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 Coal Limited ("Shumba Coal")
- If you have disposed all of your shares in Shumba Coal ("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 22 May 2015 at 10h00 at IFS Court, Twenty Eight CyberCity, Ebène, 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 13 May 2015.

Shumba Coal Limited
("Shumba Coal" or the “Company”)
BSE 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

CIRCULAR TO THE SHAREHOLDERS OF SHUMBA COAL LIMITED

A. For the purposes of explaining:
   i. the salient terms and conditions of the proposed acquisition of the Mabesekwa Prospecting Licence, to be settled through an issuance of new shares and/or cash; and
   ii. the proposed change in the constitution of the company increasing the quorum required at directors meetings to enhance corporate governance.

B. To seek Shareholder approval for:
   i. the acquisition of the Mabesekwa Prospecting Licence; and
   ii. an amendment to the Company’s constitution increasing the minimum quorum for meetings of directors from two to three.

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

Dated: 20 April 2015
CORPORATE INFORMATION, DIRECTORS AND ADVISORS

Registered Office (Botswana)
Shumba Coal Limited
Plot 2780
Manong Close, Extension 9
Gaborone
Botswana

Registered Office and Company Secretary (Mauritius)
International Financial Services Limited
IFS Court, TwentyEight, CyberCity, Ebène
Mauritius

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

Sponsoring Broker (Mauritius)
Anglo-Mauritius Stockbrokers Limited
Member of the Stock Exchange of Mauritius Ltd.
3rd Floor, Swan Group Centre
10 Intendance Street,
Port Louis, Mauritius

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

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

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

Registrar and Transfer Agent (Mauritius)
MCB Registry and Securities Limited
Sir William Newton Street
Port Louis
Mauritius

Board of Directors
Alan Mitchell Clegg (Chairman)
Mashele Phumaphi
Thapelo Mokhathi
Munesh Sharma Ramnauth (Non executive)
Kapildeo Joory (Independent non executive)
Sipho Ziga (Independent non executive)

Competent Person
Mr. Alan Golding of Analytika Holdings (Pty) Ltd.
Unit 106, First Floor, Plot 64516
Showgrounds Close, Fairgrounds
Gaborone
Botswana
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## IMPORTANT DATE AND TIMES

<table>
<thead>
<tr>
<th>Event</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circular released on or before</td>
<td>Monday 27 April</td>
</tr>
<tr>
<td>Proxies to be delivered by</td>
<td>Wednesday 20 May</td>
</tr>
<tr>
<td>Special Meeting on</td>
<td>Friday 22 May</td>
</tr>
<tr>
<td>Results of Special Meeting announced from</td>
<td>Friday 22 May</td>
</tr>
</tbody>
</table>

Note: The above dates are subject to change. Any such changes will be published in the press.
INTERPRETATIONS AND DEFINITIONS

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:

“Acquisition” the acquisition of the Mabesekwa Prospecting Licence;

“Acquisition Agreement” the agreement between Shumba and the Vendor to acquire the Mabesekwa Prospecting Licence;

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

“Board” the board of directors of Shumba Coal;

“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 20 April 2015, including the annexures and attachments thereto;

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

“Constitution” the Constitution of Shumba Coal;

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

“Company” Shumba Coal;

“Company Secretary” means, International Financial Services Limited IFS Court, TwentyEight CyberCity, Ebène, Republic of Mauritius;

“Competent Person” Mr Alan Golding BSc Hons, Pr.Nat.Sci.,FGS of Analytika Holdings (Pty) Limited

“Consideration” being the total amount due to be settled in favour of the Vendor as per the terms and conditions of the Acquisition Agreement

“DEM” the Development Enterprise Market, a market operated by
the Stock Exchange of Mauritius Limited, on which Shumba has a secondary listing of its Shares;

“Directors” the Board of Directors of Shumba Coal for the time being;

“EGM” or “Special Meeting” the special meeting of Shumba Coal shareholders called in terms of the Companies Act and to be held on 22 May 2015 and at which Shareholders will be asked to consider and to vote on the resolutions, notice of which meeting forms part of this Circular;

“Issue Price” the price at which each Shumba Coal Share will be issued in terms of the Acquisition Agreement;

“Last Practicable Date” the last practicable date before issuance of this Circular, being 20 March 2015;

“Listing Requirements” the listing requirements of the BSE;

“Mabesekwa” the area where Masebekwa Colliery is conducting its exploration and mining activity;

“Mabesekwa Colliery” Mabesekwa Colliery (Proprietary) Limited, incorporated in accordance with the laws of Botswana under registration number CO 2012/6534 and the registered holder of the Mabesekwa Prospecting Licence;

“Mabesekwa Prospecting Licence” a prospecting licence which has been granted to Mabesekwa Colliery in terms of the MMA under reference number PL428/2009 expiring on 31 December 2016;

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

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

“Project” Sechaba thermal coal project with the intention of developing coal resources in Botswana;

“Sechaba” Sechaba Natural Resources (Proprietary) Limited incorporated in accordance with the laws of Botswana under registration number CO 2005/3838 and 86.4% owned by Shumba;

“Shareholders ” current registered holders of Shares;

“Shumba Coal” 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 Coal and its subsidiaries;

“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).

