

QUARTERLY ACTIVITIES REPORT June 2021

- IEC applies for ELA6305, Talowla Project at Louth, north of Cobar NSW
- IEC commences joint venture discussions for potential Ni-Cu-PGE exploration in WA
- Mozambique gold testing by SGS show high recovery, drill sites being surveyed
- Interest in participation in coal operations from African parties
- Mining Licence renewed in Tanzania

AUSTRALIAN MINERAL EXPLORATION

The Board of IEC has over the last two years decided to remove itself from fossil fuels and instead focus on gold development in Mozambique and gold/copper exploration in Australia.

There has been increased interest in the coal operations by African parties and IEC is discussing approaches for participation by interested parties.

An application has been lodged for a highly prospective lease on land at Louth, north of Cobar, NSW with drill ready targets. The lease will be 100% owned by IEC. The Talowla Project has potential for high-grade copper under shallow cover. According to Mr Kim Stanton-Cook, IEC's consulting geologist, Talowla exhibits interesting magnetics and electromagnetics with priority drilling targets established. Mr Stanton-Cook was involved in drilling in the area in the 70's.

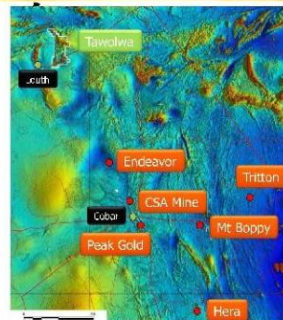
Discussions are underway with a WA exploration company for IEC to acquire a share in the exploration of a very interesting Ni-Cu-PGE project in WA which application is currently pending.

Further concessions are being reviewed in Australia. For the last two years IEC has been evaluating prime opportunities in exploration properties in Australia to supplement its interests in the Mozambique gold project. The focus is on gold, copper and nickel minerals.

Cobar players & projects



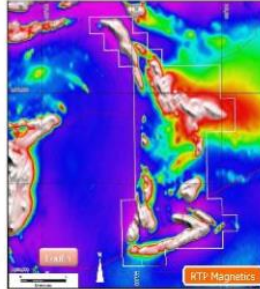
- Major regional mineralised trends:
- production hubs
 - Glencore (LSE:GLEN)
 - Aoris (ASX:AIS)
 - Sancti Spiritus Resources (ASX:SFR)
 - Aurelia (ASX:AUI)
 - Mamuka (ASX:MKR)
 - emerging producers
 - Peal Resources (ASX:PEX)
 - Quintana Resources (pvt.)
 - Helix Resources (ASX:HLX)
- CSA
Tritton
Endeavor
Peak/Hera
Mt Boppy



Louth – the new Cobar?



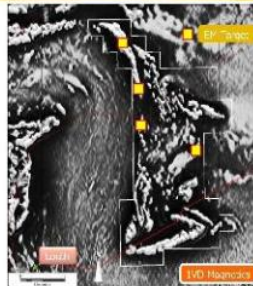
- Magnetics
 - Volcanics are mapped by their magnetic high signature – even under cover of younger sediments (<100m; ~40-50m)
 - Possible Macquarie Arc (Cadia rocks)
 - Possible Girilambone mafics (Tritton rocks - Aeris)



Louth – the new Cobar?



- Magnetics
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- Electromagnetics – EM
 - **High ranking walk up drill targets**
 - *"The VTEM/ground EM drill targets within Toorale Station are the **highest priority targets** recommended for drill testing within EL7169 & to date remain untested"* - Minolaur



Louth – the new Cobar?



- Magnetics
 - Volcanics are mapped by their magnetic high signature – even under cover of younger sediments (<100m; ~40-50m)
- Electromagnetics – EM
 - High ranking Walk up drill targets
- Drilling
 - Mostly shallow bedrock aircore
 - MDH-1: 0.12% Pb, 300ppm Zn @
 - L2LRMD10-02: pyrite
 - **EM targets untested**



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. Intrafrican currently owns 15% of IML which is the 95% owner of the Lurio Gold Project in Mozambique. Intrafrican is looking to increase its equity in IML by private placement and to also enable IML to continue the exploration programme in the Minas do Lurio Gold Project in Mozambique with a targeted drilling campaign.

