THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required:

- If you are in doubt as to the action you should take in relation to this document, please consult your stockbroker, banker, legal advisor or other professional advisor immediately. This document is issued in compliance with the Listings Requirements of the Botswana Stock Exchange to the shareholders (“Shareholders”) of Shumba Energy Ltd (“Shumba Energy”)
- If you have disposed all of your shares in Shumba Energy (“Shares”), this Circular should be sent to the agent through whom you have disposed of such Shares, for onward delivery to the purchaser of those Shares.
- If you are unable to attend the Special Meeting scheduled for 28 March 2018 at 10h00 at IFS Court, Bank Street, Twenty Eight CyberCity, Ebène 72 201, Republic of Mauritius you are entitled to be represented thereat by proxy and should you desire to be so represented, you should complete the form of proxy which is attached hereto, so as to be received by the transfer secretaries of the Company by no later than 10h00 on 27 March 2018.

Shumba Energy Ltd
(“Shumba Energy” or the “Company”) – previously Shumba Coal Limited
Share code: SHU ISIN: MU0397S00002
incorporated in accordance with the laws of Mauritius on the 28th of August 2012
Company Number 111905 C1/GBL and registered as an external company in Botswana
on the 4th of February 2013

CIRCULAR TO THE SHAREHOLDERS OF SHUMBA ENERGY LTD

A. For the purposes of explaining the salient terms and conditions of the proposed partnership with Kibo Mining PLC; and

B. To seek Shareholder approval for the contribution by Shumba to the partnership with Kibo Mining PLC; and

C. Incorporating a notice convening a Special Meeting of Shareholders of Shumba Energy and a form of proxy

Dated: 05 March 2018
CORPORATE INFORMATION, DIRECTORS AND ADVISORS

Registered Office (Botswana)
Shumba Energy Ltd
Plot 2780
Manong Close, Extension 9
Gaborone
Botswana

Registered Office and Company Secretary (Mauritius)
SANNE Mauritius
IFS Court, Bank Street, TwentyEight, CyberCity,
Ebène 72201
Mauritius

Sponsoring Broker
Imara Capital Securities
Member of the Botswana Stock Exchange.
2nd Floor, Morojwa Mews
Unit 6, Plot 74770
Western Commercial Road, CBD
Gaborone
Botswana

Auditors
Grant Thornton Ltd
9th floor
Ebène Tower
52, Cybercity, Ebène
Mauritius

Legal Advisor
Armstrongs Attorneys
2nd Floor, Acacia House
Plot 74358, Cnr of Khama Crescent Ext
& PG Matante Road, New CBD
Gaborone
Botswana

Transfer Secretaries (Botswana)
Transaction Management Services (Pty) Limited
C/o Corpserve Botswana
Unit 206, Second Floor, Plot 64516
Showgrounds Close, Fairgrounds
Gaborone
Botswana

Board of Directors
Alan Mitchell Clegg (Chairman)
Mashale Phumaphi
Thapelo Mokhathi
Munesh Sharma Ramnauth (non-executive)
Kapildeo Joory (Independent non-executive)
Sipho Ziga (Independent non-executive)
Boikobo Paya (Independent non-executive)
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</tr>
<tr>
<td></td>
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<td>35</td>
</tr>
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</table>
## IMPORTANT DATE AND TIMES

<table>
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<tr>
<th>Event</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circular released on or before</td>
<td>05 March</td>
</tr>
<tr>
<td>Proxies to be delivered by</td>
<td>26 March</td>
</tr>
<tr>
<td>Special Meeting on</td>
<td>28 March</td>
</tr>
<tr>
<td>Results of Special Meeting announced from</td>
<td>30 March</td>
</tr>
</tbody>
</table>

Note: The above dates are subject to change. Any such changes will be published on X-News.
In this Circular and the annexures hereto, unless the context indicates a contrary intention, an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the words in the first column have the meaning stated opposite them in the second column as follows:

“AIM” The alternative investment market of the London Stock Exchange on which the shares of Kibo are listed;

“Auditors” Grant Thornton Ltd, 9th floor, Ebène Tower 52, Cybercity, Ebène Mauritius;

“Board” the board of directors of Shumba Energy;

“Botswana” the Republic of Botswana;

“BSE” Botswana Stock Exchange;

“BWP” Botswana Pula, the legal tender of the Republic of Botswana and the currency in which the Shares are traded on the BSE;

“Circular” this Circular, dated 05 March 2018, including the annexures and attachments thereto;

“Conditions Precedent” the conditions precedent stipulated in the Partnership Agreement and summarised in Annexure 3;

“Constitution” the Constitution of Shumba Energy;

“Companies Act” or “Act” the Companies Act 2001, of Mauritius, and any amendment thereto;

“Company” Shumba Energy;

“Company Secretary” means, SANNE Mauritius, IFS Court, Bank Street, TwentyEight CyberCity, Ebène 72201, Republic of Mauritius;

“Competent Person” NJ Denner Pr. Sci.Nat, B.Sc. Hons (Geology), FGSSA, SEG, Project Consultant for Gemecs (Pty) Limited;

“Consideration” Comprises the following
1. Issuance of 153,710,030 new ordinary shares in Kibo that shall rank pari passu with the existing ordinary shares in Kibo and currently represent an effective 28% of the
issued share capital of Kibo., with a value of GBP0.06 per share or the volume weighted average price at which the Kibo shares shall have traded on AIM for the 30 trading days immediately preceding the Completion Date with a value of at least GBP9.2 million;

3. USD 0.50 royalty from revenue received per metric tonne of coal sold from the area covered by the MCIPP Resource;

4. US 0.225 cents royalty from revenue received per kilowatt hour produced and sold by any power plant owned by the Partnership in Botswana or using coal procured from the area covered by the MCIPP Resource and;

5. Kibo to use reasonable commercial endeavours on reasonable commercial terms and on an arm’s length basis to free-carry Shumba for the reasonable funding requirements of the MCIPP until financial close of a project financing, after which Shumba may be diluted;

“Directors”

the Board of Directors of Shumba Energy for the time being;

“EGM” or “Special Meeting”

the special meeting of Shumba Energy shareholders called in terms of the Companies Act and to be held on 28 March 2018 and at which Shareholders will be asked to consider and to vote on the resolutions, notice of which meeting forms part of this Circular;

“GBP”

the legal tender of the United Kingdom, and currency in which the Kibo shares that comprise part of the Consideration are priced on AIM;

“Kibo”

Kibo Mining PLC, a public limited liability company registered in the Republic of Ireland, a multi-asset resource development and energy company focused on South West Tanzania, listed on London’s AIM market and the AltX in Johannesburg, and which controls a large mineral rights portfolio;

“Last Practicable Date”

the last practicable date before issuance of this Circular, being 31 January 2018;

“Listing Requirements”

the listing requirements of the BSE;

“Mabesekwa Prospecting Licence”

The Mabesekwa Prospecting Licence (PL428/2009) in the north eastern part of Botswana, some 60km south-west of the town of Francistown and 40km west of Tonota/Shashe owned by Sechaba;
“MCIPP Resource” the 869 metric tonne coal mineral resource held under the Mabesekwa Prospecting Licence and as referred to in detail by the Competent Person, whose report is summarised in Annexure 4 and is available for inspection as referred to in paragraph 15;

