

ASX Release

22 September 2020

IEC AUGUST 2020 UPDATE

- **Minas do Lurio Gold Project – Mozambique Gold**
- **Tancoal Energy Update - Tanzania**

MOZAMBIQUE GOLD

Intrafrican Resources Limited ("Intrafrican"), a fully owned subsidiary of Intra Energy Corporation Limited ("IEC" or "the Company") registered in Mauritius has invested in Intra Minerals Limited ("IML"), a company registered in Mauritius. Intrafrican currently owns 15% of IML which is the 95% owner of the Lurio Gold Project in Mozambique. Intrafrican is investigating options to raise capital to continue with the exploration program in the Minas Do Lurio Gold Project with a drilling campaign as well as increase its equity substantially in IML.

IEC has entered into an Investment Agreement with Intra Minerals Ltd (IML) to buy an additional 30% of shares in the company for the investment of USD\$1.3Mil with the option to purchase additional shares. IML has also engaged an Operations Consultant with "hands-on" experience in establishing gold mining operations in Southern Africa in conditions similar to the Minas Do Lurio project. IEC has mandated Bellhouse Capital PLC, an UK-based Financial Advisor to prepare a Presentation and advise on the capital raising route for IRL. Discussions are being held to determine potential for direct investment by IEC shareholders in IRL under an incentive program.

The exploration project currently comprises a 168.56 km² prospecting license (8416L) in the historically underexplored Lúrio Belt, an initial trenching and sampling program has been completed at Savane, a prospective area within the prospecting license. A new gold bearing area has been located approximately 2 kilometres from the original Savanne Area. The second area exhibits visible gold in quartz veining. Samples of quartz and soil have been taken, crushed and prepared for washing with evidence of gold in the samples.

Three composite samples from the Savanne deposit have been analysed by SGS South Africa to determine head gold grades by gravity concentration and leachwell tests. All the composite samples come from an area that has already been artisanally mined for gold. The average head gold grades determined by gravity and the average gold recovered into the gravity concentrates were:

Composite One	1.10 gt au and 69.2% au recovered (surface to – 1.17 metres sample)
Composite Two	2.69 gt au and 80.4% au recovered (surface to – 1.17 metres sample)
Composite Three	0.70 gt au and 72.5% au recovered (surface to – 1.17 metres sample)

IEC has engaged Mr Kim Stanton-Cook, an exploration/development geologist with 45 years' experience in mineral exploration industry to act as its consultant in the development of the Lurio Gold Project. Mr Stanton-Cook has reviewed work done to date and has advised that the Project has merit and should move into the drilling stage which gives solid reason why the area should be considered as highly prospective.

MOZAMBIQUE GOLD



Trenching and Sampling at Savane

TANCOAL ENERGY

Tancoal Energy Limited (IEC 70% and National Development Corporation (“NDC”) of Tanzania 30%) sold 25,451 tonnes of coal in August 2020 compared to 60,036 tonnes sold in August 2019. Sales continued to be lower due to the effect of Covid-19 on the business of both domestic and export customers and competition from small miners. Production was 24,040 tonnes, compared to 52,614 tonnes in August 2019. Sales, however, were higher than in previous months which indicate the potential for sales to be on track to recovery. Stocks are sufficient to meet increasing demands.