Considerable work has been completed to define the drilling campaign with substantial cost reduction. Due to the focussed nature of the drilling, costs have been reduced from US\$1.3 Million to US\$400,000. An additional US\$200,000 will be necessary for the purchase of small dredges to enable commencement of trial mining activities in 2022.



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

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



FROM FOSSIL FUEL TO MINERALS

Over the last two years, the Board of IEC has proceeded to remove the company from coal mining and instead develop gold and other minerals in Mozambique and gold/copper/nickel exploration and development in Australia.

In doing this the Board has acknowledged that global warming and climate change are very real and definable threats to the future of human society and that a reduction in carbon emissions are essential. However, it also acknowledges that the major players in the release of carbon are the wealthy industrialised nations and that less-developed economies should not be penalised in the utilisation of fossil fuels, particularly in support of industrialisation and consequent poverty alleviation. The operations of the Tancoal Energy coal mine in Tanzania remains important to East African progress and IEC will endeavour to work with parties prepared to support the continued operation of the mining operations, while proceeding to develop mineral mining operations and reducing its carbon footprint.

TANCOAL ENERGY

The Tancoal min in Tanzania, 70% owned by Intra Energy (Tanzania) Limited (IETL),), a wholly owned subsidiary of IEC, and 30% by the National Development Corporation of Tanzania (NDC) has traditionally been the largest operational coal mine in Tanzania and East Africa and is exclusively manned by Tanzanians

It has suffered a decline in production and sales volume due to competition from other regional mines and the effect of the pandemic.

Tancoal Production and Sales

	Quarter Ended		
	Jun-21	Jun-20	Var (%)
Overburden Stripped (bcm)	181,999	370,518	-50.88%
Coal mined (tonnes)	56,981	75,619	-24.65%
Sold (tonnes)	52,617	82,471	-36.20%

Production and sales have been solely from the Tancoal Mine.

IEC Group quarterly sales volumes (as a percentage) by country

	Quarter Ended	
	Jun-21	Jun-20
Tanzania	79.81%	69.60%
Kenya	-	14.92%
Rwanda	10.03%	9.76%
Uganda	10.16%	5.72%

Covid-19 has restricted supplies into Kenya.

IEC Group quarterly sales volumes (as a percentage) by industry

	Quarter Ended	
	Jun-21	Jun-20
Cement	85.01%	51.48%
Ceramics	-	35.70%
Textiles	6.60%	2.30%
Other	8.39%	10.52%

The major Tancoal Mining Lease was approved and issued by the Mining Commission in July 2021 for a period of 10 years.

EXPLORATION

Emphasis on exploration in Australia has been to establish Exploration Rights over properties considered to be attractive prospects and to define an overall development plan. A ground survey and historical research of the Talowla Project in NSW will be undertaken in August and negotiations with the proposed joint venture in WA for potential Ni-Cu-AU-PGE resources should be completed shortly. Further properties are under discussion with the aim of having an interesting group of exceptional targets by end 2021.

Coal exploration is concentrated on tenements being maintained in good standing and supporting mine development work.

CORPORATE

During April Mr Benjamin Dunn acquired 10,000,000 shares from a private placement in IEC and has joined the Board of Directors (announced on 22nd April, 2021). Mr Dunn has a legal background and has extensive experience in fund raising. He is primarily interested in developing Australian activities for IEC in the exploration and development of mineral resources.

During April, IEC granted the exclusive right to a credible firm interested in doing due diligence on IETL to determine areas of mutual interest. USD100,000 was paid to secure provision of the exclusive right as well as total and complete confidentiality. The work has taken longer than expected and, in the meantime, other parties have expressed interest in discussing opportunities with Tancoal. The Board has determined to continue discussions to reach a confirmed and tangible outcome within a defined time frame.