“MMA” the Botswana Mines and Minerals Act, 1999;

“Ordinary Share” or “Share” an ordinary share in the stated capital of Shumba Energy;

“Partnership” A new company to be formed and domiciled in Botswana in which Sechaba will have a 15% shareholding and Kibo an 85% shareholding and which company shall own a 300Mt subset of the MCIPP Resource;

“Partnership Agreement” The agreement between the Shumba Group and Kibo, the salient terms and conditions of which are set out in Annexure 3;

“Shareholders” current registered holders of Shares;

“Shumba Energy” or “Shumba” or “the Company” Shumba Energy Ltd (previously Shumba Coal Limited), incorporated in accordance with the laws of Mauritius on the 28th of August 2012 under registration number 111905 C1/GBL and registered as an external company in Botswana on the 4th of February 2013;

“Shumba Group” Shumba Energy and its subsidiaries;

“Sechaba” Sechaba Natural Resources (Pty) Limited a Botswana domiciled company in which Shumba has a beneficial interest of 90% and is the holder of the Mabesekwa Prospecting Licence;

“Special Resolution” a resolution passed by at least 75% of the votes of all Shareholders present or represented by proxy at the EGM, and eligible to vote on the matter (which excludes controlling shareholders, their associates, any party acting in concert);

“USD” the legal tender of the United States of America and reporting currency of the Company.

8
Shumba Energy Ltd
(“Shumba Energy” or the “Company”) – previously Shumba Coal Limited
Share code: SHU ISIN: MU0397500002
incorporated in accordance with the laws of Mauritius on the 28th of August 2012
Company Number 111905 C1/GBL and registered as an external company in Botswana
on the 4th of February 2013

DIRECTORS

- Alan Mitchell Clegg (Chairman)
- Mashale Phumaphi (Managing director)
- Thapelo Mokhathi (Finance director)
- Munesh Sharma Ramnauth (non-executive)
- Kapildeo Joory (Independent non-executive)
- Sipho Ziga (Independent non-executive)
- Boikobo Paya (Independent non-executive)

CIRCULAR TO SHUMBA ENERGY SHAREHOLDERS

1. NATURE OF THE BUSINESS OF SHUMBA ENERGY

Shumba Energy is a corporation with real and serious intentions to develop, within an aggressive yet realistic timeframe, the production and sustainable supply of energy in Botswana from thermal and solar sources. The Shumba Group has the rights to a portfolio of energy exploration assets in Botswana. Furthermore, as a local company which is majority controlled by Batswana, it is intent on developing its energy resources in Botswana as far as possible for the benefit of Botswana.

The Shumba Group structure is set out below:
The Company seeks to increase Shareholder value by the systematic exploration and development of the existing resource assets as well as the acquisition of suitable exploration and development mineral projects and producing assets owned by Shumba Energy. Shumba Energy will allocate capital to the exploration of its mineral assets and will prioritise these, identifying the potential of each mineral asset to create value for shareholders. The Shumba Group may use a number of strategies to enhance shareholder value such as developing a mineral asset using its own team, development in partnership with other groups or a disposal of a mineral asset where appropriate. In implementing its strategy, the Shumba Group will focus activity on those of its mineral assets, which are identified after an initial sampling and drilling programme, as having the greatest potential for enhancing shareholder value.

Shumba Energy is a company registered in Mauritius on the 28th of August 2012 with Company Number 111905 C1/GBL as a public company and registered as an external company in Botswana, in terms of the Companies Act Cap 42:01 of Botswana on the 4th February 2013. As announced in November 2015 the Company changed its name to Shumba Energy from Shumba Coal Limited to better align the name with strategic vision and objects of the Company. Shumba Energy's Shares have a primary listing on the Main Board of the BSE.

The Chairman’s report (which is incorporated within the audited financial statements of the Company that were published through the BSE’s X-News service on 29 September 2017 and is included in this Circular by reference) provides a detailed explanation of the prospects for Shumba.

2. THE MABESEKWAN PROSPECTING LICENCE

On 22 May 2015 Shareholders approved the acquisition by Sechaba of the Mabesekwa Prospecting Licence from Daheng Group Botswana (Propriety) Limited on the following key terms:

2.1. Issuance of shares to the value of USD2,000,000;

2.2. Settlement of USD2,000,000 in cash 18 months after the initial acquisition; and

2.3. A final payment of USD2,000,000 cash is payable upon commercial production of coal mined from the resource held under the Mabesekwa Prospecting Licence.

The cash settlement referred to in 2.2 above was subsequently amended to USD1,300,000 and the remaining balance of USD700,000 (plus interest at 10% per annum) to be settled by 17 Jan 2018 in cash or in new Shumba shares at a multiple of 1.65. The cash settlement was not made and thus Shumba is required to issue a further 10,848,094 new shares. Copies of the agreement (and subsequent amendments thereto) for the acquisition of the Mabesekwa Prospecting Licence are available for inspection, as set out in Paragraph 15.

Shareholders approved the acquisition of the Mabesekwa Prospecting Licence on 22 May 2015 and waived their pre-emptive rights with respect to the issuance of new shares for the acquisition of assets at the Company’s annual general meeting held on 29 December 2017. Accordingly, no further shareholder approvals are required and an application for listing of these new shares is currently with the BSE.
Following issuance of the shares referred to above, the only remaining element of the consideration for the acquisition of the Mabesekwa prospecting Licence relates to the final payment, the timing of which is subject to mining of coal from the resource held under the Mabesekwa Prospectoning Licence.

3. THE KIBO PARTNERSHIP

On the 24th of January 2018 the Company published an announcement (see Annexure 1) informing Shareholders and members of the public that Shumba Energy had, subject to the approval of regulators, Shareholders and the satisfactory completion of a number of Conditions Precedent, agreed to enter into the Partnership with Kibo.

This Circular provides information relating to the proposed partnership with Kibo allowing Shareholders to vote in respect of the Partnership Agreement at an EGM to be held on 28 March 2018.

Annexure 3 sets out the salient terms and conditions of the Partnership Agreement.

Annexure 4 sets out a summary of the Competent Person’s report on the subset of the resource held under the Mabesekwa Prospectoning Licence that will be contributed into the Partnership.

The pro-forma financial effects of the proposed Partnership are detailed in Paragraph 5 below.

Shareholders can inspect a copy of the Partnership Agreement and the Competent Person’s report at the Company’s offices, as detailed in Paragraph 15 below.

4. SALIENT FEATURES OF THE PARTNERSHIP

As is detailed in Annexure 3 the Partnership Agreement provides for the creation of a special purpose company that shall be jointly owned and each partner to contribute various assets and fulfill specified obligations to each other with the overall object being to build on the work completed to date investigating the construction of an integrated power project at Mabesekwa. Notable synergies exist with Kibo’s flagship Mbeya Coal to Power Project in Tanzania, providing considerable benefits including economies of scale in equipment, execution, project finance and strong existing MCPP strategic partnerships.

Contribution and undertakings from the Shumba Group for a 15% stake in the Partnership

I. A 300 million metric tonne subset of the total 777 million metric tonne defined in-situ coal mineral resource held under the Mabesekwa Prospecting Licence (the “MCIPP Resource”); and

II. Kibo to be given first right of refusal to participate on terms and conditions no more onerous than those available to Shumba Group in any energy projects that Shumba may pursue over a six year period from transaction completion.

