

16 December 2019

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

New Luika Gold Mine Exploration Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to report surface and underground exploration drilling results from its ongoing exploration programmes at the New Luika Gold Mine ("NLGM") in South Western Tanzania.

Highlights:

- 66 Reverse Circulation ("RC") and diamond core holes totalling 7,410 metres have been drilled between October and December 2019 at a cost of approximately US\$0.7 million;
- The drilling was focused on the Bauhinia Creek ("BC") North and BC East deposits, Elizabeth Hill (Main and North) Open Pits and BC Deep West targets, all located within the Company's mining licenses;
- Exploration drilling has included the intersection of high grade mineralisation at encouraging widths. All of the below exploration results are new, and have not previously been announced to the market;
- BC North drilling highlights:
 - Hole BNRC029 intersected 11.00 metres grading 8.55 g/t Au;
 - Hole BNRC031 intersected 10.00 metres grading 10.93 g/t Au;
 - Hole BNRC028 intersected 10.00 metres grading 9.18 g/t Au;
 - Hole BNRC021 intersected 6.00 metres grading 11.41 g/t Au;
 - Hole BNRC024 intersected 5.00 metres grading 6.21 g/t Au;
 - Hole BNRC025 intersected 4.00 metres grading 5.04 g/t Au;
- BC East drilling highlights:
 - Hole CSR538 intersected 7.00 metres grading 6.86 g/t Au;
 - Hole CSR546 intersected 4.00 metres grading 10.83 g/t Au
 - Hole CSR545 intersected 4.00 metres grading 4.86 g/t Au;
- Elizabeth Hill Main and North Open Pits drilling highlights:
 - Hole CSR528 intersected 9.00 metres grading 2.31 g/t Au and 3.00 metres grading 2.25 g/t Au;
 - Hole CSR531 intersected 2.00 metres grading 2.46 g/t Au;
 - Hole CSR534 intersected 2.00 metres grading 2.16 g/t Au;
 - Assay results for 8 drill holes are awaited from the laboratory;
- BC Deep West drilling highlights:
 - Hole CSD131 intersected 7.30 metres grading 4.52 g/t Au;

- Hole CSD132 intersected 1.65 metres grading 14.27 g/t Au; and,
- The BC Deep West Phase 2 drilling program is ongoing and will involve drilling of three diamond core holes totalling 750 metres aimed at testing the westerly plunging shoot of the BC orebody.

Mine Plan Update

The results of this drilling campaign will be incorporated into an updated Mineral Reserve & Resource Estimate which is expected to be released in early 2020.

Eric Zurrin, Chief Executive Officer, commented:

“Exploration at New Luika remains a high priority focus for Shanta, given the impact that increasing ounces has on shareholder value. The ongoing results are highly encouraging as we can see that they show high grades, at good widths that suggest ongoing life of mine extension.”

BC North exploration drilling

The BC North target is located about 300 metres from the BC deposit and close to existing infrastructure. The target was inferred from structural fabric analysis of aeromagnetic data, which delineated a WSW - ENE striking shear zone, with a similar orientation/geometry and strike extent as that of the BC and Luika deposits. Surface soil geochemistry was consistent with the inferred shear zone trend, and the follow-up trenching program intersected encouraging gold mineralization over a strike extent of about 100 metres. The BC North mineralized shear zone dips at about 60° to the NNW.

A total of 16 drill holes representing 2,551 metres were completed for the Phase 4 drilling programme at BC North in Q4 2019. The drilling programme was designed to test the north-westerly continuity of the BC North mineralized structure. All of the drilling was RC with the exception of 4 drill holes that were completed by diamond tails (229 metres).

Drilling has been progressively targeting the westerly plunging continuity of the mineralised structure. Holes were inclined at between minus 56 and 82 degrees and averaged 129 metres in depth with a maximum of 192 metres down the hole. These results are over a strike length of 150 metres with holes spaced using 30-metre drill fences. It is estimated that the true widths of the mineralised zones are about 90% of the intersected widths in the holes. The mineralised zones are presented by moderately dipping quartz veins hosted by granodioritic rocks.

