

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 31 DECEMBER 2017**

	GROUP- Quarter 2		COMPANY- Quarter 2		GROUP - 6 months ended		COMPANY - 6 months ended	
	to 31 Dec 17	to 31 Dec 17	to 31 Dec 16	to 31 Dec 16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	USD	USD	USD	USD	USD	USD	USD	USD
Revenue	254,035	-	-	-	254,035	-	-	-
Cost of sales	(86,929)	-	-	-	(86,929)	-	-	-
Other income	22	22	-	-	160	98	160	98
Operating expenses	(330,673)	(25,157)	(388,985)	(98,393)	(588,566)	(594,100)	(42,221)	(119,005)
Employee costs	(15,929)	(15,929)	(19,572)	(19,572)	(31,858)	(35,468)	(31,858)	(35,468)
Depreciation, amortisation and impairment expenses	(3,185)	-	(2,166)	-	(6,408)	(4,341)	-	-
<b>Operating loss</b>	<b>(182,659)</b>	<b>(41,064)</b>	<b>(410,723)</b>	<b>(117,965)</b>	<b>(459,566)</b>	<b>(633,811)</b>	<b>(73,919)</b>	<b>(154,375)</b>
Finance income	7,069	-	-	-	15,228	1,088,046	-	-
Finance cost	-	-	(4,434)	-	-	(4,434)	-	-
<b>Profit (loss) for the period</b>	<b>(175,590)</b>	<b>(41,064)</b>	<b>(415,157)</b>	<b>(117,965)</b>	<b>(444,338)</b>	<b>449,801</b>	<b>(73,919)</b>	<b>(154,375)</b>
Taxation	-	-	-	-	-	-	-	-
<b>Profit (loss) from continuing operations</b>	<b>(175,590)</b>	<b>(41,064)</b>	<b>(415,157)</b>	<b>(117,965)</b>	<b>(444,338)</b>	<b>449,801</b>	<b>(73,919)</b>	<b>(154,375)</b>
Other comprehensive income	-	-	-	-	-	-	-	-
Exchange difference on translating foreign operations	370,659	-	27,774	-	285,714	(212,398)	-	-
<b>Total comprehensive profit (loss) for the period</b>	<b>195,069</b>	<b>(41,064)</b>	<b>(387,383)</b>	<b>(117,965)</b>	<b>(158,624)</b>	<b>237,403</b>	<b>(73,919)</b>	<b>(154,375)</b>
<b>Profit (loss) attributable to:</b>								
Owners of the parent	(162,133)	(41,064)	(386,869)	(117,965)	(407,217)	495,871	(73,919)	(154,375)
Non-controlling interest	(13,457)	-	(28,288)	-	(37,121)	(46,070)	-	-
	<b>(175,590)</b>	<b>(41,064)</b>	<b>(415,157)</b>	<b>(117,965)</b>	<b>(444,338)</b>	<b>449,801</b>	<b>(73,919)</b>	<b>(154,375)</b>
Basic earnings per share (in USD)					(0.00168)	0.00182	(0.00028)	(0.00062)
Diluted earnings per share (in USD)								
Number of Shares					264,604,249	247,465,428	264,604,249	247,465,428