Contribution and undertakings from Kibo for an 85% stake in the Partnership

III. Issuance of 153,710,030 new ordinary shares in Kibo (the “Consideration Shares”) that shall rank pari passu with the existing ordinary shares in Kibo and currently represent an effective
28% of the issued share capital of Kibo, with a value of at least GBP9.2m (equivalent of USD12.8m at currently prevailing exchange rates) at GBP0.06 per share or the volume weighted average price at which the Kibo shares shall have traded on AIM for the 30 trading days immediately preceding the completion date if higher;

IV. USD 0.50 royalty from revenue received per metric tonne of coal sold from the area covered by the MCIPP Resource; and

V. US 0.225 cents royalty from revenue received per kilowatt hour produced and sold by any power plant owned by the partnership in Botswana or using coal procured from the area covered by the MCIPP Resource.

VI. Kibo to use reasonable commercial endeavours on reasonable commercial terms and on an arm's length basis to free-carry Sechaba for the reasonable funding requirements of the MCIPP until financial close of a project financing, after which Sechaba may be diluted

VII. First right of refusal for Shumba to participate on terms and conditions no more onerous than those available to Kibo in any coal export projects that Kibo may pursue over a six year period from transaction completion.

The Consideration shares will be treated by Shumba as Cash and Cash Equivalents on its Statement of Financial Position. The salient terms and condition relating to realisation of the Consideration Shares are as follows:

• For a period of one year after conclusion of the Partnership, -the Shumba Group is subject to lock up and orderly market arrangements for any sale of Consideration Shares, with a maximum disposal of 5% in any calendar month permitted

• The Shumba Group may distribute up to 50% of its Consideration Shares in specie to its shareholders

The table below provides an illustration, on a pro-forma basis, of the financial effects of the proposed Partnership utilising the most recent audited financial statements for the year ended 30 June 2017.

5. FINANCIAL INFORMATION

The annual report of the Company for year ended 30 June 2017, the audited annual financial statements and the abridged audited results for the year ended 30 June 2017 can be accessed from the BSE website by typing the following URL into any web browser:

http://www.bse.co.bw/listed_companies/listed.php?company=SHUMBA.

The audited financial results of the Company published through the BSE’s X-News service on 29 September 2017, in respect of the year ended 30 June 2017, reflect cash and cash equivalents of USD2.474 million.

There are no profits or losses that can be attributable to the Kibo Partnership or other resource assets of the Company at this time as they are yet to be exploited and accordingly it is not possible to prepare a profit forecast for Shumba at this time.
5.1. PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

The following pro-forma analysis is based on the audited results for the year ended 31 December 2017, as published by the Company on 29 September 2017 and adjusted for settlement of the remaining outstanding payment due on the Mabesekwa Prospecting Licence as referred to in paragraph 2 above through the issuance of new Shumba shares and the transfer of exploration assets to the Kibo Partnership and receipt of Kibo Consideration Shares as referred to in paragraph 4 above.

These results are presented in compliance with International Financial reporting Standards, consistent with those applied in the audited annual financial statements for the year ended 30 June 2017.

Assumptions include:
Total value of Kibo Consideration Shares is equivalent to USD12,800,000 at the last practicable date
100% of the exploration asset value for the Mabesekwa Prospecting Licence is applied to the Kibo Partnership
Issuance of 10,848,094 new Shumba shares with a value of USD1,155,000 for the remaining balance due on the original acquisition of the Mabesekwa Prospecting Licence
<table>
<thead>
<tr>
<th>Proforma Consolidated Statement of Financial Position as at 30 June 2017 (all figures in USD)</th>
<th>Actual 30-Jun-17</th>
<th>Mabesekwa Prospecting Licence acquisition settled post 30 June 2017</th>
<th>Kibo 30-Jun-17</th>
<th>Proforma 30-Jun-17</th>
</tr>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>30,278</td>
<td>30,278</td>
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<td></td>
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<tr>
<td>Exploration assets</td>
<td>9,949,583</td>
<td>455,000</td>
<td>-6,705,000</td>
<td>3,699,583</td>
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<tr>
<td>Investment in Kibo Partnership</td>
<td></td>
<td>1,005,750</td>
<td></td>
<td>1,005,750</td>
</tr>
<tr>
<td>Current Assets</td>
<td>3,056,222</td>
<td></td>
<td>15,856,222</td>
<td></td>
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<tr>
<td>Inventories</td>
<td>19,856</td>
<td></td>
<td>19,856</td>
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<tr>
<td>Receivables and prepayments</td>
<td>562,743</td>
<td></td>
<td>562,743</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>2,473,623</td>
<td></td>
<td>12,800,000</td>
<td>15,273,623</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>13,036,083</td>
<td>455,000</td>
<td>7,100,750</td>
<td>20,591,833</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>9,208,037</td>
<td></td>
<td>17,463,787</td>
<td></td>
</tr>
<tr>
<td>Stated Capital</td>
<td>14,497,244</td>
<td>1,155,000</td>
<td></td>
<td>15,652,244</td>
</tr>
<tr>
<td>Distributable Reserve</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
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<tr>
<td>Foreign currency translation reserve</td>
<td>518,355</td>
<td></td>
<td></td>
<td>518,355</td>
</tr>
<tr>
<td>Accumulated loss</td>
<td>(5,807,562)</td>
<td></td>
<td>7,100,750</td>
<td>1,293,188</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(357,091)</td>
<td></td>
<td></td>
<td>(357,091)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>8,850,946</td>
<td>1,155,000</td>
<td>7,100,750</td>
<td>17,106,696</td>
</tr>
<tr>
<td>Non-current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible loan notes</td>
<td>1,427,364</td>
<td></td>
<td></td>
<td>1,427,364</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2,757,773</td>
<td>-700,000</td>
<td></td>
<td>2,057,773</td>
</tr>
<tr>
<td>Current tax payable</td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>2,757,773</td>
<td></td>
<td></td>
<td>2,057,773</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>13,036,083</td>
<td>455,000</td>
<td>7,100,750</td>
<td>20,591,833</td>
</tr>
<tr>
<td>Number of shares in issue</td>
<td>264,604,249</td>
<td>10,848,094</td>
<td>-</td>
<td>275,452,343</td>
</tr>
<tr>
<td>Net Asset Value per share (US cents)</td>
<td>3.34</td>
<td></td>
<td></td>
<td>6.21</td>
</tr>
</tbody>
</table>

**5.2. Board opinion on working capital**

The Board are of the opinion that, after the Partnership has been consummated, the working capital of Shumba Energy will be adequate for the Company’s foreseeable future requirements.
6. SHARE CAPITAL

6.1. Current Share status and issued Share Capital

Currently, Shumba Energy has an unlimited authorised share capital. Its current issued share capital (following the issuance of new shares for cash as referred to above) is 264,604,249 Shares and the stated capital, as per audited financial statements for the year ended 30 June 2017, was USD 14,497,244. There is only a single class of share in issue, being ordinary Shares.

The Company announced on 13 October 2016 the issuance of convertible notes raising BWP14m (approximately USD1.3m). These instruments carry interest at 10% (ten percent) per annum payable on maturity two years after the issue date and are to be settled through issuance of new shares at a 10% (ten percent) discount to the then prevailing market price, subject to approval of shareholders prior to the maturity date in September 2018.

