

18 September 2013

Shanta Gold Limited

(“Shanta Gold” or the “Company”)

Drill Results at New Luika Gold Mine

Shanta Gold, the East Africa focused gold production & exploration company, is pleased to provide an update on progress achieved with its 2013 diamond drilling programme commissioned to expand the Indicated category resource base at the Company’s two main ore deposits, Bauhinia Creek and Luika, at the New Luika Gold Mine.

Highlights:

- Mineralisation consistently intersected at levels below that of the currently defined Indicated Resource
- Continuity of previously identified payshoots confirmed at depth and along strike
- High grade intersections including 10.42m @15.02 g/t achieved at depth
- Significant new mineralised strike extensions at Bauhinia Creek identified at depth and to the west of the currently defined orebody
- New high grade intersection achieved at depth and to the east of the currently defined Luika South deposit including 4.52m @ 13.10 g/t

20 diamond drill holes for 4,751m have been completed (with two further holes to be drilled) to provide improved ore body definition at depth and along strike so as to determine the feasibility of possible future underground mining operations. The ore bodies are currently open at depth at Bauhinia Creek and Luika and along strike to the west at Bauhinia Creek. The Company intends integrating drill findings into an updated resource assessment for Bauhinia Creek and Luika. Mineralised intersections have successfully been achieved to depths of approximately 350m below surface at Bauhinia Creek and 270m below surface at Luika.

Mike Houston, Shanta Gold CEO commented:

“Bauhinia Creek is currently the cornerstone deposit for Shanta Gold and it was important that we confirmed our expectation that this high grade ore body extends at depth and to the west. These early stage drilling results at Bauhinia Creek are very encouraging with the targeted drilling at Luika South and Luika confirming the high grade payshoots in these ore bodies extend at depth. Given the close proximity to Bauhinia Creek it may be possible to exploit them via one underground mining operation.

With production at New Luika stabilising and with the further upgrades to the plant in early 2014 on track, the updated resource statement (due out in October) will enable management to consider various scenarios to extend the Life of Mine with an increased level of confidence.”

Figure 1: Locality Map – Bauhinia Creek, Luika and Luika South Deposits

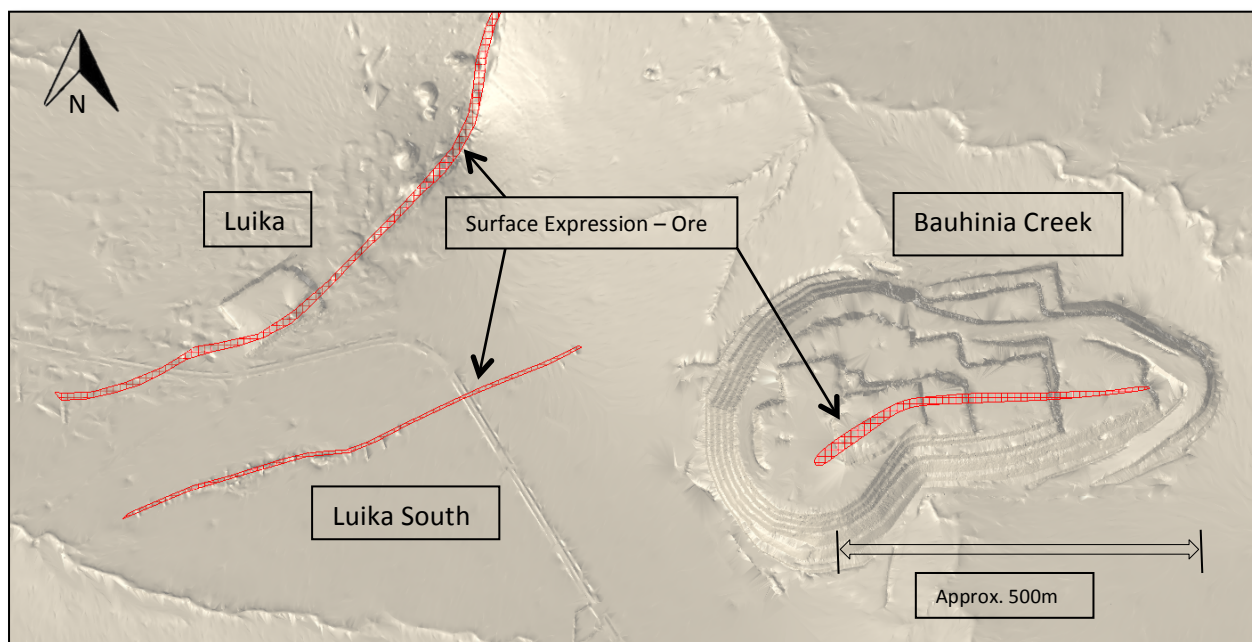


Table 1: Mineralised Intersections – Bauhinia Creek, Luika South – 2013 Diamond Drilling Programme