“Vendor” Daheng Group Botswana (Pty) Ltd, incorporated in accordance with the laws of Botswana under registration number CO 2005/2514 and beneficial owner of the entire issued share capital of Mabesekwa Colliery, which is the registered holder of the Mabesekwa Prospecting Licence. Further details related to the Vendor are set out in Annexure 6;

“USD” the legal tender of the United States of America, in which the pricing of Shares to be issued and the cash settlement to be paid to the Vendor in terms of the Acquisition Agreement are expressed
Shumba Coal Limited  
(“Shumba Coal” or the “Company”)  
BSE 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  
Thapelo Mokhathi  
Munesh Sharma Ramnauth (Non executive)  
Kapildeo Joory (Independent non executive)  
Sipho Ziga (Independent non executive)

CIRCULAR TO SHUMBA COAL SHAREHOLDERS

1. NATURE OF THE BUSINESS OF SHUMBA COAL

Shumba Coal is a corporation with real and serious intentions to develop, within an aggressive yet realistic timeframe, the production and sustainable supply of thermal coal in Botswana. The Shumba Group has the rights to a portfolio of coal exploration assets in Botswana. The most advanced is the Project which has approximately 1 billion tonnes of thermal coal resources. Furthermore as a local company majority controlled by Botswana it is intent on developing its coal resources in Botswana as far as possible for the benefit of Botswana.

The Shumba Group structure described above is set out below:
The Company seeks to increase shareholder value by the systematic exploration and development of the Shumba Group existing resource assets as well as the acquisition of suitable exploration and development mineral projects and producing assets. The Shumba Group 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 Coal 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. Shumba Coal’s Shares have a primary listing on the venture capital board of the BSE and a secondary listing on the DEM of the Stock Exchange of Mauritius.

2. THE MABESEKWA PROSPECTING LICENCE

On the 25th of February 2015 the Company published an announcement (see Annexure 1) informing Shareholders and members of the public that Shumba Coal had, subject to the approval of regulators, Shareholders and the satisfactory completion of a number of Conditions Precedent, agreed to acquire the Mabesekwa Prospecting Licence.

The Board believe that the Acquisition will add substantial value to the Company given that:

- Substantial drilling, resource, water supply and environmental work has already been concluded at Mabesekwa;
- Mabesekwa will be mined open cast which will result in very low cost coal;
- Mabesekwa is shortlisted in the Botswana Coal Greenfield Power Procurement Programme and is registered in the South Africa Coal Base Load Power Procurement Programme;
- Mabesekwa is well situated in terms of water, road, rail and power distribution infrastructure and
- Given the advanced nature of the exploration activity conducted in Mabesekwa, coal production can be achieved in a relatively short time.

This Circular provides information relating to the Mabesekwa Prospecting Licence allowing Shareholders to vote in respect of the proposed Acquisition Agreement at an EGM to be held on 22 May 2015.

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

Annexure 4 sets out a summary of the Competent Person’s report on the Mabesekwa Prospecting Licence.

The pro-forma financial effects of the proposed acquisition of the Mabesekwa prospecting Licence are detailed in Paragraph 4 below.

Shareholders can inspect a copy of the Acquisition Agreement and the Competent Person’s report at the Company’s offices, as detailed in Paragraph 14 below.
3. JOINT VENTURE WITH DEVELOPMENT PARTNER

On the 6th of March 2015 the Company published an announcement (see Annexure 2) informing Shareholders and members of the public that Shumba Coal had entered into a Heads of Agreement ("HoA") with Mulilo Renewable Project Developments (Pty) Ltd ("Mulilo") for the joint development of the Mabesekwa Prospecting Licence and within the subsequent two month period a comprehensive joint development agreement is expected to be signed. This proposed joint venture arrangement will provide Shumba Coal with complementary skills in project development and financing.

Shareholders will be informed in due course of further developments in this regard. The Board is certain that the signing of this HoA with Mulilo is a further landmark development in Shumba Coal's execution of its stated strategy and a further testimony to the discipline of management in matching assets and projects with the best partners under stressed market conditions. Mulilo has a first class track record of delivery which, matches Shumba Coal's culture and this we believe now translates into the creation of a new and strong economic contribution to the Southern African energy market for sustainable development, while creating strong value for Shareholders and all stakeholders alike.

4. FINANCIAL INFORMATION

The annual report of the Company for year ended 30 June 2014 and the unaudited interim results for the six months ended 31 December 2014 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 most recent un-audited financial results of the Company published on 18th of February 2015, in respect of the six months ended 31 December 2014, reflect cash and cash equivalents of USD1.8m

4.1. FINANCIAL EFFECTS OF THE ACQUISITION

As is detailed in Annexure 3 the Acquisition Agreement provides for a staggered settlement period for the Consideration driven by the achievement of certain, predetermined factors. In summary, the Consideration is determined as follows once all approvals have been received and conditions precedent met:

i) Immediately issue new Shares with a market value of USD2,000,000 to the Vendor;

ii) Within 18 months pay USD2,000,000 cash to the Vendor, failing this issue Shares to the Vendor with a market value of USD3,300,000; and

iii) A final payment of USD2,000,000 is payable to the Vendor in cash on the date of supply of the first commercial production of coal by Mabesekwa Colliery to a third party.

The Mabesekwa Prospecting Licence will be subject to renewal on the 31st of December 2016. In the period from the date of acquisition until then Shumba Coal intends to complete mine preliminary feasibility studies and associated environmental impact assessments and is committed to spending a minimum of BWP3,200,000 (approximately USD320,000 at prevailing exchange rates) ("Minimum Cash Commitments") in doing so.
Given the current cash and cash equivalents available to Shumba Coal (and as detailed in the previous paragraph), the expected working capital requirements of the Company going forward and the Minimum Cash Commitments related to the Mabesekwa Prospecting Licence, the Company will require additional cash resources to be raised prior to the date on which the second component of the Consideration is due to be settled. Accordingly, the tables below provide an illustration, on a pro-forma basis, of the financial effects of the proposed acquisition of the Mabesekwa Prospecting Licence utilising the most recent un-audited financial statements as at 31 December 2014.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

