



# **Intra Energy Corporation Limited**

(ABN 65 124 408 751)

## **Annual Financial Report**

For the year ended 30 June 2021

---

	Page
Corporate Directory	3
Chairman's Report	4
Review of Operations	6
Directors' Report	9
Remuneration Report	14
Auditor's Independence Declaration	20
Directors' Declaration	21
Independent Auditor's Report	22
Consolidated Statement of Profit or Loss and Other Comprehensive Income	27
Consolidated Statement of Financial Position	28
Consolidated Statement of Cash Flows	29
Consolidated Statement of Changes in Equity	30
Notes to the Financial Statements	31
ASX Additional Information	67

## **DIRECTORS**

Graeme Robertson (Chairman)  
Benjamin Dunn (Managing Director appointed 23 April 2021)  
Troy Wilson  
Alan Fraser  
James Shedd  
Marc Schwartz (resigned 9 February 2021)

## **COMPANY SECRETARY**

Rozanna Lee

## **REGISTERED OFFICE - AUSTRALIA**

Level 40, 2 Park Street  
Sydney NSW 2000

Email: [info@intraenergycorp.com.au](mailto:info@intraenergycorp.com.au)

## **REGISTERED OFFICE - TANZANIA**

Amverton Tower  
Plot No 1127  
Chole Road, Masaki  
PO Box 23059  
Dar es Salaam, Tanzania

## **SHARE REGISTRY**

Link Market Service Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: (02) 8280 7111  
Facsimile: (02) 9287 0309

## **AUDITORS**

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000  
Telephone: (02) 9263 2600  
Facsimile: (02) 9263 2800

## **INTERNET ADDRESS**

[www.intraenergycorp.com.au](http://www.intraenergycorp.com.au)

**ABN** 65 124 408 751

**ASX CODE (IEC)**

On behalf of the Board of Directors of Intra Energy Corporation Limited ("IEC", "Intra Energy" or "the Company"), it is my pleasure to present my comments on the operations and the future directions of the Company for this Annual Financial Report for 2021.

Over the last two years the Board of IEC has proceeded to remove the company from coal mining and instead develop in 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.

An Application has been approved for a 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.

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.

Intrafrican Resources Limited (Intrafrican), a wholly-owned subsidiary of IEC, registered in Mauritius, has invested in an attractive gold concession in Mozambique, a nation mainly unexplored but with huge mineral resources and a regulatory framework conducive to the realities of mining. Intrafrican currently owns 15% of Intra Minerals Limited (IML), a company registered in Mauritius which owns 95% of the exciting Minas Do Lurio Gold Project in central/northern 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 alluvial mining activities in 2022.

IEC's 70% ownership of Tancoal Energy Limited ("Tancoal") which operates the Ngaka coal mine in south west Tanzania which is also 30% owned by the National Development Corporation of Tanzania ("NDC") is manned exclusively by Tanzanians. Thermal coal as a fuel is becoming increasingly unpopular in the world and the ability to return anything to shareholders has become impossible in Tanzania due to declining markets, increased competition and Government imposts considered by the Company to be arbitrary and unfair.

Tancoal's 2021 production was 236,155 tonnes (2020: 496,393) tonnes. Stocks were maintained sufficiently for the demand during the year.

IEC recorded a loss after tax and before minorities of (A\$8,210,000) (2020: loss of A\$17,186,000). The loss included (A\$5,329,000) impairment of the Tancoal mining and exploration assets due mainly to imposition of Government royalties.

IEC continued to maintain its active presence in community development through the Government approved Local Content Plan and Tancoal's partnership with the local Women's Group and various other projects and support given to the local communities.

Benjamin Dunn was appointed Managing Director of IEC on 23 April 2021 and will lead the Company's focus on Australian activities. Jim Shedd will remain as CEO and will oversee the move from coal and the development of IML in Mozambique.

Marc Schwartz resigned from the Board on 9 February 2021.

The development of Intrafrican and gold, copper and nickel exploration interests in Australia promises to be the sustainable and exciting future for IEC.

Sincerely



Graeme Robertson

**Chairman – Intra Energy Corporation Limited**

## AUSTRALIAN MINERAL EXPLORATION

The Board of Intra Energy Corporation Limited (“IEC” or the “Company”) has over the last two years decided to remove itself from fossil fuel production 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 to enable it to exit.

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 Intra Eastern Pty Ltd, a wholly owned subsidiary of 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. Advice has subsequently been received that the application has been approved.

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.

## MOZAMBIQUE GOLD

Intrafrican Resources Limited (“Intrafrican”), a fully owned subsidiary of IEC registered in Mauritius has invested in Intra Minerals Limited (“IML”), a company also 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.

The exploration project currently comprises a 168.56 km<sup>2</sup> large prospecting license (8416L) in the historically underexplored Lurio Belt. An initial trenching and sampling program has been completed at Savane, a prospective area within the prospecting license. Samples of quartz and soil have been taken, crushed, washed and processed indicating gold grades between 4 and 6 g/t with high recovery rates.

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 Lurio 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.

## MINING OPERATIONS

IEC’s 100% owned subsidiary, Intra Energy Tanzania Limited (“IETL”), owns a 70% interest in Tancoal Energy Limited (“Tancoal”), a joint venture with the National Development Corporation of Tanzania (“NDC”), which holds the remaining 30% interest. Tancoal was granted a Mining Licence (“ML”) by the Tanzanian Government on 18 August 2011 and commenced mining and supply of coal to domestic and regional industrial customers in Tanzania, Kenya, Uganda, Rwanda, Zambia and Malawi.

IEC's flagship project, the Tancoal Mine, is a project of national significance, and remains the major operating coal mine in Tanzania.

	<b>FY21</b>	<b>FY20</b>
Overburden Stripped (BCM)	603,977	2,297,569
Coal mined (tonnes)	236,155	496,393
Coal Sold (tonnes)	234,538	523,057

Tancoal produces a high quality thermal coal with an energy of 6,000K~6,300Kcals/kg which consistently meets client specifications.

Tancoal has been producing and selling coal in Tanzania since 2011. Coal from the mine is transported on a 52 kilometre haul road to the Sales Point at Kitai where the coal undergoes final processing and is then sold and loaded into trucks provided by the respective consumers. Its main mining licence has been renewed subsequent to 30 June 2021.

## OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT ("OHSE")

Like any other financial year, OHSE remain the priority to IEC. Tancoal continued to monitor and make sure we minimize environmental impact caused by our operations by following the Environmental Impact Assessment Plan and regulatory requirements, and ensure safe work practice as required by OSHA.

Like previous financial years, the annual tree planting programme again saw Tancoal transplant a total of 10,000 tree seedlings of indigenous species. Trees were planted around the mine site and stockpile area at the mine, villages surrounding the mine site, the haul road and stockpile area at the Kitai sales point and others were given to the Kitai Prison which is close to the Kitai sales point. We have also isolated tree farms in two villages of which Tancoal is taking care as sample farms to surrounding communities.

Upgrade of Storm water trenches and ponds were done before the rainy season in accordance with the mine development plan. The monitoring of acid water and suppression of mine dust continues. Blasting is controlled by monitoring sound level, vibration and dust emission during blasting to ensure they do not exceed the required standard set by Tanzania Bureau of Standard (TBS).

Annual Environmental Audit was conducted as per directive from National Environmental Management Council (NEMC) as required by the law.

## EXPLORATION

Gold exploration continues through an associated company, Intra Minerals Limited (Mauritius) in the Cabo Delgado and Nampula Provinces of Mozambique. The initial gold exploration programme ended with the advent of the wet season in Africa and capital requirements. Gold and other minerals are being explored by IEC in Australia and Intrafrican (Mauritius).

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

**Table 1 - Intra Energy JORC resources**

<b>Project</b>	<b>Measured (Mt)</b>	<b>Indicated (Mt)</b>	<b>Inferred (Mt)</b>	<b>Total (Mt)</b>
<b>Tanzania</b>				
Tancoal – North	51.00	73.70	71.73	196.43
Tancoal – South	25.53	71.80	63.00	160.33
<b>Total JORC resources</b>	<b>76.53</b>	<b>145.50</b>	<b>134.73</b>	<b>356.76</b>

## COMPETENT PERSON STATEMENT

### MBALAWALA/MBUYURA-MKAPA

The information in this report relates to Exploration Results, Mineral Resources or Ore Reserves based on the Mbalawala Mine Bankable Feasibility Study with related infrastructure feasibility options as at 31 August 2010, the Mbalawala Coal Mine Bankable Feasibility Study as at 13 August 2010, the Resource Model Assessment and Review, Ngaka Project Area as at 20 July 2010 and the Updated Raw Coal Resource Estimate provided by JB

Mining Services Pty Ltd dated 30 September 2017 and 30 November 2017 and have been reviewed by Mr Phillip Sides. Mr Sides is a Member of the Australian Institute of Geoscientists and as such qualifies as a Competent Person as defined by the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ~ The JORC Code ~ 2012 Edition”. Mr Sides is a consultant to JB Mining Services Pty Ltd and has sufficient experience to qualify as a Competent Person as defined in The JORC Code. Mr Sides consents to the inclusion of the matters based on his information in the form and context in which it appears.

## CORPORATE

Operating cash flow was restricted in FY 2021 due to the difficult operating conditions. Tancoal’s banking facilities with KCB Bank of Tanzania were extended to February 2022.

Marc Schwartz resigned from the Board on 10 February 2021.

Benjamin Dunn was appointed Managing Director of IEC on 23 April 2021.

On 23 April 2021, a placement was completed to Mr Dunn of 10,000,000 shares @ 0.64 cents per shares

On 3 September 2021, 555,555 shares were issued @ 0.90 cents per share in consideration for services to IEC by Jodama Pty Ltd in managing the Louth exploration application.

## CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

### COMMUNITY

At IEC our approach to corporate social responsibility (“CSR”) is about partnership with local communities to develop initiatives to provide social and economic development as well as environmental protection and conservation in the areas IEC operate. By developing partnerships with the communities, IEC is helping to foster sustainable development, share the socio-economic benefits from its operations and alleviate poverty.

Some of the key challenges associated with investing in Africa relate to governance, capacity building, human rights, environment and social issues. The mining industry in Tanzania is committed to continue to work in conjunction with the government and local communities to put in place programs and develop projects that have a tangible outcome, and priority is given to projects that alleviate poverty, contribute to building skills and support women’s and youth economic empowerment, especially through education and business ownership.

In implementing the Corporate Social Responsibility (CSR) rules, Tancoal again submitted CSR for 2021 to the local Authority, whereby we have started building two classrooms for the Mtunduwaro village Primary school.

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.

In Mozambique IML follows ESG requirements and hires from within the local community and maintains a close relationship to develop suitable CSR initiatives once development work re-commences.

Similar ESG/CSR standards will be applied in Australia to enhance the sustainability of IEC development projects.



# Directors Report



## DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. The Directors were in office for the entire period unless otherwise stated.