BHID	FROM	TO	INTERSECTION WIDTH	COMPOSITE GRADE (g/t)	COMMENTS
CSD030	270.0	273.1	3.1	4.91	Including 0.44m at 17.8g/t
AND					
CSD030	277.8	279.2	1.4	3.20	
AND					
CSD030	281.7	282.2	0.5	1.52	
CSD031	262.2	272.6	10.4	5.78	Including 0.44m at 40.6g/t
CSD032	261.3	261.8	0.5	1.13	
AND					
CSD032	264.1	267.5	3.5	5.77	Including 0.38m at 36.3g/t
CSD033	273.5	275.1	1.6	5.36	
AND					
CSD033	276.9	281.0	4.1	1.56	
AND					
CSD033	283.5	288.1	4.6	5.80	Including 0.45m at 31.35g/t

CSD034	267.4	274.9	7.5	3.23	
CSD035	214.9	225.4	10.5	15.02	Including 0.52m at 100g/t
AND					
CSD035	229.0	235.2	6.1	2.92	
CSD036	174.4	175.6	1.1	48.18	Including 0.46m at 118g/t
AND					
CSD036	308.2	315.2	7.1	1.36	
CSD038	334.9	338.8	4.0	8.62	Including 0.57m at 35.9g/t
AND					
CSD038	344.4	348.4	4.5	2.93	
CSD044	402.8	403.7	0.9	9.01	
AND					
CSD044	412.5	413.4	0.9	1.91	

Note: Figures above subject to rounding. CSD022, CSD22D1 – Fault loss zone intersected localized structural elimination of ore body; CSD037 – Fault loss zone intersected localized structural elimination of ore body

Figure 2: Longitudinal Section Looking South – Bauhinia Creek – New Drilled Intersections

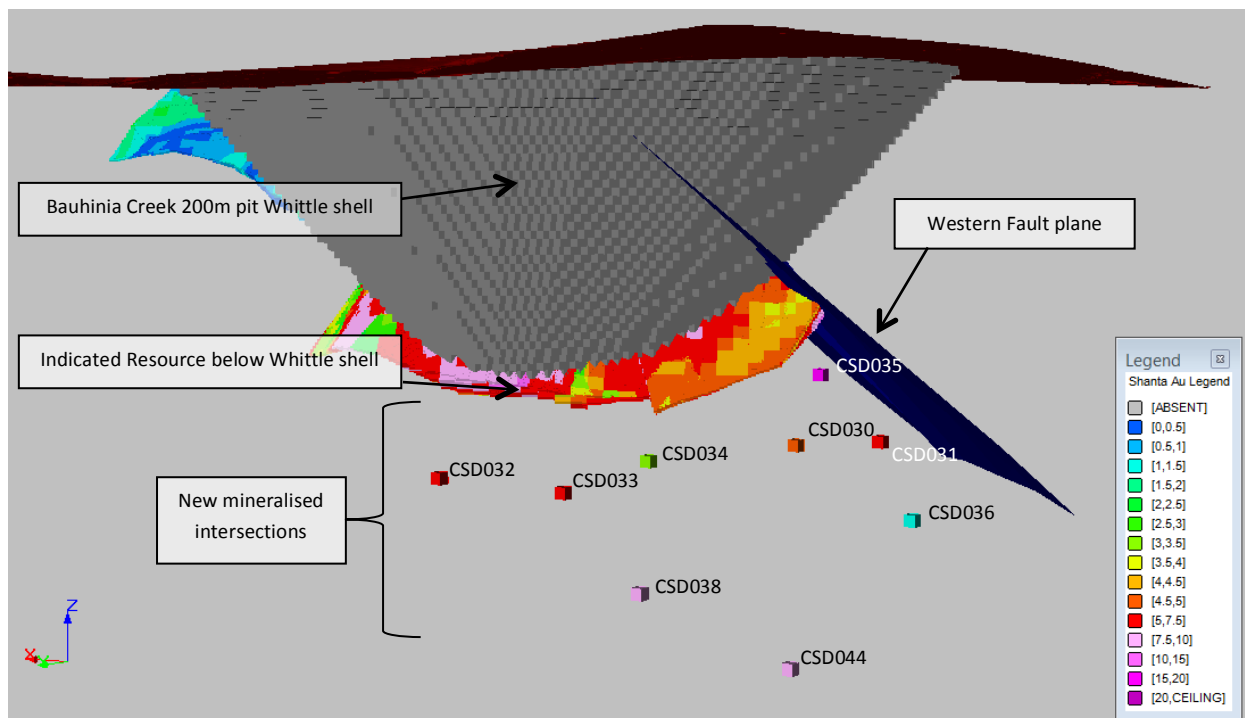
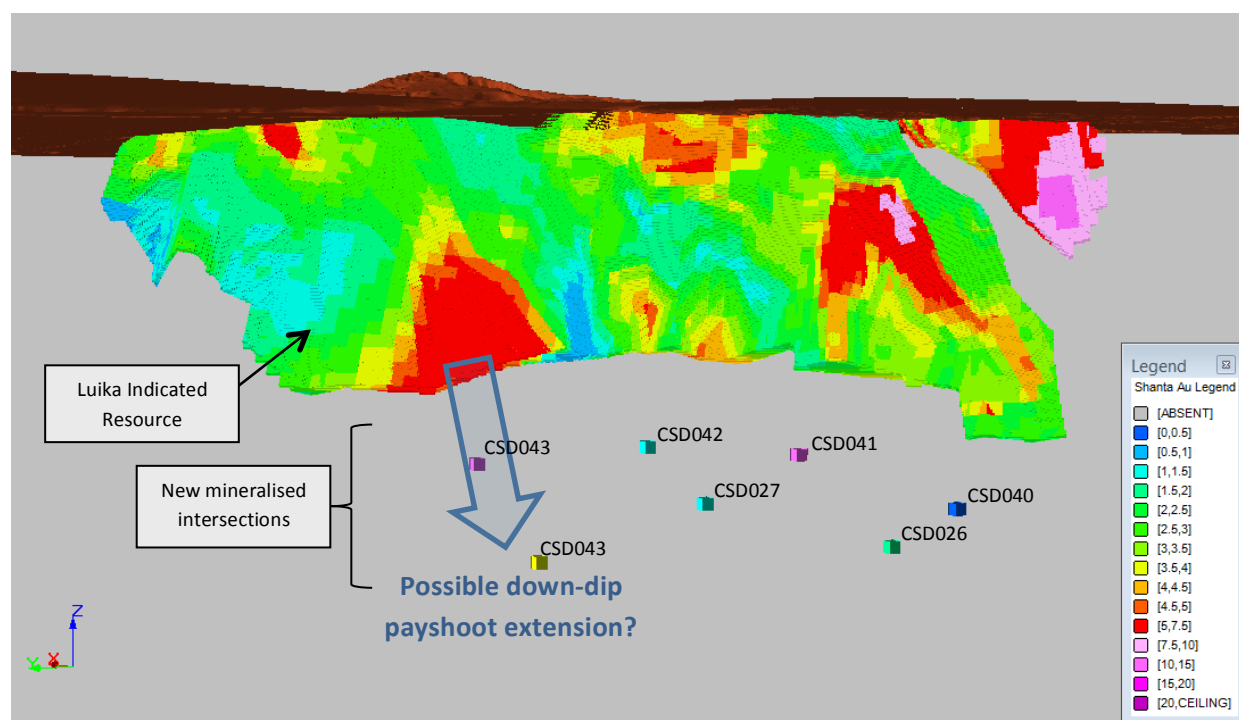


