

## **ASX Release**

13 August 2020

## **IEC JULY 2020 UPDATE**

- **Minas do Lurio Gold Project**
- **Tancoal Energy Update**

### **INTRAFRICAN RESOURCES**

Intra Energy Corporation Limited ("IEC" or "the Company") announces that Intrafrican Resources Limited ("Intrafrican"), a fully owned subsidiary of IEC, registered in Mauritius, has invested in Intra Minerals Limited ("IML"), a company registered in Mauritius. Intrafrican currently owns 15% of IML which is the 95% owner of the Minas Do Lurio Gold Project in Mozambique.

The exploration project currently comprises a 168.56 km<sup>2</sup> large prospecting license (8416L) in the historically underexplored Lúrio Belt, an initial trenching and sampling program has been completed at Savane, a prospective area within the prospecting license. A new gold bearing area has been located approximately 2.5 kilometres from the original Savanne Area. Samples of quartz and soil have been taken, crushed, washed and processed indicating grades between 4 and 6 g/t. Samples from Savanne are being collected to be sent to SGS in South Africa for analysis.

An independent expert, Benedikt Steiner (CGeol EurGeol), has been retained by IML to advise on the project and has completed a non-JORC technical report summarising and evaluating the exploration activities on the project from 2016 to 2020. Mr Steiner's initial observations confirmed the validity of the exploration project, which is currently considered to be a potential open-cut mining target, and represents an encouraging first-mover opportunity into a much larger prospective area.

IEC has engaged Mr Kim Stanton-Cook, an exploration/development geologist with 45 years' experience in mineral exploration industry. Mr Stanton-Cook expertise covered a wide region from Australia to the Americas, Asia to Africa and carried the responsibility for the development of well-known Australian mining operations as a Chief Geologist and Exploration Manager. His upcoming role is to act as its consultant in the development of the Lurio Gold Project. Mr Stanton-Cook has reviewed work done to date and has advised that the Project has merit and should move into the drilling stage which gives solid reason why the area should be considered as highly prospective. Prior to intense deformation and high grade metamorphism, the evolving arc may well have, in its early stages, contained porphyry copper and epithermal gold deposits like those on the west coasts of the Americas where the Pacific Plate is currently subducting. Granulite facies metamorphism will have cooked and remobilised those metals and the Savane area in the Lurio Concession may well represent an end-member of this process.



**Mineralised quartz in new area**

## **TANCOAL ENERGY**

Tancoal Energy Limited (IEC 70% and National Development Corporation (“NDC”) of Tanzania 30%) sold 18,944 tonnes of coal in July 2020 compared to 61,335 tonnes sold in July 2019. Sales continued to be lower due to the effect of the COVID-19 pandemic on the business of both domestic and export customers and competition from small miners. Production was 21,743 tonnes, compared to 61,335 tonnes in July 2019. Stocks are sufficient for the current demand. Early indications are for sales increases in August which may be assisted by the opening to trade at border crossings.

Discussions continue with the Ministry of Minerals for a moratorium on the assessment for past charges for royalty on transport to customers' business premises and discussions are also continuing with the former contractor, Caspian, to extend the payment plan for the three final payments due to tight cash flow from lower sales.

At a meeting held on 4 August, the Ministry of Mineral's Mining Commission (MC) threatened the cancellation of Tancoal's pending application for two mining licences for coal at North Mburya, approximately eight kilometres north of the current Mbalawala mine. The lower quality coal from this area was planned to be blended with high quality coal from the Mbalawala operation, it had previously been reserved for power station feed.

