



**SHUMBA**  
E N E R G Y  
Powering the Future

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Grand Bay, 30529  
Republic of Mauritius

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

#### **QUARTERLY MARKET UPDATE – 31 March 2024**

Shumba Energy Ltd (“Shumba” or the “Company”) is an energy development company based in Botswana and listed on the Botswana Stock Exchange (BSE: SHUMBA). Being based in a jurisdiction that continues to offer both a top investment rating for Mineral resources development by the Fraser Institute and the best credit rating in sub-Saharan Africa with a stable fiscal and political setting, is a major advantage and risk mitigator.

The company continues to strive to achieve key development objectives and maintains control and a leading position of the advanced energy projects in Botswana. Shumba continues to develop a portfolio of Projects for servicing Southern Africa’s energy deficit with emphasis on state-of-art technology deployment and low impact emissions.

The Company’s main activity areas include development of production and trading/export of thermal coal, generation of utility scale renewable energy by 2025, medium term generation of new base load energy from ‘HELE’ (High Efficiency Low Emissions) thermal power plants, and medium-long term production of Liquid Fuels using state-of-art STL (Solids to Liquids) technologies with experienced partners.

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

#### **TATI SOLAR PV PROJECT - Ownership:80%**

We are pleased to report that our flagship 100 MW solar PV project near Francistown, Botswana, is making steady progress towards financial closure. Despite the complexities involved, we maintain a cautiously optimistic outlook on achieving this critical milestone by the end of Q4 FY2024.

A significant step forward has been the selection of a Tier 1 Contractor as our preferred partner for the project. We are now focused on finalizing the capital investment requirements. Our current projections indicate that project completion is expected in Q4 FY2025, at which point we anticipate realizing substantial value for the company. The Tati project has also secured approval for water supply via a nearby pipeline, ensuring the availability of this essential resource during the construction phase.

Furthermore, we are delighted to announce that the project has been granted conditional membership by the Southern African Power Pool (SAPP) during the current quarter. This membership category is designed to support generators by confirming their participation in SAPP power markets once the projects become commercially operational. This development underscores the potential of our project and its future role in the regional power market.

#### **Expenditures**

The project development expenditures for the quarter were as follows;

**All figures in USD**

Description	Expenditure
Site Development	62 106
Technical Consulting	-
Legal	9 685
Insurance	-
Financial Advisory	-
Accounting & Auditing	-
Other Development Costs	56 872
Land Leasing	-
<b>Total</b>	<b>128 663</b>

**SECHABA PROJECT - Licenses: Prospecting License 053/2005 & 218/2016; Ownership: 100%**

Discussions on terms with potential investment and operating partners is still ongoing in the face of the changing energy landscape and realisation that to reach a lower emissions future with sustainable base load power availability for continued economic development still very much includes Coal and Hydrocarbons. Establishment of the generation offtake arrangements via wheeling of power via the BPC infrastructure and the marketing and sales of power via the SAPP (Southern African Power Pool) is ongoing and the company is still engaged with the authorities and affected parties with respect to the land rights award for the surface infrastructure to enable issue of the mining right.

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

Morupule South Resources Limited (“**Morupule South**”) holds the exploration licenses over the Morupule South Project situated in the central eastern district of Botswana immediately south of Morupule Coal Mine with the prospecting license, PL121/2010 valid until 30 September 2024. Procedures around renewal of the licences have begun given the protracted nature of the obtaining of the land rights for the surface infrastructure to enable issue of the mining right.

The company disengaged with the department of mines on the obtaining of the bulk sample permission, as it was clear that such permit was not going to be issued without efforts to meet requirements that do not differ from a full mining right application. Accordingly, the company is proceeding in favour of the full mining licence application supported by an updated feasibility study.

**MABESEKWA PROJECTS - License: Prospecting License 428/2009; Ownership: 100%**

The Mabesekwa project area contains two elements, the Mabesekwa No.1 Mine and Independent Power plant to be developed within subsidiary Kibo Energy Botswana Pty Ltd (100% owned) and the Mabesekwa No.2 Mine and associated Coal to Liquids Plant to be developed under the subsidiary Coal Petroleum Ltd (80% owned).

The Mabesekwa Export Independent Power Project (“MEIPPP”) development is still under discussion of terms for acquisition and control by an investor group from India.

