SHUMBA COAL LIMITED
(“the Company” or “Shumba Coal”)
Incorporated in accordance with the laws of Mauritius on the 28th of August 2012
Company Number 111905 and registered as an external company on the 4th of February 2013
(BSE code: SHUMBA ISIN: BW 000 000 1189)

LISTING ON THE VENTURE CAPITAL MARKET OF THE BOTSWANA STOCK EXCHANGE BY WAY OF PLACING

Announcement relating to the placing of 7,111,100 ordinary shares of no par value in Shumba (“Shumba Shares”) at a placing price of P1.00 per Shumba Shares and the subsequent listing of 168,846,078 Shumba Shares on the Venture Capital Market (“VCM”) of the Botswana Stock Exchange (“BSE”) on the 8th of April 2013.

This announcement is published in accordance with BSE Listing Requirements and contains salient features of Shumba Coal and the listing of the Company on the VCM of the BSE. Details of the availability of the pre-listing statement are set out in paragraph 5 below. This announcement is not a full pre上市 statement.

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 focussed 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 license 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 raised BWP 7.1 million through the placing of 7,111,100 Shumba Shares. The proceeds of this placing will be applied towards conducting a full Preliminary Feasibility Study in the coming 18 months.

The Company intends to pursue a secondary listing on the Mauritius Stock Exchange in the future.

Application has been made to the Listings Committee of the BSE, which has agreed to grant approval for a listing of 168,846,078 Shumba Shares on the VCM of the BSE, subject to compliance with the BSE’s Listing Requirements. It is expected that such listing will become effective and that dealings in Shumba Shares will commence from the 8th of April 2013. The listing will be on the VCM of the BSE, under the abbreviated name “SHUMBA” and trading code “SHU”.

2. OVERVIEW 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. Through its subsidiary, Shumba Resources Limited and other related companies (“the Shumba Group”) it has the rights to a portfolio of coal exploration assets in Botswana. The most advanced is the Sechaba Project which has approximately 1 billion tonnes of thermal coal resources. Furthermore as a local company which is majority controlled by Batswana, the Company intends to develop its coal resources in Botswana as far as possible for the benefit of the country.

The Sechaba Project is located, at its centre point, at Latitude 22°09’24” South, Longitude 26°58’48” East, some 47 km north-north-west of the town of Palapye. The elevation of the Project area is some 1,000 m above mean sea level. The boundaries of the respective prospecting licence areas as well as the limits of the estimated coal resources have been supplied by Sechaba Natural Resources (Pty) Limited (part of the Shumba Group), who are the owners of the Lechana Exploration Property (“Sechaba Assets”). The Sechaba Asset covers some 247 km2 in the Central District of Botswana. Due to its proximity to the A1 highway and the existence of large resources of ground water and two river basins, the project is potentially well situated for the development of a mine and a power station.

3. PROPOSED EXPLORATION ACTIVITIES
In the first year Shumba Coal will continue its current exploration drilling programme to define a resource area, of suitable size for its proposed mine to sustain mining activities for a minimum of 30 years.

- Undertake cored borehole drilling at 25 locations on a 500m grid over defined area of interest to delineated the required resource area of the current Sechaba Natural Resources geological model.
- Geophysical hole logging where ever coal seams in the Lower Karoo sediments are intersected in the drill programme.
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- Geological logging and sampling of the coal horizons for analysis.
- Geological modelling to establish JORC compliant resource at a Measured and Indicated level.
- Commence Base line Environmental Impact Assessment (“EIA”) studies and submit to Department of Environmental Affairs (“DEA”) for approval to commence full EIA.
- Continuation of EIA after receipt of comments from DEA.
- The second year of exploration and assessment will comprise of the undertaking and reporting of reports required to prepare a submission to Department of Mines for a Mining Licence.
- Any additional drilling as required from the previous work to clarify points in the geological model and for acquiring information for the open pit/shaft design. A further programme 8 cored boreholes drilled at locations as defined by the results of the first years work.
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- Prefeasibility Study for a mining operation in line with the potential market as defined by the Scoping Study.
- Continuation and completion of full EIA.