Table 2: Mineralised Intersections – Luika – 2013 Diamond Drilling Programme

BHID	FROM	TO	INTERSECTION WIDTH	COMPOSITE GRADE (g/t)	COMMENTS
CSD026	322.3	325.5	3.2	1.58	
AND					
CSD026	326.4	328.9	2.5	1.90	
CSD027	256.4	261.3	4.9	1.44	
CSD028	302.2	303.3	1.1	3.60	Partial Structural Elimination
CSD028D1	291.2	292.1	0.9	1.09	
AND					
CSD028D1	296.5	298.9	2.5	1.03	Partial Structural Elimination
CSD041	226.6	228.1	1.5	1.25	
AND					
CSD041	229.5	230.6	1.1	1.30	
AND					
CSD041	242.5	242.8	0.3	13.20	
AND					
CSD041	249.2	249.6	0.4	1.15	
CSD042	228.8	229.4	0.5	1.17	
CSD043	239.9	244.4	4.5	13.10	Including 0.4m at 61.05g/t

Note: Figures subject to rounding. CSD029 – Fault loss zone intersected localized structural elimination of ore body; CSD040 – Poorly developed mineralised zone intersected.

Figure 3: Longitudinal Section Looking Southeast – Luika – New Drilled Intersections



Despite the fact that several of the mineralised intersections achieved at the Luika deposit returned low average gold grades, CSD043 returned 4.5m at 13.10g/t down dip of a prominent payshoot identified during earlier drilling campaigns. The Directors believe that this suggests the continuity of this zone of gold enrichment at depth.

Based on drilling results achieved, the Company is in the process of updating resource assessments for the Bauhinia Creek and Luika deposits which are expected to be published in October 2013. It is the Directors belief that the robust mineralised intersections achieved at depth and along strike have the potential to increase the total exploitable gold resources at Bauhinia Creek, Luika and Luika South. The Company is commissioning studies aimed at the evaluation of underground mining alternatives at Bauhinia Creek and Luika. The aim of these studies is to investigate scenarios whereby continued availability of high grade ore material may be facilitated by means of underground mining operations thereby seeking to optimise the overall resource, including Jamhuri and Black Tree Hill, in the New Luika Gold Mine tenement and by doing so potentially extending the current life of mine.

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Competent Persons Statement

David Briggs NHD, Pr.Sci.Nat (400225/09), Shanta Gold's Resource Manager, is a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, and has reviewed and approved the technical information contained in this announcement.

About Shanta Gold Limited

Shanta Gold is an East African focused gold mining company. 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. The Company's flagship New Luika Gold Mine commenced production and achieved first gold pour in August 2012. The Company is admitted to trading on AIM and has approximately 462 million shares in issue.

For further information visit the Company's website: www.shantagold.com.