Following the completion of a 4,000m drill programme at Sechaba focused on delineating to a higher accuracy the shallowest part of the deposit, the Directors of Shumba Coal are pleased to report that the coal resources at Sechaba have been upgraded with highlights as follows:

- There was a 19% increase in the reportable JORC Compliant Gross In-Situ coal resources at Sechaba to 1.14 Billion Tonnes
- The average reported seam thickness increased by over 20% in the “planned mining area” for both the Morupule Main and Taukome Bright Seams
- A new lower quality coal seam, the “Morupule Upper Seam”, was discovered above the previously known Morupule Main Seam
- 67 Million Tonnes of new Measured Resources were delineated and total Indicated Resources where increased by over 70% to 194 Million Tonnes; bringing total Measured and Indicated Resources to 261 Million Tonnes of coal
**Background to Sechaba**

The Sechaba project is located, at its centre point, at Latitude 22°09'24" South, Longitude 26°58'48" East, situated north-north-west of the town of Palapye. The elevation of the Project area is some 1,000 metres above mean sea level. The Sechaba project covers some 247 km² in the Central District of Botswana. It has approximately 1 billion tonnes of JORC compliant coal resources and is well positioned in terms of power, water, road and rail Infrastructure. Sechaba has the potential for multiple 300MW power station opportunities for domestic and export power markets; and could also export large tonnages via existing rail.

**Geology**

The coal-bearing carbonaceous sequence comprises up to 100 m of interbedded carbonaceous mudstones and mudstones with lesser amounts of siltstone and lenticular sandstone bands interbedded with the coal seams. The Karoo strata do not outcrop but rather sub-outcrop below (±20-30 m) the Kalahari Sands, consisting predominantly of sand and calcified sand.

The Morupule Formation, as defined in the Lechana Basin, extends from the base of the Morupule Main Seam to the base of the Middle Coal zone (Taufkome Bright Seam). Sediments consist mainly of mudstones and coals with some sandstones and rare mudstone conglomerates above and within the Morupule Main Seam.

**Typical Lithology in the Sechaba Area**
Three main coal horizons have been recognized in the Lechana Basin.

- The Upper Coal Zone (UCZ1-3 and equivalent to the Serowe Bright Seam in the Morupule Basin) has generally been discounted as an economic mining target because of the thinness of its seams. However, in the extreme east section it occurs in thickness greater than 1.0m and limited quality parameters indicate a reasonable quality coal.

- The Middle Coal Zone a.k.a Taukome Bright Seam (MCZ and equivalent to the Lotsane Seam in the Morupule Basin) forms an extensive continuous occurrence of coal in the Lechana Basin extending from sub-crop in the east to some depth in the west.

- The Lower Coal Zone (LCZ1-2 and equivalent to the Morupule Main Seam in the Morupule Basin) forms an extensive continuous occurrence of coal in the Lechana Basin extending from sub-crop in the east to some depth in the west.

The coal deposit type is described as a multiple seam deposit type comprising discrete coal seams of decreasing age progressing upwards through the sedimentary sequence.

**Recent Exploration**

A total of approximately 4,000 meters were drilled by Shumba Coal. The drilling grid was planned after consideration of historical work undertaken by Total Coal Botswana, Aquila Coal and African Energy Botswana. The drilling grid was designed on the original 60° diagonal grid used by Total with borehole spacing of between 500 meters and two kilometers. Drilling was aimed on extending the borehole grid to the South and East targeting the shallow part of the Lechana Basin and specifically the Morupule Main and Taukome Bright Seams.

**Resources**

All coal intersections were sampled and submitted to an SANAS 17025 accredited analytical laboratory for physical and chemical test work. All the borehole data was loaded into a GBIS Borehole database, validated and processed by an experienced coal geologist. The data was then dumped from the GBIS database and imported into the modelling database. Geovia Minex was the modelling software package used, modelling then from base principles could commence. The resources were classified and reported according to the JORC Resource Code of Australia and were supervised by senior consultants at GEMECS.

In principle, the main criteria for resource classification are based on the number of boreholes intersecting a particular coal seam(s) within a specified area, plus the confidence in projecting the coal quality across each coal seam, based on the analysis performed on samples taken from the borehole cores of the individual seam intersections.

Resource Classification was also guided by the following:

- Borehole density
- Geological and grade continuity
- Raw Ash Content
- Geological structure and its influence on possible mining (dolerite dykes and sills plus faults)
- Complexity of the geology.
The borehole density and spatial distribution of cored boreholes, sampled and analyzed for raw ash content, is sufficient to allow for confident extrapolation of physical and quality parameters between boreholes and also allows for the coal resources to be adequately categorized into Inferred, Indicated and Measured Resources as per the JORC Code.

The table below shows the resource details, with proximate analyses reported on an air-dried basis. The tonnages account for losses due to modelled dolerite dykes and sills plus geological loss factor.

Coal washability analysis has been completed and results are currently being modelled in order for the Company to assess what mix of products should be pursued.

Yours Sincerely,

MASHALE PHUMAPHI - Managing Director

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ABOUT SHUMBA

Shumba Coal is a Botswana Stock Exchange listed Junior Coal Miner with a focus of becoming a leading producer of sustainable low cost thermal coal. Our flagship Sechaba Project has approximately 1 billion tonnes of JORC compliant coal resources and is well positioned in terms of power, water, road and rail Infrastructure. Sechaba has the potential for multiple 300MW power station opportunities for domestic and export power markets; and could also export large tonnages via existing rail.

Qualifications of Competent Person

Gemecs’ independence is ensured by the fact that it holds no equity in any ongoing or planned projects. This permits Gemecs to provide its clients with conflict-free and objective recommendations on crucial judgement issues. Gemecs has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, CPR’s, and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide.

Gemecs, nor any of its employees or associates, are employed by Shumba Coal Ltd.

The person with overall responsibility for reporting of the Mineral Resources is Coenraad D van Niekerk, Pr.Sci.Nat, M.Sc (Geology), MDP, FGSSA, who is a senior coal geologist at Gemecs. Mr van Niekerk is a mining geologist with 38 years’ experience in the mining industry.
The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the ‘JORC Code’) sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code and references to “Measured Resources”, “Inferred Resources” and “Indicated Resources” are to those terms as defined in the JORC Code.

Forward Looking Statements

This document referred to in it contain forward-looking statements. These statements relate to the future prospects developments and business strategies of the Company and its subsidiaries (the “Group”). Forward-looking statements are identified by the use of such terms as “believe”, “could”, “envisage”, “estimate”, “potential”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements contained in this Presentation are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group’s actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this Presentation.

No undertaking, representation, warranty or other assurance, expressed or implied, is made or given by or on behalf of the Company, Broker, or any of their respective directors, officers, partners, employees or advisers or any other person as to the accuracy or the completeness of the information or opinions contained herein and to the extent permitted by law no responsibility or liability is accepted by any of them for any such information or opinions. Notwithstanding the aforesaid, nothing in this paragraph shall exclude liability for any representation or warranty made fraudulently.