Name	Position	Description
<b>Graeme Robertson</b> BA, FAICD, MAIE	<i>Non-Executive Chairman</i>	<p>Graeme joined the Board in November 2010 as Non-Executive Chairman and was appointed Executive Chairman in January 2011 and Non-Executive Chairman in October 2014. He has over forty years' experience in the coal, infrastructure and power development industries. Graeme is currently Chairman of the Intrasia Capital Pte Ltd in Singapore a family office with corporate and financial services operating from Mauritius into Africa.</p> <p>From 1983 to 2005 Graeme was CEO and Managing Director of New Hope Corporation Limited (ASX:NHC). During this period he pioneered the development of major international companies including as President Director of Adaro Indonesia, the largest single open cut coal mine in the Southern Hemisphere, President Director of Indonesia Bulk Terminal, a 12 mtpa capacity bulk coal port and as an advisor to the development of the 1,230MW Paiton Power station, the first IPP in Indonesia.</p> <p>His career has spanned both public and private developments including directorships with the Port of Brisbane Authority and Washington H. Soul Pattinson &amp; Co Ltd, one of Australia's oldest listed companies as well as AfrAsia Bank Ltd in Mauritius where he is currently Chairman of the AfrAsia Foundation for education to the underprivileged.</p> <p>Current directorships include Minbos Limited (ASX: MNB) and Ekada Capital Limited a public non-listed company in Mauritius for wealth management.</p> <p>Graeme was the recipient of the Asia 500 Award in 2000 and the Coaltrans Lifetime Achievement Award in 2010 for his contribution to the coal industry. He is a Fellow of the Australian Institute of Company Directors and a Member of the Australian Institute of Energy.</p>
<b>Troy Wilson</b>	<i>Non-Executive Director (appointed 2 October 2017)</i>	<p>Troy is the Managing Director and owner of Gigajule Energy Pty Ltd and is widely recognized in Australia and internationally as a Coal Bed Methane (CBM) completion and production expert with over 20 years' experience in this field. Troy's most recent experience includes the development of CBM in Africa, flowing gas from the first Surface to Inseam Wells in Botswana, being the lead in the production enhancement team taking the gas field from 8tjs to 17tjs in 6months for Westside Corporation. He has previously been Operations Manager with Mitchell Drilling Corporation, developing the production for Peabody (North Goonyella) and A.J. Lucas.</p> <p>Troy currently sits on the Board of Intrasia Securities limited and is advising several CBM development companies in South Africa, Botswana, Zimbabwe and in Australia.</p>

<b>Alan Fraser</b>	<i>Non-Executive Director (appointed 24 August 2018)</i>	<p>Mr Fraser has over 30 years' experience in greenfield mineral exploration, project management and mine construction. He has managed base metal and gold exploration projects through the stages of tenement acquisition, joint venture negotiation, obtaining regulatory approvals and the management of field exploration programs, at times in remote locations. He has worked extensively across the Asia-Pacific region especially in Australia and Asia.</p> <p>Alan served as CEO of New Holland Mining Limited, an ASX listed gold and base metal exploration and production company, now NuEnergy Gas Limited, having been a director since 1992. Alan was instrumental in NuEnergy's acquisition of the coal and unconventional gas assets in Indonesia. He stepped down as CEO to ensure new leadership could move the company forward with its focused gas strategy. Alan was engaged in the IPO and listing and served as MD and Chairman of Resource Base Limited another ASX listed company engaged in gold exploration and production with activities in Australia, retiring in 2016. Mr Fraser has a vast knowledge of working with ASX listed companies and helping to create value for the Australian investment community.</p>
<b>Benjamin Dunn</b>	<i>Executive Director (appointed 23 April 2021)</i>	<p>Mr Dunn has over 20 years international experience in the Legal, Equity and Capital Markets in Australian and Asia, primarily focused on the resources sector. Practicing law before attaining an MBA from the Melbourne Business School, Mr Dunn has subsequently held senior positions with international investment houses including Citigroup, JP Morgan and CLSA. Mr Dunn now divides his time between his own resource focused investment company and providing advice to a London based Family Office.</p>
<b>Marc Schwartz</b>	<i>Non-Executive Director (appointed 31 July 2019, resigned 9 February 2021)</i>	<p>Marc has had a very successful business career starting at Macquarie Bank to being Managing Director of Pascoes Pty Ltd from 2008 to 2018, which employed approximately 150 people across multiple manufacturing sites and manufactured or distributed over 400 items to retailers and brand owners. Amongst other varied business interests, he is currently a Director of Gelflex Laboratories which is the largest manufacturer of contact lenses in the Southern Hemisphere. Marc holds a Bachelor of Computer Science and Financial Mathematics from the University of Western Australia.</p>
<b>James (Jim) Shedd</b>	<i>Managing Director 7 November 2018 – 23 April 2021), CEO appointed 27 December 2016)</i>	<p>Jim has been CEO of the Company since December 2016 and has been pivotal in the development of IEC's mining operations in Tanzania. He has developed a strong Tanzanian team and improved mine efficiency under challenging conditions. Jim is also the CEO of Intrafrican Resources Ltd (IRL) which is a 100% owned subsidiary of IEC in Mauritius which currently holds 15% of Intra Minerals (IML), which Jim is also a director, that owns 95% of Minas Do Lurio (MDL) Gold project in Mozambique.</p> <p>Jim graduated in business from the University of Maryland, USA, and after serving as a combat engineer and productivity analyst in the US Armed Forces, has over 20 years' experience in the mining industry specialising in general mine, turnaround and productivity management. Jim also holds an MBA from Regis University,</p>

# Directors Report



Colorado, USA. He has lived and worked in over 14 countries worldwide including Tanzania, Indonesia and Australia. He has held positions in Indonesia, Senegal and Western Australia as a performance improver in mines on behalf of McKinsey Consultants.

## COMPANY SECRETARY

**Rozanna Lee**  
B. Com (Hons),  
LLB, GradDipACG,  
AGIA, AGIS

*Company Secretary*

Rozanna has acted as Company Secretary of IEC since October 2011. She holds both commerce and law degrees from the University of Queensland and is an Associate Member of the Governance Institute of Australia.

## CORPORATE STRUCTURE

IEC is a public company domiciled in Australia and listed on the Australian Stock Exchange (ASX:IEC). The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in Note 21 of the financial statements.

## INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the Directors in the shares of the Company were:

	Special Responsibilities	Ordinary Shares
G Robertson	Non-Executive Chairman	131,306,585
B Dunn	Executive Director	10,000,000
T Wilson	Non-Executive Director	—
A Fraser	Non-Executive Director	—
M Schwartz	Non-Executive Director <sup>1</sup>	9,058,309
J Shedd	Managing Director/CEO	—

<sup>1</sup>Mr Marc Schwartz resigned 9 February 2021

Profit/(loss) Per Share	2021	2020
Basic Profit/(loss) per share (cents)	(1.40)	(3.04)

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the entities within the Consolidated Entity during the year were coal production and gold exploration in South Eastern Africa and gold, copper and nickel exploration in Australia.

## OPERATING REVIEW

The Consolidated Entity's operations are discussed in detail in the Review of Operations which can be found on pages 6 to 8 of this Annual Financial Report.

## REVIEW OF FINANCIAL POSITION

The Consolidated Entity recorded an operating loss after income tax \$8.21m (2020 Loss: \$17.19m).

## CAPITAL STRUCTURE

As at the date of signing this report, the Company had 398,279,585 fully paid ordinary shares on issue.

## DIVIDEND

No dividend was paid or declared during the year ended 30 June 2021.

## CASH FROM OPERATIONS

The net cash inflow from operations of \$1.799m (2020: \$1.96m). The Group had a net overdraft of \$0.249m at year end with \$0.548m cash at bank and a bank overdraft facility of \$0.797m.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes to the state of affairs of the Company.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 3 September 2021, 555,555 shares were issued @ 0.90 cents per share in consideration for services to IEC.

On 23 July 2021 the main mining licence for Tancoal in Tanzania was renewed.

The Company was advised on 9 September 2021 that its ELA6305 Application at Louth, NSW had been approved.

Aside from the above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to environmental regulations and is compliant with all aspects of environmental regulation in its exploration and mining activities, including provision for environmental rehabilitation costs. The Directors are not aware of any environmental law that is not being complied with.

## SHARES UNDER OPTION

As at 30 June 2021, there were no unissued ordinary shares under option.

## MEETINGS OF DIRECTORS

Directors	Attended	Available to attend
Mr G Robertson	9	9
Mr B Dunn <sup>1</sup>	2	2
Mr T Wilson	8	9
Mr A Fraser	9	9
Mr M Schwartz <sup>2</sup>	6	9
Mr J Shedd	9	9

<sup>1</sup> Appointed 23 April 2021

<sup>2</sup> Resigned 9 February 2021

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Directors' Access Indemnity and Insurance Deeds ("Deed") with each Director. Under the Deed, the Company indemnifies the Directors to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the Directors in connection with

the Directors being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Also pursuant to the Deed, the Company must insure the Directors against liability and provide access to all board papers relevant to defending any claim brought against the Directors in their capacity as officers of the Company. Amounts disclosed for remuneration of directors and specified officers exclude insurance premiums of \$170,705 (2020: \$110,557) paid by the Company in respect of liability for any current and former Directors, executive officers and secretaries of the Company and its controlled entities. This amount has not been allocated to the individuals covered by the insurance policy as, based on all available information, the Directors believe that no reasonable basis for such allocation exists.

## CORPORATE GOVERNANCE

The Board of Directors of IEC is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of IEC on behalf of the shareholders by whom it is elected and to whom it is accountable.

The Company is committed to ensuring that its systems, procedures and practices reflect a high standard of corporate governance. The Directors believe that the corporate governance framework is critical in maintaining high standards of corporate governance and fostering a culture that values ethical behaviour, integrity and respect to protect security holders' and other stakeholders' interests at all times.

During the year ended 30 June 2021, the Company's corporate governance framework was consistent with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council.

The Company publishes its Corporate Governance statement on its website rather than in its Annual Report. The Corporate Governance statement may be viewed or downloaded at: [www.intraenergycorp.com.au](http://www.intraenergycorp.com.au). Copies of the Group policies referred to in the Corporate Governance Statement are also posted on the website.

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of the Company, in connection with the management of the affairs of the entity and its subsidiaries, during the year to 30 June 2021.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity, including Directors of the Company and other executives. Key management personnel comprise the Directors of the Company and executives of the Company and the Consolidated Entity.

### A. REMUNERATION POLICY

#### Remuneration Committee

At 30 June 2021 the function of the Remuneration Committee ("the Committee") was carried out by the Board.

The function of the Board in fulfilling its corporate governance responsibilities with respect to remuneration is by reviewing and making appropriate recommendations on:

- (a) Remuneration packages of Non-Executive Directors, Executive Directors and Senior Management;
- (b) Employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

#### Remuneration Policy

The Committee adopts the following policies on executive compensation and will bear these policies in mind during remuneration reviews:

All key executives should be paid fair market Total Fixed Remuneration ("TFR") for their employment, taking into account their responsibilities and performance expectations.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. In August 2020 the Directors agreed to suspend payment of their fees until the Company had sufficient funds to make the payments. At 30 June 2021 the amount owed to Directors is A\$460,722,

The Committee's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when needed. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. The Directors are not required to hold any shares in the Company under the Company's Constitution.

#### Executive Directors' and Senior Management Remuneration

In considering the Company's Remuneration Policy and levels of remuneration for Executives, the Committee makes recommendations that seek to:

- Motivate Executive Directors and Senior Management to pursue long term growth and success of the Company within an appropriate control framework;
- Demonstrate a clear correlation between Executives' performance and remuneration; and
- Align the interests of Executives with the long-term interests of the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

#### Non-Executive Director Remuneration

In considering the Company's Remuneration Policy and levels of remuneration for Non-Executive Directors, the Committee is to ensure that:

- Fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and recommendations are made to the Board with respect to the need for increases to this aggregate amount at the Company's Annual General Meeting;
- Non-Executive Directors are remunerated by way of fees (in the form of cash);

# Remuneration Report



- Non-Executive Directors are not provided with retirement benefits; and
- Non-Executive Directors are not entitled to participate in equity-based remuneration schemes designed for Executives without due consideration and appropriate disclosure to the Company's shareholders.

