

ASX Release

19 September 2019

IEC AUGUST 2019 UPDATE

- **Sales 60,306 tonnes in August**
- **Production 52,614 tonnes in August**
- **Stocks available to meet customer demand**
- **AAA gold investment in Mozambique commences intensive exploration work**

Intra Energy Corporation Limited ("IEC" or "the Company") is pleased to announce that Tancoal Energy Limited ("Tancoal") (IEC 70% and National Development Corporation of Tanzania 30%) recorded 60,306 tonnes of coal sold in August 2019 (66,179 tonnes sold in August 2018). Sales were higher than July as expected but were still affected by the maintenance on kilns by Tancoal's largest cement customers. Sales were lower than August 2018 mainly due to loss of an export customer to South African coal due to projected royalty on the cost of transport and unreliability of delivery if road permits are not issued.

52,614 tonnes of coal were produced in August 2019 (65,684 tonnes in August 2018). Tancoal has suitable stock levels to meet customer demand and has the capacity to increase production should demand increase.



Coal processing at Tancoal's Kitai sales point

IEC is pleased to acknowledge that the letter previously announced on 3 September 2019 has been amended by the Ministry of Minerals, Mining Commission to allow Tancoal a 60 day period to adjust to the payment of royalties and during this period will be free to deliver coal, subject to royalty payment.

However, Tancoal has received two further letters from the Ministry of Minerals, firstly explaining the basis for the implementation of the royalty on transport and allowing Tancoal's customers to appoint licensed dealers or brokers to pay the royalty on its behalf and secondly a Demand Notice for unpaid royalty on coal transportation costs for the period September 2011 to June 2019 amounting to USD 10,408,798, including USD 3,469,599 in penalties.

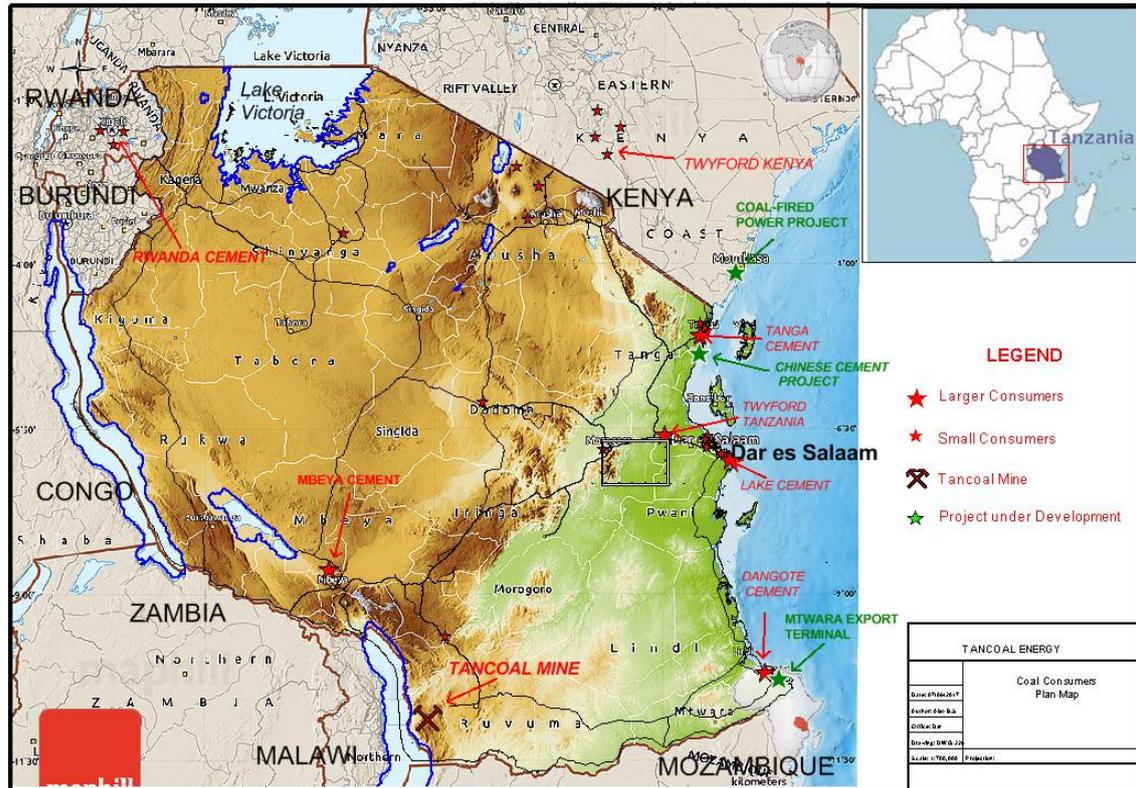
Tancoal is seeking clarification from the Ministry of Minerals in regard to the implementation of royalties, particularly in relation to the retrospective costs and penalties. As the royalties have never been invoiced, Tancoal has had no prior knowledge of any payments due and as such, should not be subject to fines or penalties. Tancoal will also discuss terms of payment and the time period allowed to meet these imposts.

The market will be kept informed of the result of the clarifications.

IEC's wholly owned subsidiary, AAA Drilling Limited, a Mauritian incorporated investment company, has invested in a potentially exceptional newly discovered gold property in Mozambique. The gold concession owner, which is 95% owned by Intra Minerals Limited, has started initial exploration work that includes survey, pitting, trenching and analysis. With more than 200 pits dug to bedrock and reporting evidence of widespread gold mineralisation, samples have been sent to South Africa for analysis. Trenching is due to commence end of September with arrival of excavation equipment. If the initial work demonstrates the expected potential then investors will be invited to fund a drilling program for equity to target early production.

IEC Chairman, Graeme Robertson, commented "IEC continues to lobby the Ministry of Minerals and Tanzanian Mining Commission regarding road royalties. An eminent Economist in Tanzania has written a paper that shows the imposition of royalties on transport will lead to the loss of Tancoal's export markets.

However, the initial investment by AAA Drilling Limited, a Mauritian incorporated investment company wholly-owned by IEC, in a newly discovered gold field in Mozambique 95% owned by Intra Minerals Limited, continues to show strong potential with extensive quartz veining and a wider than thought distribution of gold mineralization. Extensive pitting has been completed over a target area and samples sent for analysis. A professional geological and exploration team are engaged in developing the resource. This provides IEC a diversification of resources and operating environments."



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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.