

16 December 2016

Shanta Gold Limited

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

New Luika Gold Mine Intersects First Underground Ore

Shanta Gold Limited (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that on 15 December 2016, the underground development intersected first mineralization at the Bauhinia Creek deposit. The intersect occurred just after the nose fault, as predicted in the geological model.

Toby Bradbury, Chief Executive Officer, commented:

"I am pleased to report continued progress at the underground development at the New Luika Gold Mine. Intersecting first ore is a pleasing result and we remain on track to commence first stoping of ore in Q2 2017."

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

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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 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 81,873 ounces in 2015. 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.