

ASX Release

17 February 2021

IEC JANUARY UPDATE

- **Mozambique Gold Project Update**
- **Tancoal Energy Update - Tanzania**

MOZAMBIQUE GOLD

Intrafrican Resources Limited ("Intrafrican"), a fully owned subsidiary of Intra Energy Corporation Limited ("IEC" or "the Company") registered in Mauritius has invested in Intra Minerals Limited ("IML"), a company registered in Mauritius. IML is the 95% owner of the Lurio Gold Project in Mozambique. Intrafrican has begun fundraising to raise capital by private placement ("Placement") to increase its equity in IML and to enable IML to continue the exploration program in the Minas Do Lurio Gold Project in Mozambique, predominantly with a drilling campaign.

The Placement will involve the issue of new shares in Intrafrican such that Intrafrican will no longer be a wholly owned subsidiary of IEC. As a result, it is expected that the Company's indirect interest in IML will increase following the Placement.

Intrafrican's Project Summary and Presentation documents to be shown to potential investors as part of the fundraising are available on IEC and Intrafrican's websites.

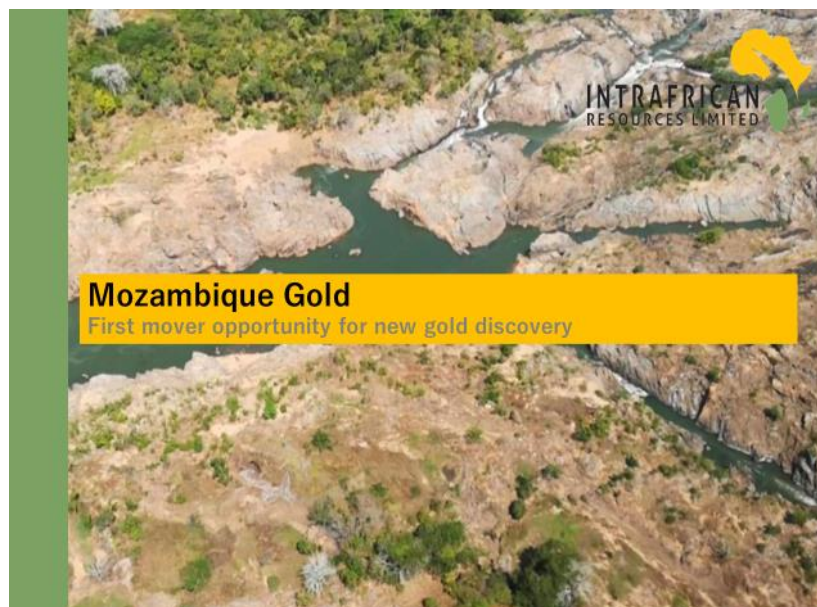


Photo of the potential 'Muteger' gold trap in the Lurio River subject to exploration and dredging development

First mover opportunity for new gold discovery

Intrafrican is pursuing investment of US\$2.5M to progress the exploration of the Minas do Lurio ("MDL") Gold Project in Mozambique to a geological resource report and early dredging production.

MDL Project Overview

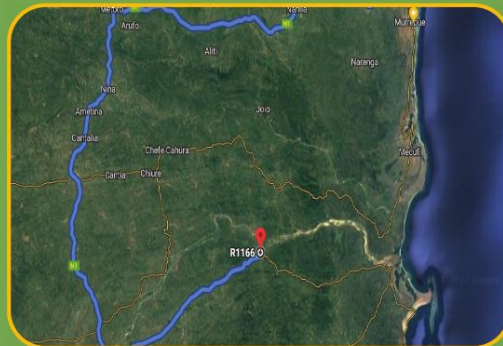
- 168.56 km² prospecting license (8416L) in the historically underexplored Lúrio Belt
- Initial trenching and sampling program has been completed at Savanne area in the PL.
- Additional gold bearing areas identified within a few kilometres from Savanne as well as in associated alluvials in the Lurio River.