6.2. Issuing of ordinary shares

Subject to the provisions of the Companies Act, the Constitution of Shumba Energy and the Listings Requirements, to the extent applicable, where the Company in a general meeting has granted a general authority to the directors, the directors may in their discretion allot and issue shares to such persons at such times and on such terms and conditions and for such consideration, as the directors may think fit.

At the Annual General Meeting of Shareholders held on 29 December 2017 Shareholders waived their rights for the issuance of new shares for cash during the period 01 January 2018 through 31 December 2018.

6.3. Salient features of the Shares

At general meetings of Shareholders, every Shareholder present in person or by proxy shall have one vote on a show of hands and one vote for each share of which he is a registered holder, on a poll.

The rights of Shareholders may only be varied with the sanction of a special resolution, which requires a 75% majority to be passed.

The amount of income to be distributed annually by way of dividend on ordinary shares shall be determined by and is at the sole discretion of the directors.

6.4. Major Shareholders

In so far as it is known to the directors of the Company, the following registered Shareholders held more than 5% of the issued Shares of Shumba Energy as at the Last Practicable Date.
<table>
<thead>
<tr>
<th>Shareholder name</th>
<th>Number of shares</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLACK PHOENIX LIMITED</td>
<td>73,238,713</td>
<td>27.68%</td>
</tr>
<tr>
<td>FNB BOTSWANA NOMINEES (PTY) LTD RE:AA BPOPF EQUITY</td>
<td>68,077,750</td>
<td>25.73%</td>
</tr>
<tr>
<td>BAI CO (MTIUS) LTD</td>
<td>16,666,666</td>
<td>6.30%</td>
</tr>
<tr>
<td>RAMNAUTH MUNESH SHARMA</td>
<td>14,414,894</td>
<td>5.45%</td>
</tr>
<tr>
<td>HE LIESEN *</td>
<td>14,019,343</td>
<td>5.30%</td>
</tr>
</tbody>
</table>

- Excludes new shares to be issued as detailed in paragraph 2

6.5. Issues of Shares

Other than the issuance of new shares with respect to the payments due under the acquisition of the Mabesekwa Prospecting Licence as detailed in paragraph 2 above, there have been no consolidations or subdivisions of Shares in the period preceding the Last Practicable Date.

7. INFORMATION ON DIRECTORS

7.1. Details of the Directors of the Company

The full names, qualifications, nationalities, addresses, occupations and career details of the Directors of the Company are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Other Directorship and nature of business</th>
</tr>
</thead>
</table>
| Alan Mitchell Clegg (British)       | 90 Balugha River Estate, Glengariff, Kwelera, Eastern Cape, 5249, South Africa | Shumba Resources (BVI) Limited (mining)  
AME Consulting A.S (Turkey) (mining)  
SAT Enerji A.S (Turkey) (mining)  
SA Turkey Business Development & Investment Co Limited (South Africa) (mining)  
Red Crescent Resources Limited (TSX-RCB) Canada (mining)  
Alexander Mining PLC (LSE, AIM-AXM) (UK) (mining) |
| Mashale Phumaphi (Botswana)          | P.O. Box 2266 Francistown Botswana            | Shumba Resources Ltd. (mining)  
Sechaba Natural Resources (Pty) Limited (mining)  
Hangali Pottery (Pty) Limited |

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### 7.2. The Board of Directors of Shumba Energy

**ALAN MITCHELL CLEG (Pr.Eng, Pr.CPM, PMP, FSAIMM, FIOQ, MIOD) – Chairman**

Mr Clegg, a British and South African citizen is a mining industry professional with over 35 years experienced in mining and minerals projects in over 150 countries worldwide. He is a recognised mining technical assessment, reporting and project valuation expert with experience in stock exchange listings and capital raising. Mr Clegg has been involved with feasibility studies and the construction of over 60 mining and mineral projects with a combined value in excess of US$18 billion over the last 30 years. He currently holds 6 directorships in the mining and energy related sector.

**MASHALE PHUMAPHI (MEng, IMC) – Managing Director**

<table>
<thead>
<tr>
<th>Director</th>
<th>Address</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thapelo Mokhati</td>
<td>5 Bryan Brook Estate, Witkoppen Road, Paulshof X59, 2191 Gauteng, Botswana</td>
<td>Mass Deliveries (Pty) Limited (advertising) Sechaba Natural Resources (Pty) Ltd (mining) Shumba Resources Ltd (mining)</td>
</tr>
<tr>
<td>Kapildeo Joory</td>
<td>Ancienne Route Publique De Moka, Montagne Ory, Moka, Mauritius</td>
<td>Arisaig Africa Consumer Fund Limited (investments)</td>
</tr>
<tr>
<td>Munesh Sharma Ramnauth</td>
<td>Block C2 Apartment 601, Pearl Court –Cybervillage, Ebène, Mauritius</td>
<td>No other directorships</td>
</tr>
<tr>
<td>Sipho Alec Ziga</td>
<td>2nd Floor, Acacia House Plot 74358, Cnr of Khama Crescent Ext &amp; PG Matante Road, New CBD Gaborone Botswana</td>
<td>MLM Consultancies (Pty) Limited - as security trustee; Cadbury Botswana (Pty) Limited (Confectionary); Yuagong (Pty) Limited (Hotel); Nonac Investments (Pty) Ltd (Prospecting); GIA Education and Laboratory (Education); Filoxia (Pty) Ltd (Prospecting); Jet Demolition (Pty) Ltd (Explosives); Catchoka (Pty) Ltd (Investment); Beriliyum (Property owning); Velin (Pty) Ltd (Prospecting); and Thornhill Primary School (Education)</td>
</tr>
<tr>
<td>Boikobo Bashi Paya</td>
<td>Segodi Park, Phakalane, House No.55177, Gaborone Botswana</td>
<td>BIUST Research, Innovation, Technology, Incubation Park Capital Bank Limited (commercial bank)</td>
</tr>
</tbody>
</table>
Mr Phumaphi is a Botswana national who has been focused on sourcing, financing and structuring mineral projects in Africa. He was formerly part of the corporate finance team of a London based natural resources corporate finance and issuing house. In addition to conducting investment analysis and research he has raised debt and equity finance for mining projects in both Europe and Africa. He began his career as an engineer with Debswana Diamond Company based on Jwaneng Mine in Botswana. Mashale holds a Masters of Engineering degree from the University of Sheffield, is a member of the United Kingdom Society of Investment Professionals (UKSIP) and is a member of the London based Association of Mining Analysts (AMA). Recently he held the position of Director of a London based Energy Bed Methane Exploration company with projects in Botswana.

THAPELO MOKHATHI (BComm) – Finance Director

Mr Mokhathi holds a degree in Management Accounting and Executive Program in Mining and Minerals (Wits). He started his career in the mining industry at Impala Platinum where he is spent 5 years in various financial positions. In 2004 he co-founded BSC Resources Ltd a Junior Exploration company that grew to have significant assets in Nickel, Copper and Energy across South Africa, he was the Financial Director until 2011.

