

7 May 2019

Shanta Gold Limited
(“Shanta Gold” or the “Company”)

Bauhinia Creek Central Drilling Update – Targeting Mine Life Extension

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to provide an update from the first phase of its Bauhinia Creek drilling campaign at the New Luika Gold Mine (“NLGM”) in South Western Tanzania, conducted during the second quarter of 2019.

Highlights:

- Bauhinia Creek is one of three active sources of ore currently being mined at NLGM;
- The objective of the drilling programme at NLGM is to upgrade the mine’s mineral resources;
- Positive intersections below the existing reserves indicate that the existing underground decline may be continued and mine life extended;
- High grade mineralisation remains open at depth;
- Results from the drilling:
 - Hole CSD115 intersected 7.33 meters grading 6.24 g/t Au;
 - Hole CSD116 intersected 2.03 meters grading 4.77 g/t Au;
 - Hole CSD117 intersected 3.68 meters grading 6.57 g/t Au;
 - CSD115 is situated approximately 35 meters to the east of the historical hole CSD055 which intersected 8 meters grading 8.52 g/t Au; and
- The new intersections and the previous drill hole CSD055 are all outside the existing mineral reserves and demonstrate the potential for continued high grade reserve and resource growth.

Phase 1 drilling campaign

Phase 1 of the Company’s 2019 drilling campaign at NLGM consisted of three diamond holes drilled at the Bauhinia Creek (“BC”) Central underground mine. Drilling targeted areas immediately below the existing reserves and mine plan. Holes were drilled from level 740 inclined at between minus 54.7 and 73.3 degrees and averaged 138.6 meters in depth with a maximum of 143.7 meters down the hole. These results are over a strike length of 95 meters with holes spaced between 30 to 40 meter sections. It is estimated that the true widths of the mineralized zones are > 90% of the intersected widths in the holes. The mineralized zones are presented by moderately dipping quartz veins hosted by granodioritic rocks.

Drilling results are tabulated below:

Drill	From (m)	To (m)	Interval	Au (g/t)
CSD115	90.52	97.85	7.33	6.24
	<i>Including:</i>			
	91.63	91.91	0.28	83.20
	96.14	96.58	0.44	29.20
CSD116	35.60	35.88	0.28	2.03
	88.60	89.08	0.48	1.52
	93.24	93.50	0.26	1.97
	97.87	98.45	0.58	1.65
	105.22	107.25	2.03	4.77
	<i>Including:</i>			
	105.22	105.65	0.43	10.00
	106.81	107.25	0.44	10.90
CSD117	86.40	90.08	3.68	6.57
	<i>Including:</i>			
	88.40	88.60	0.20	36.50
	118.63	120.15	1.52	4.51
	122.16	123.00	0.84	4.29
	125.00	126.90	1.90	2.26

Phase 2 drilling programme

The Phase 1 drilling campaign will be followed by a Phase 2 drilling programme in Q2 2019, which will test the continuity of the high-grade shoots at BC to the west of the area that was tested by the Phase 1 drilling program.

The Phase 2 drilling programme will start shortly with 3 holes planned totaling approximately 400 meters. The results of Phases 1 & 2 will be combined and analysed, with an updated Mineral Resource Estimate and life of mine extension expected in July 2019.

Eric Zurrin, Chief Executive Officer, commented:

“A very modest and low-cost drilling program has returned highly encouraging results that point to life of mine extension at depth at BC. A mine life extension would require only minimal capex, limited predominantly to underground development to access new ore.

Positive indications point to the existing underground decline being pushed down by at least three levels and new ounces added to our mine plan. I look forward to confirming our expectation after the results of the Phase 2 drilling.”

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About Shanta Gold

Shanta Gold is an East Africa-focused gold producer. It currently has defined ore resources on the New Luika and Singida projects in Tanzania and holds exploration licences 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 million shares in issue.

The technical information contained within this announcement has been reviewed by Juma Kisunda (the Company's Chief Mine Geologist) and Paul W. Mbuya (the Company's Exploration Manager), who are Members of The Australasian Institute of Mining and Metallurgy (Aus.I.M.M).

They have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Persons 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.

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

For further information please visit: www.shantaqgold.com.