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Shanta Gold Limited

(“Shanta Gold” or the “Company”)

2015 Resource Definition Drilling – Elizabeth Hill, New Luika Gold Mine

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an exploration update on its resource development program at the New Luika Gold Mine (“NLGM”), in Tanzania.

A reverse circulation drilling program comprising 3,784 metres (“m”) has been completed, targeting the Elizabeth Hill Mineralised Prospect (“Elizabeth Hill”), with the following highlight intersections received:

- 14m at 6.23 g/t from 66m in hole CSR427
- 4m at 14.52 g/t from 61m in hole CSR434
- 6m at 6.75 g/t from 29m in hole CSR415
- 10m at 3.53 g/t from 54m in hole CSR435
- 15m at 2.26 g/t from 25m in hole CSR418
- 8m at 3.48 g/t from 35m in hole CSR413
- 8m at 3.00 g/t from 55m in hole CSR453
- 2m at 6.68 g/t from 65m in hole CSR433
- 2m at 4.24 g/t from 65m in hole CSR432

Note: Downhole intersection widths quoted; True Thickness approximately 90% of intersection width

All reverse circulation holes drilled intersected the mineralised structure at Elizabeth Hill, in close proximity to initial ore wireframe positions, supporting the accuracy of their interpretations.

The drilling programme was commissioned in June and July 2015 with a view to obtaining improved definition of the nature and extent of near-surface ore development at this prospect. Elizabeth Hill sits within the existing mining license at NLGM, approximately four kilometres east of the NLGM processing plant.

During previous drilling campaigns, Elizabeth Hill was tested by means of wide-spaced drilling at depth, resulting in a limited understanding of near-surface ore development and gold grade. The latest drilling campaign was designed to provide close-spaced (25m x 25m) ore intersections at shallow depths and has yielded encouraging assay results over portions of the strike extent tested.

Elizabeth Hill is a linear Southeast trending topographic high which suggests that possible future opencast exploitation could be characterised by low stripping ratios.

A substantial portion of the 750m strike expression tested (approximately 400m) is characterised by encouraging gold mineralisation. Areas displaying elevated gold grades are located within two distinct zones.

With progressive process plant upgrades at NLGM enabling the Company to increase monthly ore tonnage throughput, the required head grade at NLGM has decreased. The Company is therefore in a position to exploit lower grade satellite deposits within the NLGM tenement, identified during earlier drilling phases. Low-to-medium grade gold ore from satellite deposits can be blended with high grade ore from Shanta’s Bauhinia Creek pit to ensure steady plant feed grades and optimise gold

recoveries. It is envisaged that this may have a positive effect on the longer term sustainability of NLGM operations.

The Company intends to integrate drill findings into an updated resource assessment for Elizabeth Hill, after which pit optimisation studies will be commissioned. This is anticipated for completion in Q4 2015.

Results to date support the Company's commitment to extending its resource base, following the recent NLGM resource and reserves update announced on 27 July 2015.

Shanta is considering expanding the resource development program to other satellite deposits within and in the direct vicinity of the NLGM License. Target areas include the Black Tree Hill, Ilunga and Luika South mineralised prospects.

Table 1: Summary of all mineralised intersections achieved

BH ID	FROM	TO	WIDTH	AU g/t
CSR410	44	51	7	1.88
CSR411	26	36	10	1.31
CSR412	35	38	3	0.86
CSR413	35	43	8	3.48
CSR414	34	40	6	2.00
CSR415	29	35	6	6.75
CSR416	25	30	5	0.93
CSR417	24	43	19	1.30
CSR418	25	40	15	2.26
CSR419	37	45	8	2.73
CSR420	33	44	11	1.13
CSR421	43	51	8	0.67
CSR422	41	51	10	0.57
CSR423	24	26	2	0.54
AND				
CSR423	40	45	5	0.77

BH ID	FROM	TO	WIDTH	AU g/t
CSR435	54	64	10	3.53
CSR436	70	80	10	1.46
CSR437	69	73	4	0.97
CSR438	64	67	3	2.05
CSR439	65	66	1	0.50
AND				
CSR439	80	81	1	1.34
CSR440	57	70	13	1.68
CSR441	23	25	2	0.80
AND				
CSR441	67	76	9	1.02
CSR442	54	57	3	0.89
AND				
CSR442	69	84	15	0.86
CSR443	56	57	1	0.93
CSR443	70	74	4	0.95
CSR444	61	62	1	1.66
CSR445	41	43	2	1.43

BH ID	FROM	TO	WIDTH	AU g/t
CSR424	33	38	5	0.90
CSR425	28	32	4	0.35
CSR427	66	80	14	6.23
CSR428	17	28	11	0.48
CSR429	25	32	7	3.51
CSR430	67	69	2	0.70
AND				
CSR430	75	77	2	1.17
CSR431	64	70	6	1.51
CSR432	65	67	2	4.24
CSR433	55	57	2	1.40
AND				
CSR433	65	67	2	6.68
CSR434	52	54	2	0.92
AND				
CSR434	61	65	4	14.52

BH ID	FROM	TO	WIDTH	AU g/t
CSR447	77	82	5	1.41
CSR448	71	74	3	0.85
CSR449	15	30	15	2.20
CSR450	19	21	2	1.05
CSR451	20	22	2	0.77
AND				
CSR451	37	40	3	1.62
CSR452	38	42	4	0.98
CSR453	55	63	8	3.00
CSR454	34	36	2	1.04
CSR455	29	34	4	0.92
CSR456	26	30	4	0.88
CSR457	31	32	1	0.54

Enquiries:

Shanta Gold Limited

Toby Bradbury (CEO)

+255 (0)22 2601 829

Patrick Maseva-Shayawabaya (CFO)

Nominated Adviser and Joint Broker

Peel Hunt LLP

Matthew Armit / Ross Allister

+ 44 (0)20 7418 8900

Joint Broker

GMP Securities Europe LLP

Richard Greenfield / Alexandra Carse

+ 44 (0)20 7647 2800

Financial Public Relations

Tavistock

Emily Fenton / Nuala Gallagher

+44 (0)20 7920 3150

Qualified Person Statement

The technical information contained within this announcement has been reviewed and approved by Mr. David Briggs Pri.Sci.Nat. NHD Economic Geology,, a Member of the South African Council for Natural Scientific Professionals (SACNASP Membership Number 400225/09), a 'Recognized Professional Organization' (RPO) included in a list that is posted on the ASX website from time to time. Mr. Briggs is a consultant to Shanta and has sufficient experience that is relevant to the style of mineralization 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 a Qualified Person for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009..

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 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 84,000 ounces in 2014. The Company is admitted to trading on London's AIM and has approximately 464 million shares in issue. For further information please visit: www.shantagold.com.