

10 July 2018

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

Total Annualised Cost Reductions of US\$7.2 million Now Fully Executed

Shanta Gold (AIM: SHG), the East Africa-focused gold producer, developer and explorer, is pleased to announce that the Company's plan to reduce its costs by US\$7 million on an annualised basis, compared to those prior to commencing its core initiatives announced in September 2017, has been achieved, three months ahead of schedule.

Since announcing its target to reduce annualised costs by a further US\$2 million in January 2018, the Company has achieved an additional US\$2.1 million of recurring cost reductions, taking the total annualised cost reductions achieved to US\$7.2 million. These 2018 cost reductions are the result of renegotiated contracts with suppliers and the elimination of non-essential G&A spend. The full benefit of the 2018 cost reductions will be realised from Q3 2018. Importantly, the underground operation has been ringfenced during this exercise to ensure that underground production continues as planned.

Eric Zurrin, Chief Executive Officer, commented:

"These further cost reductions cement Shanta's position as one of the lowest cost producing gold mining companies in Africa and form part of our overriding strategy of maximizing value for our shareholders."

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About Shanta Gold Limited

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 1,500km² in the country. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 79,585 ounces in 2017. The Company has been admitted to trading on London's AIM and has approximately 779 million shares in issue. For further information please visit: www.shantagold.com.