<table>
<thead>
<tr>
<th></th>
<th>Actual 31-Dec-14</th>
<th>Mabesekwa 31-Dec-14</th>
<th>Post-acquisition Pro-forma 31-Dec-14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>12,144</td>
<td>12,144</td>
<td></td>
</tr>
<tr>
<td>Exploration assets</td>
<td>6,320,000</td>
<td>9,000,973</td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>2,074,857</td>
<td>2,074,857</td>
<td></td>
</tr>
<tr>
<td>Advance towards acquisition of tenement licences net of impairment</td>
<td>188,579</td>
<td>188,579</td>
<td></td>
</tr>
<tr>
<td>Other advances and prepayments</td>
<td>64,338</td>
<td>64,338</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>1,821,940</td>
<td>1,821,940</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>4,767,974</td>
<td>6,320,000</td>
<td>11,087,974</td>
</tr>
</tbody>
</table>

**EQUITY AND LIABILITIES**

**Equity**

Equity attributable to owners of the parent | 4,694,044 | 4,694,044 |
Stated Capital (including advance against stated capital) | 6,449,661 | 2,000,000 | 8,449,661 |
Foreign currency translation reserve | 214,281 | 214,281 |
Accumulated loss | (1,969,898) | (1,969,898) |
Non-controlling interest | (109,181) | (109,181) |
Total equity | 4,584,863 | 6,584,863 |

**Current Liabilities**

Trade and other payables | 183,111 | 183,111 |
Borrowings | 0 | 4,320,000 | 4,320,000 |
Total liabilities | 183,111 | 4,503,111 |

**Total Equity and Liabilities**

4,767,974 | 6,320,000 | 11,087,974 |

Number of shares in issue | 196,958,562 | 18,181,818 | 215,140,380 |
Net Asset Value per share (US cents) | 2.33 | 3.06 |

The Illustration above also assumes the following:

A) Where new Shares are to be issued as part settlement of the Consideration these are issued at a price of USD0.11 (eleven cents) each, being the BSE quoted last traded price per Share on the Last Practicable Date. Accordingly, 18,181,818 new Shares will be issued at USD0.11 each amounting to a value of USD2,000,000.

B) The entire Consideration is settled at once on the pro-forma date – being 31 December 2014
C) That wherever possible cash is used to settle the Consideration and this cash is borrowed – allowing existing cash and cash equivalents to be applied in meeting the Company’s existing and committed working capital requirements.

D) The pro-forma impact on the Company’s Statement of Comprehensive Income of the acquisition of the Mabesekwa Prospecting Licence is nil as the Minimum Cash Commitment of USD320,000 will be capitalised to exploration assets in terms of the Company’s accounting policies as and when incurred but for the purposes of the pro-forma analysis below is assumed to have been incurred as at 31 December 2014.

The Company has the option to settle the second payment in cash of USD2,000,000 or through the issuance of new shares with a market value of USD3,300,000. In the latter event the additional investment would need to represent fair value at that future date to enable capitalisation in accordance with the Company’s compliance with International Financial Reporting Standards and thus the cash settled option is reflected in the pro-forma analysis below.

4.2. **Board opinion on working capital**

The Board are of the opinion that, after the Acquisition, the working capital of Shumba Coal will be adequate for the Company’s foreseeable future requirements.

5. **SHARE CAPITAL**

5.1. **Current Share Status**

At a Special Meeting of Shareholders held on 8 September 2014 Shareholders approved the issuance of 26,072,482 new shares at an issue price of USD0.12 each raising USD3,1m (before costs) for the Company.

The proceeds raised from the issuance of the new shares referred to above are being applied in funding the work towards the following key project milestone activities:

- Complete Mine Prefeasibility Studies
- Conduct Mine Environmental Impact Assessment
- Delineate Water Reserve
- Conduct Mine Bankable Feasibility Studies
- Conduct Power Station Environmental Impact Assessment

Currently, Shumba Coal has an unlimited authorised share capital. Its current issued share capital is 196,958,562 Shares and the stated capital, as per unaudited interim financial statements for the six months ended 31 December 2014, was USD6,449,661. There is only a single class of share in issue, being ordinary Shares.
5.2. Capital of Shumba Coal

Ordinary Shares in issue (pro-forma *)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Before the Acquisition</td>
<td>196,958,562</td>
</tr>
<tr>
<td>After the acquisition – issue of 18,181,818 new Shares*</td>
<td>215,140,380</td>
</tr>
<tr>
<td>After the acquisition (second payment settled in new Shares not cash, at the discretion of the Company) issue of a further 30,000,000 new Shares*</td>
<td>245,140,380</td>
</tr>
</tbody>
</table>

* The issue of new Shares assumes the Share price at the Last Practicable Date. The actual number of new Shares to be issued will be determined by reference to the actual Share price at that time and the terms and conditions of the Acquisition Agreement.

5.3. Issuing of ordinary shares

Subject to the provisions of the Companies Act, the Constitution of Shumba Coal 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.

5.4. 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.

5.5. Major Shareholders

In so far as it is known to the directors of Shumba Coal, the following registered Shareholders held more than 5% of the issued Shares of Shumba Coal as at the Last Practicable Date, or will hold more than 5% of the issued Shares subsequent to the purchase of the Mabesekwa Prospecting Licence.

<table>
<thead>
<tr>
<th>Name</th>
<th>Percentage of shares in issue</th>
<th>Post Issue of Consideration Shares dependent on manner of settlement for the second payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Phoenix Limited</td>
<td>38.83%</td>
<td>35.55%</td>
</tr>
<tr>
<td>SCBN(PTY) LTD RE: BNP 028930000012</td>
<td>9.75%</td>
<td>8.93%</td>
</tr>
<tr>
<td>BAL Co (Mtius) Ltd</td>
<td>8.46%</td>
<td>7.75%</td>
</tr>
<tr>
<td>Ramnauth Munesh Sharma the Vendor</td>
<td>7.32%</td>
<td>6.70%</td>
</tr>
</tbody>
</table>

The total number of shares currently in issue is 196,958,562. The table above reflects the Vendor as owning Shares representing between 8.45% and 19.65% of the total Shares in issue post completion of
the acquisition of the Mabesekwa Prospecting Licence, depending on whether the second component of the Consideration is settled in Cash (where only 18,181,818 new Shares will be issued) or in Shares (where a further 30,000,000 new Shares will be issued), as is referred to in Para 4 and 5.2 above and assuming the share price at the Last Practicable Date.

