ANNOUNCEMENT RELATING TO THE PURCHASE OF FOUR ENERGY PROSPECTING LICENCES.

This announcement is published in accordance with BSE Listing Requirements and contains salient features of Shumba Coal and the acquisition of the four energy prospecting licences in Serowe belonging to Impact Minerals Limited ("Impact Minerals"). Details of the availability of the Circular are set out in paragraph 5 below.

1. INTRODUCTION

Shumba Coal is a mineral exploration company, currently building a portfolio of mining and exploration coal projects. Through its subsidiaries, the Company's business is primarily focused on the identification of economically viable mineral prospects, the acquisition of such assets and the development of such prospects into full-scale mining projects. Shumba Coal currently has one prospecting licence held by its subsidiary Sechaba Natural Resources (Pty) Limited, and has conducted extensive drilling and scoping studies of the site which has produced positive results, indicating the potential to produce coal by 2015/2016 to supply a nearby power producer in addition to exporting coal at a later date.

The Company recently concluded the listing of 168,846,078 Shumba Shares on the Venture Capital Market of the BSE in April 2013.

2. ACQUISITION

Shumba Coal has entered into an agreement with Impact Minerals ("the Acquisition Agreement") for the acquisition of four exploration prospecting licences in Botswana ("the Acquisition"). The aggregate purchase price payable for the Acquisition, before payment of any amount of US$500,000 ("the Consideration Shares") is to be discharged in full and in cash, at the option of Shumba Coal, to Impact Minerals of US$550,000.00 worth of shares ("Consideration Shares") and an additional payment of US$50,000.00 ("the Consideration Payment") payable to Impact Minerals as consideration for the acquisition of the four energy prospecting licences in Serowe belonging to Impact Minerals Limited.

3. DETAILS OF THE ACQUISITION

3.1 Details of the Acquisition

The Acquisition consists of four prospecting licences which are held in favour of (Jillion Investments) (Pty) Limited, a wholly owned subsidiary incorporated in accordance with the laws of Botswana of Impact Minerals. The four prospecting licences are PL118/2008, PL120/2008, PL121/2008 and PL097/2010. More details on the prospecting licences are held below

<table>
<thead>
<tr>
<th>Licenses</th>
<th>Mineral</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>PL118/2008</td>
<td>Coal</td>
<td>Serowe</td>
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<tr>
<td>PL120/2008</td>
<td>Coal</td>
<td>Serowe</td>
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<tr>
<td>PL121/2008</td>
<td>Coal</td>
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<tr>
<td>PL097/2010,</td>
<td>Coal</td>
<td>Serowe</td>
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3.2 Shumba Coal’s Assessment of the mineral concession licences

The purchase of these four mineral concession licences is an excellent outcome for Shumba Coal and is part of the exploration strategy to develop a mine energy project in Botswana. No value on the Consideration Shares can be determined until the condition precedent to the Acquisition is met. Therefore the value of the net assets which are the subject of the transaction and the effect on the net assets (per share of the company and the profits attributable to the net assets) cannot be currently estimated.

4. RATIONALE

This is a unique opportunity to acquire the mineral concessions at a location where the Company is presently underweight and which is experiencing significant economic growth and activity due to the mining developments in the north that are expected to continue for some years to come.

The successful implementation of the Acquisition will:

• increase the market capitalization of the Company; and
• improve the overall risk profile of the investment.

The future sustainability of the Company will be enhanced as a consequence of the Acquisition.

The Acquisition is subject to the fulfillment of the following conditions:

• the completion by Shumba Coal of a due diligence of the mineral concession licenses which has been conducted satisfactorily;
• the renewal of the mineral concession licenses;
• the approval by the Minister of Minerals, Energy and Water Resources approving the transfer of the mineral concession licenses; and
• the approval to list the Consideration Shares issued in respect of part of the purchase price on the BSE, after transfer of the mineral concession licenses to Shumba Coal.

5. CIRCULAR

The Circular shall be despatched within 28 days of the release of this announcement which will set out further information on the Acquisition including a review of the licences by the Competent Person and Accountants' Reports which are part of the documents available for inspection at Shumba Coal's location set out below.

Copies of the Circular will be available during normal business hours on or about the 28th October 2013 to 31st October 2013 at the following locations:

• Shumba Coal: Plot 2780, Manong Close, Extension 9, Gaborone;
• Armstrongs Attorneys: 2nd Floor, Acacia House, Plot 74558, Cnr of Khamo Crescent Ext. & PG Matante Road, New CBD, Gaborone;
• Imara Capital Securities: 2nd Floor, Morojowa Mews Unit 6, Plot 74770 Western Commercial Road, CBD Gaborone; and
• Corporate Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone

6. BOARD OF DIRECTORS

Name and Nationality | Address | Title
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Alan Clegg (British) | Istanbul Park, Yeni, Istanbul, Turkey | Chairperson
Mashale Phumaphi (Mosselwani) | P.O. Box 2266 | Managing Director
Matloue Mokhathi (South African) | 15 Bryan Brook Estate, Witbank, Witbank, 2319, South Africa | Financial Director
Kapildeo Joory | Ancienne Route Publique De Moka Montagne Cyr, Moka, Mauritius | Director
Munesh Sharma (Mosselwani) | Black C2 Apartment 601, Pearl Court, -Cybervillage, Ebene, Mauritius | Director

7. IMPORTANT DATES

Circular posted to Shareholders by | 28 October 2013
Acquisition expected to become effective | 30 June 2014

Legal Advisor | Corporate Finance Advisor | Transfer Secretary
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Imara Investing in Africa | Imara Investing in Africa | Imara Investing in Africa

A Member of the Botswana Stock Exchange