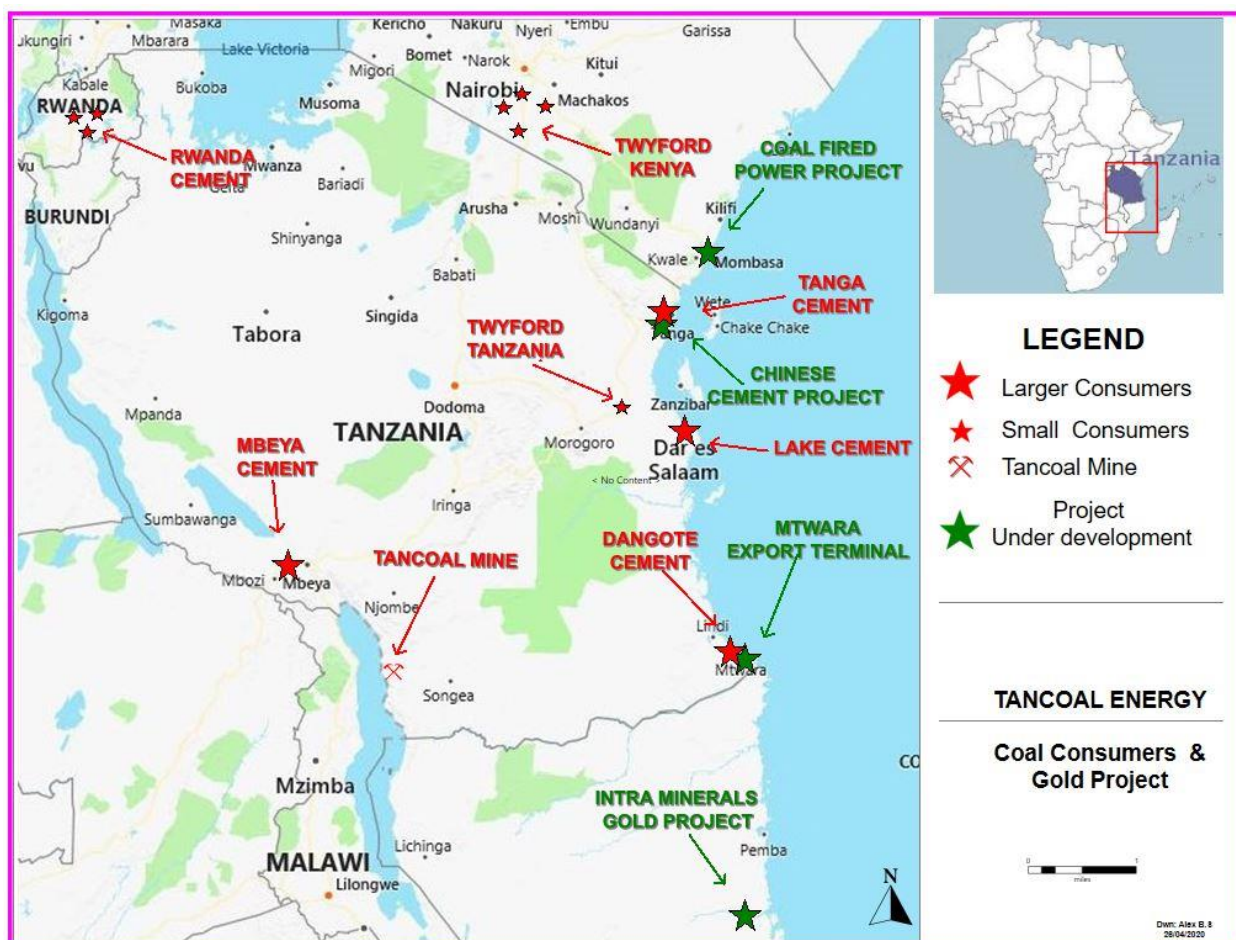
The MC had received a letter from NDC requesting MC to suspend the issuance of the pending mining licences to Tancoal because of an alleged conflict between IEC and NDC arising from verbal demands for NDC to obtain greater equity in Tancoal, although NDC has never brought these challenges to Tancoal at the shareholder level. A meeting was called by MC and Tancoal was given two days to resolve the alleged dispute or the pending licences would be freed for other stakeholders to apply. On the following day, Tancoal requested an extension to the two days provided as the Managing Director of NDC was travelling on official business with the Minister for Industry and Trade and it was not possible to meet such an alarmingly short deadline. This request was

refused and the MC notified that the mining licences to this area will continued to be freed. Although this does not effect current operations, Tancoal has sent a formal complaint to the MC as this sets a bad precedent for Mining Licences issued in Tanzania.

## COMMENTARY

The Chairman of IEC, Graeme Robertson, commented “I am pleased to advise shareholders that IEC’s wholly-owned subsidiary Intrafrican Resources Ltd (IRL) has entered into an Investment Agreement with Intra Minerals Ltd (IML) to buy an additional 30% of shares in the company for the investment of UDS\$1.3m. IML has also engaged an Operations Consultant with “hands-on” experience in establishing gold mining operations in Southern Africa in conditions similar to the Minas Do Lurio project. Finally, the Board of IEC has mandated an UK – based Financial Advisor to prepare a presentation and advise on the capital raising route for IRL. Discussions are being held to determine potential for direct investment by IEC shareholders in IRL under an incentive program.

Unfortunately, not such good news for Tancoal although there is evidence of increased tonnage from new contracts. The alleged conflict with NDC has come about as they have verbally demanded additional equity but have not contributed to maintaining the mining operation nor to the substantial amounts owed to IEC from management fees and capex contributions. It is somewhat disappointing when you are given only two days to resolve an issue which should not even exist between partners.”



ENDS

*This update has been authorised for release by the IEC  
Board of Directors*

**Shareholder Enquiries**

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***About Intra Energy***

Intra Energy is an environmentally responsible, diversified mining and energy group, focused on South Eastern Africa, and is listed on the Australian Stock Exchange (ASX:IEC). IEC has made significant progress with its regional diversification strategy into new gold exploration in Mozambique.

IEC is a developer and producer of thermal coal in Eastern Africa operating under the motto of “African coal for African growth” and is the largest operating thermal coal miner in Eastern Africa. Its flagship coal project is the Tancoal mine in the Ngaka coalfield of Tanzania, operated by Tancoal Energy Limited, a joint venture with the National Development Corporation of Tanzania.