MDL Project Plan

- US\$1.3 m - to buy 650 B Class shares in IML to take IRL ownership to 800 Class B shares. IML to use funds for aero-magnetic survey work, diamond and RC drilling, sampling, the identification of dredging site to progress the project to a geological resource planned for Q1 2022
- US\$0.875m - to buy an additional 350 Class B shares in IML to take IRL ownership to 47.4%. IML will purchase dredging equipment to bring the project to early production and gold sales
- Balance for fundraising costs and working capital

Work done to date

IML together with the project founders has invested US\$1.4 Million in MDL to progress the Gold Project to the stage that it is considered to be a significant first-mover opportunity into a previously unrecognised gold mineralisation trend along the Neoproterozoic Lúrio Belt. Savanne Main has been trenched extensively with Onsite Bulk Sampling vs Fire Assay



IRL CORPORATE STRUCTURE

- Unlisted Public Company
- Registered in Mauritius
- Wholly owned subsidiary of IEC (ASX: IEC)
- 150 Class B shares in IML before offer
- 1,150 Class B shares in IML after offer
- Experienced Board and Management

IML CORPORATE STRUCTURE

- Unlisted Public Company
- Registered in Mauritius
- 95% owner of MDL, registered in Mozambique
- MDL - holder of Gold Project
- 300 Class A shares – 30%
- 1,700 Class B shares – 70%



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An independent expert, Benedikt Steiner (CGeol EurGeol) retained by IML to advise on the project has completed a non-JORC technical report. Mr Steiner comments that the project represents a significant first-mover opportunity into a previously unrecognised gold mineralisation trend along the Neoproterozoic Lúrio Belt. Prospecting and early stage exploration campaigns during 2017-2020 have confirmed a shallow exploration target at the Savane locality. Multiple alluvial and eluvial occurrences of free and refractory gold, as well as structurally-controlled bedrock mineralisation are hosted in quartz veins and occur in deformed granulites and granulitic gneisses. The stacked, 2-7 cm wide quartz veins are generally shallowly (10-20°) dipping and predominantly occur along open East-West trending structural corridors, defined by the intersection of regional shear and thrust faults.

Summary

High Conviction, De-Risked Gold Investment Opportunity in Mozambique



Significant first mover opportunity in Mozambique into a previously unrecognised gold mineralisation trend along the Neoproterozoic Lúrio Belt



Prospecting and exploration activities confirmed the presence of significant gold occurrences in at least 6 alluvial and hard rock target areas, with additional targets defined by airborne geophysics and artisanal activity



Shallowly dipping quartz-gold veins represent a possible low cost, low stripping ratio, open pit mining target in addition to an alluvial operation



Existing mobile mineral processing plant and equipment support the sampling, crushing and screening of gold bearing materials for early exploration results