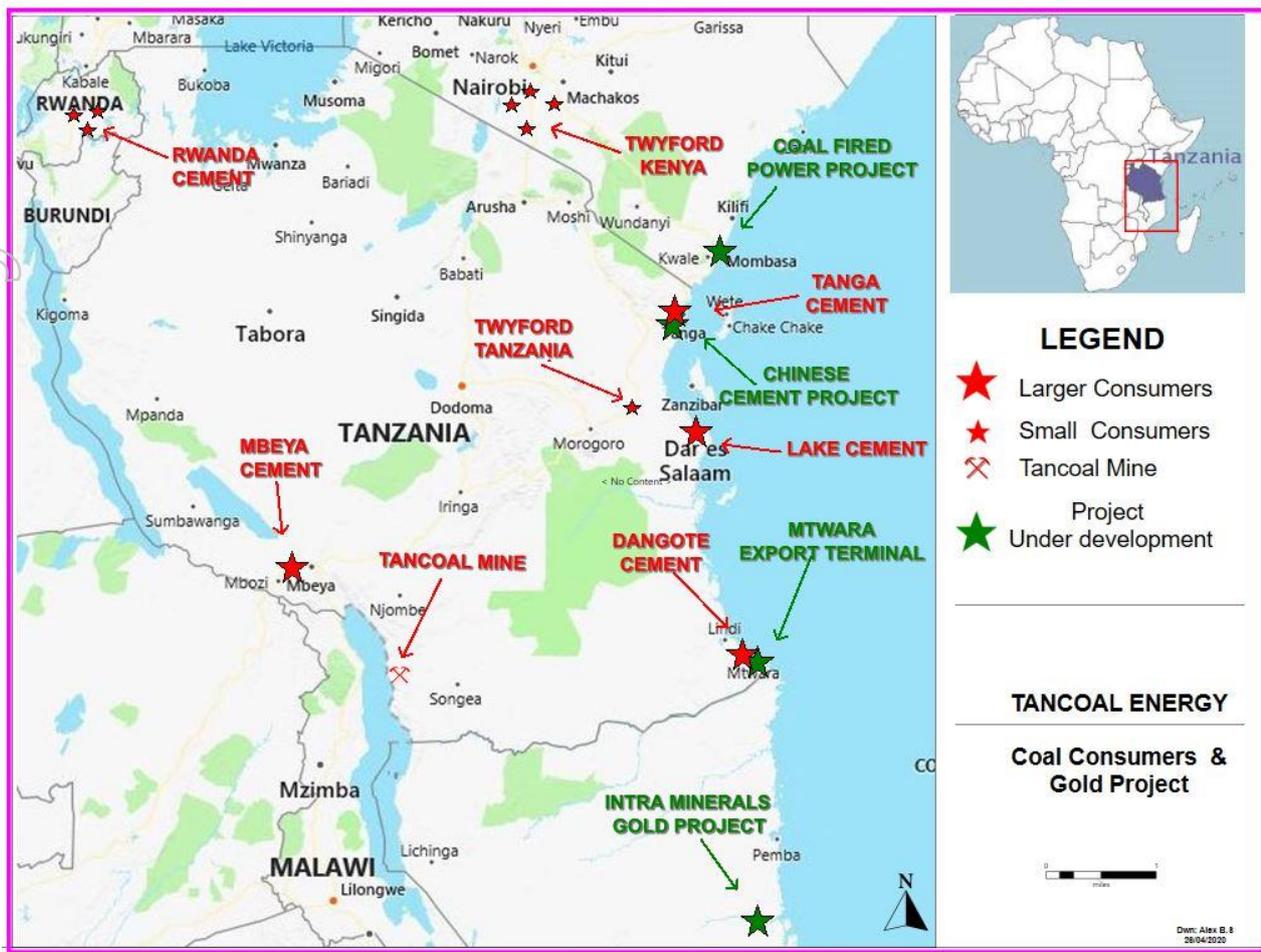
Discussions continue with the Ministry of Minerals for a moratorium on the assessment for past charges for royalty on transport to customers' business premises and discussions are also continuing with the former contractor, Caspian, to extend the payment plan for the three final payments due to tight cash flow from lower sales.

Discussions are continuing with the Ministry of Mineral's Mining Commission (MC) on the threatened cancellation of Tancoal's pending application for two mining licences for coal at North Mburya, approximately eight kilometres north of the current Mbalawala mine. The lower quality coal from this area was planned to be blended with high quality coal from the Mbalawala operation, it had previously been reserved for power station feed. Further to these discussions the MC has threatened to cancel Tancoal licenses if royalty payments are not made, which is contrary to discussions with the Ministry to extend royalty terms. This matter is under discussion with higher authorities as the cancellation of mining licenses in such a manner is dubious in law.

COMMENTARY

The Chairman of IEC, Graeme Robertson, commented “I am pleased to advise shareholders that Intrafrican Resources Ltd (IRL), IEC's wholly-owned subsidiary, has finalised the Investment Agreement with Intra Minerals Ltd (IML) which owns 95% of the Minas Do Lurio gold project in Mozambique. The Board of IRL have engaged and mandated Bellhouse Capital, an UK-based Financial Advisor to prepare a capital raising route for IRL to enable it to acquire 30% additional shares in IML for US\$1.3 Million with the option to obtaining additional shares for US\$0.875 Million which will enable IML to expand into other gold opportunities in Mozambique as well as enter into small scale early production. Mozambique has huge mineral wealth but is mainly unexplored. It is interesting that the early results from composite sample testing, which are positive, are from the initial trenching and have been recovered from only the top 1.17 metres from surface.

Tancoal, as predicted is increasing sales after months of decline and is hopeful of further increases once Borders are fully opened for transporters. Tancoal is still involved in discussions with Ministry of Minerals to show that royalties on transport will have a negative impact on markets as it increases costs at a time when international coal prices are very low. We are unsure of the motives behind the threatened withdrawal of licences by the Mining Commission. In addition, our partners, NDC, have verbally requested for an additional 20% equity in Tancoal to their already free carried 30% equity which is difficult given the large amount of money owed to IEC from Management Fees and the lack of any benefit ever provided by NDC to the Tancoal operation. Despite these disruptions, Tancoal is expected to move forward with production and sales.”



ENDS

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About Intra Energy

Intra Energy is an environmentally responsible, diversified mining and energy group, focused on South Eastern Africa, and is listed on the Australian Stock Exchange (ASX:IEC). IEC has made significant progress with its regional diversification strategy into new gold exploration in Mozambique.

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 largest 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..

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