



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 – 30 SEPTEMBER 2021

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.

During this previous quarter, the company entered into a co-development agreement with Solarcentury Africa to utilise their combined capabilities and strengths to deliver renewable energy and storage projects together in Southern Africa. This follows the Company’s recent announcement that further to an extensive review of the Company’s operations, the Company’s primary focus in the immediate term going forward will be on delivery of renewable energy projects.

Solarcentury Africa is a market leader in the development of solar PV and storage projects with a decade of experience across multiple African countries. Solarcentury Africa is a vertically integrated developer using cutting edge design, smart technologies and robust controls to generate clean and economical power for businesses, communities and investors. Solarcentury Africa is part of the BB Energy Group, one of the largest independent energy trading companies with a fast-growing renewable energy division

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

TATI SOLAR PROJECT

Ownership:100%

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 Phase 1, a 50 MW Solar farm on a project site of 295 hectares (ha) owned by Shumba. The Project is part of a two-phase program to develop the full 100 MW solar capacity of the site as a key strategic initiative in the region.

During the current quarter 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)

Post the reporting date the company has been successful in securing funding to bring the project to financial close.

POORTJIE WES WIND AND SOLAR PROJECTS

Ownership: 60%

Shumba is developing a combination of solar and wind farms which combined will produce 500MW of renewable energy in the Western Cape province of South Africa. The project is advanced with approximately 3,000 hectares of land secured, civil Aviation Authority Approval in place, over 5 years of wind data and preliminary environmental studies completed. The Project will take part in South Africa's REIPPP bid window 6 in Q1 2022 and can also supply power directly to industrial users in South Africa.

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 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. 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

Additional Information:

- a) There have been no mining development activities with regard to any of the licenses held by Shumba Energy.

	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	8 400	Salaries and Wages	4 200	Salaries and Wages	8 400
Travel & Accommodation	-	Travel & Accommodation	-	Travel & Accommodation	-
Administrative Costs	3 250	Administrative Costs	1 800	Administrative Costs	1 500
Financing Costs	37 500	Financing Costs	18 750	Financing Costs	37 500
Total	49 150	Total	24 750	Total	47 400

- 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 COVID-19 pandemic continued to have an adverse impact on the group during the quarter, as a result of the reduction in activity across the 3 jurisdictions that the entity operates in, due to the lockdowns imposed during the quarter.

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.