KAPILDEO JOORY (Chartered Accountant) – Independent non-executive Director

Kapildeo is a former co-founder and Executive Director of SANNE Mauritius (formerly known as International Financial Services Limited), now a wholly owned subsidiary of SANNE GROUP PLC (a London Stock Exchange listed company) specializing in international tax, business and corporate advisory services. He is a Fellow of the Institute of Chartered Accountants in England and Wales and has previously served with three of the Big Four accounting firms in the UK. Following retirement from IFS in June 2017, Mr Joory continues to sit on boards of numerous companies engaged in financial service activities, private equity and hedge funds.

MUNESH SHARMA RAMNAUTH (Dip. PFS, BSc, MBA) - Independent non-executive Director

Mr Ramnauth holds a B.Sc. (Hons) from London University and a Joint M.B.A. from Hartford University (USA and France) where he specialised in investments. He holds an Investment Advisor license in the offshore financial sector in Mauritius. He formally was based in Jersey at HSBC Bank where he conducted business development for international high net worth investment advisory and distribution. Currently, as a Senior Partner of St. James’s Place Wealth Management, he specialises in advising high-net-worth Private Clients and Institutional Investors on offshore investment management. He is a Fellow of the Mauritius Institute of Directors.

SIPHO ALEC ZIGA (LLB) - Independent non-executive Director

Mr Ziga graduated from the University of Botswana with an LLB in 1997 and immediately joined Armstrongs Attorneys, as an Attorney in the Commercial Department. He became a Partner in 2004. Currently as a partner, Sipho specialises in all disciplines of business law; corporate commercial law, securities and financial services regulations; mining and resources law; privatisation and public private partnerships. He has acted as legal advisor to a large number of pre-imminent Botswana Stock Exchange listed companies and parastatals, and many of the multi-nationals doing business in Botswana on a wide range of corporate issues ranging from regulatory compliance; corporate governance; company formations; acquisition; take overs; due diligence reviews; capital raising corporate and trade finance; listings and rights issues; schemes of
Mr Paya, a Botswana national, holds a BSc and an MPhil in geology and has extensive research experience. He is currently director of research at the Botswana International University of Science and Technology (BIUST). He was the permanent secretary in the Botswana Ministry of Minerals, Energy and Water Resources from October 2010 to August 2014. Mr Paya was the deputy permanent secretary in the same ministry, responsible for the water and energy sectors, a post he held from October 2008. Mr. Paya's prior experience also includes holding several directorships in the resource sector and a commercial bank.

7.3. Directors’ remuneration

The proposed and forecast aggregate remuneration and benefits to be paid to the Directors of the Company and approved by shareholders at the 2017 annual general meeting held on 29 December 2017 is USD43,714; USD182,144; USD112,694; USD43,714; USD20,000; USD20,000 and USD20,000 to Messrs Alan Mitchell Clegg, Mashale Phumaphi, Thapelo Mokharti, Munesh Sharma (Grant) Ramnauth, Kapildeo Joory, Sipho Alec Ziga and Boikobo Paya respectively per annum for the year ending 30 June 2018. Further details on Directors’ remuneration are disclosed in the audited annual financial statements of the Company that were published on the BSE’s X-News service on 29 September 2017 and are included in the Circular by reference.

7.4. Directors’ interests in the Partnership

The Directors have no interest in the Partnership.

7.5. Directors’ interests in warrants

On 20 April 2017, the Board approved the issuance of warrants to Directors and Officers of the Company, as shown in the table below. The exercise price of the warrants was set at BWP1.06, being a 10% discount to the weighted average trading price of BWP1.17 at that time. Shareholders approved the issuance of these warrants at a special meeting held on 22 August 2016.

<table>
<thead>
<tr>
<th>Name</th>
<th>Warrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mashale Phumaphi</td>
<td>4,423,958</td>
</tr>
<tr>
<td>Thapelo Mokharti</td>
<td>4,423,958</td>
</tr>
<tr>
<td>Alan Mitchell Clegg</td>
<td>4,423,959</td>
</tr>
<tr>
<td>Munesh Sharma Ramnauth</td>
<td>4,423,959</td>
</tr>
<tr>
<td>Thamang Thabolo</td>
<td>572,128</td>
</tr>
<tr>
<td>Priscillah Gaonyadiwe Sengwatse</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,367,962</strong></td>
</tr>
</tbody>
</table>

The total number of new Shares that would be issued if the warrants detailed above were exercised amounts to 6.94% of the Company’s shares in issue at the Last Practicable Date.
7.6. Directors’ interests in Shares

As at the Last Practicable Date, the Directors detailed below held the following beneficial interests in Shares:

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares</th>
<th>Direct Interest %</th>
<th>Indirect Interest %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Mitchell Clegg</td>
<td>6,769,389</td>
<td>Nil</td>
<td>2.56%</td>
</tr>
<tr>
<td>Mashale Phumaphi</td>
<td>73,238,713</td>
<td>Nil</td>
<td>27.68%</td>
</tr>
<tr>
<td>Grant Munesh S. Ramnauth</td>
<td>14,414,894</td>
<td>5.45%</td>
<td>Nil</td>
</tr>
<tr>
<td>Thapelo Mokhathi</td>
<td>6,658,904</td>
<td>0.05%</td>
<td>2.47%</td>
</tr>
<tr>
<td>Kapildeo Joory</td>
<td>2,000,000</td>
<td>0.76%</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103,081,900</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. RELATED PARTIES

The Company is not the subject of an announced or expected take-over bid.

9. DIRECTORS’ OPINIONS AND RECOMMENDATIONS

The Directors of Shumba Energy are of the opinion that the terms and conditions of the Partnership Agreement are fair and reasonable and will be to the long-term benefit of Shumba Energy and its Shareholders. The Directors recommend that shareholders vote in favour of the Acquisition as they undertake to do so in respect to the Shares under their control and detailed in paragraph 6.6 above.

The Directors of the Company are of the opinion, after due and careful enquiry, that:

- the Company’s stated capital will be adequate for the purposes of the business of the Company for the foreseeable future; and
- the Company’s working capital resources will be adequate to cover its current and foreseeable requirements for at least twelve months from the date of this Circular.

10. DIRECTORS’ RESPONSIBILITY

The Directors, whose names are set out in Paragraph 6.1 in this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that this Circular contains all information required by the law.

The Directors confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Circular relates.
11. OTHER INFORMATION

11.1. Material changes

Other than in the ordinary course of business or as set out elsewhere in the Circular, there have been no material changes in the financial or trading position of the Company.

11.2. Significant contracts

The Company has not entered into any material agreements prior to the date hereof which are or may be material and which have been entered into, otherwise than in the ordinary course of business or as detailed in this Circular.

12. BORROWING POWERS AND INDEBTEDNESS

In terms of Shumba Energy’s Constitution, the Directors may raise or borrow, for the purposes of the Company’s business, such sum or sums of money as, in aggregate at any time, do not exceed such percentage of the net asset value of the Company (as determined from time to time) as the Company may, by ordinary resolution, in general meeting, determine. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, or by the issue, at such price as they may think fit, of debentures, or not so charged or in such other way as the Directors may think expedient.

On 31 January 2018 Shumba entered into a secured non-recourse debt arrangement for BWP25,000,000 (approximately USD2.5 million) to finance the acquisition of a wash plant. The key terms and conditions of this debt arrangement are detailed in Annexure 2.

Full details of all loans, including the convertible debentures, are disclosed in the audited annual financial statements of the Company that were published on the BSE’s X-News service on 29 September 2017 and are included in the Circular by reference.

