NOTICE TO SHAREHOLDERS / COMMUNIQUE

The Board of Directors of Shumba Coal Limited (the "Company" and/or "Shumba Coal") is pleased to announce to its shareholders and the public in general of the following:

1. Award of New Prospecting Licence No. 308/2014 to Shumba Coal

Shumba Coal has been awarded the rights to a new prospecting licence for coal exploration rights in Botswana resulting from the second of its kind open tender, in which both local and international parties participated. The new Prospecting Licence No. 308/2014 has been issued by the Ministry of Minerals, Energy and Water Resources of Botswana (the "Ministry") for coal exploration rights over an initial period of 3 years. The estimated expenditure to be incurred by the Company during this period is USD330,000.

The presence of coal in the area was investigated by Majors in the 1970s. During historical exploration programmes, large in-situ reserves of carbonaceous material were identified in the area. A historical resource exists in the licence area and initial efforts by the Company in the first 3 years shall focus on confirming the presence of such resources.

Status of renewal of Prospecting Licence No. PL 053/2005

The Ministry has extended the validity of the prospecting licence PL053/2005 of the Company in Botswana for a period of 6 months starting from 5 September 2014, while the application for renewal is still under their consideration.

2. Results of the Special Meeting of Shareholders held on 8 September 2014

Further to the issuance of the Circular to Shareholders dated 12 August 2014 (the "Circular"), the following special resolutions were approved by the requisite majority at the Special Meeting of Shareholders held on 8 September 2014:

a. the issuance of 7,500,000 new Ordinary Shares of no par value at an issue price of USD0.12 per share, subscribed by way of a private placement in Botswana, to be listed on Friday 12 September 2014 on the Botswana Stock Exchange ("BSE") and the Development and Enterprise Market ("DEM") of the Stock Exchange of Mauritius;

b. the issuance of 18,572,482 new Ordinary Shares of no par value at an issue price of USD0.12 per share, subscribed by way of a private placement in Mauritius, to be listed on Friday 12 September 2014 on the BSE and DEM. Based on the above, the Company’s total number of Ordinary Shares in issue is 196,958,562; and

c. the terms and conditions for the issuance of Warrants and in particular the issuance of 16,791,667 Warrants to Directors Officers and Consultants of the Company and their conversion into new Ordinary Shares at the exercise price of BWP1.06 each, subject to the terms and conditions of the warrants, as disclosed in the Circular. It is not expected that the warrants will be listed.

By order of the Board

International Financial Services Limited
Company Secretary

This 10th September 2014

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.