20 November 2017

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

Singida JORC Resource Estimate and NLGM Operations Update

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, announces a JORC compliant Mineral Resource Estimate (“MRE” or “Resource”) on the Singida Gold Mining Project (“Singida” or “the Project”) in Central Tanzania and provides an operational update for its New Luika Gold Mine ("NLGM"), in Southwest Tanzania.

Highlights

Singida

- JORC compliant Resource at Singida totaling 12.3 Mt, grading 1.84 g/t and containing 728koz of gold using a cut-off grade of 1.0 g/t consisting of:
    - Measured and Indicated Mineral Resource totaling 5.11 Mt, grading 2.09 g/t gold and containing 345 koz of gold, and;
    - Inferred Resource of 7.17 Mt, grading 1.66 g/t gold and containing 383 koz of gold.
- The MRE incorporates three mining licenses and seven mineralised zones with a combined strike length of 4.9 km, with widths ranging from 5-15m and mineralisation extending approximately 500m below the topographical surface;
- Gold Tree 1, which is at the centre of the three mining licenses, contains measured and indicated resources of 1.1 Mt, grading 3.14 g/t gold and containing 111 koz of gold at a cut-off grade of 1.0 g/t is located near to surface (<120m depth);
- Independent minerology testing has been previously completed with average recoveries of 91%; and,
- Mineralisation is open at depth and along strike with numerous parallel structures identified. Shanta will shortly be commencing an exploration program to delineate further resources and upgrade the inferred resources near to surface in the Jem, Gold Tree and Corn Patch deposits into measured and indicated resource categories.

NLGM

- On 5th September 2017 the Company announced a plan to reduce costs by US$5m on an annualised basis;
- This has now been achieved with cost reductions of US$5.1m executed, the full benefit which will be achieved by the end of Q1 2018. Savings do not include the replacement of the mining contractor which was a result of the decline in open pit production and constitutes a large standalone saving;
- The US$5.1m of cost reductions is mostly comprised of renegotiated contracts with suppliers, lower headcount and eliminating non-essential G&A spending;
- Further cost reduction initiatives remain ongoing with 45% of Shanta’s supplier contracts (in terms of value) so far having been reviewed or replaced;
- The Company is also pleased to announce initial results of its operational improvement program which includes:
    - Targeting higher recoveries of over 93%, an improvement of 1.5-2% by H2 2018. This follows laboratory scale extended leach test work on increasing residency time through the installation of an additional pre-leach tank. The project will cost around US$0.5m and is expected to have a payback period of

4 months. Assembly and installation is expected in April 2018 with commissioning by the end of June 2018;
    - Revised its mining method for the Luika underground from Cut and Fill to Long Hole Open Stoping. This does not require backfilling with cement, lowering the cost by an estimated US$3.6m in 2018;
- The Company continues to progress a number of operational improvement initiatives and will update the market in due course.

Eric Zurrin, Chief Executive Officer, commented:

"We have made good progress at Singida by declaring a compliant resource and in doing so, increasing Shanta's total group compliant resources to over 2 million ounces. We have identified a number of targets at the project, which we will continue to explore over the coming months, with a view to expanding the potential size of the Singida project and increasing the Measured & Indicated resource ounces."

"I am also pleased to announce that we have already surpassed our targeted spending reductions of US$5 million of annualised savings whilst identifying operational changes which will continue to create further value for Shanta and its Shareholders. This approach is in line with our previously announced strategy of aligning the senior management team with that of Shanta's owners and optimising the financial performance of our operations."

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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 licenses covering approximately 1,500km^2 in the country. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 87,714 ounces in 2016. The Company has been admitted to trading on London's AIM and has approximately 769 m shares in issue. For further information please visit: www.shantagold.com.

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

Singida

The Singida Mineral Resource is based on seven-shear zone related gold deposits with a combined strike length of 4.9km. All situated within three, 100% Shanta owned, mining licenses. The deposits trend east−west to north-west−south-east.

The westernmost deposits consisting of Cornpatch and Cornpatch West are moderate to steep dipping, SE/NW striking brittle-ductile structures. The central set of brittle-ductile shears host three deposits: Gold Tree, Gem, and Vivian. These deposits occur in a succession of basaltic host rock and meta-sediment units. The mineralised structures trend from 295^0 to 310^0, dipping steeply to the southwest.

