaam stock exchange ("DSE") previously announced on 29 March 2019, Singida Resources Plc ("Singida") has entered into a non-binding term sheet with a privately-held, East African, multi-national conglomerate, for an unsecured, non-recourse loan facility of US\$10 million ("Facility"). The Facility is conditional on a minimum equity raise of US\$15 million at the IPO (Shanta is targeting a minimum equity offering of US\$20 million at the IPO). The Facility will be repaid over a period of three years from cash flows generated by the Project and bears an annual interest rate of 10 per cent.

Asset Level IPO Progress Update

Since announcing the proposed Singida IPO in March 2019, formal feedback on the IPO prospectus has been received from the DSE as well as the Tanzanian Capital Markets and Securities Authority ("CMSA"), which has now been incorporated into the IPO documentation and resubmitted for approval. Following the IPO, Shanta Gold is expected to retain at least 51 per cent ownership of Singida and will operate the Project.

EIA Certificate Received at Singida

The Project's Environmental Impact Assessment ("EIA") Certificate has now been received from the Minister of State in the Vice President's Office for Union Affairs and Environment. This marks an important milestone for the future construction and operation of the Project.

Further updates will be provided as the IPO process progresses.

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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 licenses 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 m shares in issue. For further information please visit: www.shantagold.com.

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

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