

QUARTERLY ACTIVITIES REPORT September 2021

- IEC application granted for ELA6305, Talowla Project at Louth, north of Cobar NSW
- IEC commences joint venture discussions for potential Ni-Cu-PGE exploration in WA
- Mozambique gold testing by SGS show high recovery, drill sites being surveyed, new sites identified
- Interest in participation in coal operations from African parties now in final stage of negotiation.

EXECUTIVE SUMMARY

The Board of IEC has over the last two years decided to remove itself from fossil fuels 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. This process should be completed by early November.

The Application has been granted for a highly 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. 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.

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.

In Mozambique, two potential new gold areas have been identified and work is being completed for drilling targets.

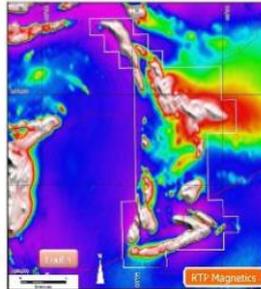
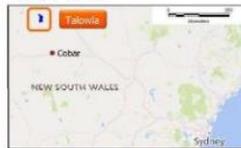
AUSTRALIAN MINERAL EXPLORATION

It is intended to commence exploration activities in 2022 once the licence has been issued.

Louth – the new Cobar?



- **Magnetics**
 - Volcanics are mapped by their magnetic high signature – even under cover of younger sediments (<100m; ~40-50m)
 - Possible Macquarie Arc (Cadia rocks)
 - Possible Giralambone mafics (Tritton rocks - Aeris)



Louth – the new Cobar?



- **Magnetics**
 - Volcanics are mapped by their magnetic high signature – even under cover of younger sediments (<100m; ~40-50m)
- **Electromagnetics – EM**
 - High ranking Walk up drill targets
- **Drilling**
 - Mostly shallow bedrock aircore
 - MDH-1: 0.12% Pb, 300ppm Zn @
 - L2LRMD10-02: pyrite
 - **EM targets untested**



Negotiations for the joint venture in WA will be announced once concluded and the application has been granted.

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 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. Two further gold bearing areas have been identified in land surveys and are currently being investigated.

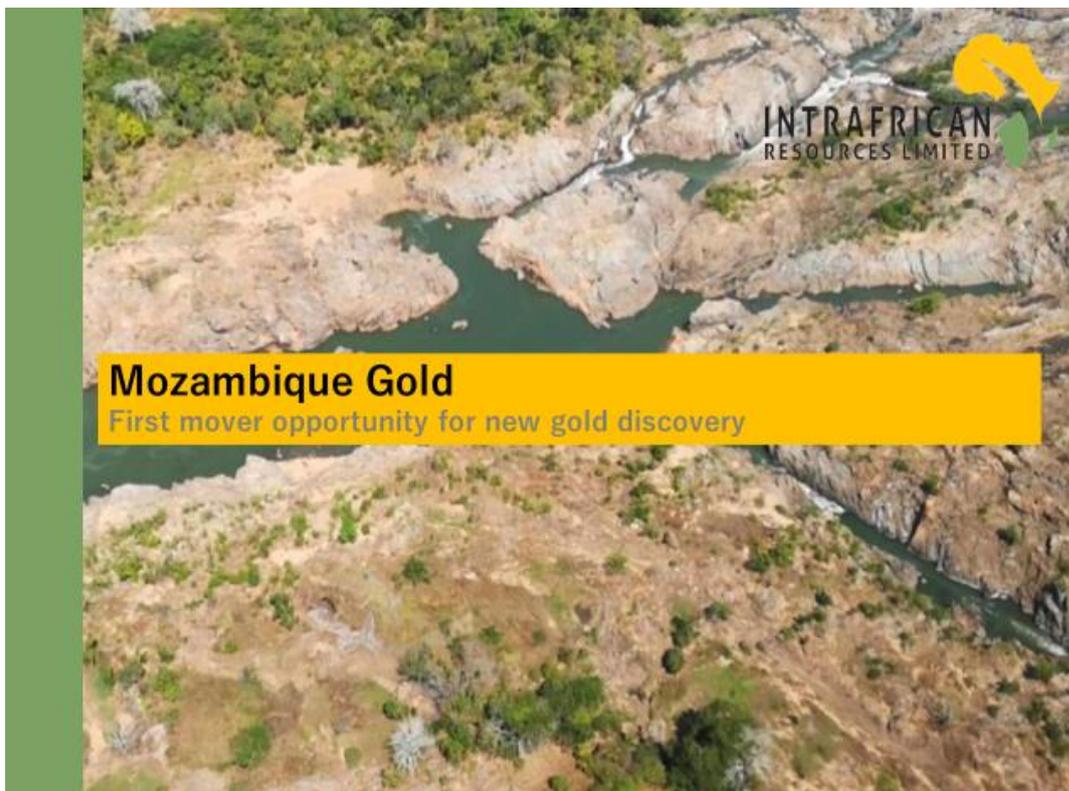


Photo of the potential 'Muteger' gold trap in the Lurio River subject to exploration and dredging

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 Lúrio 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.

FROM FOSSIL FUEL TO MINERALS

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.