5.6. Issues of Shares

Other than as detailed in Paragraph 5.1 above there have been no consolidations or subdivisions of Shares in the period preceding the Last Practicable Date.

6. INFORMATION ON DIRECTORS

6.1. 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>
<tbody>
<tr>
<td>Alan Clegg (British)</td>
<td>Istanbul Park Yolu, Millennium Park Evleri, B88, Akfirat, Tuzla, 34959, Istanbul, Turkey</td>
<td>Shumba Resources Ltd (mining) AME Consulting A.S (Turkey) (mining) SAT Enerji A.S (Turkey) (mining) SA Turkey Business Development &amp; Investment Co Limited (South Africa) (mining) Red Crescent Resources Limited (TSX-RCB) Canada (mining) Alexander Mining PLC (LSE, AIM-AXM) (UK) (mining)</td>
</tr>
<tr>
<td>Mashale Phumaphi (Motswana)</td>
<td>P.O. Box 2266 Francistown Botswana</td>
<td>Shumba Resources Ltd (mining) Sechaba Natural Resources (Pty) Limited (mining) Hangali Pottery (Pty) Limited (investment) Mass Deliveries (Pty) Limited (advertising)</td>
</tr>
<tr>
<td>Thapelo Mokhati (South African)</td>
<td>5 Bryan Brook Estate, Witkoppen Road, Paulshof, 2191, South Africa</td>
<td>Almenta 210 (Pty) Limited (mining) Sechaba Natural Resources Limited (mining) Shumba Resources Ltd (mining)</td>
</tr>
</tbody>
</table>
6.2. The Board of Directors of Shumba Coal

ALAN CLEGG (PR.Eng, PMP, FSAIMM) – Chairperson

Mr Clegg, a British and South African citizen is a mining industry professional with over 30 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$8 billion over the last 30 years. He currently holds 6 directorships in the mining and energy related sector.

MASHALE PHUMAPHI (MEng, IMC) – Managing Director

Mashale 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 Coal Bed Methane Exploration company with projects in Botswana.
THAPELO MOKHATHI (BComm) – Finance Director

Thapelo 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 Coal across South Africa, he was the Financial Director until 2011.

KAPILDEO JOORY (Chartered Accountant) – Non Executive Director

Kapil Dev Joory is co-founder and Executive Director of International Financial Services Limited, a leading management company specialising in international tax, business and corporate advisory services. He is a Fellow of the Institute of Chartered Accountants in England and Wales and associate member of the Society of Trust and Estate Practitioners. After qualifying as a Chartered Accountant in 1974, he joined Price Waterhouse, Paris working mainly on audit of multinationals operating in Northern and Western African countries followed by international tax specialisation with Touche Ross, London (1975) and Arthur Young (1983). He was until 1993 a Senior Tax Executive at Ernst & Young, London office. He has over twenty years of experience in international tax planning and business structuring. His areas of specialization cover international banking and financial services including Islamic banking, offshore fund structuring and administration, intellectual and real property planning, aircraft and ship leasing, franchising and retail operations. Mr Joory also serves as a director of numerous offshore funds and companies.

GRANT RAMNAUTH (Dip. PFS, BSc, MBA) - Non Executive Director

Grant 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, Grant 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

Sipho 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-eminent Botswana Stock Exchange listed companies and parastatals, and many of the multinationals 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 arrangement; banking law; loan finance agreements; negotiable instruments and capital market instruments

6.3. Directors’ remuneration

The proposed and forecast aggregate remuneration and benefits to be paid to the Directors of the Company is BWP4,000,000 per annum.

6.4. Directors’ interests in the Mabesekwa Prospecting Licence

The Directors have no interest in the Mabesekwa Prospecting Licence.
6.5. Directors’ interests in Warrants

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Warrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mashale Phumaphi</td>
<td>4,611,250</td>
</tr>
<tr>
<td>Thapelo Mokhati</td>
<td>4,042,917</td>
</tr>
<tr>
<td>Alan Clegg</td>
<td>3,681,250</td>
</tr>
<tr>
<td>Grant Ramauth</td>
<td>3,681,250</td>
</tr>
</tbody>
</table>

**Total** 16,016,667

The exercise price of the warrants was set at BWP1.06, the prevailing market price at the date of grant.

The total number of new Shares that would be issued if the Warrants detailed above were exercised amounts to 8.13% of the Company’s shares in issue at the Last Practicable Date.

6.6. 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>8,769,389</td>
<td>Nil</td>
<td>4.45%</td>
</tr>
<tr>
<td>Mashale Phumaphi</td>
<td>76,475,850</td>
<td>Nil</td>
<td>38.83%</td>
</tr>
<tr>
<td>Grant Munesh S. Ramauth</td>
<td>14,414,894</td>
<td>7.32%</td>
<td>Nil</td>
</tr>
<tr>
<td>Thapelo Mokhati</td>
<td>7,008,904</td>
<td>0.07%</td>
<td>3.49%</td>
</tr>
</tbody>
</table>

**Total** 106,669,037

7. RELATED PARTIES

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

8. DIRECTORS’ OPINIONS AND RECOMMENDATIONS

The Directors of Shumba Coal are of the opinion that the terms and conditions of the Acquisition Agreement are fair and reasonable and will be to the long-term benefit of Shumba Coal 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 after the issue of Shares required for settlement of the initial component and cash or Shares as the case may be for settlement of the second component of the Consideration:
• 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.

9. DIRECTORS’ RESPONSIBILITY

The Directors, whose names are set out in Paragraph 6.2 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.

