

23 March 2016

Shanta Gold Limited

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

Power station equipment financing

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that it has received US\$9.1 million financing from Bank M Tanzania plc (“Bank M”) for the construction of its 7.5MW power station at the New Luika Gold Mine (“NLGM” or “the Mine”) located in the Lupa Goldfield in southwest Tanzania.

Highlights:

- US\$9.1 million provided by Bank M, a wholesale bank in East Africa, to finance the NLGM Power Station project;
- NLGM power demand is forecast to more than double to ~6MW during development and operation of the underground mine;
- Transition from a power leasing arrangement to an owned power station is expected to significantly reduce per kilowatt hour costs;
- Delivery is expected to take place in early Q1 2017; and
- 12-month letter of credit for US\$9,114,000 at a fixed interest cost of 8%; followed by five year amortising (monthly) term loan bearing interest at 12-month USD Libor plus 9% per annum.

The Power Station project is part of Shanta’s capital programme outlined in the Base Case Mine Plan (the “Mine Plan”) announced on 29 September 2015. The Mine Plan provides for a number of key infrastructure projects including power supply.

The power station will be supplied, operated and maintained by the supplier, Inglett & Stubbs International. As envisaged in the Mine Plan, the power generators in the power station have medium speed heavy fuel oil engines which provide a longer life and are more efficient.

Toby Bradbury, Chief Executive Officer, commented:

“This Power Station project is a cornerstone capital item for the successful realisation of our Mine Plan for the New Luika Gold Mine. The transition from a power leasing arrangement to an owned power station has compelling strategic and financial benefits including a significant drop in per kilowatt hour power costs.

“The plant’s arrival in Q1 2017 is timed to the commencement of underground production in Q2 2017 and provides a longer term power facility to cater for an extended mine life as additional resources are brought in to the Mine Plan.”

Enquiries:

Shanta Gold Limited

Toby Bradbury (CEO)

+255 22 2925148

Eric Zurrin (CFO)

Nominated Adviser and Broker

Peel Hunt LLP

Matthew Armitt / Ross Allister +44 20 7418 8900

Financial Public Relations

Tavistock

Emily Fenton / Nuala Gallagher +44 20 7920 3150

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 469 million shares in issue. For further information please visit: www.shantagold.com.