

ASX Release

9 April 2020

IEC UPDATE MARCH 2020

- **Sales 42,920 tonnes**
- **Production 34,115 tonnes**
- **Stocks available to meet customer demand**
- **Ministry of Minerals issues Mining License to Tancoal**
- **Dealers Licences for Customers**
- **Covid-19 Update**

Intra Energy Corporation Limited ("IEC" or "the Company") announces that Tancoal Energy Limited (IEC 70% and National Development Corporation of Tanzania 30%) sold 42,920 tonnes of coal in March 2020. Sales continue to be lower than the prior year, 69,810 tonnes were sold in March 2019. Sales were satisfactory given that heavy rain washed away a bridge on the haulroad between mine and stockpile site which stopped haulage for a number of days until repaired.

Coal produced during the month was 34,115 tonnes, lower due to the heavy rains, March 2019 production was 59,643 tonnes. Demand has been lower and Tancoal maintains the capacity to increase production to meet customer demand.

Work has begun on opening up Mining Licence ML 610/2020 that was issued by the Ministry of Minerals during the month. The mining licence is adjacent to the north pit of the current licence and is critical for Tancoal to continue production without having to develop a new pit in the current licenc. It also increases the company's coal resources substantially.

The Ministry of Minerals and the Mining Commission has advised that the 50% penalty on past royalties on transport from 2011 to 2014 will not be waived and the US\$10.4 million must be paid evenly over four years beginning in April 2020, this is challenging and Tancoal is continuing discussions with the Ministry.

Tancoal has also been advised that it cannot pass on the current costs of the royalty on transport calculated by the Ministry and so the customers have been advised that they must appoint a Licenced Dealer or have their own Dealers Licence issued by the Ministry by 10 April 2020 to continue buying coal from Tancoal. A Dealers Licence will enable the customer to pay the royalty on both the cost of coal and transport themselves.

The export market is approximately 30% of Tancoal's sales and Tancoal is continuing to discuss a way forward with the Ministry and the export customers that will maintain the export market for the benefit of both Tancoal and Tanzania. The borders in East Africa have Covid-19 precautions in place but they continue to be open for trucks carrying goods and services including coal to Tancoal's customers.

Tanzania has implemented COVID-19 precautions, all international visitors to the country must go into isolation for 14 days in Government approved accommodation, schools have been closed, social distancing and washing of hands are encouraged. Tancoal has implemented company policies to educate and protect its staff and contractors.

An agreement with the former contractor, Caspian, to extend the payment plan for the three final payments due to tight cash flow from lower sales remains pending.