Significant BC North drilling results are tabulated below:

Phase	BHID	From (m)	To (m)	Interval (m)	Au (g/t)
4	BNRC020	46	53	7	3.35
		<i>Including:</i>			
		50	51	1	9.35
	BNRC021	38	39	1	2.26
70		71	1	6.60	

		78	80	2	13.65
	BNRC023	75	79	4	10.29
		<i>Including:</i>			
		76	77	1	22.10
	BNRC024	45	46	1	0.01
		50	51	1	0.02
		77	78	1	0.02
		81	82	1	1.77
		102	107	5	6.21
		<i>Including:</i>			
	103	104	1	22.10	
	BNRC025	50	51	1	1.31
		53	57	4	5.04
		<i>Including:</i>			
	55	56	1	14.90	
	BNRC026	115	122	7	1.30
	BNRC027	39	45	6	1.65
		50	52	2	1.93
		60	61	1	0.02
	BNRC028	59	62	3	1.41
		94	104	10	9.18
		<i>Including:</i>			
	98	100	2	28.35	
	BNRC029	82	84	2	3.03
		93	104	11	8.55
		<i>Including:</i>			
	96	97	1	24.60	
	BNRC030	72	75	3	1.14
	BNRC031	45	46	1	0.01
		49	59	10	10.93
		<i>Including:</i>			
		51	52	1	40.70
	54	55	1	35.40	
	BNRC032	62	67	5	1.40

True widths are approximately 90% of the intersected downhole widths.

The focus of the exploration programme at BC North in Q1 2020 will be to continue to expand the down-plunge and lateral extensions of the mineralised structure with the objective of adding new near-mine Mineral Resources.

The BC North zones currently have total indicated resources of 229 kt, grading 2.90 g/t Au, containing 21,315 ounces of gold and total inferred resources of 43 kt, grading 3.04 g/t Au, containing 4,214 ounces of gold.

BC East exploration drilling

BC East is a northeast - southwest trending mineralised system located 400 metres from the BC deposit and close to existing infrastructure. Prior to the drilling programme, the BC East target was delineated by a coincident soil Geochem anomaly and trenching intersections in early 2019, which was designed to follow up on the historical encouraging rock grab assay results.

A total of 19 shallow RC drill holes representing 990 metres were completed for the Phase 1 drilling program in Q4 2019 at BC East. The drilling will continue in Q2 2020 after the end of rainy season to progressively target the down-dip and plunge of the mineralised structures.

Holes were inclined at between minus 47 and 60 degrees and averaged 52 metres in depth with a maximum of 96 metres down the hole. These results are over a strike length of 80 metres with holes spaced using 30-metre drill fences. It is estimated that the true widths of the mineralised zones are about 85% of the intersected widths in the holes. The mineralised zones are presented by moderately dipping quartz veins hosted by granodioritic rocks.

Significant BC North drilling results are tabulated below:

Phase	BHID	From (m)	To (m)	Interval (m)	Au (g/t)
1	CSR538	14	21	7	6.86
		<i>Including:</i>			
		16	17	1	10.90
		19	20	1	28.10
	CSR539	16	19	3	1.30
		<i>Including:</i>			
		16	17	1	2.25
	CSR543	54	55	1	1.64
	CSR545	8	12	4	4.86
	CSR546	19	23	4	10.83
		<i>Including:</i>			
		20	21	1	24.70
	CSR548	15	16	1	1.46

True widths are approximately 85% of the intersected downhole widths.

The 2020 surface exploration drilling programme at BC East will focus on testing the continuity of the high-grade mineralised shoots with the objective of defining additional Mineral Resources proximal to the current mining operations.

Elizabeth Hill (“EH”) Main and North exploration drilling

The east - west trending EH Main and North structures are located about 4 km to the east of the NLGM processing plant. EH is a brittle-ductile shear zone hosting robust quartz veins (locally up to 10 metres wide) within granodioritic rock units. The EH North structure is considered to be an ENE – WSW trending splay of the NW – SE trending EH Main structure. Both veins systems are associated with left-lateral and reverse kinematic (oblique) shear

zones. The intersection zone between EH Main and EH North might represent a confluence of fluid migration, increased permeability and dilation, and hence potential for encouraging mineralization.