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

	GROUP		COMPANY	
	31-Dec-17	30-Jun-17	31-Dec-17	30-Jun-17
	USD	USD	USD	USD
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	24,928	30,278	-	-
Exploration assets	11,715,121	9,949,583	-	-
Investment in subsidiary	-	-	2,182,688	1,890,724
Capital contribution	-	-	13,585,264	12,585,264
<b>Current Assets</b>				
Inventories	45,037	19,856	-	-
Receivables and prepayments	542,991	261,871	1,782,843	855,639
Cash and cash equivalent	190,384	2,473,623	30,405	2,024,170
<b>Total Assets</b>	<b>12,518,461</b>	<b>12,735,211</b>	<b>17,581,200</b>	<b>17,355,797</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity attributable to owners of the parent				
Stated capital (including advance against stated capital)	14,789,207	14,497,244	14,789,207	14,497,244
Foreign currency translation reserve	775,431	518,355	-	-
Accumulated loss	(6,514,236)	(5,807,562)	(1,696,787)	(1,622,868)
Non-controlling interest	(365,203)	(357,091)	-	-
<b>Total equity</b>	<b>8,685,199</b>	<b>8,850,946</b>	<b>13,092,420</b>	<b>12,874,376</b>
<b>Non-Current Liabilities</b>				
Convertible loan stock	1,427,364	1,427,364	1,427,364	1,427,364
<b>Current Liabilities</b>				
Loans from group companies	-	-	-	-
Trade and other payables	2,405,898	2,456,901	3,061,416	3,054,057
Current tax payable	-	-	-	-
<b>Total Liabilities</b>	<b>3,833,262</b>	<b>3,884,265</b>	<b>4,488,780</b>	<b>4,481,421</b>
<b>Total Equity and Liabilities</b>	<b>12,518,461</b>	<b>12,735,211</b>	<b>17,581,200</b>	<b>17,355,797</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 31 DECEMBER 2017**

	GROUP		COMPANY	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	USD	USD	USD	USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash used in operations	(609,370)	(2,840,307)	(993,765)	(1,995,961)
Taxation (paid) received	-	-	-	-
Net cash used in operating activities	(609,370)	(2,840,307)	(993,765)	(1,995,961)
Net cash (used in)/ generated from investing activities	(1,662,523)	157,512	(1,000,000)	349,161
Net cash from financing activities	-	1,378,620	-	1,378,620
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,271,893)</b>	<b>(1,304,175)</b>	<b>(1,993,765)</b>	<b>(268,180)</b>
Cash and cash equivalent at the beginning of the year	2,473,623	3,018,829	2,024,170	1,761,265
Effects of exchange rate movements	(11,346)	-	-	-
<b>Total cash and cash equivalents at the end of the year</b>	<b>190,384</b>	<b>1,714,654</b>	<b>30,405</b>	<b>1,493,085</b>

**Notes on Resources Statement**

Shumba Energy has 2 billion tons of coal

920 million tons have been drilled to indicated and measured level, it's the highest confidence level of exploration drilling and these are resources that are used to convert 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 regional export coal

By order of the board  
Sanne Mauritius  
Corporate Secretary

Date 23 February 2018

**Shumba Energy Projects - Resources Statement**

Seam Name	JORC Category	Seam Thickness (M)	Gross In-Situ Tonnes ('000)	Calorific Values MJ/kg
<b>Mabesekwa Project</b>				
Lower A	Measured	7	356	19.34
Middle B	Measured	6.35	317	15.85
Upper Leaf D	Measured	6.04	178	16.96
Seam F	Indicated	5.12	139	16.23
<b>Sub Total</b>			<b>990</b>	
<b>Sechaba Project</b>				
Morupule Main	Measured	3.67	39	18.7
Morupule Main	Indicated	3.17	67	18.4
Taukome Bright	Measured	2.6	28	19.3
Taukome Bright	Indicated	2.58	84	20.3
Morupule Upper	Indicated	1.91	43	15.6
<b>Inferred Resources</b>			<b>883</b>	
<b>Sub Total</b>			<b>1144</b>	

The unaudited financial statements for the 6 Months ended 31 December 2017 is in compliance with International Financial Reporting Standards (IFRS). The standard used for the disclosure of Mineral Resources, results, exploration is the JORC code

The Board of Directors accepts full responsibility of the accuracy of the information contained in the report. The statement of direct and indirect directors and senior officers pursuant to section 8(2)M of the Securities (disclosure obligations of reporting issuers) rules 2005 is available free of charge at the registered office of the Company at IFS Court, TwentyEight, Cybercity, Ebene, 72701, Mauritius.