10. AMENDMENT TO THE CONSTITUTION

10.1. Quorum for meetings of Directors

In order to enhance the Company’s corporate governance policies Shareholders will be asked to vote on
a resolution that seeks to increase the quorum to three directors.

Article 17.4 of the Constitution, as adopted by special resolution dated 28 October 2013 reads as follows:

“17.4 Quorum

(i) A quorum for a meeting of the Board shall consist of three directors or of such other number
as may be fixed by the Board. PROVIDED that at least two directors from Mauritius shall be present for
a Board Meeting to be validly constituted.”

If approved by Shareholders the amended article would be as follows...

“... (i) A quorum for a meeting of the Board shall consist of no less than three directors or of such other
greater number as may be fixed by the Board. PROVIDED that at least two directors from Mauritius
shall be present for a Board Meeting to be validly constituted”

10.2. Directors’ Recommendation

The Board considers that the resolution in relation to the proposed amendments to the Constitution
is in the interests of the Company and the Shareholders as a whole. Accordingly the Directors
recommend the Shareholders to vote in favour of such resolution to be approved at the EGM as set
out in the notice of the EGM.
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, save for the Acquisition Agreement and the heads of agreement with Mulilo Renewable Project Developments (Pty) Ltd as referred to in Paragraph 3 above.

11.3. Borrowing powers

In terms of Shumba Coal’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.

12. 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.

13. 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.

14. 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 22 May 2015 at the Registered Office of the Company:

- the Circular;
- The proposed amended Constitution of the Company;
- The current Constitution of the Company;
- The audited financial statements of the Company for the year ended 30 June 2013 and 2014;
- The unaudited interim financial statements of the Company for the six months ended 31 December 2014
• The Acquisition 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 Prospecting Licence

15. **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 Coal**

Dated at Gaborone this 20th day of April 2015
SHUMBA COAL SECURES 800MT MABESEKWA COAL PROJECT

Shumba Coal Limited ("Shumba" or the “Company") is pleased to announce that it has entered into a binding Sale and Purchase Agreement with Daheng Group Botswana (Pty) Ltd ("Daheng") for the acquisition of 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. The transaction is subject to all regulatory approvals (see below) being obtained.

In Shumba’s Managing Director, Mashale Phumaphi’s words: “The acquisition of a very low mining cost coal deposit is an excellent outcome for Shumba and is part of our continuing strategy of investing in Botswana based energy projects to supply affordable energy domestically and into the region.”

The estimated in-situ coal resource is 844 Mt in accordance with (Australian) JORC Code, predominantly contained in one coal seam, with an average seam thicknesses >18m with a flat and consistent profile with the coal found at average depths of 50-60m, to be accessed by open strip mining. Over 189 boreholes have been drilled and geologically and geophysically logged, with coal analysis undertaken. The JORC compliant resource statement was issued in September 2012. The report was prepared by Mr Alan Golding who satisfies the requirements of a Competent Person as defined under the JORC Code.

Transaction terms:
The acquisition is subject to the approval of the relevant Authorities in Botswana including the Minister of Minerals, Energy and Water Resources approving the transfer of the Prospecting Rights. Should the approvals be obtained, Shumba will:

1. Immediately issue shares to the value of US$2,000,000 to Daheng;
2. Within 18 months pay US$2,000,000 cash to Daheng. Should the Company fail to pay Daheng, it will issue further shares to the value of US$3,300,000 to Daheng; and
3. A final payment of US$2,000,000 cash is payable to Daheng upon commercial production of coal from Mabesekwa.

Applications will be made to list these new shares on the Botswana Stock Exchange ("BSE") and the Stock Exchange of Mauritius ("SEM"), subject to the approval of BSE and SEM.

The Mabesekwa Prospecting Licence is currently valid and will be up for renewal on the 31st of December 2016. In the period from now till then Shumba Coal intends to complete mine Preliminary Feasibility Studies and associated Environmental Impact Assessments, spending a minimum of BWP3,200,000 (USD 340,000).

International Financial Services Limited
Company Secretary
This 25th February 2015
This Communiqué is issued pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007 and DEM Rule 21.

The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this Communiqué.
COMMUNIQUE

SHUMBA COAL SIGNS HEADS OF AGREEMENT WITH MULILO FOR MEIPP DEVELOPMENT

Following the communiqué dated 25 February 2015, the directors of Shumba Coal Ltd ("Shumba" or the "Company") are pleased to announce the execution of a Heads of Agreement ("HOA") between the Company and Mulilo Renewable Project Development (Pty) Ltd ("Mulilo") for the joint development of the Mabesekwa Export Independent Power Plant ("MEIPP") at the Mabesekwa Coal Project to take part in the South African Coal Base Load IPP programme.

MEIPP – key characteristics:

- 300 MW (2 x 150 MW) gross capacity
- Minimum 260 MW net supply to grid after auxiliary and mine consumption
- Associated coal mine with ~1.2 mtpa capacity, dedicated to MEIPP

The MEIPP will be a Coal-fired Power Plant with a captive coal mine. Within a two month period following the signing of the HOA, the parties intend to enter into a comprehensive Joint Development Agreement ("JDA") which shall include detailed conditions of the Partnership. During this period the parties will only negotiate exclusively with each other. Additional developments will be forthcoming and shareholders will be kept apprised accordingly.

Mulilo is an IPP developer and investor which was originally formed in 2008. Mulilo works closely with project developers, technology providers, regulators and investors to source and develop premier energy projects. Mulilo has developed over the last few years a portfolio of circa 400 MW of grid-connected power plants under various IPP programs run by the Department of Energy in South Africa.