The Mabesekwa No.2 Mine is planned to be developed to feed the Coal to Liquids (CTL) Plant facility to produce up to 30,000bpd clean burning liquid fuels and associated petrochemical by-products. The company continues engaging with a major trading house with respect to products offtake and distribution within Botswana and across the SADC regional markets.

**Additional Information:**

- The development activities per license and money used per activity in the quarter is disclosed in the table herein below. It is to be noted that prudently the company continues to limit external project development expenses in favour of continuing as much work as possible utilising internal resources of its professional experienced employee team.
  
- The quarterly cash flow update is attached herewith.

The abridged unaudited financial for the 6 months period ended 31<sup>st</sup> December 2023 were approved for publication on 25 March 2024.

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

*All figures in USD*

	PL053 & PL218		PL428		PL121
<b>Direct Expenditure</b>		<b>Direct Expenditure</b>		<b>Direct Expenditure</b>	
Drilling	-	Drilling	-	Drilling	-
Geotechnical	-	Geotechnical	-	Geotechnical	-
Environmental	-	Environmental	-	Environmental	-
Consulting	-	Consulting	-	Consulting	-
<b>Total</b>	<b>-</b>	<b>Total</b>	<b>-</b>	<b>Total</b>	<b>-</b>
<b>Indirect Expenditure</b>		<b>Indirect Expenditure</b>		<b>Indirect Expenditure</b>	
Salaries and Wages	8 215	Salaries and Wages	4 063	Salaries and Wages	8 215
Travel & Accommodation	-	Travel & Accommodation	-	Travel & Accommodation	-
Administrative Costs	5 477	Administrative Costs	2 739	Administrative Costs	5 477
Financing Costs	127 274	Financing Costs	63 637	Financing Costs	127 274
<b>Total</b>	<b>140 966</b>	<b>Total</b>	<b>108 262</b>	<b>Total</b>	<b>140 966</b>

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.*

**APPENDIX 8A**  
Mining Company Quarterly Cash flow Update

Name of Company

Shumba Energy Ltd

BSE Code

SHUMBA

Quarter ended ("current quarter")

31-Mar-24

**Consolidated statement of cash flows**

		Current quarter USD	Year to date (6 months) USD
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	(115 797)	(336 209)
	(c) production	-	-
	(d) administration	(41 498)	(110 435)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Trading Costs	-	-
<b>Net Operating Cash Flows</b>		<b>(157 295)</b>	<b>(446 644)</b>
<b>Cash flow related to investing activities</b>			
1.8	Payment for purchase of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of :		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Proceeds from rights use	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows brought forward	-	-
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	87 814	353 194
1.17	Repayments of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if significant)	26 700	63 400
<b>Net financing cash flows</b>		<b>114 514</b>	<b>416 594</b>
<b>Net increase (decrease) in cash held</b>		<b>(42 781)</b>	<b>(30 049)</b>
1.20	Cash at beginning of quarter/year to date	55 568	42 836
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>12 787</b>	<b>12 787</b>

**Payments to directors of the company and associates of the directors payments to related entities of the company and associates of the related entities**

- 1.23 Aggregate amount of payment to the parties included item 1.2  
 1.24 Aggregate amount of loans to the parties included in item 1.10  
 1.25 Explanation necessary for an understanding of the transactions

Current quarter  
USD

100 000

-

Payment to the directors. Payment included as directors are considered related parties.

-

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a significant effect on consolidated assets and liabilities but did not impact cash flow

None

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

The outlays are mainly the development expenditure for the renewables projects

### Financing facilities available

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities  
3.2 Credit standby arrangements

Amount available USD	Amount used USD
-	-
-	-

### Estimated cash outflows for next quarter

- 4.1 Exploration and evaluation  
4.2 Development  
4.3 Production  
4.4 Administration

**Total**

USD
-
65 000
-
35 000
100 000

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

- 5.1 Cash on hand and at bank  
5.2 Deposit at call  
5.3 Bank overdraft  
5.4 Other (provide details)

**Total: Cash at end of quarter (item 1.22)**

Current quarter USD	Previous quarter USD
12 787	55 568
-	-
-	-
-	-
12 787	55 568

### Changes in interest in mining tenements

Tenement reference	Nature of interest	Interest at the beginning of quarter	Interest at the end of the quarter
6.1 Interest in mining tenements relinquished,	<i>No change</i>		
reduced or lapsed			
6.2 Interests in mining tenements acquired or increased	<i>No change</i>		