To the east of the Property are two east−west trending, steep dipping mineralised shear zones comprising the Kaizer Chief and Gustav deposits. The Kaizer Chief deposit is a sub-vertical structure with gold mineralisation localised along a distinct brittle ductile shear zone within mafic metavolcanic host rock. Gold mineralisation in the Gustav mineralised prospect is located within a distinct brittle-ductile shear zone characterized by significant percentages of pyrite, chalcopyrite, pyrrhotite and arsenopyrite mineralisation.

The MRE has been delineated by diamond core drilling (“DD”), reverse circulation (“RC”) and rotary air blast (“RAB”). The initial drilling campaigns were completed between 2006 and 2009 and consisted of 322 (37,827m) RC holes, 86 (1,496m) RAB holes and 42 (6,562m) DD holes, the last drilling phase stated late in 2016 and continued into 2017 on the Gold Tree deposit. This phase comprised of 179 RC holes totaling 5,527m.

Drilling Summary

Drilling	Gold Tree		Jem		Vivian		Cornpatch		Cornpatch West		Kaizer Chief		Gustav	
	Holes	Meters	Holes	Meters	Holes	Meters	Holes	Meters	Holes	Meters	Holes	Meters	Holes	Meters
RAB (Phase 1)			71	1,052			15	445						
RC (Phase 1)	122	13,307	43	5,767	20	2,605	27	3,628			57	6,454	28	2,969
DD (Phase 1)	10	1,106	14	1,408	1	67	2	340			5	814	4	610
RC (Phase 2)									25	3,097				
DD (Phase 2)	3	1,108	3	1,109										
2016/17 RC	179	5,527												
Total	**314**	**21,048**	**131**	**9,335**	**21**	**2,672**	**44**	**4,413**	**25**	**3,097**	**62**	**7,268**	**32**	**3,579**

All samples are submitted to the SGS Laboratories in Mwanza, Tanzania, which is accredited to conform to ISO/IEC standards. All QA/QC results have been reviewed by Sphynx Consulting CC.

It should also be noted that DRA Mineral Projects (PTY) LTD, completed an advanced metallurgical study in February 2014, based on mineralogy reports by SGS ltd, gravity/leach test work completed by Mintek (SA) and Peacock and Simpson (Zimbabwe). The overall estimated recovery was discounted for plant inefficiencies and calculated to be 91%, from a head grade of 2.6 g/t Au, utilising discounted gravity and leach recovery values of 50% and 82.45% respectively.

As part of a number of studies completed at Singida, SRK Consulting (SA) (Pty) Ltd (SRK) conducted a mining geotechnical study. The scope of the study was to provide recommendations for pit slope designs on a feasibility level in order to facilitate the safe and economical mining of the Singida Open Pits. The results from the study recommended overall slope angles from 49-51 degrees, berms widths of 15m and bench widths ranging from 2.84m to 8.83m dependent on the degree of weathering.

The Company is completing the final phase of the resettlement at Singida and continues its Corporate Social Responsibility program in the district.

Mineral Resources

Singida's Measured and Indicated Resource at 14 November 2017 is an estimated 5.11 Mt, grading 2.09 g/t and containing 0.345 Moz of gold at a cut-off grade of 1.0 g/t. The majority of the measured and indicated resources are close to surface and less than 120m from the surface.

Estimated Inferred Resources total over 7.17 Mt, grading 1.66 g/t and containing 0.383 Moz of gold at a cut-off grade of 1.0 g/t.

Shanta Gold Ltd - Singida Gold Project Tanzania

Mineral Resource Estimate (MRE) - 14 November 2017

JORC 2012 Classification	**Tonnes**	**Gold Grade**	**Gold**
	Mt	g/t	Moz
Measured	1.50	2.47	0.120
Indicated	3.61	1.94	0.225
Sub - Total M+I	**5.11**	**2.09**	**0.345**
Inferred	7.17	1.66	0.383
Total	**12.28**	**1.84**	**0.727**

The Singida Mineral Resource is based on seven-shear zone related gold deposits with a combined strike length of 4.9km. Historical drilling has identified mineralisation extending down to 500m from the surface in the Gold Tree One deposit.

