



SHUMBA
E N E R G Y
Powering the Future

Shumba Energy Ltd
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Republic of Mauritius

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

QUARTERLY MARKET UPDATE – 31 DECEMBER 2019

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). Shumba Energy has in recent years progressed from an exploration company to a development company and sits on over 4.5 billion tons of thermal coal. As a major industry player, Shumba Energy’s mission is to satisfy the growing energy demand in the SADC region through various strategies. 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. Established in 2011, Shumba now owns a significant portion of advanced energy projects in Botswana and is uniquely positioned with its strategy to develop energy projects that are unaffected by the volatility of global coal prices. The Company’s main activities include project development and mining, coal trading, power generation and energy fuels.

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 coal exports. The Environmental and Social Impact Assessment and the mine feasibility studies for the project were completed in the previous quarter ended 30 September 2019.

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. The Environmental and Social Impact Assessment and the mine feasibility study for the project are both underway. During the previous quarter ended 30 September 2019 Shumba increased its shareholding in the project to 97.5% from 75%.

MABESEKWA PROJECT**License: Prospecting License 428/2009****Ownership: 15%**

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 whereby Shumba retained 15% of the prospecting license. 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 and a mining license application has been submitted to the department of mines.

As reported in the previous quarter Shumba signed a heads of agreement with Kibo Energy PLC to reposition and strategically leverage the Mabesekwa project. Under the agreement the parties will jointly manage and oversee the development of a bespoke 300MW power station which will power a PetroChemical plant which provide Botswana and Southern Africa with liquid fuels.

	PL053/2005		PL218/2014		PL121/2010
Direct Expenditure		Direct Expenditure		Direct Expenditure	
Drilling	-	Drilling	-	Drilling	-
Geotechnical	-	Geotechnical	-	Geotechnical	-
Environmental	-	Environmental	-	Environmental	32 984
Consulting	-	Consulting	-	Consulting	-
Total	-	Total	-	Total	32 984
Indirect Expenditure		Indirect Expenditure		Indirect Expenditure	
Salaries and Wages	66 338	Salaries and Wages	33 169	Salaries and Wages	66 338
Travel & Accommodation	13 233	Travel & Accommodation	6 617	Travel & Accommodation	13 233
Administrative Costs	34 295	Administrative Costs	17 148	Administrative Costs	34 295
Financing Costs	93 738	Financing Costs	47 380	Financing Costs	93 738
Total	207 604	Total	103 802	Total	207 604

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

Additional Information;

- There have been no mining development activities with regard to any of the licenses held by Shumba Energy.
- The exploration activities per license and money used per activity is disclosed in the table above.
- 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) In the previous quarter the group completed a joint venture partnership which has led to it holding 80% equity in Coal Petroleum. Coal Petroleum is a company focused on the development of a commercial scale liquid fuels production facility in Botswana.

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.

