



SHUMBA
E N E R G Y
Powering the Future

Shumba Energy Ltd
Plot 2780, Manong Close
Gaborone, Botswana

(A public company registered in the Republic of Mauritius - Company No. 111905 C1/GBL)

QUARTERLY MARKET UPDATE – 31 March 2022

BACKGROUND

Shumba Energy Ltd (“Shumba” or the “Company”) is an energy development company based in Botswana and listed on the Botswana Stock Exchange (BSE: SHUMBA). The Company offers the advantage of being based in a country with the best credit rating in sub-Saharan Africa with a stable fiscal and political setting. Established in 2011, the company is reaching its development objectives and now controls a significant portion of advanced energy projects in Botswana. Shumba is developing a portfolio of Projects servicing energy poor Southern Africa with emphasis on those with the least energy access. For Shumba “Powering the Future” means addressing chronic power shortages head-on and supplying energy to affected southern African countries in a sustainable and cost-effective manner. The Company’s main activity areas include renewable energy, trading and mining.

Shumba Energy has several energy assets in the advanced development stage as follows:

TATI SOLAR PROJECT

Ownership: 80%

Shumba has secured rights to a world class 100 MW solar project near the city of Francistown, Botswana, and is currently in the late stage of developing the Solar farm on a project site of 295 hectares (ha). The Project is a key strategic initiative in the region. During the current year the company obtained the environmental approvals from the Departments of Environmental Affairs. The company further obtained a generation license for the project from Botswana Energy Regulatory Authority (BERA). During the previous quarter the company secured funding of USD1 million to fund the development costs for the solar project. In the current quarter the company raised USD570,000 from additional investment in the form of a convertible loan note. Work on site during the quarter consisted primarily of thorough geotechnical investigation.

SECHABA PROJECT

Licenses: Prospecting License 053/2005 & 218/2016

Ownership: 100%

The project is in the Palapye region and has 1.1 billion tonnes gross in-situ. The project is covered by 2 prospecting licenses both of which are up to date and current with the department of mines. The coal is of a quality suitable for both power generation and coal exports. The Environmental and Social Impact Assessment and the mine feasibility studies for the project have been completed. The company is currently in an advanced stage to being granted the land rights for the project.

MORUPULE SOUTH RESOURCES PROJECT**License: Prospecting License 121/2010****Ownership: 97.5%**

The project is also based in the Palapye region, 5km from the railway siding and has 2.45 billion tonnes gross in-situ. The project is covered by 1 license which is up to date and current with the department of mines. The coal is of a quality suitable for use in both the coal exports and for power generation. At the beginning of the quarter the group owned 97.5% of the project. Further the company has previously submitted the Environmental and Social Impact Assessment for review by the Department of Environmental Affairs for review and approval.

MABESEKWA PROJECT**License: Prospecting License 428/2009****Ownership: 65%**

The project is based in the Francistown region. The project has a total of 0.9 billion tonnes gross in-situ. In 2018 the company entered into a partnership agreement with Kibo Energy plc, an AIM listed entity. The project is covered by 1 license which is up to date and current with the department of mines. The Environmental and Social Impact Assessment and mine feasibility have been completed. A mining license application has been submitted to the department of mines.

The quarterly reporting to the department of mines is as follows:

All figures in USD

	PL053/2005		PL218/2014		PL121/2010
Direct Expenditure		Direct Expenditure		Direct Expenditure	
Drilling	-	Drilling	-	Drilling	-
Geotechnical	-	Geotechnical	-	Geotechnical	-
Environmental	-	Environmental	-	Environmental	-
Consulting	-	Consulting	-	Consulting	-
Total	-	Total	-	Total	-
Indirect Expenditure		Indirect Expenditure		Indirect Expenditure	
Salaries and Wages	7 309	Salaries and Wages	3 655	Salaries and Wages	7 309
Travel & Accommodation	-	Travel & Accommodation	-	Travel & Accommodation	-
Administrative Costs	8 423	Administrative Costs	4 211	Administrative Costs	8 423
Financing Costs	55 095	Financing Costs	27 548	Financing Costs	55 095
Total	70 827	Total	35 414	Total	70 827

Additional Information:

- a) There have been no mining development activities with regard to any of the licenses held by Shumba Energy.
- b) The exploration activities per license and money used per activity is disclosed in the table above.
- c) The quarterly cash flow update is attached herewith.
- d) Determination of mineral resources and/or reserves is achieved through use of recognized standards of reporting of JORC.
- e) The company continues to manage to impact of the COVID-19 pandemic.
- f) During the quarter the company was due to hold an Extraordinary General Meeting to approve the redomiciliation of the company from Mauritius to Botswana. The EGM was postponed by the directors in the various announcements made by the company through the exchange.

By order of the Board

This Announcement is issued, in compliance with the Botswana Stock Exchange Equity listing requirements and pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007.

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