INTRAFRICAN RESOURCES

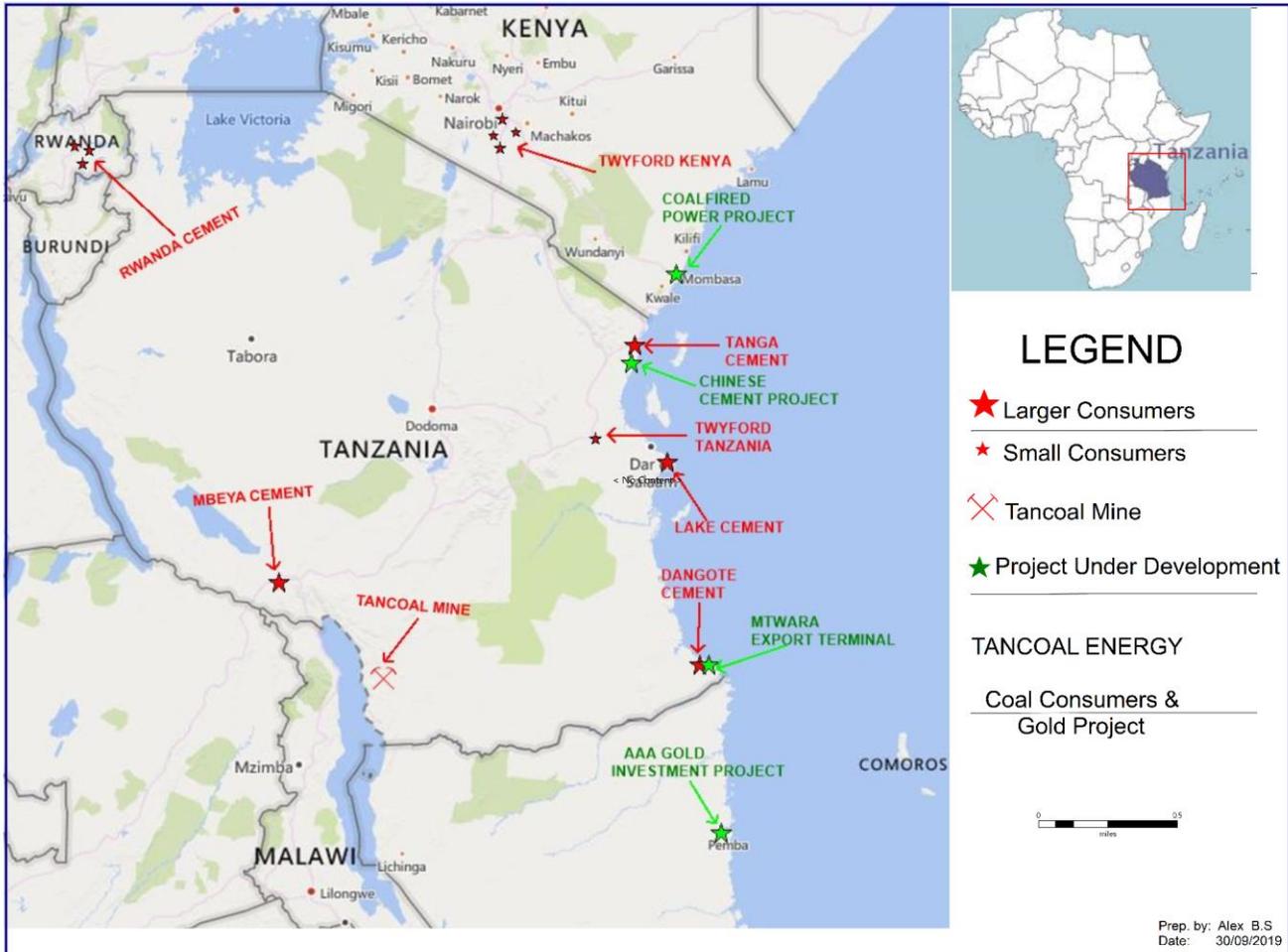
Intrafrican Resources Limited (“Intrafrican”), a fully owned subsidiary of IEC, registered in Mauritius (previously named AAA Drilling Limited), has invested in Intra Minerals Limited (“IML”), a company registered in Mauritius. Intrafrican currently owns 15% of IML.

IML is the 95% owner of the Lurio Gold Project in Mozambique. Intrafrican is considering funding opportunities for increased equity and the development of stage three of the project.

The Chairman of IEC, Graeme Robertson, commented “Production and sales during the month were adversely affected by heavy rain which slowed production in tandem with equipment applied to the early preparation for mining in the newly granted Licence area. It is disappointing that the discussions with the Ministry on penalties applied to past royalties made retrospective have not yielded results and the extra cost of transporting coal which is done by the buyer is born by Tancoal unless the buyer has a Dealers Licence issued by the Ministry. As it is critical for Tanzania to gain income from exports, particularly during this difficult period, discussions are continuing with the Ministry and Mining Commission to be able to maintain the business.

While Tancoal faces difficulties in Tanzania, Intrafrican Resources Limited still maintains a positive position in relation to the Intra Minerals Limited concession for gold exploration and development in Mozambique. The rain has delayed any further activities at the Minas du Lurio site, however, IEC is currently working on the secondary listing of Intrafrican in Mauritius despite the COVID19 lockdown in Mauritius.

Intra Energy Corporation Limited is applying strict controls to all its operations as per respective Government instructions to prevent the carriage of the COVID-19. The health and safety of its stakeholders - employees, customers, contractors and shareholders is and always will be, the major concern of IEC in its sphere of operations in Africa and Australia.”



ENDS

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About Intra Energy

Intra Energy is an environmentally responsible, diversified mining and energy group, focused on Eastern Africa, and is listed on the Australian Stock Exchange (ASX:IEC). IEC is a developer and producer of thermal coal in Eastern Africa operating under the motto of “African coal for African growth” and is the only operating thermal coal miner in Eastern Africa. Its flagship coal project is the Tancoal mine in the Ngaka coalfield of Tanzania, operated by Tancoal Energy Limited, a joint venture with the National Development Corporation of Tanzania.

Intra Energy has made significant progress with its Eastern African regional expansion strategy into new mining and renewable energy projects and battery storage materials, and maintains cost effective and efficient operations to remain a low cost producer in this dynamically growing region where it occupies the prime supply position.