To the extent that the Company adopts a different remuneration structure for its Non-Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

## KEY MANAGEMENT PERSONNEL

During the year ended 30 June 2021 the Key Management Personnel ("KMP") of IEC were:

Name	Position Held
Mr Graeme Robertson	Non-Executive Chairman
Mr Benjamin Dunn	Managing Director
Mr Troy Wilson	Non-Executive Director
Mr Alan Fraser	Non-Executive Director
Mr Marc Schwarz <sup>1</sup>	Non-Executive Director
Mr James Shedd	Chief Executive Officer
Ms Kerry Angel <sup>2</sup>	Chief Financial Officer

<sup>1</sup>Mr Marc Schwarz resigned 9 February 2021

<sup>2</sup>Ms Kerry Angel resigned 16 May 2021

# Remuneration Report



## B. DETAILS OF REMUNERATION

	Short-term			Post-Employment		Long-term	Share-based Payment			TOTAL	% of Remuneration granted as options
	Salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Retirement Benefits	Long service leave	Shares	Options	Incentive plans		
2021	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
NON-EXECUTIVE DIRECTORS											
Mr G Robertson	113,363	–	–	–	–	–	–	–	–	113,363	–
Mr B Dunn <sup>1</sup>	7,562	–	–	–	–	–	–	–	–	7,562	–
Mr T Wilson	40,000	–	–	–	–	–	–	–	–	40,000	–
Mr A Fraser	40,000	–	–	–	–	–	–	–	–	40,000	–
Mr M Schwartz <sup>2</sup>	29,995	–	–	–	–	–	–	–	–	29,995	–
Mr J Shedd	449,470	–	–	–	–	–	–	–	–	449,470	–
KEY MANAGEMENT PERSONNEL											
Ms K Angel <sup>3</sup>	257,388	–	–	–	–	–	–	–	–	257,388	–
<b>Total</b>	<b>937,778</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>937,778</b>	<b>–</b>

<sup>1</sup>Appointed 23 April 2021, <sup>2</sup>Resigned 9 February 2021, <sup>3</sup>Resigned 16 May 2021

	Short-term			Post-Employment		Long-term	Share-based Payment			TOTAL	% of Remuneration granted as options
	Salary and fees	Cash bonus	Non-monetary benefits	Superannuation	Retirement Benefits	Long service leave	Shares	Options	Incentive plans		
2020	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
NON-EXECUTIVE DIRECTORS											
Mr G Robertson	116,597	–	–	–	–	–	–	–	–	116,597	–
Mr T Wilson	40,000	–	–	–	–	–	–	–	–	40,000	–
Mr A Fraser	40,000	–	–	–	–	–	–	–	–	40,000	–
Mr M Schwartz <sup>1</sup>	36,667	–	–	–	–	–	–	–	–	36,667	–
Mr J Shedd	496,154	–	–	–	–	–	–	–	–	496,154	–
KEY MANAGEMENT PERSONNEL											
Ms K Angel	293,656	–	–	–	–	–	–	–	–	293,656	–
<b>Total</b>	<b>1,023,074</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,023,074</b>	<b>–</b>

<sup>1</sup>Appointed 31 July 2019



## C. CASH BONUSES

There were no cash bonuses paid during the year.

## D. SHARE BASED PAYMENTS

There were no share-based payments made during the year.

## E. OPTIONS ISSUED AS PART OF REMUNERATION

No options were issued as part of remuneration during the year (2018: Nil)

## EMPLOYMENT CONTRACTS OF DIRECTORS AND EXECUTIVES

Mr Graeme Robertson's Non-Executive Chairman's fees are \$85,000 per annum. Mr Robertson is also the Non-Executive Chairman of Tancoal Energy Limited (Tancoal), a 70% owned subsidiary of IEC. During the year he received director's fees of US\$21,176 from Tancoal.

Mr Benjamin Dunn was employed as Managing Director on 23 April 2021, he is being paid fees equivalent to Non-Executive Director's fees of \$40,000, Mr Dunn will not draw a full time salary until such time as the Board is satisfied with the strategic direction of the Company and its balance sheet is strengthened.

Mr Troy Wilson was employed as Non-Executive Director on 4 October 2017 and his Non-Executive Director's fees are \$40,000 per annum.

Mr Alan Fraser was employed as Non-Executive Director on 24 August 2018 and his Non-Executive Director's fees are \$40,000 per annum.

Mr Marc Schwartz was employed as Non-Executive Director from 31 July 2019 to 10 February 2021 and his Non-Executive Director's fees were \$40,000 per annum.

Mr James (Jim) Shedd was appointed Managing Director of IEC from 7 November 2018 and has been employed as Chief Executive Officer from 27 December 2016 for an indefinite period until terminated by either party by giving not less than three months' notice. Mr Shedd's salary is US\$280,000 and A\$40,000 per annum. Mr Shedd is also a non-executive director of Tancoal Energy Limited (Tancoal), a 70% owned subsidiary of IEC for which during the year he received director's fees of US\$25,714 from Tancoal.

The key terms of Mr Shedd's remuneration package are as follows:

- Total Fixed Remuneration (TFR) of US\$280,000 and A\$40,000 (including superannuation contributions), subject to annual review;
- Eligibility to participate in the Company's incentive scheme as approved by the Board from time to time;

Ms Kerry Angel was employed as the Chief Financial Officer until her resignation 16 May 2021. Ms Angel's salary was US\$170,000 and A\$40,000 per annum including superannuation.

Each employment contract of Executive Directors and Executives includes:

- Base total fixed remuneration (including superannuation) to be reviewed annually;
- Provision of annual leave, accrued balance payable upon termination;
- Provision made for the awarding of bonuses at the recommendation of the Committee ("STI"); and
- Provision made for the award of performance share rights ("LTI"), subject to shareholder approval.

No payments were made under an LTI or STI scheme for the year ended 30 June 2020.

# Remuneration Report



## F. KEY MANAGEMENT PERSONNEL COMPENSATION – FULLY PAID SHARES

The numbers of shares in the Company held during the financial year or at time of resignation by each Director or KMP of IEC are set out below:

2021	Balance at beginning of year	Granted during the year as compensation	Received during the year on exercise of options	Changes during the year*	Balance at the end of the year
Mr G Robertson	131,556,585	–	–	–	131,556,585
Mr B Dunn <sup>1</sup>	10,000,000	–	–	–	10,000,000
Mr T Wilson	–	–	–	–	–
Mr A Fraser	–	–	–	–	–
Mr M Schwarz <sup>2</sup>	9,058,389	–	–	–	9,058,389
Mr J Shedd	–	–	–	–	–
Ms K Angel <sup>3</sup>	–	–	–	–	–
<b>Total</b>	<b>150,614,974</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>150,614,974</b>

<sup>1</sup>Mr Benjamin Dunn was appointed 23 April 2021, <sup>2</sup>Mr Marc Schwarz resigned 9 February 2021, <sup>3</sup>Ms Kerry Angel resigned 16 May 2021

\*Changes during the year represent shares acquired or sold by KMP or their associates

2020	Balance at beginning of year	Granted during the year as compensation	Received during the year on exercise of options	Changes during the year*	Balance at the end of the year
Mr G Robertson	131,556,585	–	–	–	131,556,585
Mr T Wilson	–	–	–	–	–
Mr A Fraser	–	–	–	–	–
Mr M Schwarz <sup>1</sup>	9,058,389	–	–	–	9,058,389
Mr J Shedd	–	–	–	–	–
Ms K Angel	–	–	–	–	–
<b>Total</b>	<b>140,614,974</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>140,614,974</b>

<sup>1</sup>Mr Marc Schwarz was appointed 31 July 2019

\*Changes during the year represent shares acquired or sold by KMP or their associates

## G. LOANS TO DIRECTORS AND EXECUTIVES

No loans were made to any Directors or Executives during the financial year.

**End of Remuneration Report**

## NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES110 Code of Ethics for Professional Accountants.

There were no fees for non-audit services paid to an affiliated entity of the external auditors during the year ended 30 June 2021.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 20 and forms part of the Directors' Report for the financial year ended 30 June 2021.

## ROUNDING OFF

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This Directors' Report, Remuneration Report and Corporate Governance Statement are made with a resolution of the Directors.



GRAEME ROBERTSON

*Chairman*

Dated this 30 September 2021

**INTRA ENERGY CORPORATION LIMITED  
ABN 65 124 408 751  
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF INTRA ENERGY CORPORATION LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Intra Energy Corporation Limited. As the lead audit partner for the audit of the financial report of Intra Energy Corporation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Hall Chadwick*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Graham Webb*

**GRAHAM WEBB**  
Partner  
Dated: 30 September 2021

A Member of PrimeGlobal  
An Association of Independent  
Accounting Firms

 **PrimeGlobal**

# Directors' Declaration



1. In the opinion of the Directors:

- (a) the accompanying financial statements, notes and additional disclosures are in accordance with the Corporations Act 2001 including:
  - (i) giving a true and fair view of the Company and Group's financial position as at 30 June 2021 and its performance for the financial year ended on that date; and
  - (ii) complying with Accounting Standards (includes the Australian Accounting Interpretations), the Corporations Regulations 2001 and any other mandatory professional reporting requirements.
- (b) as disclosed in note 1(A) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

The declaration is signed in accordance with a resolution of the Board of Directors.

**GRAEME ROBERTSON**  
*Chairman*

Dated this 30 September 2021

**INTRA ENERGY CORPORATION LIMITED  
ABN 65 124 408 751  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
INTRA ENERGY CORPORATION LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

***Opinion***

We have audited the financial report of Intra Energy Corporation Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Intra Energy Corporation Limited and its controlled entities is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

***Basis of Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporation Act 2001 has been given to the directors of the company at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 1(a) in the financial report, which indicates that the Group has incurred a net loss of \$8,210,000 for the year ended 30 June 2021, and as of that date the Group's current liabilities exceeded its current assets by \$17,984,000. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A Member of PrimeGlobal  
An Association of Independent  
Accounting Firms

 **PrimeGlobal**

**INTRA ENERGY CORPORATION LIMITED**  
**ABN 65 124 408 751**  
**AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**INTRA ENERGY CORPORATION LIMITED**

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the year ended 30 June 2021. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Carrying Value of Non-Current Assets</b></p> <p><i>Refer to Note 11 Property, plant and equipment; Note 12 Mine development costs; Note 13 Exploration expenditure; and Note 1(y) Critical accounting judgments and key sources of estimation and uncertainty.</i></p> <p>65% of the Group's total assets relate to property, plant and equipment, mine development costs, exploration expenditures and right of use assets totalling \$6,379,000 as at 30 June 2021 which are subject to an impairment assessment in accordance with AASB 136 "Impairment of Assets".</p> <p>The group's impairment assessment of these non-current assets is considered a key audit matter as the valuation is judgemental and based on a number of assumptions including coal prices, operating/capital costs, discount rates, inflation rates and economic conditions in Tanzania and internationally.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We assessed management's determination of the Group's Cash-Generating Units ("CGUs") to support the carrying value of property, plant and equipment.</li> <li>• We reviewed and analysed the key assumptions including growth rates, discount rate, projected coal sales and gross margin used in the cash flow forecasts and considered the reasonableness of these assumptions.</li> <li>• We involved Hall Chadwick's valuation experts to: <ul style="list-style-type: none"> <li>- evaluate the key valuation assumptions and estimates to assess the discounted cash flows.</li> <li>- reviewed the mathematical accuracy of the cash flow model and agreed relevant data to supporting information.</li> </ul> </li> <li>• We assessed the current economic environment and checked whether there were any indicators of impairment</li> <li>• We concurred with management's assessment to impair in full the carrying value of mine development costs and exploration expenditure.</li> <li>• We assessed the adequacy of the Group's disclosures in relation to the carrying value of non-current assets.</li> </ul>

**INTRA ENERGY CORPORATION LIMITED  
ABN 65 124 408 751  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
INTRA ENERGY CORPORATION LIMITED**

**Contingent Liabilities**

*Refer to Note 24 Contingent liabilities.*

<p>The group is a party to numerous ongoing litigation and legal matters, of which the most significant are disclosed in Note 24 to the financial statements.</p> <p>We focused on this area as a key audit matter due to a significant level of judgement and estimation involved in determining whether liabilities existed in accordance with AASB 137 "Provisions, Contingent Liabilities and Contingent Assets".</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We held discussions with management and reviewed correspondence and confirmations from the external legal advisors regarding the status of litigation matters.</li> <li>• We read the minutes of the Board of Directors and reviewed the related legal documents and the latest correspondence with the claimants.</li> <li>• We assessed the status of the claims and if they met the definition of a liability in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.</li> <li>• We assessed the adequacy of group's disclosures in relation to contingent liabilities.</li> </ul>
---	--

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



**INTRA ENERGY CORPORATION LIMITED  
ABN 65 124 408 751  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
INTRA ENERGY CORPORATION LIMITED**

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

**INTRA ENERGY CORPORATION LIMITED  
ABN 65 124 408 751  
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
INTRA ENERGY CORPORATION LIMITED**

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Intra Energy Corporation Limited, for the year ended 30 June 2021, complies with s 300A of the Corporations Act 2001.

