



AFRICA ENERGY CORP.

Report to Shareholders

December 31, 2020

AFRICA ENERGY CORP.

Notes to Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

(Expressed in thousands of United States dollars unless otherwise indicated)

Main Street 1549

Refer to Note 4(i) for details on commitments.

19) Lease obligations:

The following table details the Company's lease obligations:

	December 31, 2020	December 31, 2019
Less than one year	19	35
Greater than one year	-	20
Total lease payments	20	55
Amounts representing interest	(1)	(4)
Present value of net lease payments	19	51
Current portion of lease obligations	(19)	(31)
Non-current portion of lease obligations	-	20

The Company's short-term leases and leases of low-value assets amounted to \$ nil for year ended December 31, 2020 (\$0.07 million for the year ended December 31, 2019) and are expensed accordingly. The Company's lease obligations consist of rent and parking for its office in Cape Town, South Africa. The Company's lease contract was effective beginning August 1, 2019 for a period of two years but may have extension options as described in Note 2(d) "Use of estimates and judgments". Leases are negotiated on an individual basis and contain a wide range of different terms and conditions.

20) Supplementary Information:

The following table reconciles the changes in non-cash working capital as disclosed in the consolidated statement of cash flows:

For the years ended	December 31, 2020	December 31, 2019
Changes in non-cash working capital		
Accounts receivable	\$ (88)	\$ 1
Prepaid expenses	(111)	118
Accounts payable and accrued liabilities	1,364	335
	\$ 1,165	\$ 454
Relating to:		
Operating activities	\$ (288)	\$ 381
Investing activities	1,453	73
Changes in non-cash working capital	\$ 1,165	\$ 454