13. EXPERTS AND ADVISORS CONSENTS

The Competent Person, sponsoring broker, company secretary and transfer secretaries have each consented in writing to act in the capacities stated and to their names being stated in this Circular and had not withdrawn their consent prior to the publication of this Circular.

14. LITIGATION

There are no legal or arbitration proceedings against the Company, nor, as far as the Board is aware, are there any legal or arbitration proceeds pending or threatened against the Company which have had or may have, a significant effect on the financial position of the Company.
15. DOCUMENTATION AVAILABLE FOR INSPECTION

Copies of the documents listed below will be available for inspection during normal business hours on business days from the date of issuance of this Circular to 28 March 2018 at the Registered Office of the Company:

- the Circular;
- The audited financial statements of the Company for the year ended 30 June 2013, 2014, 2015, 2016 and 2017;
- The Partnership Agreement;
- The Competent Person’s Report (the full Competent Person's Report will also be available for download on the BSE’s X-News service); and
- The Mabesekwa Prospecting Licence
- The agreement and subsequent amendments thereto for the acquisition of the Mabesekwa Prospecting Licence

16. VOTING

A notice convening a Special Meeting of Shareholders is sent simultaneously as part of the Circular.

Signed by Mashale Phumaphi on behalf of each of the directors of Shumba Energy

Dated at Gaborone this 05 March 2018
ANNEXURE 1 – ANNOUNCEMENT OF THE PROPOSED PARTNERSHIP WITH KIBO

Shumba Energy Ltd
(“Shumba Energy” or the “Company”) – previously
Shumba Coal Limited Share code: SHU ISIN:
MU0397500002
incorporated in accordance with the laws of Mauritius on the 28th of August 2012 Company Number 111905 C1/GBL and registered as an external company in Botswana on the 4th of February 2013

ANNOUNCEMENT OF PROPOSED SHUMBA KIBO PARTNERSHIP

The board of Shumba Energy Ltd (“Shumba” or the “Company”) is pleased to advise shareholders that agreement has been reached for the establishment of a partnership between Shumba and Kibo Mining PLC (“Kibo”), a multi-asset resource development and energy company focused on South West Tanzania, listed on London’s AIM market and the AltX in Johannesburg, (“the Partnership” or “Transaction”) as referred to in the Company’s announcement published 30 November 2017 and as detailed below

<p>| Assets to be sold | Shumba holds the 869Mt coal Mineral Resource at Mabesekwa (“MCIPP Resource”). The Partnership project will consist of a 300Mt subset of the MCIPP Resource provided by Shumba in exchange for the issuance by Kibo of 153,710,030 new ordinary shares in Kibo (“Consideration Shares”) The resources that comprise the MCIPP Resource will be defined during the detailed due diligence process. Shumba will own a 15% stake in the Partnership with Kibo holding the remaining 85%. |
| Purpose of the Transaction and benefits expected to accrue to the Company | The completion of the Transaction shall see Shumba procure London listed shares in an exciting emerging energy developer to the value of 40% of Shumba’s current market capitalisation. In addition, the Company’s board of directors are confident that the partnership with Kibo shall see it fast track the development of a coal mine at Mabesekwa and realisation of Shumba’s strategic objective of sustained development of all the Company’s assets towards unlocking realisable value. |</p>
<table>
<thead>
<tr>
<th>Consideration and other value received and granted</th>
<th>The consideration and benefits that accrue to Shumba from the Transaction comprise the following components</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 153,710,030 new ordinary shares in Kibo that shall rank pari passu with the existing ordinary shares in Kibo and currently represent an effective 28% of the issued share capital of Kibo., with a value of GBP0.06 per share or the volume weighted average price at which the Kibo shares shall have traded on AIM for the 30 trading days immediately preceding the completion date (GBP9.2m);</td>
<td></td>
</tr>
<tr>
<td>3. USD 0.50 royalty from revenue received per metric tonne of coal sold from the area covered by the MCIPP Resource; and</td>
<td></td>
</tr>
<tr>
<td>4. US 0.225 cents royalty from revenue received per kilowatt hour produced and sold by any power plant owned by the partnership in Botswana or using coal procured from the area covered by the MCIPP Resource.</td>
<td></td>
</tr>
<tr>
<td>5. Kibo to use reasonable commercial endeavours on reasonable commercial terms and on an arm’s length basis to free-carry Shumba for the reasonable funding requirements of the MCIPP until financial close of a project financing, after which Shumba may be diluted</td>
<td></td>
</tr>
<tr>
<td>In addition, Shumba is to be given first right of refusal to participate on terms and conditions no more onerous than those available to Kibo in any coal export projects that Kibo may pursue over a six year period from completion of the Transaction and Kibo to be given first right of refusal to participate on terms and conditions no more onerous than those available to Shumba in any energy projects that Shumba may pursue over a six year period from completion of the Transaction.</td>
<td></td>
</tr>
<tr>
<td>The Consideration shares will be treated by Shumba as Cash and Cash Equivalents on its Statement of Financial Position. The salient terms and condition relating to realisation of the Consideration Shares are as follows:</td>
<td></td>
</tr>
<tr>
<td>• For a period of one year after completion of the Transaction, Shumba is subject to lock up and orderly market arrangements for any sale of Consideration Shares, with a maximum disposal of 5% in any calendar month permitted</td>
<td></td>
</tr>
<tr>
<td>• Shumba may distribute up to 50% of its Consideration Shares in specie to its shareholders on condition that they will be subject to the same lock up and orderly market arrangements or will be distributed in specie by Shumba to its own shareholders.</td>
<td></td>
</tr>
<tr>
<td>Effect on net asset value (per share)</td>
<td>The impact of this Transaction on the net assets of the Company is material (3% being recognised as material in terms of the Listing Requirements of the Botswana Stock Exchange). Details will be disclosed in a circular to shareholders.</td>
</tr>
<tr>
<td>Effect on net profits (per share)</td>
<td>The impact of this Transaction on the net profits of the Company will be material (3% being recognised as material in terms of the Listing Requirements of the Botswana Stock Exchange). Details will be disclosed in a circular to shareholders.</td>
</tr>
<tr>
<td>Shareholder approvals</td>
<td>Within 28 days of this announcement the Company will issue a circular to shareholders providing detailed information pertaining to this Transaction and seeking an extraordinary general meeting of shareholders to approve this Transaction, in accordance with the BSE Listing Requirements.</td>
</tr>
</tbody>
</table>

