

ASX Release

13 February 2020

IEC JANUARY 2020 UPDATE

- **Sales 33,411 tonnes in January**
- **Production 34,067 tonnes in January**
- **Heavy rains affected sales and production in January**

Intra Energy Corporation Limited ("IEC" or "the Company") announces that Tancoal Energy Limited (IEC 70% and National Development Corporation of Tanzania 30%) sold 33,411 tonnes of coal in January 2020, lower than the 71,401 tonnes sold in January 2019.

34,067 tonnes were produced in January 2020, while 72,627 tonnes were produced in January 2019.

Sales and production were lower due to heavy rains and lower demand. Tancoal has the capacity to increase production and stock levels should demand increase.

Discussions are continuing with the Ministry of Minerals and the Mining Commission on the resolution of royalties, fees, penalties, issuance of licences and expansion of coal sales in compliance with legal requirements. The proposal for a payment plan for past royalties continues to be under review by the Mining Commission.

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.

During January, the Chairman Mr Graeme Robertson travelled to the Port of Mtwara in Tanzania accompanied by the MD Mr Jim Shedd and the CEO of Tancoal Mr Daniel Mikenze. The Port of Mtwara is the closest port to the Ngaka mine. They met with the Port Authority to discuss the possibility of developing the export of coal from Tanzania in keeping with the request of the Ministry of Minerals.



INTRAFRICAN RESOURCES

Intrafrican Resources, a fully owned subsidiary of IEC, registered in Mauritius (previously named AAA Drilling Limited), has invested in Intra Minerals Limited which owns 95% of the Lúrio Gold Project in Mozambique. The exploration project currently comprises a 168.56 km² large prospecting license (8416L) in the historically underexplored Lúrio Belt. As part of recent exploration activities, an initial trenching and sampling program has been completed at Savane, a prospective area within the aforementioned prospecting license.

An independent expert, Benedikt Steiner (CGeol EurGeol), has been retained to advise on the project and to compile a non-JORC technical report summarising and evaluating the exploration activities on the project from 2017 to 2019. Mr Steiner's initial observations confirmed the validity of the exploration project, which is considered as an encouraging first-mover opportunity into a much larger prospective area.



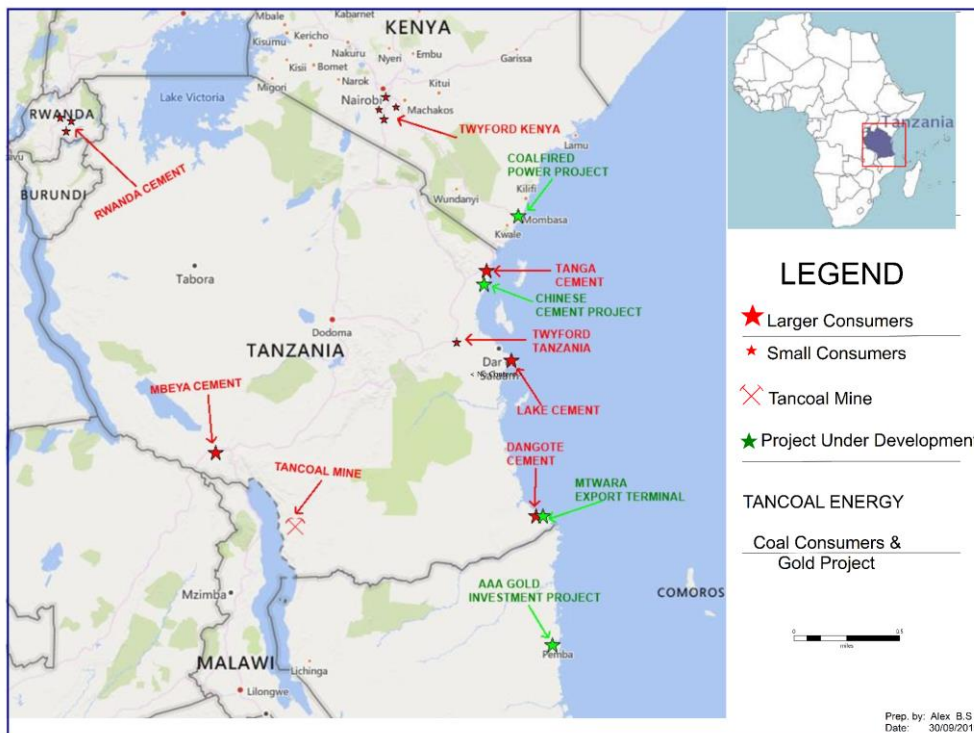
Trenching operations at the Savane Exploration Project



Examples of trench excavations at the Savane Exploration Project

IEC Chairman, Graeme Robertson, commented “IEC continues to engage with the Ministry of Minerals to resolve the pressing matters of penalties being applied on transport fees and the return of critical mining licenses. The last three months have seen a serious decline in purchases of coal from customers which if continued will see a decline in the coal industry in Tanzania. Every effort is being made to export more regional coal with visits by the Managing Director to Rwanda and Uganda and the CEO to Kenya as well as commencement of negotiations to use the very excellent Port of Mtwara for ocean-going barge supply of coal. Without Government support, however, it will be difficult to compete with coal from South Africa and without adequate sales or higher prices, cash flow will become very tight.

On the other hand, wholly-owned subsidiary Intrafrican Resources Ltd (IRL) continues working with Intra Minerals Limited in Mozambique with very encouraging results. IRL is incorporated in Mauritius as a minerals development company leading a diversification given present day difficulties with coal production and sales in Tanzania and the region.”



ENDS

Announcement authorised for release by the IEC Board of Directors

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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.