**Responsibilities**

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**GRAHAM WEBB**

Partner

Dated: 30 September 2021

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021



	NOTES	CONSOLIDATED	
		2021 \$'000s	2020 \$'000s
Sales revenue	2	13,481	37,770
Cost of production		(9,392)	(29,308)
<b>Gross Profit</b>		<b>4,089</b>	<b>8,462</b>
Foreign exchange gain		44	19
Compliance and regulatory expenses		(235)	(230)
Legal and professional expenses		(161)	(329)
Depreciation and amortisation	3	(1,520)	(1,731)
Remuneration and employee expenses		(2,189)	(2,312)
Impairment of mine development costs and exploration expenditure		(5,329)	(687)
Other expenses		(2,681)	(3,378)
Prior period expenses for taxes and audits		-	(16,361)
Loss on disposal of assets		(31)	-
Doubtful debts		(172)	-
Finance expenses		(205)	(471)
<b>Loss Before Income Tax</b>		<b>(8,390)</b>	<b>(17,018)</b>
<b>Income tax benefit</b>	4	-	-
<b>Loss from continuing operations</b>		<b>(8,390)</b>	<b>(17,018)</b>
Loss from discontinued operations	10	(18)	(78)
(Reversal of)/Loss from impairment of assets of discontinued operations	10	198	(90)
<b>Loss for the Year</b>		<b>(8,210)</b>	<b>(17,186)</b>
<b>Other Comprehensive Income</b>			
Foreign currency translation gain/(loss)		1,028	126
<b>Total Comprehensive Loss for the Year</b>		<b>(7,182)</b>	<b>(17,060)</b>
<b>Net Loss for the Year Attributable to:</b>			
Shareholders of IEC		(5,536)	(11,769)
Non-controlling interest		(2,674)	(5,417)
		<b>(8,210)</b>	<b>(17,186)</b>
<b>Total Comprehensive Loss for the Year Attributable to:</b>			
Shareholders of IEC		(5,508)	(11,597)
Non-controlling interest		(1,674)	(5,463)
		<b>(7,182)</b>	<b>(17,060)</b>
<b>Loss per share</b>			
Loss per share (cents per share, basic and diluted)	7	(1.41)	(3.04)
Loss per share (cents per share, basic and diluted) on continuing operations	7	(1.44)	(3.00)
Profit/(loss) per share (cents per share, basic and diluted) on discontinued operations	7	0.04	(0.04)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the Financial Statements.

# Consolidated Statement of Financial Position

AS AT 30 JUNE 2021



		CONSOLIDATED	
		2021	2020
	NOTES	\$'000s	\$'000s
Assets			
Current Assets			
Cash and cash equivalents		548	322
Inventories	8	1,212	1,731
Trade and other receivables	9	1,498	4,180
Total Current Assets		3,258	6,233
Non-Current Assets			
Property, plant and equipment	11	6,302	6,888
Right of use assets	11	77	2,095
Mine development costs	12	-	5,172
Exploration expenditure	13	-	554
Investments	14	234	226
Total Non-Current Assets		6,613	14,935
Total Assets		9,871	21,168
Liabilities			
Current Liabilities			
Bank overdraft	16(b)	797	1,287
Trade and other payables	15	19,035	20,796
Employee benefits		113	130
Interest bearing liabilities	16	909	1,336
Lease liabilities	17	388	1,448
Total Current Liabilities		21,242	24,997
Non-Current Liabilities			
Trade and other payables	15	10,801	11,209
Lease liabilities	17	-	85
Provisions	18	956	887
Total Non-Current Liabilities		11,757	12,181
Total Liabilities		32,999	37,178
Net Assets/(liabilities)		(23,128)	(16,010)
Equity			
Issued capital	19	69,654	69,590
Reserves	20	2,312	2,284
Accumulated losses		(82,218)	(76,682)
Total equity attributed to equity holders of the Company		(10,252)	(4,808)
Non-controlling interest	22	(12,876)	(11,202)
Total Equity		(23,128)	(16,010)

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the Financial Statements.

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021



	NOTES	CONSOLIDATED	
		2021 \$'000s	2020 \$'000s
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		17,681	37,973
Payments to suppliers and employees		(15,677)	(35,719)
Interest paid		(205)	(293)
<b>Net cash provided in operating activities</b>	26	<b>1,799</b>	<b>1,961</b>
<b>Cash Flows from Investing Activities</b>			
Payment for mine development and capitalised exploration costs		(23)	(47)
Purchase of property, plant and equipment		(56)	(76)
Proceeds from sale of property, plant and equipment		349	-
Payment for investments		-	(226)
Proceeds from deposit for sale of business		126	-
Proceeds from issue of shares		64	-
<b>Net cash (used) in investing activities</b>		<b>460</b>	<b>(349)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of interest bearing liabilities		(988)	(1,125)
Repayment of lease liabilities		(843)	(1,205)
Proceeds from borrowings		222	-
<b>Net cash (used) in financing activities</b>		<b>(1,609)</b>	<b>(2,330)</b>
Net increase (decrease) in cash and cash equivalents		650	(718)
Cash and cash equivalents at beginning of year		(965)	(243)
Effects of exchange rate changes on cash		66	(4)
<b>Cash and Cash Equivalents at end of year</b>		<b>(249)</b>	<b>(965)</b>
Cash and cash equivalents		548	322
Bank overdrafts		(797)	(1,287)
<b>Cash and Cash equivalents in the Statement of Cash Flows</b>		<b>(249)</b>	<b>(965)</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the Financial Statements.

# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021



	ISSUED CAPITAL	ACCUMULATED LOSSES	PERFORMANCE RIGHTS	OPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL	NON-CONTROLLING INTEREST	TOTAL EQUITY
CONSOLIDATED	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>At 1 July 2020</b>	<b>69,590</b>	<b>(76,682)</b>	<b>795</b>	<b>2,216</b>	<b>(727)</b>	<b>(4,808)</b>	<b>(11,202)</b>	<b>(16,010)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>								
Loss for the year	—	(5,536)	—	—	—	(5,536)	(2,674)	(8,210)
<b>Other Comprehensive Income</b>								
Foreign currency translation differences	—	—	—	—	28	28	1,000	1,028
<b>Total Comprehensive Income</b>	<b>&gt;</b>	<b>(5,536)</b>	<b>&gt;</b>	<b>&gt;</b>	<b>28</b>	<b>(5,508)</b>	<b>(1,674)</b>	<b>(7,182)</b>
<b>TRANSACTIONS WITH OWNERS RECORDED DIRECTLY INTO EQUITY</b>								
Shares issued during the year	64	—	—	—	—	64	—	64
<b>Total transactions with owners</b>	<b>64</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>64</b>	<b>&gt;</b>	<b>64</b>
<b>Balance at 30 June 2021</b>	<b>69,654</b>	<b>(82,218)</b>	<b>795</b>	<b>2,216</b>	<b>(699)</b>	<b>(10,252)</b>	<b>(12,876)</b>	<b>(23,128)</b>

	ISSUED CAPITAL	ACCUMULATED LOSSES	PERFORMANCE RIGHTS	OPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL	NON-CONTROLLING INTEREST	TOTAL EQUITY
CONSOLIDATED	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>At 1 July 2019</b>	<b>69,590</b>	<b>(64,913)</b>	<b>795</b>	<b>2,216</b>	<b>(899)</b>	<b>6,789</b>	<b>(5,739)</b>	<b>1,050</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>								
Loss for the year	—	(11,769)	—	—	—	(11,769)	(5,417)	(17,186)
<b>Other Comprehensive Income</b>								
Foreign currency translation differences	—	—	—	—	172	172	(46)	126
<b>Total Comprehensive Income</b>	<b>&gt;</b>	<b>(11,769)</b>	<b>&gt;</b>	<b>&gt;</b>	<b>172</b>	<b>(11,597)</b>	<b>(5,463)</b>	<b>(17,060)</b>
<b>TRANSACTIONS WITH OWNERS RECORDED DIRECTLY INTO EQUITY</b>								
Shares issued during the year	—	—	—	—	—	—	—	—
<b>Total transactions with owners</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>	<b>&gt;</b>
<b>Balance at 30 June 2020</b>	<b>69,590</b>	<b>(76,682)</b>	<b>795</b>	<b>2,216</b>	<b>(727)</b>	<b>(4,808)</b>	<b>(11,202)</b>	<b>(16,010)</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Financial Statements.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Intra Energy Corporation Limited ("IEC" or "the Company") is a company limited by shares, incorporated and domiciled in Australia. The shares of Intra Energy Corporation Limited are publicly traded on the Australian Stock Exchange. The consolidated financial statements for the year ended 30 June 2021 comprise the Company and its controlled entities (together referred to as "the Group" or "Consolidated Entity") and the Group's interests in associates and jointly controlled entities. The Company is a for-profit entity and primarily is involved in the mining and sale of coal.

The consolidated financial statements were approved by the Board and authorised for issue on 30 September 2021.

### A. Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue trading, realise its assets and discharge its liabilities in the ordinary course of business for a period of at least 12 months from the date that these financial statements are approved.

The Directors note that:

- The Group made a loss after tax for the 2021 year of (\$8.210m) (2020: loss \$17.186m), non-cash depreciation and amortisation charges of \$1.52m (2020: \$1.73m), past years royalty and clearance fees from 2011 to 2019 of \$Nil (2020: \$16.36m)
- As at balance date, the Group's current liabilities exceeded its current assets by \$17.984m (2020: \$18.764m). The deficit in net current assets included (\$0.797m) (2020: \$1.287m) overdraft payable to KCB, \$0.751m (2020: \$1.155m) payable to KCB Bank under loan facilities, equipment finance of \$nil (2020: \$1.022) and \$2.722m for the current portion of the past royalty and clearance fees on customers' transport costs from 2011 to 2019 (2020: \$2.723m) which were included in current liabilities.

In assessing the appropriateness of using the going concern assumption, the Directors have noted:

- Intra Energy Tanzania Limited (IETL) a company registered in Tanzania is the investor in the Tancoal joint venture, IEC has not given a corporate guarantee to IETL or Tancoal.
- KCB has continued to show support for Tancoal.
- Sales were lower in FY 2021 due to competition from small miners and the impact of Covid-19 but business conditions are expected to improve during FY 2022. Tancoal remains the dominant coal miner and supplier to industrial energy users in the Eastern African region and continues to implement productivity improvements.
- Continued to implement a number of cost saving initiatives and enter into repayment arrangements with creditors to preserve working capital. 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.
- Recognised that the interest-bearing liabilities relating to the loans from KCB are secured against the Group's mining equipment.
- Noted JORC compliant resources of 357 million tonnes at the Tancoal mine in Tanzania.
- Recognised that there is interest from parties in Tanzania to purchase the local business with its liabilities and that negotiation to achieve this are proceeding positively.
- Retained their confidence in the strategic value of the Group as it continues with its coal project in Tanzania and its focus on the development of the gold resources in Mozambique and gold, copper and nickel exploration projects in Australia.

After considering the above factors, the Directors have concluded that the use of the going concern assumption is appropriate. However if improved coal sales, cost saving initiatives or working capital improvements are not achieved or if KCB Bank of Tanzania demands repayment of their combined \$1.548m debt facility (\$2.7442m at 30 June 2020) or a contingent liability becomes immediately payable then the Group will be required to raise capital or divest assets to continue as a going concern.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### B. Statement of compliance and basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report of Intra Energy Corporation Limited ("IEC" or "the Company") and controlled entities ("the Group" or "Consolidated Entity"), and IEC as an individual parent entity ("IEC Parent" or "Parent Entity") complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) and International Financial Reporting Standards (IFRS).

#### b.i Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs other than financial assets and financial liabilities for which the fair value basis of accounting has been applied.

There are no material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Separate financial statements for IEC Parent, as an individual entity have not been presented within this financial report. Financial information for IEC Parent as an individual entity is included in Note 31 as permitted by the Corporations Act 2001.

### C. Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the parent (Intra Energy Corporation Limited) and all of the subsidiaries.

#### c.i Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

The purchase method of accounting is used to account for all business combinations, unless it is a combination involving entities or businesses under common control.

Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are expensed in the period incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets required.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

#### c.ii Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 21.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

### c.iii Transactions eliminated on consolidation

All balances and transactions, arising from transactions between entities within the group are eliminated in preparing the consolidated financial statements.

### c.iv Non-controlling interests

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. Non-controlling interests are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### c.v Equity accounted investments

A joint venture is an arrangement in which the Group has joint control whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The financial statements include the Group’s share of the total recognised gains and losses on an equity accounted basis subsequent to initial recognition at cost, which includes transaction costs.

When the Group’s share of losses exceeds its interest in a joint venture, the Group’s carrying amount is reduced to \$nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

## D. Income tax

Tax expense comprises current and deferred tax and is recognised in the statement of profit or loss or the statement of comprehensive income according to the accounting treatment of the related transaction.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax in respect of previous years.

