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
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 the mine feasibility studies for the project were both underway.
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.

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

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.
# Mining Company Quarterly Cash Flow Update

## Consolidated statement of cash flows

### Cash flows related to operating activities

1. **Receipts from product sales and related debtors**
   - Current quarter: USD 120,804
   - Year to date (9 months): USD 469,688

2. **Payments for**
   - (a) exploration and evaluation: USD (75,644)
   - (b) development: -
   - (c) production: -
   - (d) administration: USD (274,604)

   Total: USD (75,644)

3. **Dividends received**
   - Current quarter: USD 1,226
   - Year to date (9 months): USD 14,591

4. **Interest and other items of a similar nature received**
   - Current quarter: USD (102,408)
   - Year to date (9 months): USD (465,172)

5. **Income taxes paid**
   - Current quarter: (USD -)
   - Year to date (9 months): USD 1,330

6. **Other (provide details if significant)**
   - Current quarter: -
   - Year to date (9 months): -

### Net Operating Cash Flows

   Total: USD (330,626)

### Cash flow related to investing activities

8. **Payment for purchase of:**
   - (a) prospects: -
   - (b) equity investments: -
   - (c) other fixed assets: USD (616)

   Total: USD (616)

9. **Proceeds from sale of:**
   - (a) prospects: -
   - (b) equity investments: USD 70,170
   - (c) other fixed assets: -

   Total: USD 70,170

10. **Loans to other entities**
    - Current quarter: -
    - Year to date (9 months): -

11. **Loans repaid by other entities**
    - Current quarter: -
    - Year to date (9 months): -

12. **Other (provide details if significant)**
    - Current quarter: -
    - Year to date (9 months): -

### Net investing cash flows

   Total: USD 69,554

13. **Total operating and investing cash flows brought forward**

### Cash flows related to financing activities

14. **Proceeds from issues of shares, options, etc.**
    - Current quarter: -
    - Year to date (9 months): USD 1,703,600

15. **Proceeds from sale of forfeited shares**
    - Current quarter: -
    - Year to date (9 months): -

16. **Proceeds from borrowings**
    - Current quarter: -
    - Year to date (9 months): -

17. **Repayments of borrowings**
    - Current quarter: USD (7,001)
    - Year to date (9 months): USD (1,372,808)

18. **Dividends paid**
    - Current quarter: -
    - Year to date (9 months): -

19. **Other (provide details if significant)**
    - Current quarter: -
    - Year to date (9 months): -

### Net financing cash flows

   Total: USD (7,001)

### Net increase (decrease) in cash held

   Year to date (9 months): USD 330,792

20. **Cash at beginning of quarter/year to date**
    - Current quarter: USD 226,772
    - Year to date (9 months): USD 34,190

21. **Exchange rate adjustments to item 1.20**
    - Current quarter: USD 133,819
    - Year to date (9 months): USD 36,682

22. **Cash at end of quarter**
    - Current quarter: USD 226,772
    - Year to date (9 months): USD 226,772

## Payments to directors of the company and associates of the directors

<table>
<thead>
<tr>
<th>Current quarter</th>
<th>USD '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.23 Aggregate amount of payment to the parties included item 1.2</td>
<td>34,190</td>
</tr>
<tr>
<td>1.24 Aggregate amount of loans to the parties included in item 1.10</td>
<td>-</td>
</tr>
<tr>
<td>1.25 Explanation necessary for an understanding of the transactions</td>
<td>Payment to the directors. Payment included as directors are considered related parties.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Description</th>
<th>USD '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shumba holds a financial asset, recognised as held for trading, comprising shares in Kibo Energy plc, an AIM listed entity.</td>
<td></td>
</tr>
<tr>
<td>The Kibo share price has declined by over 53% in the quarter to 31 March 2019</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>USD '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>There have been no outlays in the quarter ended 31 March 2019</td>
<td></td>
</tr>
</tbody>
</table>

Financing facilities available

Add notes as necessary for an understanding of the position.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount available</th>
<th>Amount used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan facilities</td>
<td>USD '000</td>
<td>USD '000</td>
</tr>
<tr>
<td>Credit standby arrangements</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Estimated cash outflows for next quarter

<table>
<thead>
<tr>
<th>Description</th>
<th>USD '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration and evaluation</td>
<td>250,000</td>
</tr>
<tr>
<td>Development</td>
<td>-</td>
</tr>
<tr>
<td>Production</td>
<td>-</td>
</tr>
<tr>
<td>Administration</td>
<td>325,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>575,000</strong></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Description</th>
<th>Current quarter USD '000</th>
<th>Previous quarter USD '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and at bank</td>
<td>226,772</td>
<td>361,021</td>
</tr>
<tr>
<td>Deposit at call</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other (provide details)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total: Cash at end of quarter (item 1.22)</strong></td>
<td><strong>226,772</strong></td>
<td><strong>361,021</strong></td>
</tr>
</tbody>
</table>

Changes in interest in mining tenements

<table>
<thead>
<tr>
<th>Tenement reference</th>
<th>Nature of interest</th>
<th>Interest at the beginning of quarter</th>
<th>Interest at the end of the quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Interest in mining tenements relinquished, reduced or lapsed</td>
<td>No change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2 Interests in mining tenements acquired or increased</td>
<td>No change</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>