



SHUMBA
E N E R G Y
Powering the Future

Shumba Energy Ltd
IFS Court
Bank Street
TwentyEight CyberCity
Ebene 72201
Republic of Mauritius

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

QUARTERLY MARKET UPDATE - 31 MARCH 2019

BACKGROUND

Shumba Energy Ltd (“Shumba” or the “Company”) was established in 2011 with the aim to provide the SADC region with low cost energy.

The Company has been reaching its development objective and now controls close to 4.5 billion tonnes of coal resources. Main activities include project development and mining, coal trading and power generation.

Shumba Energy has 3 assets in development stage. These are as follows

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 export. As at 31 March 2019 the Environmental and Social Impact Assessment and the mine feasibility studies for the project have been completed.

MORUPULE SOUTH RESOURCES PROJECT

License: Prospecting License 121/2010

Ownership: 75%

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 export market and for power generation. As at 31 March 2019 the Environmental and Social Impact Assessment and the mine feasibility study for the project were both underway.

MABESEKWA PROJECT

License: Prospecting License 428/2009

Ownership: 15% of 300 million in-situ and 100% of 600 million in-situ

The project is based in the Francistown region. The project has a total of 1 billion tonnes gross in-situ. In 2018 the company entered into an agreement with Kibo Energy plc, an AIM listed entity whereby Shumba sold 85% of an area equivalent to 300 million tonnes in-situ. The project is covered by 1 license which is up to date and current with the department of mines. As at 31 March 2019 the Environmental and Social

Impact Assessment and mine feasibility have been completed. A mining license application has been submitted to the department of mines.

- 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 below.

	PL 053/2005		PL 308/2014		PL 121/2010
Direct Expenditure		Direct Expenditure		Direct Expenditure	
Drilling	-	Drilling	-	Drilling	-
Geotechnical	-	Geotechnical	-	Geotechnical	-
Enviromental	-	Enviromental	-	Enviromental	243,387
Consulting	40,000	Consulting	40,000	Consulting	40,000
Total	40,000	Total	40,000	Total	283,387
Indirect Expenditure		Indirect Expenditure		Indirect Expenditure	
Salaries and Wages	605,255	Salaries and Wages	320,627	Salaries and Wages	605,255
Travel & Accomodation	205,877	Travel & Accomodation	102,938	Travel & Accomodation	205,877
Administrative Costs	390,549	Administrative Costs	195,274	Administrative Costs	390,549
Financing Costs	959,945	Financing Costs	479,972	Financing Costs	959,945
Total	2,161,625	Total	1,098,812	Total	2,161,625

- c) Shumba has neither acquired nor disposed of any mining tenements during the quarter.
- d) The quarterly cash flow update is attached herewith.
- e) Determination of mineral resources and/or reserves is achieved through use of recognized standards of reporting of JORC.

By order of the Board

30 April 2019

This Communiqué 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 Communiqué.

APPENDIX 8A
Mining Company Quarterly Cash flow Update

Name of Company

Shumba Energy Ltd

BSE Code

SHUMBA

Quarter ended ("current quarter")

31-Mar-19

Consolidated statement of cash flows

		Current quarter USD '000	Year to date (9 months) USD '000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	120,804	469,688
1.2	Payments for (a) exploration and evaluation	(75,644)	(75,644)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(274,604)	(1,428,606)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,226	14,591
1.5	Interest and other costs of finance paid	(102,408)	(465,172)
1.6	Income taxes paid	-	(1,330)
1.7	Other (provide details if significant)	-	-
Net Operating Cash Flows		(330,626)	(1,486,473)
Cash flow related to investing activities			
1.8	Payment for purchase of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(616)	(3,637)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	70,170	70,170
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if significant)	-	-
Net investing cash flows		69,554	66,533
1.13	Total operating and investing cash flows brought forward		
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	1,703,600
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayments of borrowings	(7,001)	(1,372,808)
1.18	Dividends paid	-	-
1.19	Other (provide details if significant)	-	-
Net financing cash flows		(7,001)	330,792
Net increase (decrease) in cash held		(268,073)	(1,089,148)
1.20	Cash at beginning of quarter/year to date	361,026	1,352,602
1.21	Exchange rate adjustments to item 1.20	133,819	(36,682)
1.22	Cash at end of quarter	226,772	226,772

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 '000

34,190

-

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

Shumba holds a financial asset, recognised as held for trading, comprising shares in Kibo Energy plc, an AIM listed entity. The Kibo share price has declined by over 53% in the quarter to 31 March 2019

- 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

There have been no outlays in the quarter ended 31 March 2019

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 '000	Amount used USD '000
-	-
-	-

Estimated cash outflows for next quarter

- 4.1 Exploration and evaluation
4.2 Development
4.3 Production
4.4 Administration

Total

USD '000
250,000
-
-
325,000
575,000

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 '000	Previous quarter USD '000
226,772	361,021
-	-
-	-
-	-
226,772	361,021

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, reduced or lapsed	<i>No change</i>		
6.2 Interests in mining tenements acquired or increased	<i>No change</i>		