

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 12 MONTHS ENDED 30 JUNE 2022**

	<b>GROUP - 12 months ended</b>		<b>COMPANY - 12 months ended</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<b>USD (Audited)</b>	<b>USD (Audited)</b>	<b>USD (Audited)</b>	<b>USD (Audited)</b>
Revenue	487 609	661 635	-	-
Cost of sales	(423 293)	(568 077)	-	-
<b>Gross Profit</b>	<b>64 316</b>	<b>93 558</b>	-	-
Other income/(loss)	32 200	33 400	-	-
Operating expenses	(1 610 714)	(617 848)	(52 738)	(130 998)
Employee costs	(137 339)	(200 863)	-	-
<b>Operating loss</b>	<b>(1 651 537)</b>	<b>(691 753)</b>	<b>(52 738)</b>	<b>(130 998)</b>
Finance income	-	609	813 568	613 012
Finance cost	(558 056)	(505 306)	(524 278)	(481 056)
<b>Profit (loss) for the period</b>	<b>(2 209 593)</b>	<b>(1 196 450)</b>	<b>236 552</b>	<b>958</b>
Taxation	(31 142)	(339)	-	-
<b>Profit (loss) from continuing operations</b>	<b>(2 240 735)</b>	<b>(1 196 789)</b>	<b>236 552</b>	<b>958</b>
Other comprehensive income	-	-	-	-
Available-for-sale financial assets adjustment	-	-	-	-
Exchange difference on translating foreign operations	(3 544 291)	2 447 049	-	-
<b>Total comprehensive profit (loss) for the period</b>	<b>(5 785 026)</b>	<b>1 250 261</b>	<b>236 552</b>	<b>958</b>
<b>Profit (loss) attributable to:</b>				
Owners of the parent	(5 016 836)	1 026 065	236 552	958
Non-controlling interest	(768 190)	224 196	-	-
	<b>(5 785 026)</b>	<b>1 250 261</b>	<b>236 552</b>	<b>958</b>
Basic earnings per share (in thebe)	(0.01708)	0.00351	-	-
Number of Shares	293 676 389	292 617 333	-	-

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<b>USD (Audited)</b>	<b>USD (Audited)</b>	<b>USD (Audited)</b>	<b>USD (Audited)</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	376 249	427 994	-	-
Goodwill	2 745 662	2 745 662	-	-
Exploration assets	13 718 191	15 491 795	-	-
Right of Use Asset	338 508	385 846	-	-
Investment in subsidiary	-	-	2 030 743	2 030 743
Loans	-	-	20 128 867	19 542 017
Financial Assets	88 377	99 803	-	-
<b>Current Assets</b>				
Receivables and prepayments	53 188	2 705 646	1 806 261	1 808 378
Cash and cash equivalent	468 028	18 159	49	52
<b>Total Assets</b>	<b>17 788 203</b>	<b>21 874 905</b>	<b>23 965 920</b>	<b>23 381 190</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Equity attributable to owners of the parent</b>				
Stated capital (including advance against stated capital)	17 795 944	17 770 830	17 795 944	17 770 830
Reserves	(1 008 673)	2 118 340	-	-
Accumulated loss	(12 291 090)	(10 440 370)	(1 718 446)	(1 928 383)
Non-controlling interest	3 140 743	2 984 390	-	-
<b>Total equity</b>	<b>7 636 924</b>	<b>12 433 190</b>	<b>16 077 498</b>	<b>15 842 447</b>
<b>Non-Current Liabilities</b>				
Loan notes	4 617 123	3 709 731	4 212 473	3 709 731
Finance Lease Liability	333 446	405 978	-	-
Deferred consideration	1 500 000	1 500 000	1 500 000	1 500 000
	<b>6 450 569</b>	<b>5 615 709</b>	<b>5 712 473</b>	<b>5 209 731</b>
<b>Current Liabilities</b>				
Trade and other payables	3 700 710	3 824 613	2 175 949	2 329 012
Current tax payable	-	1 393	-	-
<b>Total Current Liabilities</b>	<b>3 700 710</b>	<b>3 826 006</b>	<b>2 175 949</b>	<b>2 329 012</b>
<b>Total Liabilities</b>	<b>10 151 279</b>	<b>9 441 715</b>	<b>7 888 422</b>	<b>7 538 743</b>
<b>Total Equity and Liabilities</b>	<b>17 788 203</b>	<b>21 874 905</b>	<b>23 965 920</b>	<b>23 381 190</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 12 MONTHS YEAR ENDED 30 JUNE 2022**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<b>USD (Audited)</b>	<b>USD (Audited)</b>	<b>USD (Audited)</b>	<b>USD (Audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash generated from operations	1 454 935	(1 673 916)	(816 879)	-
Interest Income	-	609	813 568	-
Finance Costs	(558 056)	(505 306)	(524 278)	(613 012)
Tax paid	-	-	-	-
<b>Net cash from operating activities</b>	<b>896 879</b>	<b>(2 178 613)</b>	<b>(527 589)</b>	<b>(576 664)</b>
Net cash from investing activities	11 426	5 434	-	-
Net cash from financing activities	320 617	99 174	527 586	576 511
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>1 228 922</b>	<b>(2 074 005)</b>	<b>(3)</b>	<b>(153)</b>
Cash and cash equivalent at the beginning of the period	(20 400)	79 132	52	205
Effects of exchange rate movements	(758 223)	1 974 473	-	-
<b>Total cash and cash equivalents at the end of the period</b>	<b>450 299</b>	<b>(20 400)</b>	<b>49</b>	<b>52</b>
Cash and cash equivalent made up of				
Cash at bank	468 028	18 159	49	52
Bank overdraft	(17 729)	(38 559)	-	-
	<b>450 299</b>	<b>(20 400)</b>	<b>49</b>	<b>52</b>