By order of the board

Shumba Energy Ltd 24 January 2018
DESCRIPTION, TERMS AND CONDITIONS OF THE NOTES

1. Issuer : Shumba Energy Ltd
2. Tranche Number : SEL002
3. Series Number : 01
4. Aggregate Nominal Amount : BWP 25,000,000
5. Interest / payment basis : Reference rate plus margin, semi-annual
6. Issue Date ("T") : 31 January 2018
7. Issue Price : Par
8. Specified Denomination : BWP10,000
9. Settlement Date : T + 3 days
10. Interest Commencement Date : 31 January 2018
11. Payment Waiver period (interest and capital) : Eighteen months from Issued Date
12. Maturity Date : 31 January 2024
14. Last Day to Register : 10 days prior to the payment date
15. Books Closed Period(s) : 10 days prior to the payment date
16. Default Rate : N/A
17. Method of Offering : Private Placement
18. Early Repayment : At the Issuer’s discretion – without penalty
19. VARIABLE RATE NOTES
   a) Reference Rate of Interest : Commercial bank prime – currently 6.5%
   b) Margin : 9.0%
   c) Reference Rate determination date : Previous interest payment date
   d) Interest Payment Date : Semi-annually, after Payment Waiver Period
   e) Any other terms relating to the particular method of calculating interest
      (e.g. day fraction count) : Actual/365
   f) Interest during Payment Waiver Period : Compounds semi annually
20. PROVISIONS REGARDING SECURITY
   a) Escrow of profits:
      The Issuer undertakes to place in an escrow account profits generated from utilisation of the wash plant financed from the proceeds raised from the issuance of these secured non-recourse medium term notes. Profits from the wash plant shall be determined as per the quarterly financial reports published by the company and publically released on the Botswana Stock Exchange X-News service and settlement to the escrow account of such profits will be made quarterly in arrears. Payments of capital and interest due in terms of notes issued under this tranche SEL002 will be made from the funds held in the escrow account
   b) Charge over the wash plant
      A Special Notarial Covering Bond over the wash plant will be issued in favour of the note holders.

GENERAL

21. Calculation Agent : Shumba Energy Ltd
22. Trustee : N/A
23. Transfer Secretaries : Shumba Energy Ltd
24. Additional Selling Restrictions : N/A
25. a) International Securities Numbering (ISIN) : N/A
   b) Botswana Stock Exchange Loan Stock Code : N/A
26. Financial Exchange : Notes will not be listed
27. Method of Distribution : Private Placement
28. Credit Rating assigned to Notes (if any) : N/A
29. Other Provisions : N/A
ANNEXURE 3 – SALIENT TERMS AND CONDITIONS OF THE PARTNERSHIP AGREEMENT

STRUCTURE

1) Shumba shall create a Botswana domiciled proprietary limited liability company ("NewCo") which shall act as the vehicle through which the Partnership will operate.

2) Sechaba will procure the transfer of the 300 metric tonne subset of the MCIPP Resource to NewCo.

3) Kibo shall subscribe for an 85% stake in NewCo by agreeing to use reasonable commercial endeavours on reasonable commercial terms and on an arm’s length basis to free-carry Sechaba for the reasonable funding requirements of the MCIPP until financial close of a project financing, after which Sechaba may be diluted.

CONDITIONS PRECEDENT

4) The conditions Precedent that must be met before the transaction can complete, and on or before the Long Stop Date of 1 June 2018, which date may be extended by agreement in writing between the Parties, include amongst others the following:
   • Sechaba having incorporated a new 100% subsidiary (’NewCo’) of Sechaba and having transferred the Project to NewCo, free of every and all encumbrances and with all permits and authorisations current and in good standing;
   • Kibo having delivered a notice in writing to Sechaba to the effect that it is satisfied in its sole discretion with the results of the due diligence investigation into the Project, the incorporation of NewCo, the acquisition by NewCo of the Project and the procurement by NewCo of the Project Authorisations and or Permits;
   • Kibo having received the advice of its Nominated Advisor in writing in respect of the matters for which its advice is required in accordance with the AIM Rules; and
   • The Parties having received the approval of any regulatory authority with jurisdiction regarding the transaction and whose approval is required to implement its provisions.

CONSIDERATION

5) The Consideration comprises the following components:

6) The issue of 153,710,030 new ordinary shares in Kibo. The Consideration Shares will be issued and credited as fully paid by Kibo on the completion date at an issue price being the higher of GBP0.06 or the volume weighted average price at which the Kibo’s ordinary shares shall have traded on AIM for the 30 trading days immediately preceding the completion date. Completion will take place at 14h00 London Time on the fourth Business Day after the fulfilment of the last of the Conditions Precedent, or such other date as Kibo and Shumba may agree to in writing.

7) the following royalties from the partnership company for the benefit of the Shumba Group:
   • USD 0.50 from revenue received per metric tonne of coal sold from the area covered by the MCIPP Resource; and
   • US 0.225 cents from revenue received per kilowatt hour produced and sold by any power plant owned by the Partnership in Botswana or using coal procured from the area covered by the MCIPP Resource.
8) For a period of one year after Completion, Sechaba is subject to lock up and orderly market arrangements for any sale of Consideration Shares, with a maximum disposal of 5% in any calendar month permitted.

9) Sechaba may distribute up to 50% of its Consideration Shares in specie to its shareholders (currently another subsidiary of Shumba) on condition that the recipient(s) comply with the lock up and orderly market arrangements or distribute the Consideration Shares in specie to Shumba, who must immediately distribute the Consideration Shares in specie to its own shareholders.

10) Kibo to be given first right of refusal to participate on terms and conditions no more onerous than those available to Sechaba in any energy projects that Shumba may pursue over a six-year period from transaction completion and Shumba to be granted a reciprocal first right of refusal on any coal export projects that Kibo may pursue over the same period.

11) Warranties, representations and undertakings typical of a transaction of this nature.
The summary below has been extracted from the Competent Person’s report (“CPR”) dated 31 January 2018, issued in compliance with BSE Listing Requirements. The South African Coal Resource Code 2016 (“SAMREC”) was used as the compliance requirement for the CPR. This code provides the framework and standards for Coal Reserve reporting and contains general coal specific standards. The SANS 10320:2004 South African guide to the systematic evaluation of Coal Resources and Coal Reserves was applied as a supplementary guideline. The full report is available for inspection as detailed in paragraph 15 above and is available for download from the BSE’s X-News service).

This CPR is an update of the previous coal resource report that was conducted in 2015 by Gemecs (Pty) Limited, the purpose of which is to report SAMREC-compliant coal resources for the Mabesekwa Project Area (PL428/2009). This report has used the same geological model as a basis, but revised the reporting criteria so as to comply with the latest reporting requirements. In addition, the results of a bulk sample drilling programme that was completed in 2016 is incorporated in this report.

Mineable in situ coal resources are reported for the Mabesekwa Project based on the following cut-off criteria:

- Minimum coal seam thickness of 1.0m.
- Dry Ash-Free Volatile coal of less than 26% was excluded
- Combined in situ strip ratio expressed in cubic metres/tonne with a maximum of 5m³/t, for all coal seams thicker than 1.0m.

Coal resources have been reported on a mineable in situ basis, with provision made for geological losses only. Mineable in situ coal resources for the Project are estimated at 761.1 Million Tonnes (Mt). The coal resource is classified as follows: Measured 109.0 Mt (14.3%), Indicated 494.7Mt (65.0%) and Inferred 157.4Mt (20.7%).

