

The Directors submit their report for Intra Energy Corporation Limited (“IEC” or “the Company”) and its controlled entities for the year ended 30 June 2019 (together referred to as “the Group” or “the Consolidated Entity”).

## 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.

<b>Name</b>	<b>Position</b>	<b>Description</b>
<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 thirty years’ experience in the coal, infrastructure and power development industries. Graeme transitioned to Non-Executive Chairman on 1 November 2014.</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 energy related developments including directorships with the Port of Brisbane Authority and Washington H. Soul Pattinson &amp; Co Ltd, one of Australia’s oldest listed companies.</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 4 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 16 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 Nu Africa Gas 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</p>

		<p>programs, at times in remote locations. He has worked extensively across the Asia-Pacific region especially in Australia and Indonesia.</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. He currently serves as a Non-Executive Director of Jack-In Group Limited another ASX listed company, a service provider to the construction and real estate industries in Malaysia. Mr Fraser has a vast knowledge of working with ASX listed companies and helping to create value for the Australian investment community.</p>
<b>Marc Schwartz</b>	<i>Non-Executive Director (appointed 31 July 2019)</i>	<p>Marc has had a very successful business career from being Manager of Structured Finance Products at Macquarie Bank in 2007 to being Managing Director of Pascoes Pty Ltd from 2008 to 2018, which employed 150 people across two manufacturing sites and manufactured or distributed over 400 items to retailers. He is currently a Director of Gelflex Laboratories which is the largest manufacturer of contact lenses in the Southern Hemisphere. Marc's specialisation has been in operational and financial efficiency, investment and strategy.</p>
<b>James (Jim) Shedd</b>	<i>Managing Director (appointed 7 November 2018), 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.</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, 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.</p>
<b>David Nolan</b>	<i>Non-Executive Director (resigned 24 August 2018)</i>	<p>David's career has spanned 22 years as a commercial lawyer and company director. David holds a Bachelor of Laws (Hons) and Bachelor of Arts from Bond University, Queensland.</p> <p>David has been a partner at a number of leading Sydney law firms advising Australian and international clients on all aspects of corporate law and was previously a senior adviser at the London Stock Exchange. David's legal expertise includes mergers and acquisitions, IPOs and capital raisings, venture capital and private equity, restructurings and takeovers, corporate finance, joint ventures, commercial agreements and regulatory and corporate</p>

governance advice. David has extensive experience advising on acquisitions and divestments, capital raisings and financings for mining companies and has been a director of a number of ASX listed companies in the resources sector. David has valuable relationships in the advisory and regulatory community and brings a depth of corporate governance expertise.

David currently holds the position of Non-Executive Director of Property Connect Holdings Limited (ASX:PCH) and Camilla Australia Pty Ltd and is Chairman of LUXit Pty Ltd.

## 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 20 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:

	<b>Special Responsibilities</b>	<b>Ordinary Shares</b>	<b>Performance rights</b>
G Robertson	Non-Executive Chairman	131,306,585	–
T Wilson	Non-Executive Director	–	–
A Fraser	Non-Executive Director <sup>1</sup>	–	–
M Schwartz	Non-Executive Director <sup>2</sup>	9,058,309	–
J Shedd	Managing Director/CEO <sup>3</sup>	–	–

<sup>1</sup>Mr Alan Fraser was appointed 24 August 2018

<sup>2</sup>Mr Marc Schwartz was appointed 31 July 2019

<sup>3</sup>Mr James Shedd was appointed Managing Director 7 November 2018, CEO since 27 December 2016

<b>Profit/(loss) Per Share</b>	<b>2019</b>	<b>2018</b>
Basic Profit/(loss) per share (cents)	0.80	(0.38)

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the entities within the Consolidated Entity during the year were coal exploration, production and power generation in Eastern Africa.

## OPERATING REVIEW

The Consolidated Entity's operations are discussed in detail in the Review of Operations which can be found on pages 6 to 10 of this Annual Financial Report.

## REVIEW OF FINANCIAL POSITION

The Consolidated Entity recorded an operating profit after income tax \$4.535m (2018 Loss: \$1.921m). Income tax benefit for the year is \$nil (2018: \$nil).

## CAPITAL STRUCTURE

As at the date of signing this report, the Company had 387,724,030 fully paid ordinary shares on issue.

## DIVIDEND

No dividend was paid or declared during the year ended 30 June 2019.

## CASH FROM OPERATIONS

The net cash inflow from operations of \$2.928m (2018: \$1.636m). The net cash inflow from operations was funded by a US\$0.9m working capital facility. The Group had a net overdraft of \$0.243m at year end with \$0.724m cash at bank and a bank overdraft facility of \$0.967m.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

## SIGNIFICANT EVENT AFTER THE BALANCE DATE

On 31 July 2019, Mr Marc Schwartz was appointed as a Non-Executive Director.

On 14 August 2019, IEC's wholly owned subsidiary, AAA Drilling Limited, a Mauritian incorporated company, invested in a potentially exceptional newly discovered gold property in Mozambique.

On 3 September 2019, IEC advised that the Mining Commission in Tanzania has demanded that royalty on transport be implemented by 15 September 2019. A sixty day extension was later granted and discussions are continuing with the Ministry.

On 16 September 2019, the Ministry of Minerals, Mining Commission send Tancoal a note of demand for US\$10.4 million (US\$6.939 royalty and inspection fee and US\$3.470 penalty) for a royalty that it has deemed payable on the transport portion of sales to customers to their final domestic and international destinations for sales between August 2011 and June 2019. The company does not charge customers for transport and is working with the Ministry to resolve the matter, the issue was still pending at 30 June 2019.

On 24 September 2019, the Tanzania Revenue Authority (TRA) advised that a fuel exemption paid to Tancoal in 2015 and 2016 was contrary to the purpose of the Performance Contract under which it was paid and Tancoal must refund the amount of TZS 1,020,838,410 (A\$634,000). Tancoal does not agree with the assessment and will begin discussions with the TRA.

Other than those events outlined 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 2019, there were no unissued ordinary shares under option.

## MEETINGS OF DIRECTORS

Directors	Attended	Available to attend
Mr G Robertson	6	6
Mr T Wilson	6	6
Mr A Fraser <sup>1</sup>	5	5
Mr M Schwartz <sup>2</sup>	0	0
Mr J Shedd <sup>3</sup>	3	3

<sup>1</sup> Appointed 24 August 2018

<sup>2</sup> Appointed 31 July 2019

<sup>3</sup> Appointed 7 November 2018

## 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 \$122,075 (2018: \$73,358) 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 2019, 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.