Deferred tax expense represents the tax expense in respect of the future tax consequences of recovering or settling the carrying amount of an asset or liability. Both are calculated using tax rates for each jurisdiction, enacted or substantially enacted at the reporting date, and for deferred tax those that are expected to apply when the asset is realised or the liability is settled.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- arising on the initial recognition of assets or liabilities, other than on a business combination, that affect neither accounting or taxable profit;
- arising from the recognition of goodwill; and
- relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### E. Property, Plant and Equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### e.i Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The useful lives used for each class of depreciable asset are:

Class of fixed asset	Useful life
Mining Plant and Equipment	5 to 15 years
Motor Vehicles	4 to 10 years
Office Equipment	4 to 8 years
Computer Equipment and Software	3 years
Leasehold Improvements	25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

### F. Exploration, evaluation and acquisition expenditure

Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated acquisition costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

### G. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on average costs over the relevant period of production and includes expenditure in accumulating the inventories, production costs and other costs incurred in bringing them to their existing location and condition. Stockpile tonnages are verified by periodic surveys.

### H. Overburden removal costs

Overburden and other mine waste materials are often removed during the initial development of a mine site in order to access the mineral deposit. This activity is referred to as development stripping. The directly attributable costs are initially capitalised as mine development costs. Capitalising of development stripping costs ceases at the time that saleable mineral rights begin to be extracted from the mine.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Production stripping commences at the time that saleable materials begin to be extracted from the mine and normally continues through the life of a mine. The costs of production stripping are capitalised to the cost of inventory, and charged to the income statement upon sale of inventory in cost of goods sold.

### I. Development expenditure

When a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings and plant equipment is capitalised under development expenditure. Development expenditure costs include previously capitalised exploration and evaluation costs, pre-production development costs, development excavation, development studies and other subsurface expenditure pertaining to that area of interest.

Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment. Development costs are accumulated in respect of each separate area of interest. Costs associated with commissioning new assets in the period before they are capable of operating in the manner intended by management, are capitalised. Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit. Amortisation of carried forward exploration and development costs is charged on a unit of production basis over the life of economically recoverable reserves.

When an area of interest is abandoned or the Directors decide it is not commercial or technically feasible, any accumulated cost in respect of that area is written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated cost written off to the Statement of Comprehensive Income to the extent that they will not be recoverable in the future.

Development assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, development assets are allocated to cash generating units to which the development activity relates. The cash generating unit shall not be larger than the area of interest.

### J. Rehabilitation expenditure

The mining, extraction and processing activities of the Group give rise to obligations for site rehabilitation. Rehabilitation obligations can include facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration. The extent of work required and the associated costs are estimated based on feasibility and engineering studies using current restoration standards and techniques. Provisions for the cost of each rehabilitation programme are recognised at the time that environmental disturbance occurs.

Rehabilitation provisions are initially measured at the expected value of future cash flows required to rehabilitate the relevant site, discounted to their present value. The value of the provision is progressively increased over time as the effect of discounting unwinds. When provisions for rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of rehabilitation activities is recognised in 'Development Expenditure' as rehabilitation assets and amortised accordingly.

Where rehabilitation is expected to be conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the present obligation or estimated outstanding continuous rehabilitation work at each balance date and the costs are recognised based on a consideration of the period which the rehabilitation is expected to occur.

### K. Segment Reporting

Segment results are reported to the Board of Directors (chief operating decision maker) and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the Annual Financial Statements of the Company.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### L. Financial Instruments

#### I.i Recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

#### I.ii Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

#### I.iii Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

#### I.iv Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### **I.v Impairment**

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach

### **General approach**

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

### **Simplified approach**

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

### **Recognition of expected credit losses in financial statements**

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

## **M. Foreign Currency Transactions and Balances**

### **m.i. Functional and Presentation Currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### m.ii. Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except where deferred in Other Comprehensive Income as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in Other Comprehensive Income to the extent that the gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

### m.iii. Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the year.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year in which the operation is disposed.

## N. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### n.i Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### n.ii Share-based payments

The Group provides benefits to employees (including Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation and an external valuation using the Black-Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

### O. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting date.

### P. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

### Q. Revenue recognition

The Group produces and sells a range of thermal coal products. Revenue from the sale of coal is recognised when control of the product has transferred to the customer. Control of the product is considered transferred to the customer at the time of delivery, usually on Free on Board ("FOB") basis or a Cost and Freight ("CFR") basis. For CFR contracts the performance obligation relating to freight services is accounted for as a separate performance obligation.

A receivable is recognised when control of the products is delivered as this is the point in time that the consideration is unconditional and when control of the product is transferred to the customer. From time to time, the Group receives prepayment before control of the product has transferred to the customer. Such prepayments are recognised as contract liabilities.

Some of the Group's coal sales contracts are long-term supply agreement which stipulate the nominal annual quantity and price negotiation mechanism. For those contracts, the actual quantity and transaction price applicable for future shipments are only negotiated or determined prior to the beginning of, or a date which is after, each contract year or delivery period. The transaction price for a future shipment is based on, or derived from, a market price prevailing at the time of the future shipment. As the future market price for coal is highly susceptible to factors outside the Group's influence, the transaction price for a shipment is not readily determinable until or nearing the time of the shipment. As a result, the Group has concluded that a contract with the customer does not exist for those shipments for which the actual delivery quantity and transaction price have not yet been negotiated or determined.

### R. Finance income and finance expense

Finance income and expenses are recognised using the effective interest rate method, which, for floating rate financial assets and liabilities is the rate inherent in the instrument.

All finance income and expenses are stated net of the amount of goods and services tax (GST) and local value added tax (VAT).

### S. Goods and Service Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of respective GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the relevant Tax Office. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST or VAT.

Cash flows are presented in the Consolidated Statement of Cash Flows a gross basis, except for the GST or VAT component of investing and financing activities, which are disclosed as operating cash flows.

### T. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### U. Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs.

The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

## V. Earnings per share

### v.i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### v.ii. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares.

## W. Assets held for sale

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as “held for sale” occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in Consolidated Profit or Loss and Other Comprehensive Income in the period in which it occurs.

## X. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### Y. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or, in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- **Recoverability of exploration and evaluation expenditure**  
The recoverability of the capitalised acquisition expenditure recognised as a non-current asset is dependent upon the successful development, or alternatively sale, of the respective tenements which comprise the assets.
- **Inventories**  
Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on average costs over the relevant period of production and includes expenditure in accumulating the inventories, production costs and other costs incurred in bringing them to their existing location and condition. Stockpile tonnages are verified by periodic surveys.
- **Rehabilitation**  
The extent of work required and the associated costs are estimated based on feasibility and engineering studies using current restoration standards and techniques. Provisions for the cost of each rehabilitation programme are recognised at the time that environmental disturbance occurs.
- **Impairment of non-financial assets**  
The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. In light of lengthy negotiations with the Malawi government and ongoing logistical issues with the operation of the mine, the Group recognised a full impairment on the carrying value of its Malawian subsidiaries.

### Z. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
<b>2. REVENUES</b>		
<b>From continuing operations</b>		
Coal sales	13,481	37,770

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
<b>3. DEPRECIATION AND AMORTISATION</b>		
<b>Loss before income tax includes the following specific expenses:</b>		
<b>Depreciation and amortisation</b>		
Depreciation		
Plant and equipment	1,418	1,172
Right of use assets	78	502
Total depreciation	1,496	1,674
Amortisation	24	57
<b>Total</b>	<b>1,520</b>	<b>1,731</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
<b>4. INCOME TAX BENEFIT</b>		
<b>(a) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Loss from ordinary activities before income tax expense	(8,210)	(17,186)
Prima facie tax/(benefit) on profit/(loss) from ordinary activities at 26%	(2,135)	(5,156)
Non-deductible expenditure	4	24
Tax effect of temporary differences not recognised	(56)	(542)
Tax effect of current year tax profits/(losses) for which no deferred tax asset has been recognised	2,187	5,674
<b>Income tax (benefit)/ expense</b>	<b>-</b>	<b>-</b>
<b>(b) Unrecognised temporary differences</b>		
<b>Deferred Tax Assets (at 30%)</b>		
Temporary differences	5,054	4,031
Carry forward revenue tax losses	4,811	5,806
Carry forward capital tax losses	7	8
Carry forward foreign tax losses	18,230	17,151
<b>Total</b>	<b>28,102</b>	<b>26,996</b>

The deferred tax assets relating to carry forward losses and temporary differences have not been brought to account as it is unlikely they will arise until such a point that the Company generates sufficient profit to utilise them.

## 5. KEY MANAGEMENT PERSONNEL COMPENSATION

The following persons were Key Management Personnel of the Company during the financial year:

Non-Executive Directors	Executive Directors	Senior Management
Mr G Robertson (Chairman)	Mr B Dunn <sup>1</sup> (Managing Director)	Ms K Angel <sup>3</sup> (Chief Financial Officer)
Mr T Wilson	Mr J Shedd (CEO)	
Mr A Fraser		
Mr D Marc Schwarz <sup>2</sup>		

<sup>1</sup>Mr B Dunn appointed 23 April 2021

<sup>2</sup>Mr Marc Schwarz resigned 9 February 2021

<sup>3</sup>Ms K Angel resigned 16 May 2021

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 5. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	2021	2020
KEY MANAGEMENT PERSONNEL COMPENSATION	\$	\$
Short-term employee benefits	937,778	1,023,073
Superannuation	-	-
Post-employment benefits	-	-
Performance rights	-	-
<b>Total Compensation</b>	<b>937,778</b>	<b>1,023,073</b>

Details on the remuneration paid to the non-executive directors and executive directors who at any point during the year had authority and responsibility for planning, directing and controlling the activities of Intra energy Corporation Limited are provided under Section B of the Remuneration Report.

## EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

### Options provided as remuneration and shares issued on exercise of such options

Details of options and performance rights provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report forming part of the Directors' Report.

## 6. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
<b>Audit services</b>		
<b>Auditors of the Group</b>		
Audit and review of financial reports – Hall Chadwick	195	195
	<b>195</b>	<b>195</b>
<b>Non-Audit services</b>		
Tax advisory services	-	-
Other advisory services	-	-
	-	-

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 7. EARNINGS PER SHARE

	2021	2020
<b>Basic and diluted loss per share</b>		
Loss from continuing operations attributable to the ordinary equity holders of the Company	(5,374,000)	(\$11,615,000)
Profit/(loss) from discontinued operations attributable to the ordinary equity holders of the Company	162,000	(154,000)
<b>Loss attributable to the ordinary equity holders of the Company</b>	<b>(5,536,000)</b>	<b>(\$11,769,000)</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	395,861,016	387,724,030
<b>Loss per share (cents) – basic and diluted from continuing operations</b>	<b>(1.44)</b>	<b>(3.00)</b>
<b>Profit/(loss) per share (cents) – basic and diluted from discontinued operations</b>	<b>0.04</b>	<b>(0.04)</b>
<b>Loss per share (cents) – basic and diluted</b>	<b>(1.40)</b>	<b>(3.04)</b>

## 8. INVENTORIES

	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
Consumables, fuel and other equipment	302	624
Coal stock	910	1,108
<b>Total</b>	<b>1,212</b>	<b>1,732</b>
Less: Provision for impairment	-	(1)
<b>Net carrying amount</b>	<b>1,212</b>	<b>1,731</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 9. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
<b>Current</b>		
Trade receivables	2,223	4,321
Other receivables	338	486
Related party receivables	127	138
Prepayments	442	735
<b>Total</b>	<b>3,130</b>	<b>5,680</b>
Less: Provision for impairment	(1,632)	(1,500)
<b>Net carrying amount</b>	<b>1,498</b>	<b>4,180</b>
<b>Non-current</b>		
Other receivables	199	218
Less: Provision for impairment	(199)	(218)
	-	-

## 10. DISCONTINUED OPERATIONS

The Malawi Group is presented as discontinued operations, the carrying value of the assets were fully impaired as at 30 June 2016 and the mining license has been relinquished. The Malawi Group will subsequently be wound up.

