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 coal can be used for generating power and international export coal; and Mabesekwa coal can be used for generating power and international export coal.

The multiple Thermal Coal products producible from Morupule South may be sold into both Power Generation and Industrial Markets, both locally and internationally. 

Sechaba Project

- Lower A: 15.6
- Middle A: 20.3
- Upper A: 20.7
- Lower B: 15.6
- Middle B: 17.5
- Upper B: 16.2
- Middle C: 16.2
- Lower C: 19.3
- Upper C: 18.4
- Top Seam: 18.4
- Bottom Seam: 17.5

Sub Total: 998

Mabesekwa Project

- Lower A: 7
- Middle A: 17
- Upper A: 16
- Lower B: 21
- Middle B: 20
- Upper B: 20
- Lower C: 19
- Middle C: 18
- Upper C: 19
- Top Seam: 18
- Bottom Seam: 17

Sub Total: 2461

NOTES ON RESOURCES STATEMENT

Shumba Energy Projects - Resources Statement

<table>
<thead>
<tr>
<th>Seam</th>
<th>JMRC</th>
<th>Status</th>
<th>Gross Ton</th>
<th>Dilution</th>
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<tr>
<td>Mabesekwa Project</td>
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<tr>
<td>Lower A</td>
<td>Measured</td>
<td>7</td>
<td>256</td>
<td>19.34</td>
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<tr>
<td>Middle A</td>
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<td>517</td>
<td>15.45</td>
</tr>
<tr>
<td>Upper A</td>
<td>Measured</td>
<td>17</td>
<td>517</td>
<td>15.45</td>
</tr>
<tr>
<td>Lower B</td>
<td>Measured</td>
<td>20.3</td>
<td>472</td>
<td>20.93</td>
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<tr>
<td>Middle B</td>
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<td>20.7</td>
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<td>20.93</td>
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<tr>
<td>Upper B</td>
<td>Measured</td>
<td>16.2</td>
<td>472</td>
<td>16.2</td>
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<tr>
<td>Lower C</td>
<td>Measured</td>
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<td>Middle C</td>
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<td>472</td>
<td>17.5</td>
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<tr>
<td>Top Seam</td>
<td>Indicated</td>
<td>18.4</td>
<td>472</td>
<td>18.4</td>
</tr>
<tr>
<td>Bottom Seam</td>
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<tr>
<td>Sub Total</td>
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<td>998</td>
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</tbody>
</table>

Sechaba Project

- Lower A: 3.67
- Middle A: 3.17
- Upper A: 2.8
- Lower B: 2.8
- Middle B: 2.8
- Upper B: 2.8
- Lower C: 1.34
- Middle C: 1.34
- Upper C: 1.34

Sub Total: 1144

CONSERVATIVE AMOUNT OF INCOME FOR THE 12 MONTHS ENDED 30 JUNE 2019

The audited financial statements for the 12 Month ended 30 June 2010 is in compliance with International Financial Reporting Standards (IFRS). The standards used for the disclosure of Mineral Resources, results, exploration in the JMRC code The Board of Directors accepts full responsibility of the accuracy of the information contained in the report. The statements of direct and indirect directors and senior officers pursuant to sections 63(3M) of the Securities (disclosure obligations of reporting issuers) rules 2005 is available free of charge at the registered office of the Company at 4th Floor, Ebene Skies, Rue L’Institut, Ebene 80817, Republic of Mauritius.

By order of the Board
Date: 3 October 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

The Group 30 Jun 2019 USD 30 Jun 2018 USD

ASSETS
Non-Current Assets
- Property, plant and equipment 430 386 23 083
- Goodwill 2 745 662 2 745 662
- Exploration assets 4 739 648 4 035 464
- Investment in subsidiary 2 074 977 2 074 977
- Capital contribution 5 756 132 9 051 762
Total 10 920 914 18 383 957
Net Current Assets
- Receivables and prepayments 327 915 575 284 1 808 402 1 828 145
- Inventories 153 003 1 352 602 10 111 21 471
Total 4 610 662 19 210 695
Non-Current Liabilities
- Deferred taxation 1 500 000 1 500 000
- Medium Term Loan Note 2 862 021 2 862 021
Total 4 362 021 4 362 021
Total Equity and Liabilities 15 505 935 12 846 978

EQUITY AND LIABILITIES
Stated capital 2 024 170 2 024 170
Share premium 93 689 93 689
Foreign currency translation reserve 1 806 400 1 806 400
Accumulated loss (1 115 288) (215 491)
Accrued liabilities 150 735 150 735
Fair-value reserve (4 739 648) (4 035 464)
Cash and cash equivalents (268 577) (1 034 741)
Total (1 034 741) (1 034 741)
Total 15 505 935 12 846 978

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

The Group 30 Jun 2019 USD 30 Jun 2018 USD

CASH FLOWS FROM OPERATING ACTIVITIES
- Cash used in operations (2 074 977) (268 577) (1 034 741) (102 699)
- Tax paid - - - -
Net cash from operating activities (2 074 977) (268 577) (1 034 741) (102 699)
Net cash flows from investing activities 815 409 (3 797 305) (1 023 341) (17 096 000)
Net cash flows from financing activities - 2 844 970 - -
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (1 051 568) (3 063 202) (1 009 980) (17 096 000)
Cash and cash equivalents at the beginning of the year 2 024 170 2 024 170
Effects of exchange rate movements 114 000 114 000
Total cash and cash equivalents at the end of the year 1 910 600 1 910 600