	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
	TONNES	GRADES	OUNCES	TONNES	GRADES	OUNCES	TONNES	GRADES	OUNCES	TONNES	GRADES	OUNCES
	('000)	g't	('000 oz)	('000)	g't	('000 oz)	('000)	g't	('000 oz)	**('000)**	**g't**	**('000 oz)**
CORNPATCH WEST	-	-	-	722	1.67	39	995	1.4	45	**1,716**	**1.51**	**84**
CORNPATCH	-	-	-	415	1.73	23	474	2.07	31	**889**	**1.91**	**54**
VIVIAN	-	-	-	259	2.27	19	153	2.25	11	**412**	**2.26**	**30**
JEM ZONE 1&2	387	2.68	33	541	2.28	40	741	1.95	46	**1,668**	**2.23**	**119**
GOLD TREE ZONE 1	522	3.43	58	575	2.88	53	2,003	1.77	114	**3,099**	**2.26**	**225**
GOLD TREE ZONE 2	172	1.51	8	130	1.31	5	250	1.2	10	**552**	**1.32**	**23**
GOLD TREE ZONE 3	295	1.67	16	303	1.71	17	1,867	1.61	96	**2,464**	**1.63**	**129**
KAIZER CHIEF	-	-	-	234	1.27	10	398	1.36	17	**632**	**1.33**	**27**
GUSTAV	128	1.12	5	435	1.41	20	295	1.29	12	**858**	**1.33**	**37**
TOTAL	**1,504**	**2.47**	**120**	**3,614**	**1.94**	**226**	**7,176**	**1.65**	**382**	**12,290**	**1.84**	**728**

Estimation Methodology

The top and bottom contacts of the orebodies were defined along section lines using geological, structural and alteration data as well as gold assay grades. The orebodies were defined by 3D wireframe interpretation with sub cell block modelling.

Statistical analysis of the data was undertaken for each prospect in order to inform decisions on treatment of extreme grade values, compositing length, variography and orientation of the resource model.

In order to determine the optimum model block size, the Kriging Efficiency and Regression slope was studied for the Gold Tree 3 orebody and the block size obtained was applied to the other deposits.

Ordinary Kriging was used as the estimator and a three-pass search strategy was utilised with either an octant search method or a limit placed on the amount of data per hole that informed the estimate so the informing data was not clustered.

The resultant block models were validated against the raw input data to ensure the block model grades are both realistic and representative.

The resource was classified into Measured, Indicated and Inferred mineral resources according to guidelines compliant with the Australasian Code for Reporting (2012) as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy (JORC).

Recommendations to get to PFS and Mine Reserve

The Company will now focus on reviewing and upgrading the inferred resources near to surface in the Jem, Gold Tree and Corn Patch deposits into measured and indicated resource categories, with the objective of establishing and completing a Singida Mineral Resource and Ore Reserve statement.

The MRE was completed by independent consultants – Sphynx Consulting CC from South Africa. The technical information contained within this announcement has been reviewed and approved by Mr. Awie Pretorius MSc.Pri.Sci.Nat. Mr. Pretorius is a consultant to Shanta and a member of the South African Council for Natural Scientific Professionals (SACNASP Membership Number 400060/91).

He has 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 Person 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.

Glossary of Terms

cut-off grade	the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
g/t	Grams per metric tonne. The unit of measurement of metal content or grade, equivalent to parts per million.
Measured Mineral Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.
Mineralisation	the process or processes by which a mineral is introduced into a rock, resulting in a valuable or potentially valuable deposit. It is a general term, incorporating various types; e.g., fissure filling, impregnation, and replacement.
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Indicated Mineral Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
Inferred Mineral Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
In-Situ	In its natural position or place.
JORC Code	The *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the 'JORC Code' or 'the Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Joint Ore Reserves Committee ('JORC') was established in 1971 and published several reports containing recommendations on the classification and Public Reporting of Ore Reserves prior to the release of the first edition of the JORC Code in 1989. Revised and updated editions of the Code were issued in 1992, 1996, 1999, and 2004. The 2012 edition supersedes all previous editions.
Koz	One thousand Troy ounces. All references to ounces are Troy ounces with the conversion factor being 31.1034768 metric grams per Troy ounce
Mt	One million metric tonnes
Recoverable Ounces	That portion of the metal contained within the ore that can be recovered through metallurgical processing
ROM	Mined ore that can be processed by the recovery plant

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