The Malawian subsidiaries earned no revenue and recorded a loss after tax of \$18,000 for the year ended 30 June 2021 (2020: loss of \$78,000), and a reversal of provision of impairment of \$198,000 (2020: impairment of \$90,000) due to foreign currency fluctuation on translation.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 11. PROPERTY, PLANT AND EQUIPMENT

30 June 2021	Office Equipment \$'000	Mining Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold \$'000	Capital Work in Progress \$'000	Software \$'000	Right of Use Assets \$'000	Total \$'000
<b>Year ended 30 June 2021</b>								
At 1 July 2020, net of accumulated depreciation	330	5,755	255	449	87	12	2,095	8,983
Additions	-	-	-	-	56	-	-	56
Disposals	(10)	(327)	-	-	-	(12)	-	(349)
Transfers	(85)	2,002	52	-	(36)	-	(1,933)	-
Depreciation charge	(92)	(1,160)	(121)	(44)	-	-	(78)	(1,495)
Effect of exchange rates (net)	(14)	(681)	(75)	(39)	-	-	(7)	(816)
<b>At 30 June 2021, net of accumulated depreciation</b>	<b>129</b>	<b>5,589</b>	<b>111</b>	<b>366</b>	<b>107</b>	<b>-</b>	<b>77</b>	<b>6,379</b>
<b>At 30 June 2021</b>								
At cost	1,060	11,193	1,138	711	107	473	231	14,913
Accumulated depreciation and impairment	(931)	(5,604)	(1,027)	(345)	-	(473)	(154)	(8,534)
<b>Net carrying value</b>	<b>129</b>	<b>5,589</b>	<b>111</b>	<b>366</b>	<b>107</b>	<b>-</b>	<b>77</b>	<b>6,379</b>

\$6.3m of Property, Plant and Equipment is held as collateral by KCB Bank of Tanzania in relation to loan facilities.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office Equipment \$'000	Mining Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold \$'000	Capital Work in Progress \$'000	Software \$'000	Right of Use Assets \$'000	Total \$'000
<b>30 June 2020</b>								
<b>Year ended 30 June 2020*</b>								
At 1 July 2019, net of accumulated depreciation	368	6,372	418	437	666	10	244	8,515
Additions	9	67	-	-	-	-	1,902	1,978
Transfers	20	-	-	72	(579)	-	487	-
Depreciation charge	(110)	(999)	(174)	(78)	-	-	(313)	(1,674)
Effect of exchange rates (net)	43	315	11	18	-	2	(225)	164
<b>At 30 June 2020, net of accumulated depreciation</b>	<b>330</b>	<b>5,755</b>	<b>255</b>	<b>449</b>	<b>87</b>	<b>12</b>	<b>2,095</b>	<b>8,983</b>
<b>At 30 June 2020</b>								
At cost	1,240	11,315	1,241	778	87	488	2,495	17,644
Accumulated depreciation and impairment	(910)	(5,560)	(986)	(329)	-	(476)	(400)	(8,661)
<b>Net carrying value</b>	<b>330</b>	<b>5,755</b>	<b>255</b>	<b>449</b>	<b>87</b>	<b>12</b>	<b>2,095</b>	<b>8,983</b>

\$6.88m of Property, Plant and Equipment is held as collateral by KCB Bank of Tanzania in relation to loan facilities.



# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 12. MINE DEVELOPMENT COSTS

	CONSOLIDATED	
	2021 \$'000s	2020 \$'000s
<b>Tancoal Mine</b>		
Opening balance	5,172	5,079
Mine development expenditure	23	-
Rehabilitation asset	110	135
Amortisation	(24)	(57)
Effect of exchange rates	(465)	15
Impairment	(4,816)	-
<b>Net carrying value</b>	<b>-</b>	<b>5,172</b>

The mine development costs were fully impaired due to the ongoing discussions with the Ministry of Minerals not yet resolved on the A\$10.2m (A\$13.5m) for the royalty on transport fees payable from prior years accounted for in FY 2020, the cancellation by the Ministry of Minerals of two mining licence applications because of non-payment of the royalty on transport fees, lower sales from poor economic conditions and increased competition from small miners and the impact on profitability from the introduction of royalty and clearance fees on the cost of transport paid by customers to the location of their operations.

## 13. EXPLORATION EXPENDITURE

	CONSOLIDATED	
	2021 \$'000s	2019 \$'000s
<b>Tancoal Energy Limited tenements</b>		
Opening balance	554	722
Exploration expenditure	-	47
Impairment	-	(230)
Effect of exchange rates	(41)	15
Impairment	(513)	-
<b>Net carrying value</b>	<b>-</b>	<b>554</b>

The exploration expenditure was fully impaired at 30 June 2021 as it was not considered that the exploration assets would be recoverable by the successful development and commercial exploitation or sale of the respective mining permits.

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 14. INVESTMENTS

	CONSOLIDATED	
	2021 \$'000s	2020 \$'000s
<b>Investment in unlisted shares</b>		
Opening balance	226	-
Investment expenditure	-	226
Effect of exchange rates	8	-
<b>Total</b>	<b>234</b>	<b>226</b>

Investment by Intrafrican Resources Limited, a fully owned subsidiary registered in Mauritius in Intra Minerals Limited, a company registered in Mauritius, which is the 95% owner of the Minas Do Lurio Gold Project in Mozambique. Intrafrican Resources Limited owns 15% of the Project.

## 15. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2021 \$'000s	2020 \$'000s
<b>Current</b>		
Trade payables	7,681	10,034
Related party payables	1,726	1,255
Accruals and other payables	9,628	9,507
<b>Total</b>	<b>19,035</b>	<b>20,796</b>
<b>Non-current</b>		
Trade and other payables	10,801	11,209
<b>Total</b>	<b>10,801</b>	<b>11,209</b>

Amount owing by Tancoal energy Limited to Ministry of Mineral Tanzania for royalty and clearance fees on cost of transport to customers premises for past years 2011 to 2014. Amount to be paid over four years A\$15.84m (US\$10.4m). The amount owed at 30 June 2021 was US\$10.2m (A\$13.5m) of which A\$2.7m is classified as a current liability.

## 16. INTEREST BEARING LIABILITIES

	CONSOLIDATED	
	2021 \$'000s	2020 \$'000s
<b>Current</b>		
Secured loan facilities	909	1,336
<b>Total</b>	<b>909</b>	<b>1,336</b>

### 16(a) Secured loan facility

In July 2017 KCB approved a facility of US\$936,000 to be repaid over five years at a rate of 8% per annum for the purchase of a new crushing and screening plant, the balance payable at 30 June 2021 was US\$257,000 (2020: US\$442,000).

In July 2018, US\$0.9m of the overdraft facility with KCB was converted to a term loan to be repaid over three years at

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 16. INTEREST BEARING LIABILITIES (CONT'D)

rate of 8% per annum, the balance payable at 30 June 2021 was US\$56,000 (2020 US\$351,000).

In March 2021, US\$0.3m of the overdraft facility with KCB was converted to a term loan to be repaid over two years at 9% per annum, the balance payable at 30 June 2021 was US\$0.253.

### 16(b) Bank overdraft facility

The bank overdraft facility was US\$0.6m, the balance payable at 30 June 2021 was A\$797,000. Interest is charged on the facility at a rate of 8% per annum. The overdraft is not subject to any covenant requirements and is repayable on demand.

### 16(c) Insurance Premium facility

During the year Commercial Bank of Africa Limited (CBA) provided an insurance premium facility, the balance payable at 30 June 2021 was A\$158,000 (2020: A\$181,000).

## 17. LEASE LIABILITIES

	CONSOLIDATED	
	2021	2020
	\$'000s	'000s
<b>Current</b>		
Lease liabilities	77	1,107
Hire purchase	311	341
<b>Total</b>	<b>388</b>	<b>1,448</b>
<b>Non-current</b>		
Lease liabilities	-	85
<b>Total</b>	<b>-</b>	<b>85</b>

In January 2014, a hire purchase contract with an option to purchase four trucks was entered into with Extran Limited, a related party of Graeme Robertson and David Mason. The full amount under the contract of A\$311,000 (2020: A\$341,000) was outstanding at 30 June 2021.

The lease liability refers to lease of office premises.

## 18. PROVISIONS

	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
<b>Non-current</b>		
Rehabilitation provision	956	887
<b>Total</b>	<b>956</b>	<b>887</b>

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 18. PROVISIONS (cont'd)

The movement in provisions during the year are as follows:

2021 \$'000's	Rehabilitation	Total
<b>Opening balance</b>	<b>887</b>	<b>887</b>
Additions	110	110
Effect of exchange rates	(41)	(41)
<b>Closing balance</b>	<b>956</b>	<b>956</b>
<b>Represented by</b>		
Current	-	-
Non-current	956	956
<b>Closing balance</b>	<b>956</b>	<b>956</b>

  

2020 \$'000's	Rehabilitation	Total
<b>Opening balance</b>	<b>803</b>	<b>803</b>
Additions	135	135
Effect of exchange rates	(51)	(51)
<b>Closing balance</b>	<b>887</b>	<b>887</b>
<b>Represented by</b>		
Current	-	-
Non-current	887	887
<b>Closing balance</b>	<b>887</b>	<b>887</b>

## Rehabilitation

The mining, extraction and processing activities of the Group give rise to obligations for site rehabilitation. Rehabilitation obligations can include facility decommissioning and dismantling, removal or treatment of waste materials, land rehabilitation and site restoration. The extent of work required and the associated costs are estimated based on feasibility and engineering studies using current restoration standards and techniques. Provisions for the cost of each rehabilitation programme are recognised at the time that environmental disturbance occurs.

## 19. ISSUED CAPITAL

	2021 No.	Issue price \$ per share	2021 \$'000s	2020 No.	Issue price \$ per share	2020 \$'000s
<b>Balance at the beginning of the year:</b>	<b>387,724,030</b>		<b>69,590</b>	<b>387,724,030</b>		<b>69,590</b>
Shares issued	10,000,000	\$0.0064	64	-	-	-
Share issue costs	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>397,724,030</b>		<b>69,654</b>	<b>387,724,030</b>		<b>69,590</b>

Fully paid ordinary shares carry one vote per share and carry the rights to dividends

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 20. RESERVES

### 20(a) Options reserve

	2021 No.	2021 \$'000s	2020 No.	2020 \$'000s
Balance at the beginning of the year	—	2,216	—	2,216
Options exercised during year	—	—	—	—
Options expired during year	—	—	—	—
Issued during the year	—	—	—	—
<b>Balance at the end of the year</b>	<b>—</b>	<b>2,216</b>	<b>—</b>	<b>2,216</b>

- Options reserve recognises the fair value of options issued
- No options were granted during the year ended 30 June 2021

### 20(b) Performance Rights reserve

	CONSOLIDATED	
	2021 \$'000s	2020 \$'000s
Total Performance Rights reserve	795	795

- The performance rights reserve recognises the fair value of performance rights issued as compensation to employees
- No performance rights were granted during the year ended 30 June 2021

### 20(c) Foreign currency translation reserve

	CONSOLIDATED	
	2021 \$'000s	2020 \$'000s
<b>Non-current</b>		
Balance at the beginning of the year	(727)	(899)
Foreign currency translation differences	28	172
<b>Balance at the end of the year</b>	<b>(699)</b>	<b>(727)</b>

Foreign currency translation reserve recognises exchange differences arising on translation of the foreign controlled entities. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 21. SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

The Consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in Note 1.

Name of Entity	Country of Incorporation	Class of Share	Equity (%)* 2021	Equity (%)* 2020
Intra Energy (Tanzania) Limited	Tanzania	Ordinary	100%	100%
Tancoal Energy Limited	Tanzania	Ordinary	70%	70%
Intrafrican Resources Limited	Mauritius	Ordinary	100%	100%
Tanzacoal East Africa Mining Limited	Tanzania	Ordinary	85%	85%
AAA Drilling Limited	Mauritius	Ordinary	100%	100%
AAA Drilling Limited	Tanzania	Ordinary	100%	100%
Intra Energy Limited	Mauritius	Ordinary	100%	100%
East Africa Mining Limited	Mauritius	Ordinary	100%	100%
Intra Energy Trading (Malawi) Limited	Malawi	Ordinary	100%	100%
Malcoal Mining Limited	Malawi	Ordinary	90%	90%
Intra Energy (Sarawak) Sdn. Bhd.**	Malaysia	Ordinary	100%	100%
Pamodzi Power Limited	Malawi	Ordinary	100%	100%

\* Percentage of voting power is in proportion to ownership

\*\* Entity is dormant and in the process of winding up.

## 22. NON-CONTROLLING INTEREST

	CONSOLIDATED	
	2021	2020
	\$'000s	\$'000s
Total non-controlling interest	(12,876)	(11,202)

The Company's subsidiary Intra Energy (Tanzania) Limited ("IETL") owns 70% of Tancoal and 30% is owned by Tancoal's joint venture partner, the National Development Corporation of Tanzania, a Tanzanian government entity.