4. KEY HIGHLIGHTS OF SHUMBA COAL

- Focused on Botswana’s relatively untapped coal reserves estimated at around 212 billion tonnes.
- Owns Sechaba with approximately 1 Billion Tonnes of good quality export thermal coal.
- Has a strong and highly experienced management team.
- Planning further billion tonne coal acquisitions in the near future.
- Raised roughly USD2.2 million in the last year, in addition to the BWP7.1 million raised in the recent placing.
- Completed a Positive Scoping Study on the Sechaba Coal Project.
- Partnered with Bridge House Capital which is one of the United Kingdom’s leading power developers and power plant operators.
- New coal discovery on its greenfield exploration licenses.

5. PRELISTING STATEMENT

The pre-listing statement for Shumba Coal sets out further information on the Company, including details of the Scoping Study on the Sechaba Project, the Competent Persons Report and Accountants’ Reports.

Copies of the pre-listing statement will be available during normal business hours from 3rd of April 2013 to 8th of April 2013 at the following locations:

- Shumba Coal: Plot 2780, Manong Close, Extension 9, Gaborone;
- Armstrongs Attorneys: 2nd Floor, Acacia House, Plot 74358, Cnr of Khama Crescent Ext & PG Matante Road, New CBD, Gaborone;
- Imara Capital Securities: 2nd Floor, Morojwa Mews Unit 6, Plot 74770 Western Commercial Road, CBD Gaborone; and
- Corpserve Unit 3, First Floor, Kwenam House, Plot 117, Gaborone International Finance Park.

6. RATIONALE FOR THE LISTING

The rationale for the listing of Shumba Coal on the VCM of the BSE including the following:

- To establish a platform for the future raising of development capital to realize Shumba Coal’s growth plans.
- To raise the regional profile of Shumba Coal and its brand.
- To improve the liquidity of the share.
- To make Shumba Coal a more attractive investment opportunity for market participants.
- It provides Shumba Coal with an additional market through which the group’s projects may be developed and funded.
- It frees capital to consolidate Shumba Coal’s position in the industry by acquisition of other potential mineral assets or companies holding those assets.
- Whilst access to capital is not one of the primary reasons for the listing, the Company would like to be in a position where access to capital is facilitated to accommodate future growth.
- It promotes staff participation, incentivisation, motivation and retention.
It adds value to Shumba Coal’s proposition to clients and to prospective partners and staff. The acquisition of people talent is the key to future sustainability of the Company.

It will consolidate and improve the managing and reporting structures in place and in use and will challenge Shumba Coal to beat their own expectations of success.

It focuses the attention of prospective investors on the merits of investing in Shumba Coal, thereby helping to enlarge the potential investor base for Shumba Shares.

7. BOARD OF DIRECTORS

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<thead>
<tr>
<th>Name and Nationality</th>
<th>Address</th>
<th>Title</th>
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<tbody>
<tr>
<td>Alan Clegg (British)</td>
<td>Istanbul Park Yolu, Millennium Park Evleri, B88, Akfirat, Tuzla, 34959, Istanbul, Turkey</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Mashale Phumaphi (Motswana)</td>
<td>P.O. Box 2266 Francistown Botswana</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Thapelo Mokhati (South African)</td>
<td>15 Bryan Brook Estate, Witkoppen Road, Paulshof, 2191, South Africa</td>
<td>Financial Director</td>
</tr>
<tr>
<td>Kapildeo Joory (Mauritian)</td>
<td>Ancienne Route Publique De Moka Montagne Ory, Moka, Mauritius</td>
<td>Director</td>
</tr>
<tr>
<td>Munesh Sharma Ramnauth (Mauritian)</td>
<td>Block C2 Apartment 601, Pearl Court - Cybervillage, Ebene, Mauritius</td>
<td>Financial Director</td>
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8. IMPORTANT DATES

Pre-listing Statement available from 3 April 2013
Publication of Announcement 5 April 2013
Listing of Shumba on the VCM of BSE 8 April 2013

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<tr>
<th>Lead Advisor</th>
<th>Corporate Finance Advisor</th>
<th>Transfer Secretary</th>
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<td>ARMSTRONGS</td>
<td>IMARA INVESTING IN AFRICA</td>
<td>Corpserve Botswana</td>
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<th>Reporting Accountants</th>
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<td>Grant Thornton</td>
<td>Imara Capital Securities (Pty) Limited</td>
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Imara Capital Securities (Pty) Limited
A Member of the Botswana Stock Exchange