

3 October 2016

Shanta Gold Limited

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

High grade intercepts at Singida

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce high grade intercepts at its Singida project ("Singida") located in northern central Tanzania.

Singida is an advanced stage project with a mining licence in place and is expected to become an important contributor to Shanta's growth. As previously announced, Shanta is conducting a new exploration programme concurrent with a pilot plant project which will improve the Company's understanding of Singida's high grade orebody in advance of a full scale development plan. The pilot project is making progress and has been rescheduled to start in Q2 2017 targeting the Gold Tree 1 ore body while the Company prioritises expanding the resource through further exploration.

In 2009, a resource estimate at Singida identified 432,000oz of Measured Resources at a grade of 4.1g/t Au, 118,000oz of Indicated Resources at 2.0g/t Au and 309,000oz of Inferred Resources at 2.3g/t Au. The majority of the Measured Resources relate to a shear structure at the Gold Tree 1 ore body ("GT1"), one of nine identified ore bodies and begins at surface.

During historic definition drilling at GT1, several of the deeper holes intersected mineralisation high in the hanging wall. A very small proportion of the overall Indicated and Inferred resource was ascribed to these structures, Gold Tree 2 and Gold Tree 3 ("GT2" and "GT3") but they remained underexplored.

A recent exploration programme, completed in September by Shanta, was carried out to increase the drill density in the hanging wall shears. Thirty nine holes, for 4,204m were drilled and confirmed mineralisation along 400m of strike and down to a vertical depth of approximately 100m. High grade intersections indicate some potential pay-shoots within the plane of the shears GT2 and GT3 within zones of weaker mineralisation. The drill results will be incorporated into the resource model.

Drilling highlights:

- **1m @ 7.72g/t** from 68m-69m in SC653
- **3m @ 9.94g/t** from 59m-62m in SC657
- **1m @ 12.45g/t** from 65m-66m in SC662
- **6m @ 3.81g/t** from 52m-58m in SC665
- **3m @ 5.66g/t** from 105m-108m in SC668
- **5m @ 6.91g/t** from 69m-74m in SC676
- **3m @ 4.44g/t** from 100m-103m in SC677
- **12m @ 9.24g/t** from 130m-142m in SC679

The upper, shallow portion of the Measured Resource at GT1 is now the focus of the pilot plant project. Future work will include water supply hole drilling, then close-spaced grade

control holes covering the “pit footprint” of the pilot mining slot, as well as further resource drilling on GT1, GT2 and GT3. Shanta is also planning IP surveys to track a Volcanogenic Semi Massive Sulphide horizon that is believed to be a preferred locality for brittle-ductile deformation and mineralisation.

Toby Bradbury, Chief Executive Officer, commented:

“With New Luika’s expanding resource generating strong free cash flow, we have refocused on Shanta’s original flagship project at Singida. The recent Singida drill results increase our confidence that, subject to an updated Feasibility Study, Shanta will be able to significantly increase its production of low cost ounces at an extremely competitive capital cost.

The results from this latest drilling campaign further reinforce the value that our exploration emphasis is creating and the exciting prospectivity of Shanta’s portfolio both at Singida and in the Lupa Goldfield.

The portion of the GT2 and GT3 mineralisation that is near-surface may hold stripping ratio benefits when establishing an open pit for the Gold Tree 1 ore body. The drilling programme also highlights the potential to access multiple mineralised structures from underground infrastructure designed to exploit the Gold Tree 1 ore body with associated cost benefits.

Further exploration will continue to target resource drilling on the other known ore bodies that make up the Singida project. Meanwhile, we look forward to updating the market on progress at the pilot project in due course. Studies on the high grade, low tonnage, low capex pilot plant continue to look attractive and serve to demonstrate the Company’s continued commitment to the development of the Singida Project.”

Table 1: Intersection Summary – Singida Gold Tree 2 & Gold Tree 3 RC Drilling

BHID	From	To	Intersection Width	Au_Ave	Notes
SC652	34	39	5	2.07	
And					
SC652	69	71	2	1.31	
SC653	60	63	3	2.27	
And					
SC653	68	69	1	7.72	
SC655	3	7	4	2.03	
And					
SC655	11	12	1	1.10	
SC657	35	37	2	1.04	
And					
SC657	59	62	3	9.94	Including 1m @ 24.76g/t
SC658	0	1	1	2.05	
And					
SC658	22	23	1	2.50	
SC659	74	77	3	1.07	
SC660	136	137	1	10.30	
And					
SC660	141	142	1	1.05	

SC662	65	66	1	12.45	
And					
SC662	69	82	13	2.51	Including 2m @ 9.53g/t
And					
SC662	96	97	1	5.81	
SC664	66	67	1	2.07	
SC665	3	7	4	3.55	
And					
SC665	42	43	1	3.44	
And					
SC665	52	58	6	3.81	Including 1m @ 11.53g/t
SC666	79	86	7	3.31	
And					
SC666	135	139	4	2.93	
SC667	41	43	2	1.45	
SC668	48	51	3	0.95	
And					
SC668	105	108	3	5.66	Including 1m @ 14.45g/t
And					
SC668	111	112	1	1.28	
SC669	3	6	3	2.78	
SC671	34	35	1	2.77	
SC672	47	48	1	3.46	
And					
SC672	108	113	5	1.75	
SC673	31	32	1	1.44	
And					
SC673	54	55	1	5.83	
And					
SC673	61	62	1	1.31	
SC674	8	12	4	1.51	
SC675	91	92	1	1.80	
SC676	0	1	1	2.39	
And					
SC676	69	74	5	6.91	Including 2m @ 11.2g/t
And					
SC676	113	114	1	4.63	
And					
SC676	158	159	1	2.00	
SC677	100	103	3	4.44	Including 1m @ 11.5g/t
And					
SC677	106	107	1	1.39	
SC678	33	34	1	1.51	
And					

SC678	126	129	3	1.23	
SC679	130	142	12	9.24	Including 8m @ 12.35g/t
SC680	19	21	2	1.12	
SC681	12	16	4	1.93	
SC682	26	27	1	2.91	
And					
SC682	76	77	1	2.29	
SC686	49	52	3	1.12	
SC687	21	22	1	1.01	
And					
SC687	33	34	1	7.10	
SC688	78	79	1	3.03	
SC690	117	121	4	2.76	

1. Down hole intersection widths quoted, not true widths. Holes drilled at -50° and -60°
2. See links for accompanying plan and section view of the drilling programme
http://www.rns-pdf.londonstockexchange.com/rns/4513L_-2016-10-2.pdf
http://www.rns-pdf.londonstockexchange.com/rns/4513L_1-2016-10-2.pdf
http://www.rns-pdf.londonstockexchange.com/rns/4513L_2-2016-10-2.pdf
3. Compositing guidelines: Internal waste excluded >1m @ <0.5g/t, External waste excluded >1m @ <0.5g/t

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

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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 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 81,873 ounces in 2015. The Company is admitted to trading on London's AIM and has approximately 583 million shares in issue. For further information please visit: www.shantagold.com.

Competent Person

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 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 for the purposes of the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009.