IETL owns 85% of Tanzacoal and 15% is owned by IETL's Tanzacoal joint partner, Olympic Exploration Limited, a private Tanzanian entity.

The Company's subsidiary East Africa Mining Limited owns 90% of Malcoal and 10% is owned by Consolidated Mining Industries Limited, a private Malawian entity.

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 23. COMMITMENTS

### 23(a) Operating Commitments

Operating expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2021 \$'000s	2020 \$'000s
<b>Tenement Leases Expenditure Payable</b>		
Less than 1 year	136	302
Between 2 and 5 years	133	895
Greater than 5 years	-	-
<b>Total</b>	<b>269</b>	<b>1,197</b>

### 23(b) Capital and Leasing Commitments

Hire purchase liabilities committed to at the reporting date, recorded as liabilities, are as follows:

	2021 \$'000s	2020 \$'000s
<b>Hire purchase commitments</b>		
Payables – minimum hire purchase payments		
Not later than 12 months	311	341
Between 12 months and 5 years	-	-
Minimum lease payments	311	341
Less: future finance charges	-	-
<b>Present value of minimum lease payments</b>	<b>311</b>	<b>341</b>

### Hire Purchase

In January 2014, a hire purchase contract with an option to purchase four trucks was entered into with Extran Limited, a related party of Graeme Robertson and David Mason. The full amount under the contract of \$311,000 (2020: \$341,000) was outstanding at 30 June 2021.

## 24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The supplier of the hire purchase contract in Malawi has brought a legal claim for penalties as part of the cancellation of the arrangement against the subsidiary company Malcoal Mining Limited. The company is defending the claim but the potential liability may be up to \$500,000 in addition to costs accounted for in the accounts. The claim was still pending at 30 June 2021.

Tancoal Energy Limited in Tanzania won a legal claim brought by NBC bank for recovery of money paid under a letter of credit arrangement in 2013 for a potential liability up to US\$470,000 and also won a claim against NBC for the return of US\$230,000 it withdrew without authority from Tancoal's bank account. NBC has lodged an appeal, the appeal was still pending at 30 June 2021.

A supplier, VIVO, has brought a legal claim against Tancoal Energy Limited for late payment of their account in Tanzania, the case includes TZS 200 million (A\$115k) for damages for breach of contract, interest and costs of the case, the case was still pending at 30 June 2021.

Other than the above, the Directors are not aware of any other contingent liabilities or contingent assets at 30 June 2021.

# Notes to the Financial Statements



FOR THE YEAR ENDED 30 JUNE 2021

## 25. SEGMENT REPORTING

The Group operates in two geographical segments being Australia and Africa.

### Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. The Group's business is the exploration, evaluation, marketing, production and sale of coal in Africa.

### Basis of Accounting for purposes of reporting by operating segments

#### Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual Financial Statements of the Group.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

#### Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

#### Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

### Notes to and forming part of the segment information

The consolidation adjustments represent the elimination of inter-segment loan balances and transactions.

#### Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as per Accounting Standard AASB 8 Operating Segments.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2020



## 25. SEGMENT REPORTING (CONT'D)

Geographical Segment	Australia Period Ended 30 June 21 \$'000	Australia Period Ended 30 June 20 \$'000	Africa Period Ended 30 June 21 \$'000	Africa Period Ended 30 June 20 \$'000	Eliminations Period Ended 30 June 21 \$'000	Eliminations Period Ended 30 June 20 \$'000	Consolidated Period Ended 30 June 21 \$'000	Consolidated Period Ended 30 June 20 \$'000
<b>Revenue</b>								
Sales revenue	–	–	13,481	37,770	–	–	13,481	37,770
Inter-segment revenue	2,100	3,093	–	–	(2,100)	(3,093)	–	–
<b>Total revenue</b>	<b>2,100</b>	<b>3,093</b>	<b>13,481</b>	<b>37,770</b>	<b>(2,100)</b>	<b>(3,093)</b>	<b>13,481</b>	<b>37,770</b>
Net costs of production	–	–	(9,392)	(29,308)	–	–	(9,392)	(29,308)
<b>Gross Profit</b>	<b>2,100</b>	<b>3,093</b>	<b>4,089</b>	<b>8,462</b>	<b>(2,100)</b>	<b>(3,093)</b>	<b>(4,089)</b>	<b>8,462</b>
Other income	–	–	–	–	–	–	–	–
Other operating expenses	(1,536)	(1,725)	(3,889)	(20,866)	–	–	(5,425)	(22,591)
<b>Loss before impairment, depreciation, amortisation, net finance costs and tax</b>	<b>564</b>	<b>1,368</b>	<b>200</b>	<b>(12,404)</b>	<b>(2,100)</b>	<b>(3,093)</b>	<b>(1,336)</b>	<b>(14,129)</b>
Impairment	–	–	(5,329)	(687)	–	–	(5,329)	(687)
Depreciation	–	–	(1,496)	(1,674)	–	–	(1,496)	(1,674)
Amortisation	–	–	(24)	(57)	–	–	(24)	(57)
<b>Results from operating activities</b>	<b>564</b>	<b>1,368</b>	<b>(6,649)</b>	<b>(14,822)</b>	<b>(2,100)</b>	<b>(3,093)</b>	<b>(8,185)</b>	<b>(16,547)</b>
Finance income	–	–	–	–	–	–	–	–
Finance expenses	–	–	–	–	–	–	(205)	(471)
<b>Loss before tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8,390)</b>	<b>(17,018)</b>
Income tax benefit/(expense)	–	–	–	–	–	–	–	–
<b>Net Loss from continuing operations</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8,390)</b>	<b>(17,018)</b>
Loss from discontinued operations and impairments on those operations	–	–	–	–	–	–	180	(168)
<b>Profit/(loss) for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8,210)</b>	<b>(17,186)</b>
Total Assets	4,523	4,466	10,298	20,933	(4,950)	(4,231)	9,871	21,168
Total Liabilities	(705)	(159)	(71,514)	(78,432)	39,220	41,413	(32,999)	(37,178)

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 26. CASH FLOW INFORMATION

	2021 \$'000s	2020 \$'000s
Loss before income tax	(8,210)	(17,186)
Non-cash flows in loss		
Depreciation and amortisation	1,520	1,731
Loss on disposal of assets	31	-
Impairment of non-current assets	5,329	230
Doubtful debts	172	457
Foreign exchange losses	66	45
(Reversal)/impairment of assets	(198)	90
Finance costs	-	178
Change in inventories	518	473
Change in receivables	2,682	423
Change in provisions	69	41
Change in trade payables and employee benefits	(180)	16,751
Change in current assets	-	(1,272)
<b>Net cash provided in operating activities</b>	<b>1,799</b>	<b>1,961</b>

## 27. SHARE BASED PAYMENTS

### 27(a) Shares and options

No shares or options were granted by the Company during the 2021 or 2020 years.

### 27(b) Performance rights

No performance rights were issued in the 2021 or 2020 years.

## 28. SUBSEQUENT EVENTS

On 3 September 2021, 555,555 shares were issued @ 0.90 cents per share in consideration for services to IEC.

On 23 July 2021 the main mining licence for Tancoal in Tanzania was renewed.

The Company was advised on 9 September 2021 that its ELA6305 Application at Louth, NSW had been approved.

Aside from the above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## 29. RELATED PARTY TRANSACTIONS

Details relating to Key Management Personnel are disclosed in Note 5 and remuneration report contained in the directors' report.

### 2021

At 30 June 2021 a loan of US\$150,000 (A\$199,000) to Malcoal joint venture partner Consolidated Mining Industries Limited, a private Malawian entity remained outstanding. The loan was to be repaid from first dividends from Malcoal and interest is charged on the loan at the rate of 5% per annum. The loan was fully impaired at 30 June 2016 and remained unpaid at 30 June 2021.

## 29. RELATED PARTY TRANSACTION (CONT'D)

At 30 June 2021, \$103,000 was receivable from Geothermal Power Tanzania Limited and NuEnergy Gas (Tanzania) Limited, \$12,000 was receivable from NuAfrica Limited and \$12,000 was receivable from Tanzagrains Limited, for services provided in a prior year, related parties to Graeme Robertson. The companies are no longer operating so the balances were fully impaired at 30 June 2021.

A company related to Graeme Robertson provides management services for subsidiary companies in Mauritius and during 2021 the company provided services of US\$31,409.

In January 2014, a hire purchase contract with an option to purchase four trucks was entered into with Extran Limited, a related party of Graeme Robertson and David Mason. An amount of \$311,000 was outstanding at 30 June 2021.

At 30 June 2021 an amount of \$2.037m was owed to National Development Corporation ("NDC") the 30% joint venture partner in Tancoal Energy Limited for unpaid management fees.

### 2020

At 30 June 2020 a loan of US\$150,000 (A\$218,000) to Malcoal joint venture partner Consolidated Mining Industries Limited, a private Malawian entity remained outstanding. The loan was to be repaid from first dividends from Malcoal and interest is charged on the loan at the rate of 5% per annum. The loan was fully impaired at 30 June 2016 and remained unpaid at 30 June 2020.

At 30 June 2020, \$115,000 was receivable from Geothermal Power Tanzania Limited and NuEnergy Gas (Tanzania) Limited, \$13,000 was receivable from NuAfrica Limited and \$13,000 was receivable from Tanzagrains Limited, for services provided in a prior year, related parties to Graeme Robertson. The companies are no longer operating so the balances were fully impaired at 30 June 2020.

A company related to Graeme Robertson provides management services for subsidiary companies in Mauritius and during 2020 the company provided services of US\$9,000.

In January 2014, a hire purchase contract with an option to purchase four trucks was entered into with Extran Limited, a related party of Graeme Robertson and David Mason. An amount of \$341,000 was outstanding at 30 June 2020.

At 30 June 2020 an amount of \$1.255m was owed to National Development Corporation ("NDC") the 30% joint venture partner in Tancoal Energy Limited for unpaid management fees.

## 30. FINANCIAL RISK MANAGEMENT

Exposure to credit and interest rate risks arises in the normal course of the Group's businesses. The Group has exposure to the following risks from their use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market risk i) Interest rate risk, ii) Foreign currency risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### 30(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2021 \$'000s	2020 \$'000s
Trade and other receivables	1,498	4,180
Cash and cash equivalents	548	322
<b>Total</b>	<b>2,046</b>	<b>4,502</b>

### Trade and other receivables

Some of the Group's receivables relate to GST and other taxation (including VAT) due from the Australian and Tanzanian taxation offices and trade receivables from coal sales.

### Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits. The Group limits its credit risk by holding its cash balance and demand deposits with reputable counterparties with acceptable credit ratings.

### 30(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Board monitors liquidity risk on a monthly basis.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2021	CARRYING AMOUNT \$'000s	CONTRACTUAL CASH FLOWS \$'000s	6 MONTHS OR LESS \$'000s	6 – 12 MONTHS \$'000s	1 – 2 YEARS \$'000s	2 – 5 YEARS \$'000s	MORE THAN 5 YEARS \$'000s
<b>Non-derivative financial liabilities</b>							
<b>Current</b>							
Bank overdraft	797	797	797	–	–	–	–
Trade and other payables	19,035	19,035	17,673	1,362	–	–	–
Interest bearing liabilities	909	909	470	274	165	–	–
Lease liabilities	388	388	197	191	–	–	–
	<b>21,129</b>	<b>21,129</b>	<b>19,137</b>	<b>1,827</b>	<b>165</b>	<b>–</b>	<b>–</b>
<b>Non current</b>							
Trade and other payables	10,801	–	–	–	3,600	7,201	–
<b>Total</b>	<b>10,801</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,600</b>	<b>7,201</b>	<b>–</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

30 June 2020	CARRYING AMOUNT \$'000s	CONTRACTUAL CASH FLOWS \$'000s	6 MONTHS OR LESS \$'000s	6 – 12 MONTHS \$'000s	1 – 2 YEARS \$'000s	2 – 5 YEARS \$'000s	MORE THAN 5 YEARS \$'000s
<b>Non-derivative financial liabilities</b>							
<b>Current</b>							
Bank overdraft	1,287	1,287	1,287	–	–	–	–
Trade and other payables	20,796	20,796	20,796	–	–	–	–
Interest bearing liabilities	1,336	1,336	529	459	320	28	–
Lease liabilities	1,533	1,533	712	736	85	–	–
<b>Total</b>	<b>24,952</b>	<b>24,952</b>	<b>23,324</b>	<b>1,195</b>	<b>405</b>	<b>28</b>	<b>–</b>
<b>Non current</b>							
Trade and other payables	11,209	11,209	–	–	2,802	8,407	–
<b>Total</b>	<b>11,209</b>	<b>11,209</b>	<b>–</b>	<b>–</b>	<b>2,802</b>	<b>8,407</b>	<b>–</b>

### Cash and receivables

The following are the contractual maturities of financial assets including receivables.

