

18 May 2017

Shanta Gold Limited

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

Completion of €2.1 million underground equipment financing

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that it has completed a finance agreement with Sandvik Mining and Construction OY. The approximately €2.1 million (US\$2.3 million) financing will be used to purchase underground mobile equipment and is repayable quarterly in two tranches over respective 36 month periods. The first tranche will be repayable from June 2017 and the second from October 2017. Both tranches will carry a fixed interest cost of 6.5%.

The equipment will arrive in Tanzania in stages from May 2017. This purchase is part of Shanta’s capital programme initially outlined in the 2015 Base Case Mine Plan for its flagship asset, the New Luika Gold Mine located in the Lupa Goldfield, in southwest Tanzania.

Financing Highlights:

- €2,052,183 (US\$2.3 million) financing, repayable quarterly over a 36 month period from June 2017 (€1,473,537) and from October 2017 (€578,646) respectively; and
- Fixed interest cost of 6.5%.

Toby Bradbury, Chief Executive Officer, commented:

“This is our second equipment financing with Sandvik over the last 15 months which is an important pillar of our financing plan for the underground capital development programme at our flagship asset, the New Luika Gold Mine.”

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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, Nkuluwisi 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 87,713 ounces in 2016. 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.