In the words of Shumba’s Chairman, Alan M. Clegg, “The signing of this HOA with Mulilo is a further landmark development in Shumba execution of our stated strategy and a further testimony to the discipline of management in matching our assets and projects with the best partners under stressed market conditions. Mulilo has a first class track record of delivery which matches Shumba culture and this will I believe now translate into the creation of a new and strong economic contribution to the Southern African energy market for sustainable development, while creating strong value for our shareholders and all stakeholders alike.”
Shumba Coal is a Botswana focused local coal mining and energy Development Company listed on the Botswana Stock Exchange and the Stock Exchange of Mauritius Ltd and has over 260 shareholders. Shumba Coal intends to develop one or more 300MW or larger power stations in addition to producing coal for domestic and regional consumption.

**Status of renewal of Prospecting License No. PL 053/2005**

The processing of the renewal of the prospecting license number PL 053/2005 is still to be finalized by the Ministry of Minerals, Energy and Water Resources of Botswana. As the six months extension previously provided on the license is due to expire this month, we have requested the Ministry for an update on the renewal of the license, and we expect a response to our request soon. Further developments will be communicated to shareholders of Shumba Coal and the public in general in due time.

International Financial Services Limited
Company Secretary
This 6th March 2015

*This Communiqué is issued pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007 and DEM Rule 21.*

The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this Communiqué.
ANNEXURE 3 – SALIENT TERMS AND CONDITIONS OF THE ACQUISITION AGREEMENT

STRUCTURE

1) The Vendor owns 100% of the issued equity in Mabesekwa Colliery
2) Mabesekwa Colliery owns the Mabesekwa Prospecting Licence
3) The Vendor will sell and Shumba Coal’s 86.4% owned Botswana domiciled subsidiary, Sechaba, will buy all of the issued equity in Mabesekwa Colliery

CONDITIONS PRECEDENT

4) The renewal of the Mabesekwa Prospecting Licence in terms of the MMA
5) Receipt within 90 days (or such later date as the parties may agree) of the signature date of the Acquisition Agreement of a letter from the relevant regulatory authority confirming:-
   a. The validity of the Mabesekwa Prospecting Licence
   b. That Mabesekwa Colliery is in compliance with its obligations in terms of the Mabesekwa Prospecting Licence; and
   c. That Mabesekwa Collier holds the Mabesekwa Prospecting Licence in good standing
6) That requisite approval in terms of the MMA is granted for the beneficial transfer of the Mabesekwa Prospecting Licence by the Vendor to Sechaba – which approval has been confirmed and was announced on 07 April 2015.
7) That as soon as is reasonably possible after the Mabesekwa Prospecting Licence has been renewed (in terms of item 1) of the Conditions Precedent above) and Mabesekwa Colliery is required to commit to a certain level of expenditure relating to the Mabesekwa Prospecting Licence, that Sechaba shall provide such a commitment in writing on behalf of Mabesekwa Colliery.

SETTLEMENT AND DETERMINATION OF THE CONSIDERATION

8) Within 3 days of the date on which the last of the Conditions Precedent has been fulfilled or waived (as the case may be) (the “Effective Date”), and subject to compliance by Shumba Coal with all and any requirements of the BSE, Shumba Coal shall issue to the Vendor Shares equivalent in market value to USD2,000,000 (the “Consideration Shares”) calculated on the basis of the volume weighted traded price of Shumba Coal Shares on the BSE in the ten trading days prior to the date of issue.
9) Within 18 months of the date on which the last of the Conditions Precedent has been fulfilled Shumba Coal shall procure the settlement of USD2,000,000 in cash to the Vendor, failing which Shumba Coal shall issue to the Vendor Shumba Coal Shares equivalent in market value to USD3,300,000 calculated on the basis of the running average price of Shumba Coal Shares on the BSE in the 180 trading days prior to the date of their issuance.
10) A final payment of USD2,000,000 is due and payable in cash to the Vendor on the date on which Mabesekwa Colliery supplies the first tranche of coal mined from the property covered by the Mabesekwa Prospecting Licence, to a third party in terms of a commercial sale.

RESTRICTIONS RELATING TO THE DISPOSAL OF THE CONSIDERATION SHARES

11) The Vendor shall not be entitled to dispose of the Consideration Shares prior to that date on which the cash payment referred to in 9) above is made.
12) If the cash payment referred to in 9) above is made within the 18 month period following the Effective Date then the Vendor may only dispose of a maximum of 50% of the Consideration Shares following the date of payment and up to the second anniversary of the Effective Date and the balance
of the Consideration Shares may then be disposed of by the Vendor following the second anniversary of the Effective Date.

13) If the cash payment referred to in 9) above is not made within the 18 month period following the Effective Date then the Vendor is entitled to dispose of all or any number of the Consideration Shares and those additional Shares issued to it in lieu of the cash payment, as referred to in 9) above.
ANNEXURE 4 – SUMMARY OF COMPETENT PERSON’S REPORT

The summary below has been extracted from the Competent Person’s report (“CPR”) dated 24 March 2015 issued in compliance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, 2012. (the JORC code) and signed by Mr Alan Golding BSc Hons, Pr.Nat.Sci.,FGS of Analytika Holdings (Pty) Limited (“AH”). The full report is available for inspection as detailed in paragraph 14 above and is available for download from the BSE’s X-News service.

AH was requested to prepare a Technical Report for Shumba Coal Limited (“SC”). Shumba Coal Ltd is a company registered in Mauritius on the 28th of August 2012 with Company Number 111905 as a public company. Through its subsidiary Shumba Resources Limited, registered in the British Virgin Islands, it controls the Botswana subsidiary Sechaba Natural Resources (Pty) Limited which owns the right or has an interest in three prospecting licences in Botswana, namely:

- PL 53/2005 Sechaba
- PL308/2014 Letlhakeng
- PL428/2009 Mabesekwa

The CPR pertains exclusively to Prospecting Licence 428/2009 (“Sechaba Prospecting Assets”) which is in the process of being acquired from Mabesekwa Colliery (Pty) Ltd a wholly owned subsidiary of Daheng Group Botswana (Pty) Ltd.