During Q4 2019, delineation and exploration drilling involved completion of 5 drill holes totalling 438 metres at EH Main and 15 holes totalling 1,748 metres at EH North. The Phase 3 drilling programme was designed to infill areas that were identified to have potential to convert additional inferred resources into Measured & Indicated category resources following a review of the geological model.

Holes were drilled at between minus 46 and 65 degrees and averaged 109 metres in depth with a maximum of 168 metres down the hole. These results are over a strike length of 350 metres with holes spaced using 30-metre drill fences. It is estimated that the true widths of the mineralised zones are about 80% of the intersected widths in the holes.

Significant EH Main and North drilling results are tabulated below while assay results for an additional 8 drill holes are awaited from the laboratory:

Phase	BHID	From (m)	To (m)	Interval (m)	Au (g/t)
3	CSR528	116	125	9	2.31
	CSR528 CSR531	159	162	3	2.25
		<i>Including:</i> 154	155	1	3.71
		0	2	2	2.46
	CSR531	42	43	1	2.80
	CSR532	58	60	2	1.83
	CSR533	40	44	4	1.09
	CSR534	94	96	2	2.16
	CSR535	38	39	1	2.66
	CSR535	51	52	1	1.24
		54	57	3	0.59
		<i>Including:</i> 54	55	1	1.10

True widths are approximately 80% of the intersected downhole widths.

The EH Main and North zones currently have indicated resources of 1,582 kt, grading 2.25 g/t Au, containing 114,550 ounces of gold and inferred resources of 638 kt, grading 1.52 g/t Au, containing 31,240 ounces of gold.

BC Deep West exploration drilling

The Bauhinia Creek deposit is located within a moderately steep ($\pm 55^\circ$), NW-dipping shear zone, which is silicified and mineralized by an auriferous quartz (\pm carbonate) vein system. Single mineralized, economic veins trend parallel to the shear zone geometry, but pinch or taper out towards the ENE, abruptly terminating against the Nose Fault to the WSW. The highest grade and most voluminous Au instances are associated with a gradual left-lateral

release bend that causes a dilatational jog that steeply plunges ($\pm 45-50^\circ$) to the NNW. The exploration drilling programs at BC are designed to target the continuation of the mineralized jog.

Four diamond drill holes representing 946 metres were completed in the BC Deep West Phase 1 drilling programme. The drilling programme tested the continuity of the BC westerly plunging shoot between levels 530 mRL and 640 mRL. Holes were inclined at between minus 28 and 76 degrees and averaged 237 metres in depth with a maximum of 282 metres down the hole. It is estimated that the true widths of the mineralised zones are about 90% of the intersected widths in the holes.

The BC Deep West Phase 1 drilling results are tabulated below:

Phase	BHID	From (m)	To (m)	Interval (m)	Au (g/t)
1	CSD130	213.40	217.37	3.97	2.41
		<i>Including:</i>			
		214.34	214.85	0.51	5.67
	CSD131	239.12	246.42	7.30	4.52
		<i>Including:</i>			
		245.46	246.19	0.73	30.10
	CSD132	141.74	143.39	1.65	14.27
		<i>Including:</i>			
		142.86	143.39	0.53	36.20
	CSD133	183.93	184.25	0.32	3.18
189.40		189.82	0.42	6.71	

True widths are approximately 90% of the intersected downhole widths.

Currently, the BC Deep West Phase 2 drilling program is ongoing and is expected to involve drilling of three diamond core holes totalling about 750 metres to target the BC westerly plunging shoot between levels 525 mRL and 580 mRL. It is hoped that the results of the ongoing drilling program will be available in early 2020.

Enquiries:

Shanta Gold Limited

Eric Zurrin (CEO)

Luke Leslie (CFO)

+255 (0) 22 292 5148

Nominated Adviser and Broker

Numis Securities Limited

Paul Gillam / Alamgir Ahmed

+ 44 (0) 20 7260 1000

Financial Public Relations

Tavistock

Charles Vivian / Barnaby Hayward / Gareth Tredway

+44 (0) 20 7920 3150

About Shanta Gold

Shanta Gold is an East Africa-focused gold producer. It currently has defined ore resources at 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.

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

Qualified Person

The technical information contained within this announcement has been reviewed by George Kondela (the Company's Mineral Resource 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.