

Agreement to Sell Tanzania Coal Interests for US\$2.0 million

- Binding sale agreement for sale of Intra Energy Tanzania Limited for US\$2.0 million cash, to be received in two tranches, subject to conditions precedent
- Firm Commitments for two tranche placement to raise \$1.5 million (before costs) to fund exploration on existing assets and assess new opportunities

EXECUTIVE SUMMARY

Intra Energy Corporation Limited (ASX:IEC) (“**IEC**” or the “**Company**”) is pleased to announce that it has reached an agreement to transfer ownership of Intra Energy Tanzania Limited (“**IETL**”), which holds the Company’s Tanzanian Coal interests, to Mirambo Mining Limited (“**MML**”), a Tanzanian company.

The transaction is subject to receiving approval from the Fair Competition Commission (“**FCC**”) of Tanzania and the shareholders of IEC.

MML has advised that they will also give the Government of Tanzania the opportunity to match the terms of the Sale and Purchase Agreement (“**SPA**”) agreed between IEC and MML under similar conditions should they so desire.

The transaction consists of 100% of the shares in IETL being transferred for US\$2.0 million (which includes settlement of loans from IEC to IETL), paid in two equal tranches, the first having now been received by IEC and the second tranche within 90 days upon IEC shareholder approval.

Commenting on the divestment of IETL, Managing Director, Ben Dunn, said:

“This sale confirms IEC’s previously stated ambition in 2019 to exit from the production of fossil fuels and transition into the exploration, development and operation of mineral properties in Australia and Africa. IEC will now focus on its recently granted copper-gold exploration lease in NSW and its investment in gold exploration in Mozambique, as well as identifying opportunities in the battery and new energy mineral sectors.”

Negotiations have been conducted in good faith and we thank MML for their willingness to embrace this opportunity and bring a prime resource of coal under Tanzanian ownership. The Directors would like to take this opportunity to thank our loyal shareholders who have supported the Company throughout this transition period.”

The Company is awaiting confirmation from ASX as the application of Listing Rules 11.1.2, 11.1.3 and 11.2 to the proposed transaction and the divestment is subject to the Company obtaining any approvals required by ASX. An Extraordinary General Meeting of IEC shareholders will be called as soon as feasible to approve the divestment in due course.

The Purchaser and its principals have been subject to KYC by the Company's lawyers and its Principals are well known to IETL having provided contractual mining services for several years.

AUSTRALIAN MINERAL EXPLORATION OPPORTUNITIES

As the Company exits the production of fossil fuels in Africa, it will now concentrate on base and precious metal opportunities in Australia, with a particular focus on the new energy metals. The company has previously announced that it had been granted the highly prospective exploration licence (EL9314) near the town of Louth in Western New South Wales.

The Talowla Project ("**Talowla**") lies to the north of the Cobar Basin, a major copper, base metal and gold production area, hosting mines such as CSA (Glencore), Tritton (Aeris Resources), Peak and Hera (Aurelia Metals), and the Mallee Bull and Southern Nights deposits (Peel Mining).

Talowla sits in the western Lachlan Fold Belt, which is considered a prime exploration and development target area by geologists for gold and copper, demonstrated by the recent outstanding drilling results at the likes of Aeris Resources' Constellation and Aurelia Metals' Federation deposits.

Previous airborne and ground EM surveys have identified several high ranking "walk-up" drill ready targets, which according to the previous work "are the highest priority targets recommended for drill testing within EL9314". Based on work done by IEC's consultant geologist, there are solid indications that the area around Louth could host similar mineralisation to that of Cobar, with the EM targets similar to that which led to the discovery of Aeris' Constellation deposit.

The Company will now work closely with stakeholders in order to expedite what we believe to be, a very exciting exploration project.

PLACEMENT DETAILS

The Company is pleased to announce that it has received firm commitments from sophisticated investors to subscribe for a placement of approximately 187.5 million fully paid ordinary shares ("**Shares**") in the Company at an issue price of AU\$0.008 per Share to raise gross proceeds of A\$1.5 million (before costs) in a two tranche ("**Placement**"). Subject to shareholder approval, brokers assisting with the offer will be issued 15 million options, 7.5 million exercisable at \$0.012 and 7.5 million exercisable at \$0.016 on or before three years from the issue date.

The Placement proceeds combined with the sale proceeds from IETL will be used for exploration activities on the Company's existing assets and to assess new exploration opportunities. The Placement has been strongly supported by existing shareholders and introduced a number of new sophisticated and professional investors to the register.



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Shares issued under the Placement will be settled in two tranches, with 57,603,050 Shares to be issued under the Company's ASX LR 7.1 placement capacity and 129,896,950 Shares to be issued subject to shareholder approval at a general meeting to be sought as soon as practical.

This ASX announcement has been approved by the Managing Director on behalf of the board of Intra Energy Corporation Limited.

For further information please contact:

Shareholder Enquiries

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