TANCOAL ENERGY

The Tancoal mine in Tanzania, 70% owned by Intra Energy (Tanzania) Limited (IETL), a wholly owned subsidiary of IEC, and 30% by the National Development Corporation of Tanzania (NDC) has traditionally been the largest operational coal mine in Tanzania and East Africa and is exclusively manned by Tanzanians

This quarter ending September 2021 is still showing effects of increased competition from other regional mines, and a small amount of loss due to Rwanda and Kenyan border restrictions due to the pandemic. The mine is currently operating on a care and maintenance basis while discussions are continuing with interested parties in the operations of the mine.

Tancoal Production and Sales

	Quarter Ended		
	Sept-21	Sept-20	Var (%)
Overburden Stripped (bcm)	69,828	169,883	-58.91%
Coal mined (tonnes)	31,943	70,824	-54.90%
Sold (tonnes)	38,409	66,600	-42.33%

Production and sales have been solely from the Tancoal Mine.

IEC Group quarterly sales volumes (as a percentage) by country

	Quarter Ended	
	Sept-21	Sept-20
Tanzania	82.80%	69.94%
Kenya	-	18.0%
Rwanda	5.04%	8.87%
Uganda	12.16%	2.79%

Covid-19 has restricted supplies into Kenya and Rwanda.

IEC Group quarterly sales volumes (as a percentage) by industry

	Quarter Ended	
	Sept-21	Jun-20
Cement	81.69%	60.80%
Ceramics	5.23%	11.19%
Textiles	-%	16.35%
Steel	5.31%	-%
Other	2.27%	11.66%

EXPLORATION

Emphasis on exploration in Australia has been to establish Exploration Rights over properties considered to be attractive prospects and to define an overall development plan. A ground survey and historical research of the Talowla Project in NSW will be undertaken in November and negotiations with the proposed joint venture in WA for potential Ni-Cu-AU-PGE resources should be completed shortly. Further properties are under discussion with the aim of having an interesting group of exceptional targets by end 2021.

CORPORATE

During September IEC granted the exclusive right to another credible firm interested in doing due diligence on IETL to determine areas of mutual interest. Confidentiality is still required and the board is still determined to see this come to fruition in the next quarter.

Cashflow		Current Quarter A\$ '000	Year to Date (3 months) A\$ '000
Cash at beginning of the Quarter		(249)	(249)
Operating		409	409
Investing		-	-
Financing		(267)	(267)
Exchange Rate Adjustments		7	7
Cash at end of Quarter		(100)	(100)

- The appeal of the TRA assessment of VAT to Tancoal, from the commencement of mining to June 2015 of approx. 3 million US dollars of which approx. 50% is interest and penalties, is ongoing and to this date we have had no reply or interaction.
- The High Court of Tanzania (Commercial Division) in the NBC Bank case ruled in favour of Tancoal (refer ASX announcement 8 April 2019). NBC referred an appeal to the Court of Appeal of Tanzania and all the preliminary steps and processes have been done. The case now awaits a Summons for the date the hearing of the appeal will commence, we are still waiting.

Community

- 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.

OUTLOOK

In the Quarter under review, and in accordance with IEC policy, substantial progress was made in developing a portfolio of attractive exploration properties for mineral development in Australia. Application was granted for the Talowla Project near Louth, north of Cobar, based on very attractive data demonstrating similar structure to the Cobar region. Discussions were also held with several organisations with exploration properties and evaluations developed to be able to process the most inviting for further negotiations.

Further survey work to define drilling targets in the Minas do Lurio concession in Mozambique and meetings to refine drilling costs to a minimum for initial resource definition were undertaken during the period. Two additional gold areas were discovered in the concession and are currently being evaluated by the Minas do Lurio geologist.

Coal production in Tanzania unfortunately continued to decline from a combination of cement kiln shutdowns for maintenance, Covid restrictions at border crossings and the level of discussion with interested parties in the operations of the mine.

Negotiations have continued with several parties over the last 12 months and a resolution is expected in the next quarter. Intra Energy Tanzania Limited carries a high level of debt and contingent liabilities which would need to be taken-over by a potential purchaser. On the other hand, record coal prices are an attraction. Once a sale is finalized it will require shareholder approval for which an Extraordinary General Meeting will be called in due course.

For further information please contact:

Shareholder Enquiries

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IEC - SCHEDULE OF MINING AND PROSPECTING TENEMENTS

Tenement ID	Country	Company	% Ownership	Locality	Minerals	Status
PL 7620/2012	Tanzania	Tancoal	100	Mbuyura/Mkapa	coal	Expired
PL 7713/2012	Tanzania	Tancoal	100	Mhukuru	coal	Active
PL 8999/2013	Tanzania	Tancoal	100	Mbalawala East	coal	Active
ML 439/2011	Tanzania	Tancoal	100	Tancoal	coal	Active
PL 7391/2011	Tanzania	Tancoal	100	Mbalawala	coal	Expired
ML610/20	Tanzania	Tancoal	100	Mbalawala	coal	Active
PL 11156/2017	Tanzania	Tancoal	100	Mbinga/Ruvuma	coal	Pending Renewal
PL 11086/2016	Tanzania	Tancoal	100	Mbinga/Ruvuma	coal	Application recommended
PL 13996/2019	Tanzania	Tancoal	100	Mbinga/Ruvuma	coal	Application recommended
PL 10116/14	Tanzania	Tanzacoal	100	Songwe/Kiwira	coal	Active
	Australia	IEC	100	Louth/NSW	Gold	Application pending

Tancoal is owned 70% by IEC