The Mabesekwa Project comprises of the Mabesekwa Exploration Property (“Mabeseka”). It is a large coal asset aimed predominantly to supply the Botswana power and energy suppliers. It has no potential to supply export quality coal.

AH has reviewed the available information and compiled this technical report with respect to the Mabesekwa Coal Deposit (“MCD”) on behalf of Shumba Coal. The CPR has been completed in compliance with the requirements of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the ‘JORC code’ Joint Ore Resources Committee) of 2012.

The MCD is located in north-eastern Botswana, southern Africa in the Foley Coalfield in the Northern Belt of the Central Kalahari Sub-Basin.

It consists of a single prospecting licence, PL428/2009. The prospecting licence is owned by Mabesekwa Colliery (Pty) Ltd on behalf of Daheng Group Botswana (Pty) Ltd. but is being acquired by Shumba Coal.

The potentially economic coal seams found within the MCD are the A, B and D units of the Basal Seam and the F Seam found within the Tiapan Formation of the Ecca Group of the Karoo Supergroup. The seams had not previously been explored prior to this programme.

Diamond drill boreholes at 500 metre spacing have been completed over the area. Geological modelling has shown the Basal Seam to be laterally persistent and generally gently undulating over the majority of the MCD and to generally maintain constant thickness. Structurally the seams appear to be relatively simple with some gentle open folding and minor disturbance due to faulting. Some dolerite intrusions have been encountered which have removed the coal seams in restricted area. Dolerite has only very rarely been encountered within the coal seams.

Results from this drilling have been used to estimate the mineral resources and form the basis of this technical report. The total mineral resources for the prospecting licence are:
Mabesekwa Coal Deposit – Measured Resource

<table>
<thead>
<tr>
<th>Seam</th>
<th>Ave thickness (m)</th>
<th>Volume, m$^3$</th>
<th>RD</th>
<th>Tonnage (tonnes)</th>
<th>Tonnage after 10% geological loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basal Seam</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Leaf A</td>
<td>7.00</td>
<td>207,078,000</td>
<td>1.72</td>
<td>356,174,000</td>
<td>320,557,000</td>
</tr>
<tr>
<td>Middle Leaf B</td>
<td>6.35</td>
<td>176,477,000</td>
<td>1.77</td>
<td>317,674,000</td>
<td>285,907,000</td>
</tr>
<tr>
<td>Upper Leaf D</td>
<td>5.04</td>
<td>96,205,000</td>
<td>1.86</td>
<td>178,941,000</td>
<td>161,046,900</td>
</tr>
<tr>
<td>Total Coal</td>
<td>18.39</td>
<td>479,760,000</td>
<td>1.68</td>
<td>852,789,000</td>
<td>767,510,900</td>
</tr>
</tbody>
</table>

Mabesekwa Coal Deposit – Indicated Resource

<table>
<thead>
<tr>
<th>Seam</th>
<th>Ave thickness (m)</th>
<th>Volume, m$^3$</th>
<th>(RD)</th>
<th>Tonnage (tonnes)</th>
<th>Tonnage after 10% geological loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seam F</td>
<td>4.71</td>
<td>47,760,000</td>
<td>1.86</td>
<td>88,834,000</td>
<td>79,950,600</td>
</tr>
<tr>
<td>Total Coal</td>
<td>4.71</td>
<td>47,760,000</td>
<td>1.86</td>
<td>88,834,000</td>
<td>79,950,600</td>
</tr>
</tbody>
</table>

The coals are of sub bituminous quality with low raw calorific value and high ash content, but the sulphur content can be reduced significantly by washing at 1.90 RD.

Summary of coal quality, Unit “A”

<table>
<thead>
<tr>
<th>Seam</th>
<th>Sink/Float</th>
<th>Cumulative Proximate Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>Fraction</td>
<td>% Yield</td>
</tr>
<tr>
<td>A</td>
<td>Float 1.90</td>
<td>82.12</td>
</tr>
<tr>
<td>A</td>
<td>raw</td>
<td>100</td>
</tr>
</tbody>
</table>

Summary of coal quality, Unit “B”

<table>
<thead>
<tr>
<th>Seam</th>
<th>Sink/Float</th>
<th>Cumulative Proximate Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>Fraction</td>
<td>% Yield</td>
</tr>
<tr>
<td>B</td>
<td>Float 1.90</td>
<td>70.42</td>
</tr>
<tr>
<td>B</td>
<td>raw</td>
<td>100</td>
</tr>
</tbody>
</table>

Summary of coal quality, Unit “D”

<table>
<thead>
<tr>
<th>Seam</th>
<th>Sink/Float</th>
<th>Cumulative Proximate Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>Fraction</td>
<td>% Yield</td>
</tr>
<tr>
<td>D</td>
<td>Float 1.90</td>
<td>70.7</td>
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<td>D</td>
<td>raw</td>
<td>100</td>
</tr>
</tbody>
</table>
Summary of coal quality, Unit "F"

<table>
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<tr>
<th>Seam ID</th>
<th>Sink/Float</th>
<th>% Yield</th>
<th>%</th>
<th>% Ash</th>
<th>% Volatile</th>
<th>% Fixed</th>
<th>% Sulphur</th>
<th>CV</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>Float 1.90</td>
<td>64.81</td>
<td>6.48</td>
<td>32.14</td>
<td>21.24</td>
<td>39.28</td>
<td>0.32</td>
<td>16.23</td>
</tr>
<tr>
<td>F</td>
<td>raw</td>
<td>100</td>
<td>5.63</td>
<td>41.64</td>
<td>19.25</td>
<td>29.70</td>
<td>1.8</td>
<td>12.14</td>
</tr>
</tbody>
</table>

It is concluded that the coal is of sufficiently high quality to be suitable for use in power generation, gasification or conversion to hydrocarbons. Washability studies have shown that beneficiation of the coal will reduce the sulphur levels to acceptable World Health Organization levels without significantly impacting on the product yield.