Washability test work results indicate that there is a potential to lower the ash content, increase the calorific value (CV) and to lower the Total Sulphur content by washing the coal at a relative high density of 1.80g/cc. Bulk sample test work confirmed the washability results, and indicated that favourable coal quality can be achieved after washing to provide suitable thermal coal products to various coal to energy generation projects.
The highest and lowest traded prices of Shumba Energy Limited Linked Shares on the BSE for each quarter over the previous two years are as follows:

<table>
<thead>
<tr>
<th>QUARTERS 2016</th>
<th>Aggregate volume traded</th>
<th>Highest</th>
<th>Lowest</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN-MARCH</td>
<td>107,771</td>
<td>P 1.29</td>
<td>P 1.29</td>
</tr>
<tr>
<td>APRIL-JUNE</td>
<td>4,301,770</td>
<td>P 1.20</td>
<td>P 1.15</td>
</tr>
<tr>
<td>JULY-SEPT</td>
<td>363,403</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>OCT-DEC</td>
<td>17,435</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QUARTERS 2017</th>
<th>Aggregate volume traded</th>
<th>Highest</th>
<th>Lowest</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN-MARCH</td>
<td>1,012,153</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>APRIL-JUNE</td>
<td>2,096,452</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>JULY-SEP</td>
<td>63,922</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>OCT-DEC</td>
<td>268,029</td>
<td>P 1.17</td>
<td>P 1.16</td>
</tr>
</tbody>
</table>

The highest and lowest traded prices of Shumba Energy Limited Linked Shares on the BSE for the past 12 months are as follows:

<table>
<thead>
<tr>
<th>2017</th>
<th>Aggregate Volume Traded</th>
<th>Highest</th>
<th>Lowest</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>194</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>1,011,959</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>MARCH</td>
<td>-</td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>APRIL</td>
<td>93,916</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>MAY</td>
<td>2,536</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>JUNE</td>
<td>2,000,000</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>JULY</td>
<td>1,121</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>AUGUST</td>
<td>200</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>62,601</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>152</td>
<td>P 1.17</td>
<td>P 1.17</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>267,877</td>
<td>P 1.16</td>
<td>P 1.16</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>-</td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>JANUARY - 2018</td>
<td>5,931</td>
<td>P 1.15</td>
<td>P 1.15</td>
</tr>
</tbody>
</table>

The highest and lowest traded prices of Shumba Energy Limited Shares on the BSE for the past 30 days are as follows:
<table>
<thead>
<tr>
<th>Date</th>
<th>Aggregated volumes traded</th>
<th>Highest</th>
<th>Lowest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03-Jan</td>
<td></td>
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</tr>
<tr>
<td>04-Jan</td>
<td></td>
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</tr>
<tr>
<td>05-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>08-Jan</td>
<td></td>
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<td>P 0.00</td>
</tr>
<tr>
<td>09-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>10-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>11-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>12-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>15-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>16-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>17-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>18-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>19-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>22-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>23-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>24-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>25-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>26-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>29-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
<tr>
<td>30-Jan</td>
<td></td>
<td>5,931</td>
<td>P 1.15</td>
</tr>
<tr>
<td>31-Jan</td>
<td></td>
<td>P 0.00</td>
<td>P 0.00</td>
</tr>
</tbody>
</table>

All data sourced from the Botswana Stock Exchange
Kibo Mining plc ("Kibo" or the “Company”) is a Tanzania-based minerals exploration and development company, focused on realising value from the Mbeya Coal to Power Project (MCPP) (formerly known as Rukwa Coal to Power Project) and the Imweru gold project, as well as holding one of the largest exploration land packages in the country with assets spanning coal, gold and nickel-platinum group metals.

Kibo’s strategy for Mbeya is closely aligned with the interests of the Tanzanian government, which has an urgent requirement for new sources of power to support its rapid growth. We will leverage our expertise and existing stakeholder relationships – technical, financial and governmental – to advance Mbeya through to production and power generation. Important steps on this development path were realised during 2014 with the commencement of a Definitive Feasibility Study (DFS) on the project and the completion of preliminary DFS technical and financial reports, the results from which were very favourable to a successful development.

The Imweru gold project is the most advanced project within the Company’s regional Lake Victoria Project mineral licence portfolio located in this proven gold prospective region of northern Tanzania where a number of operating gold mines are in production. Imweru comprises a 515,110 oz JORC-compliant gold Mineral Resource on which Kibo has begun a Definitive Mining Feasibility Study (DMFS). The first stage of this DMFS, a Preliminary Economic Assessment ("PEA") was completed in December 2014 by mining consultants, Minxcon of South Africa. The results of the PEA have provided independent preliminary confirmation of the economic feasibility of developing a gold mine at Imweru from the current Mineral Resource and of further extending the base case mine life by delineation of additional gold resources for which excellent potential exists. The
Company is now on a development path to put Imweru into production and realize early cash flow for which the results of high level economic modelling to date have been very positive.

Kibo’s diversified asset portfolio gives investors exposure to short-term, medium-term and long-term returns and provides the Company with options in terms of developing assets internally, joint-venturing or realising value through asset disposals on attractive terms.
NOTICE OF A SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a SPECIAL MEETING of the Shareholders of the Company will be held at the registered office of the Company at IFS Court, Bank Street, TwentyEight, Cybercity, Ebène 72 201, Mauritius on 28 March 2018 at 10:00 am (Mauritius time) to consider and if thought fit, to adopt, with or without amendment, the following resolutions:

Ordinary Resolution 1:

To approve that Shumba enter into a partnership with Kibo for the exploitation of the MCIPP Resource in terms of the Partnership Agreement

Ordinary Resolution 2:

That the Directors be and hereby authorized to take such steps and sign all such other documents as are necessary to give effect to the ordinary resolution passed at this meeting.

By order of the Board

For SANNE Mauritius

Secretary

Date: 05 March 2018

NOTES

1. A member entitled to attend and vote at a meeting of the company may appoint another person as his proxy to attend and vote in his stead at the meeting.
2. A proxy need not also be a member
3. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarised certified copy of such power or authority shall be deposited at the registered office of the Company or at the branch office in Botswana (for residents of Botswana only) or at such other place as the directors may decide, at least 24 hours before the time appointed for the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
FORM OF PROXY

FORM OF PROXY FOR USE AT THE SPECIAL MEETING
(In accordance with Paragraph 6(v), Fifth Schedule of Companies Act 2001)

We, .............................................................................................................name of shareholder, of .............................................................................................................address, being a shareholder of the Company, hereby appoint .............................................................................................................name of .............................................................................................................address, or failing him, Mr Kapildeo Joory of Ancienne Route Publique De Moka, Montagne Ory, Moka, Mauritius, or failing both, the Chairman of the Meeting, as our proxy to vote for us on our behalf at the Special Meeting of the Company to be held on 28 March 2018 and at any adjournment thereof on the following resolutions as directed below:

(Please indicate with an X in the spaces below how you wish your votes to be cast and refer to the circular and notice to shareholders for fuller details on each resolution).

<table>
<thead>
<tr>
<th>ORDINARY RESOLUTIONS</th>
<th>FOR</th>
<th>AGAINST</th>
<th>ABSTAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) To approve that Shumba enter into a partnership with Kibo for the exploitation of the MCIPP Resource in terms of the Partnership Agreement.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) That the Directors be and are hereby authorized to take such steps and sign all such other documents as are necessary to give effect to the ordinary resolutions passed at this meeting.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SIGNED ........................................................

This .............. day of ......................... 2018.

NOTES:

1. A member entitled to attend and vote at a meeting of the Company may appoint another person as his proxy to attend and vote in his stead at the meeting.
2. A proxy need not also be a member.

3. In the case of a Corporation, this proxy form shall be under the hand of the officer or agent duly authorised.

4. The instrument appointing a proxy shall be deposited at the registered office of the Company or at the branch office in Botswana (for residents of Botswana only) or at such other place as the directors may decide, at least 24 hours before the time appointed for the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.