Cashflow	Current Quarter A\$ '000	Year to Date (12 months) A\$ '000
Cash at beginning of the Quarter	(377)	(965)
Operating	(16)	1,834
Investing	447	396
Financing	(264)	(1,551)
Exchange Rate Adjustments	(10)	66
Cash at end of Quarter	(220)	(220)

- The appeal of the TRA assessment of VAT to Tancoal, from the commencement of mining to June 2015 of approx. 3 million US dollars of which approx. 50% is interest and penalties, is ongoing.
- The tax investigation unit of the TRA has commenced an audit from the incorporation of the company to the current period, the investigation is ongoing.
- In January 2020, the Prevention and Combating of Corruption Bureau ("PCCB") commenced an investigation into Tancoal covering the period from the start of the company. Tancoal has not been advised of the reason for the investigation and has provided all documents as requested, the investigation is ongoing.

- The High Court of Tanzania (Commercial Division) in the NBC Bank case ruled in favour of Tancoal (refer ASX announcement 8 April 2019). NBC referred an appeal to the Court of Appeal of Tanzania and all the preliminary steps and processes have been done. The case now awaits a Summons for the date the hearing of the appeal will commence.

Community

- The Mbalawala Women’s Organisation (“MWO”) in Tanzania that has been supported by the company for many years continues to go from strength to strength as their operations expand with the growth of the mine.
- Tancoal’s Corporate Social Responsibility (“CSR”) plan for 2021 has been submitted.

OUTLOOK

In the Quarter under review, and in accordance with IEC policy, substantial progress was made in developing a portfolio of attractive exploration properties for mineral development in Australia. Application was lodged for the Talowla Project near Louth, north of Cobar, based on very attractive data demonstrating similar structure to the Cobar region. Discussions were also held with several organisations with exploration properties and evaluations developed to be able to process the most inviting for further negotiations.

Further survey work to define drilling targets in the Minas do Lurio concession in Mozambique and meetings to refine drilling costs to a minimum for initial resource definition were undertaken during the period.

Coal production in Tanzania unfortunately continued to decline from a combination of cement kiln shutdowns for maintenance, Covid restrictions at border crossings and increased price competition domestically. It is expected that this situation will continue for a period. In July IEC was very pleased to have the Tancoal Mining Licence renewed for the next ten years. Several parties have expressed interest in participating with Tancoal in its mining operations and these discussions are continuing.

For further information please contact:

Shareholder Enquiries

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IEC - SCHEDULE OF MINING AND PROSPECTING TENEMENTS						
Tenement ID	Country	Company	% Ownership	Locality	Minerals	Status
PL 7620/2012	Tanzania	Tancoal	100	Mbuyura/Mkapa	coal	2 nd Renewal pending
PL 7713/2012	Tanzania	Tancoal	100	Mhukuru	coal	Active
PL 8999/2013	Tanzania	Tancoal	100	Mbalawala East	coal	Active
ML 439/2011	Tanzania	Tancoal	100	Tancoal	coal	Active
PL 7391/2011	Tanzania	Tancoal	100	Mbalawala	coal	2 nd Renewal pending
ML610/20	Tanzania	Tancoal	100	Mbalawala	coal	Active
PL 11156/2017	Tanzania	Tancoal	100	Mbinga/Ruvuma	coal	Pending Renewal
PL 11086/2016	Tanzania	Tancoal	100	Mbinga/Ruvuma	coal	Application recommended
PL 13996/2019	Tanzania	Tancoal	100	Mbinga/Ruvuma	coal	Application recommended
PL 10116/14	Tanzania	Tanzacoal	100	Songwe/Kiwira	coal	Active
	Australia	IEC	100	Louth/NSW	Gold	Application pending

Tancoal is owned 70% by IEC