

20 February 2020

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

Restructuring of convertible loan notes

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, is pleased to announce that it has received irrevocable undertakings from holders of the Company's outstanding unsecured subordinated convertible loan notes due April 2020 ("**Loan Notes**") ("**Loan Note Holders**") representing 77.14% by nominal value, to vote in favour of a restructuring that will extend the maturity date of the Loan Notes by one year and also allow Shanta to redeem the Loan Notes earlier (in whole or in part), if it so chooses, by notice to the Loan Note Holders (the "**Arrangements**").

The Arrangements are subject to the approval of Loan Note Holders holding not less than 75% in nominal value of the Loan Notes outstanding and irrevocable undertakings have been received from 77.14% of Loan Note Holders to vote in favour of the Arrangements. Written resolutions will be sent to the Loan Note Holders in short order which, if passed by the requisite majority, will enable the Company to implement the Arrangements.

A further announcement will be made in due course, upon the passing of the written resolutions.

Eric Zurrin, Chief Executive Officer, commented:

"Management and the Board took the decision to defer the repayment of convertible loan notes in order to maximise financial flexibility ahead of making the payment to Barrick for the West Kenya acquisition announced last week.

Today's announced convertibles restructuring allows Shanta the option to repay the loan note holders earlier than twelve months, if we so choose."

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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 84,506 oz in 2019. The Company has been admitted to trading on London's AIM and has approximately 794 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.

ENDS