

29 March 2019

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

Singida Financing Update

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

Highlights:

- Singida Resources Plc ("Singida") to proceed with a targeted US\$20 million ("m") minimum equity offering via an Initial Public Offering ("IPO") on the Dar es Salaam Stock Exchange ("DSE");
- The IPO is expected to take 6-12 months to complete and is the result of encouraging feedback from recent investor roadshows by management in Tanzania, Uganda and Kenya;
- An IPO prospectus has been submitted to the Tanzanian Capital Markets and Securities Authority ("CMSA") and the DSE;
- Shanta Gold will retain at least 51 per cent ownership of Singida and will operate the Project;
- Proposed IPO proceeds would finance the upfront capital to bring the Project into production and provide additional funds for exploration targeting resource expansion; and,
- Further updates will be provided as the IPO process progresses.

On December 5th 2018, Shanta Gold announced the Singida Project's economics:

- Average annual production from open pit mining of 26,000 oz for an initial six-year period;
- Expected to increase Shanta Gold's total gold production to over 100,000 oz pa from first full year of production;
- Pre-production CAPEX requirement of US\$16 m and US\$3 m for working capital;
- Net Present Value ("NPV") of US\$31 m and IRR of 67%, at an 8% discount rate and using the current gold forward curve (as at 5 December 2018);
- Life of Project Cash Cost of US\$794 /oz;
- Project economics are based on internally prepared management estimates produced by the Singida Internal Owners Team and have not been independently verified;
- Significant further upside potential through the inclusion of substantial resources currently sitting outside the project economics; and,
- Most key infrastructure requirements in place including water, Tanesco grid power, resettlement and an operating camp.

Eric Zurrin, Chief Executive Officer, commented:

“As previously communicated, we are focused on bringing Singida into production through an asset-level financing that unlocks value for Shanta Gold shareholders while also allowing the company to retain a controlling interest in this valuable asset. I am pleased with the initial feedback from institutional investors across East Africa who are seeking US dollar linked investments in support of industrialisation.

Additionally, we are pleased to show our continued support to Tanzania, and hope that this IPO will offer Tanzanians a rare investment opportunity within their own mining sector.

I look forward to providing further updates throughout 2019 as this unique funding opportunity 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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