Seven additional boreholes for specific technical and feasibility studies have been drilled but as yet not analysed and have not been incorporated into the resource calculations.
**ANNEXURE 5 – TRADING HISTORY OF SHARES ON THE BSE**

Table of aggregate volumes per month since listing to Last Practicable Date. Prices shown in Botswana Pula.

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume</th>
<th>Lowest price</th>
<th>Highest price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-13</td>
<td>108,871</td>
<td>1.05</td>
<td>1.06</td>
</tr>
<tr>
<td>May-13</td>
<td>33,932</td>
<td>1.06</td>
<td>1.06</td>
</tr>
<tr>
<td>Jun-13</td>
<td>1,827</td>
<td>1.06</td>
<td>1.06</td>
</tr>
<tr>
<td>Jul-13</td>
<td>13,825</td>
<td>1.06</td>
<td>1.06</td>
</tr>
<tr>
<td>Aug-13</td>
<td>329,634</td>
<td>1.06</td>
<td>1.06</td>
</tr>
<tr>
<td>Sep-13</td>
<td>1,533</td>
<td>1.06</td>
<td>1.06</td>
</tr>
<tr>
<td>Oct-13</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nov-13</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dec-13</td>
<td>8,034</td>
<td>1.09</td>
<td>1.10</td>
</tr>
<tr>
<td>Jan-14</td>
<td>1,683</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Feb-14</td>
<td>33,709</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Mar-14</td>
<td>783</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Apr-14</td>
<td>13,109</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>May-14</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun-14</td>
<td>256</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Jul-14</td>
<td>31,850</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Aug-14</td>
<td>6,781</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Sep-14</td>
<td>10,742</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Oct-14</td>
<td>14,325</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Nov-14</td>
<td>2,674</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Dec-14</td>
<td>11,282,829</td>
<td>1.09</td>
<td>1.10</td>
</tr>
<tr>
<td>Jan-15</td>
<td>2,210</td>
<td>1.09</td>
<td>1.09</td>
</tr>
<tr>
<td>Feb-15</td>
<td>91,666</td>
<td>1.10</td>
<td>1.10</td>
</tr>
<tr>
<td>Mar-15</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table of aggregate volumes per day in the past month since the Last Practicable Date. Prices shown in Botswana Pula.

<table>
<thead>
<tr>
<th>Day</th>
<th>Volume</th>
<th>Lowest price</th>
<th>Highest price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There have been no trades in this period
ANNEXURE 6 – DETAILS PERTAINING TO THE VENDOR

Name, address and details of beneficial shareholders:

Daheng Group Botswana (Pty) Ltd
Plot 20586 Block 3 Industrial, Gaborone, Botswana
The beneficial shareholder of the Vendor is Mr. Liesen He
The licence was initially issued to the Vendor in 2009.

Warranties and trade restrictions

The Vendors have provided normal warranties and undertakings regarding the assets and liabilities (disclosed and otherwise) in the Acquisition Agreement, a copy of which is available for inspection as detailed in Paragraph 14. No undertaking is made by the Vendors as regards restriction of trading or competitive behaviour following completion of the Acquisition Agreement.

Taxation liabilities

The Vendors have declared in the Acquisition Agreement that Mabesekwa Colliery has not traded for taxation purposes and have further undertaken to provide a tax certificate from Botswana Unified Revenue Services to demonstrate the current tax situation.

Promoters

There was no promoter or agent acting on behalf of the Vendor and accordingly no amount of cash nor securities nor benefit has been given within the three preceding years or is proposed to be paid or given to any party, relating to the sale by the Vendor of the Mabesekwa Prospecting Licence.

Transfer of asset acquired

The entire issued share capital of Mabesekwa Colliery will be transferred into the name of Sechaba on issuance and registration in the Vendor’s name by Shumba Coal of Shares with a market value of USD2,000,000, comprising the first component of the Consideration.
Shumba Coal Limited
("Shumba Coal" or the "Company")
BSE 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

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, TwentyEight, Cybecity, Ebene, Mauritius on 22 May 2015 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 the Company’s acquisition of the Mabesekwa Prospecting Licence in accordance with the terms and conditions of the Acquisition Agreement.

Special Resolution 1:

To approve the amendment of the Company’s Constitution Article 17.4 to read as follows:

“A quorum for a meeting of the Board shall consist of no less than three directors or of such other greater number as may be fixed by the Board PROVIDED that at least two directors from Mauritius shall be present for a Board Meeting to be validly constituted.”

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 and special resolutions passed at this meeting in particular to authorize the Company Secretary to issue share certificates in respect of new shares to be issued in terms of the Acquisition Agreement and necessary notification to the local Authorities in relation to the amendment to the Constitution of the Company along with publication of necessary announcements to the public as required.

By order of the Board

Pooja Napaul

For International Financial Services Limited

Secretary

Date: 20 April 2015
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 22 May 2015 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>SPECIAL RESOLUTION</th>
<th>FOR</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>To approve the amendment of the Company’s Constitution Article 17.4 to read as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“A quorum for a meeting of the Board shall consist of no less than three directors or of such other greater number as may be fixed by the Board PROVIDED that at least two directors from Mauritius shall be present for a Board Meeting to be validly constituted.”</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ORDINARY RESOLUTIONS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) To approve the Company’s acquisition of the Mabosekwa Prospecting Licence in accordance with the terms and conditions of the Acquisition Agreement.</td>
<td></td>
</tr>
</tbody>
</table>
(ii) 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 and special resolutions passed at this meeting in particular to authorize the Company Secretary to issue share certificates in respect of new shares to be issued in terms of the Acquisition Agreement and necessary notification to the local Authorities in relation to the amendment to the Constitution of the Company along with publication of necessary announcements to the public as required.

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

This ........... day of ............................... 2015.

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.