**Notes on Resources Statement**

Shumba Energy has over 4 billion tons of coal of which an excess of 1 billion tons have been drilled to indicated and measured levels. These are the highest confidence levels of exploration drilling and allowable resources to be converted to mineral reserves for mining purposes

Sechaba Project coal can be used for generating power and international export coal. The group has entered into a strategic partnership with Lucro Group South Africa for the development of the Sechaba project

The multiple Thermal coal products from Morupule South Project may be sold into both Power Generation and Industrial markets both locally and internationally according to demand and the company's overall trade and supply demands.

The group entered into an agreement with Kibo Energy plc ("Kibo") to consolidate the Mabesekwa resource. Previously Kibo acquired 85% of one third of the resource with the group holding the remaining two thirds. In the new agreement Kibo will hold 35% of the consolidated resources and the group will hold the remaining 65%

**By order of the board**

The audited financial statements for the 12 months ended 30 June 2022 is in compliance with International Financial Reporting Standards (IFRS).

The standard used for the disclosure of Mineral Resources, results, exploration is the JORC code

The Board of Directors accepts full responsibility of the accuracy of the information contained in the report.

The statement of direct and indirect directors and senior officers pursuant to section 8(2)(M) of the Securities (disclosure obligations of reporting issuers) rules 2005 is available free of charge at the registered office of the Company at Suite 204, Grand Baie, Chemin Vingt Pieds, Grand Bay 30529



## **Independent auditors' report To the members of Shumba Energy Ltd**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Shumba Energy Ltd, the "Company" and its subsidiaries, collectively referred to as the "Group", which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 22 to 65 give a true and fair view of the financial position of the Group and the Company as at 30 June 2022 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter**

We draw attention to Note 27 of the consolidated financial statements on the basis of preparation of these consolidated financial statements and the fair value of the exploration costs. Our opinion is not modified in respect of these two matters.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 30 June 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The only key audit matter identified in relation to the audit of the consolidated financial statements is as described overleaf.



## **Independent auditors' report (Continued)** **To the members of Shumba Energy Ltd**

### **Report on the Audit of the Consolidated Financial Statements (Continued)**

#### **Risk Description**

##### *Exploration assets*

We focussed on the exploration assets due to the size of the balance on the consolidated statement of financial position and the key judgements, assumptions and estimates used by the Group to assess the recoverability of the costs incurred so far. These include reserves and resources estimates, production estimates, economic factors like coal prices on the market, the movement in exchange rates, exploration costs to be incurred and the renewability of the tenement rights and the effects of Covid-19 pandemic.

#### **How audit responded to this matter**

Our audit procedures included among others:

- confirmed that tenement rights are still valid and adherence to tenement requirements.
- ensure exploration assets are capitalised in compliance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*.
- confirmed that management is closely monitoring the progress of the exploration presently undertaken and all deviations are addressed.
- ensured that external analyst reports are available in support for all assumptions and estimates used in financial forecasts.

#### **Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")**

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Information, Commentary of the Directors, and the Chairman's Report sections but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.





## **Independent auditors' report (Continued) To the members of Shumba Energy Ltd**

### **Report on the Audit of the Consolidated Financial Statements (Continued)**

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## **Independent auditors' report (Continued)** **To the members of Shumba Energy Ltd**

### **Report on the Audit of the Consolidated Financial Statements (Continued)**

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company and its subsidiaries other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.





**Independent auditors' report (Continued)**  
**To the members of Shumba Energy Ltd**

**Other Matter**

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

  
Grant Thornton  
 Chartered Accountants

  
YNUBEE, FCCA  
 Licensed by FRC

Date: **16 JUN 2023**

Ebene 72201, Republic of Mauritius