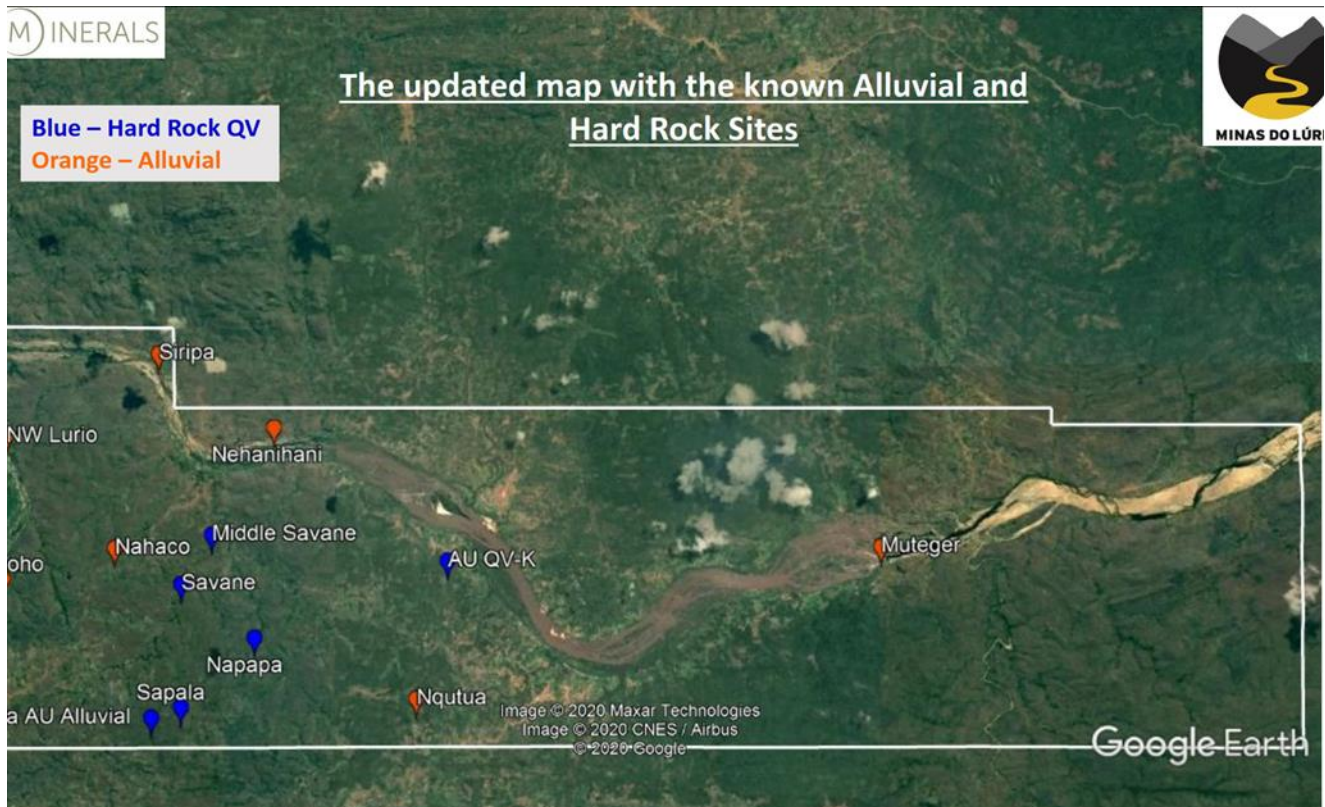


Solid project fundamentals, including geology, grades, infrastructure and committed management team support a consequent progression of the project through the mining development curve



PROGRESS REPORT

The initial gold exploration programme finished with the start of the wet season which runs from December through to April. Despite this, the prospecting team has continued exploration work on the licence area when the weather has permitted to track other potential areas of mineralisation in the area. The team has identified a new area where evidence of artisanal mining has led to visible gold identified in quartz veins as well as small deposits of blue tourmaline in the Napapa area. Please refer to the following map.



TANCOAL ENERGY

IEC has been approached for discussions regarding its operations in Tanzania by a reputable Tanzanian firm and these discussions are ongoing in confidence.

Tancoal Energy Limited (IEC 70% and National Development Corporation (“NDC”) of Tanzania 30%) sold 12,345 tonnes of coal in January 2021 compared to 33,411 tonnes sold in January 2020. Sales continued to be lower due to the effect of Covid-19 on the business of both domestic and export customers and competition from small miners. Production was 9,389 tonnes, compared to 34,067 tonnes in January 2020. Stocks are sufficient to meet demand.

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.