30 June 2021	CARRYING AMOUNT \$'000s	CONTRACTUAL CASH FLOWS \$'000s	6 MONTHS OR LESS \$'000s	6 – 12 MONTHS \$'000s	1 – 2 YEARS \$'000s	2 – 5 YEARS \$'000s	MORE THAN 5 YEARS \$'000s
<b>Financial assets</b>							
Cash	548	548	548	–	–	–	–
Trade and other receivables	1,498	1,498	1,498	–	–	–	–
<b>Total</b>	<b>2,046</b>	<b>2,046</b>	<b>2,046</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

30 June 2020	CARRYING AMOUNT \$'000s	CONTRACTUAL CASH FLOWS \$'000s	6 MONTHS OR LESS \$'000s	6 – 12 MONTHS \$'000s	1 – 2 YEARS \$'000s	2 – 5 YEARS \$'000s	MORE THAN 5 YEARS \$'000s
<b>Financial assets</b>							
Cash	322	322	322	–	–	–	–
Trade and other receivables	4,180	4,180	4,180	–	–	–	–
<b>Total</b>	<b>4,502</b>	<b>4,502</b>	<b>4,502</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### 30(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Interest rate risk

##### Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

30 June 2021	AVERAGE INTEREST RATE %	FLOATING INTEREST RATE %	TOTAL \$'000s
<b>Financial assets</b>			
Cash and cash equivalents	0%	—	548
Trade and other receivables	0%	—	1,498
<b>Total</b>	<b>—</b>	<b>—</b>	<b>2,046</b>
<b>Financial liabilities</b>			
<b>Current</b>			
Bank overdraft	—	8%	797
Trade and other payables	—	—	19,035
Interest bearing liabilities	—	8%	909
Lease liabilities	—	10%	388
<b>Total</b>	<b>—</b>	<b>—</b>	<b>21,129</b>
<b>Non-current</b>			
Trade and other payables	—	—	10,801
Lease liabilities	—	8%	-
<b>Total</b>	<b>—</b>	<b>—</b>	<b>10,801</b>
<b>NET FINANCIAL ASSETS/ (LIABILITIES)</b>	<b>—</b>	<b>—</b>	<b>31,930</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

30 June 2020	AVERAGE INTEREST RATE %	FLOATING INTEREST RATE %	TOTAL \$'000s
<b>Financial assets</b>			
Cash and cash equivalents	0%	—	322
Trade and other receivables	0%	—	4,180
<b>Total</b>	<b>—</b>	<b>—</b>	<b>4,502</b>
<b>Financial liabilities</b>			
<b>Current</b>			
Bank overdraft	—	8%	1,287
Trade and other payables	—	—	20,796
Interest bearing liabilities	—	8%	1,336
Lease liabilities	—	10%	1,448
<b>Total</b>	<b>—</b>	<b>—</b>	<b>24,867</b>
<b>Non-current</b>			
Trade and other payables	—	—	11,209
Lease liabilities	—	8%	85
<b>Total</b>	<b>—</b>	<b>—</b>	<b>11,294</b>
<b>NET FINANCIAL ASSETS/ (LIABILITIES)</b>	<b>—</b>	<b>—</b>	<b>(31,659)</b>

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 0%. The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

### Interest rate sensitivity

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 10% movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

30 June 2021	PROFIT OR LOSS		EQUITY	
	10% INCREASE \$'000s	10% DECREASE \$'000s	10% INCREASE \$'000s	10% DECREASE \$'000s
<b>Financial assets</b>				
Cash and cash equivalents	—	—	—	—
Interest bearing liabilities	(7)	7	(7)	7
Lease liabilities	(4)	4	(4)	4
<b>Total</b>	<b>(11)</b>	<b>11</b>	<b>(11)</b>	<b>11</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

30 June 2020	PROFIT OR LOSS		EQUITY	
	10% INCREASE \$'000s	10% DECREASE \$'000s	10% INCREASE \$'000s	10% DECREASE \$'000s
<b>Financial assets</b>				
Cash and cash equivalents	—	—	—	—
Interest bearing liabilities	(7)	11	(7)	11
Lease liabilities	(4)	15	(4)	15
<b>Total</b>	<b>(11)</b>	<b>26</b>	<b>(11)</b>	<b>26</b>

### Foreign currency risk

As a result of activities overseas, the Group's Consolidated Statement of Financial Position can be affected by movements in exchange rates.

The Group also has transactional currency exposures. Such exposure arises from transactions dominated in currencies other than the functional currency of the entity.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

The Group's exposure to foreign currency risk throughout the current year primarily arose from the Group's 100% interest in Intra Energy (Tanzania) Limited and its controlling interests in Tancoal and Tanzacoal (collectively "Tanzanian subsidiaries"), whose functional currencies are Tanzanian Shillings. Additionally the Group has exposure to foreign currency risk through the Group's 90% interest in Malcoal Mining Limited and 100% interest in Intra Energy Trading Malawi Limited (collectively "Malawian subsidiaries"), whose functional currencies are Malawian Kwacha. Foreign currency risk arises on translation of the net assets of these entities to Australian dollars. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve.

The Group is additionally exposed to the USD by way of its USD denominated loans to the KCB Bank Tanzania Limited and leases with Kanu Equipment. The foreign currency gains or losses arising from this risk are recorded

### Sensitivity Analysis for Foreign Currency risk

A sensitivity of 10% has been selected as this is considered reasonable given historic and potential future changes in foreign currency rates. This has been applied to the net assets of the Group. This sensitivity analysis is prepared at reporting date.

A 10% strengthening of the Australian dollar against the Tanzanian Shilling and Malawian Kwacha at 30 June 2021 would have decreased the net liabilities of the Tanzanian and Malawian subsidiaries by A\$0.11m (20: decrease \$1.840m). A 10% weakening of the Australian dollar against the Tanzanian Shilling and Malawian Kwacha at 30 June 2021 would have increased the net liabilities of the Tanzanian and Malawian subsidiaries by A\$1.75m (2020: decreased \$2.25m).

There would be no impact on profit or loss arising from these changes in the currency risk variables as all changes in value are taken to a reserve.

A 10% strengthening of the Australian dollar against the United States dollar at 30 June 2021 would have decreased net interest bearing liabilities of the interest bearing loans and lease liabilities by A\$0.11m (2020: \$0.26m). A 10% weakening of the Australian dollar against the United States dollar at 30 June 2021 would have increased net interest bearing liabilities and lease liabilities by A\$0.11m (2020: \$0.32m).

The impact on profit or loss arising from changes in this currency risk variables would be taken to the Statement of Comprehensive Income.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

The above analysis assumes that all other variables, in particular interest rates and equity prices, remain constant.

### 30(d) Fair value versus carrying amounts

The Group's carrying amounts of fair value assets and liabilities equate to their corresponding fair values.

### 30(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. There were no changes in the Group's approach to capital management during the year. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

## 31. PARENT ENTITY DISCLOSURES

### Financial Position of Intra Energy Corporation Limited

	2021 \$'000s	2020 \$'000s
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	118	76
Trade and other receivables	35	28
<b>Total Current Assets</b>	<b>153</b>	<b>104</b>
<b>Non-Current Assets</b>		
Investment in subsidiaries <sup>1</sup>	4,136	4,136
Investments	234	226
<b>Total Non-Current Assets</b>	<b>4,370</b>	<b>4,362</b>
<b>Total Assets</b>	<b>4,523</b>	<b>4,466</b>
<b>Current Liabilities</b>		
Trade and other payables	705	159
<b>Total Liabilities</b>	<b>705</b>	<b>159</b>
<b>Net Assets</b>	<b>3,818</b>	<b>4,307</b>
<b>Equity</b>		
Issued capital	69,654	69,590
Reserves	2,998	2,998
Accumulated losses	(68,834)	(68,281)
<b>Total Equity</b>	<b>3,818</b>	<b>4,307</b>

1. The ultimate recovery of investments and loans to subsidiaries is dependent on the successful development and commercial exploitation or sale of the subsidiary's assets.

2. The Parent has net current liabilities of \$0.552m (2020: net current assets of \$0.055m)

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



## 31. PARENT ENTITY DISCLOSURES (CONT'D)

### Financial Performance of Intra Energy Corporation Limited

	2021	2020
	\$'000s	\$'000s
Loss for the year	(422)	(222)
<b>Total Comprehensive Income</b>	<b>(422)</b>	<b>(222)</b>

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries, has no contingent liabilities and has no commitments for the acquisition of property, plant and equipment.

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 17 September 2021.

**(a) Distribution of Equity Securities**

The numbers of shareholders, by size of holding, in each class of share are:

						LISTED ORDINARY SHARES	
						NUMBER OF HOLDERS	NUMBER OF SHARES
1	–	1,000	78	10.86		8,241	0.00
1,001	–	5,000	77	10.72		225,441	0.06
5,001	–	10,000	97	13.51		791,682	0.20
10,001	–	100,000	277	38.58		11,880,307	2.98
100,001	–	and over	189	26.32		385,373,914	96.76
						718	100.00
						466	7,647,078

The number of shareholders holding less than a marketable parcel of shares are:

**(b) Twenty Largest Shareholders**

The names of the twenty largest holders of quoted shares are:

		LISTED ORDINARY SHARES	
		NUMBER OF SHARES	PERCENTAGE OF SHARES
1.	ASPAC MINING LIMITED	115,762,065	29.07
2.	MR BOBBY VINCENT LI	18,611,108	4.67
3.	MR DAVID SCHWARTZ	18,350,000	4.61
4.	ROTHSTEIN PTY LTD	11,362,194	2.85
5.	CIRCLESTAR PTY LTD	10,097,855	2.54
6.	SPRINGTIDE CAPITAL PTY LTD	10,064,230	2.53
7.	BENJAMIN DUNN	10,000,000	2.51
8.	MISS ALICE JANE LI	9,802,440	2.46
9.	NUVOLARI CAPITAL LIMITED	8,835,770	2.22
10.	MR PETER TSEGAS	8,731,766	2.19
11.	MR GRAEME LANCE ROBERTSON	8,474,297	2.13
12.	MARA SUPERANNUATION PTY LTD	7,975,390	2.00
13.	MARA SUPERANNUATION PTY LTD	6,850,625	1.72
14.	MR MARK ARIEL SCHWARTZ	6,808,389	1.71
15.	MR JOSHUA SAMUEL ALTIT	6,250,000	1.57
16.	ROTHSTEIN PTY LTD	6,245,368	1.57
17.	GEMELLI HOLDINGS PTY LTD	5,250,000	1.32
18.	INTRASIA CAPITAL PTE LTD	5,205,305	1.31
19.	OZEA PTY LTD	4,399,702	1.10
20.	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	3,812,440	0.96
<b>TOTAL</b>		<b>282,888,944</b>	<b>71.03</b>
<b>BALANCE OF REGISTER</b>		<b>115,390,641</b>	<b>28.97</b>
<b>GRAND TOTAL</b>		<b>398,279,585</b>	<b>100.00</b>

# ASX Additional Information

FOR THE YEAR ENDED 30 JUNE 2021



## (c) Substantial Shareholders

The names of substantial shareholders who have notified the Group in accordance with section 671B of the Corporations Act 2001 are:

	NUMBER OF SHARES	PERCENTAGE OF ORDINARY SHARES
ASPAC MINING LIMITED AND ASSOCIATES	131,556,585	33.03%
ROBERT GEMELLI AND ASSOCIATES	23,600,000	5.93%

## (d) Schedule of Mining Tenements

AREA OF INTEREST	TENEMENTS	% INTEREST
Tanzania		
Tancoal Energy Limited	ML439/2011, PL7391/2011, PL7620/2012, PL8999/2013, ML610/2020, PL11156/2017	70%