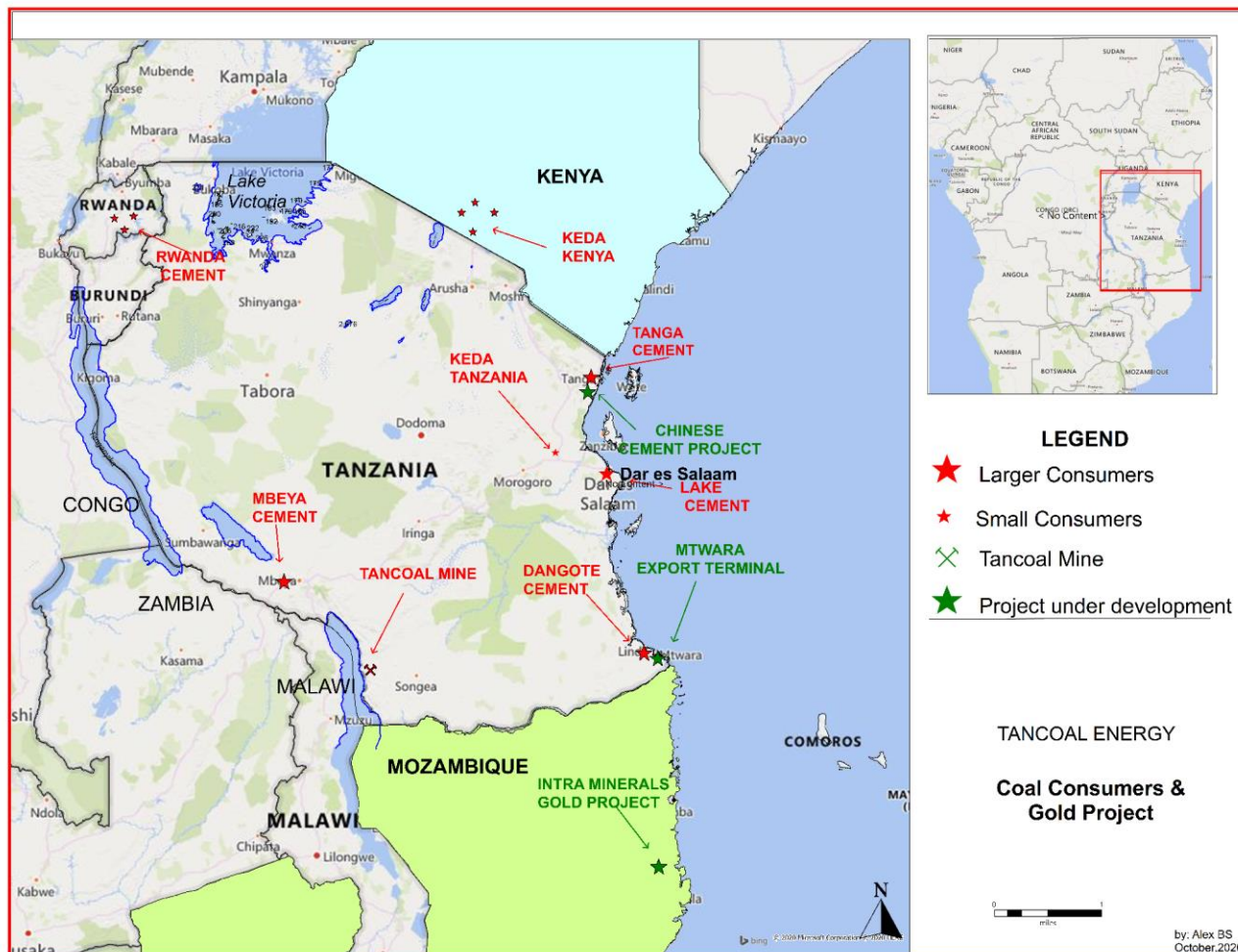
Discussions are continuing with the Ministry of Mineral's Mining Commission (MC) on the threatened cancellation of Tancoal's pending application for two mining licences for coal at North Mburya, approximately eight kilometres north of the current Mbalawala mine. The lower quality coal from this area was planned to be blended with high quality coal from the Mbalawala operation, it had previously been reserved for power station feed. Further to these discussions the MC has threatened to cancel Tancoal licenses if royalty payments are not made, which is contrary to discussions with the Ministry to extend royalty terms. This matter is under discussion with higher authorities as the cancellation of mining licenses in such a manner is dubious in law.

COMMENTARY

Intrafrican Resources Limited (IRL), a wholly owned subsidiary of IEC, is focused on the development of the Minas Do Lurio gold resource by Intra Minerals Limited (IML) in Mozambique. Mr Jim Shedd, CEO of IEC has relocated from Dar es Salaam in Tanzania to Mozambique to represent IRL interests and oversee the potential mining project. IRL is undertaking a capital raising to inject capital by private placement to support a drilling programme by IML. Discussions have commenced with potential funding interests also interested in the refinery project.

In another area, IEC has commenced discussions with an interested party looking at raising capital for the vending of attractive mineral exploration assets in Australia. IEC sees some benefit in amalgamating its overseas interests with prospective development in Australia and will keep shareholders informed accordingly.

The performance of Tancoal remains disappointing with reduced sales and regulatory difficulties. Discussions are being held with several parties in Tanzania looking at potential partnership arrangements whereby IEC can transition from coal in Tanzania to being a minerals development company in other jurisdictions which will provide benefits to shareholders.



ENDS

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 gold exploration in Mozambique.