INTRA ENERGY

INTRA ENERGY CORPORATION LIMITED

ABN 65 124 408 751

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2020

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Contents

Directors' Report

The Directors submit their report for the half year ended 31 December 2020.

Directors

The names of the Company's Directors in office during the half year and until the date of the report are as follows:

Mr Graeme Robertson (Chairman)
Mr Troy Wilson
Mr Alan Fraser
Mr James Shedd (Managing Director)
Mr Marc Schwartz (resigned 10 February 2021)

Company Secretary

Ms. Rozanna Lee

Principal activities

The principal activities of the Consolidated Entity during the period was gold exploration and coal exploration, production and supply in Eastern Africa.

Operating results

Results Summary

The consolidated results for the half-year ended 31 December 2020 were impacted by the full impairment of Mine Development costs and Exploration expenditure capitalised of A$5.128 million.

The underlying loss after tax on operations before the impairment of Mine Development costs and Exploration expenditure was $0.852 million.

Review of operations

The 'Consolidated Entity' referred to in the financial statements refers to the Intra Energy Corporation Limited combined Group comprising Intra Energy Corporation Limited (referred to either as "Intra Energy", "IEC" or "the Company"), Intra Energy (Tanzania) Limited ("IETL"), Tancoal Energy Limited ("Tancoal"), Tanzacoal East Africa Mining Limited ("Tanzacoal"), AAA Drilling Limited ("AAA Tanzania"), Malcoal Mining Limited ("Malcoal"), Intra Energy Trading Limited, East Africa Mining Limited, Intra Energy Limited, Intrafrican Resources Limited ("Intrafrican") and Pamodzi Power Limited.

Intrafrican Resources (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. IML is the 95% owner of the Lurio Gold Project in Mozambique. Intrafrican has begun fundraising to raise capital by private placement ("Placement") to increase its equity in IML and to enable IML to continue the exploration program in the Minas Do Lurio Gold Project in Mozambique, predominantly with a drilling campaign.

The Placement will involve the issue of new shares in Intrafrican such that Intrafrican will no longer be a wholly owned subsidiary of IEC. As a result, it is expected that the Company's indirect interest in IML will increase following the Placement.

Intrafrican's Project Summary and Presentation documents to be shown to potential investors as part of the fundraising are available on IEC and Intrafrican's websites.

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Directors' Report – (Cont'd)

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.

The initial gold exploration programme finished with the start of the wet season which runs from December through to April. Despite this the prospecting team has continued exploration work on the licence area when the weather has permitted to track other potential areas of mineralisation in the area. The team has identified a new area where evidence of artisanal mining has led to visible gold identified in quartz veins as well as small deposits of blue tourmaline in the Napapa area of the licence.

Mining Operations:

Tancoal (Tanzania)

Intra Energy's 100% owned Tanzanian subsidiary, IETL owns a 70% interest in Tancoal, a joint venture with the National Development Corporation of Tanzania ("NDC"), holding the remaining 30% interest. Tancoal was granted a Mining Licence by the Tanzanian Government on 18 August 2011 and commenced mining and supply of thermal coal to domestic and regional industrial customers mainly in Tanzania, Kenya, Uganda and Rwanda. The mine is manned exclusively by Tanzanians.

The Tancoal Mine, was the major operating coal mine in Tanzania but there is now significant competition from other smaller mines that combined with the impact of economic conditions and Covid-19 on domestic and export markets have significantly reduced Tancoal's sales and the imposition of the Royalty on Transport has reduced the expectation of profit and cashflow.

SALES	**Dec 20 HY**	**Dec 19 HY**
Coal Sold (tonnes)	127,846	317,645
PRODUCTION	**Dec 20 HY**	**Dec 19 HY**
Overburden Stripped (BCM)	316,095	1,548,608
Coal Mined (tonnes)	135,893	307,360

Production capacity at the mine is 80,000 tonnes per month which enables Tancoal to increase production to meet customer demand if it increases.

Tancoal has complied in full with the local content regulations of the Tanzanian government.

IEC has been approached for discussions regarding its Tancoal operations by reputable Tanzanian and overseas firms and these discussions are at an early stage and are ongoing into the next half year.

Exploration:

Limited exploration was undertaken during the period, with expenditure continuing to be controlled so as to preserve cash whilst still maintaining the Company's portfolio of tenements in good standing.

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Table 1 - Intra Energy JORC resources

Project	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Tanzania				
Tancoal – North	51.00	73.70	71.73	196.43
Tancoal – South	25.53	71.80	63.00	160.33
Total JORC resources	**76.53**	**145.50**	**134.73**	**356.76**

COMPETENT PERSON STATEMENT

MBALAWALA/MBUYURA-MKAPA

The information in this report relates to Exploration Results, Mineral Resources or Ore Reserves based on the Mbalawala Mine Bankable Feasibility Study with related infrastructure feasibility options as at 31 August 2010, the Mbalawala Coal Mine Bankable Feasibility Study as at 13 August 2010, the Resource Model Assessment and Review, Ngaka Project Area as at 20 July 2010 an the Updated Raw Coal Resource Estimate provided by JB Mining Services Pty Ltd dated 30 September 2017 and 30 November 2017 and have been reviewed by Mr Phillip Sides. Mr Sides is a Member of the Australian Institute of Geoscientists and as such qualifies as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ~ The JORC Code ~ 2012 Edition". Mr Sides is a consultant to JB Mining Services Pty Ltd and has sufficient experience to qualify as a Competent Person as defined in The JORC Code. Mr Sides consents to the inclusion of the matters based on his information in the form and context in which it appears.

Financial:

KCB Bank Tanzania Limited (KCB) has provided the following facilities. All facilities are in place with a review due in June 2021. The main terms of the facilities are summarised below:

- US$900,000 overdraft facility, 8%
- US$900,000 term loan at 8%
- Term Loan US$936,000 for Crusher and Screening Plant, 8%
- Spot rate at 31 December 2020 was 0.76619

Kanu Equipment Tanzania has financed the purchase of mining plant and equipment for a total of US$1,731,000 at 9%. At 31 December 2020 US$360,000 was outstanding.

Tancoal is discussing an extension of time for the three final payments due under the settlement agreement made with the former contractor, Caspian (refer ASX announcement on 6 May 2019) due to tighter cash flow from lower sales.

Corporate Social Responsibility:

The Mbalawala Women's Organisation ("MWO") in Tanzania has been supported by the company for many years. MWO has worked very hard and with the increased production and sales at the mine their catering and accommodation service business has achieved financial independence, the company will continue to support them with technical and other ongoing support that they need. MWO has received a Tested Product Certificate from the Tanzania Bureau of Standards which is a licence for them to manufacture coal briquettes. These briquettes from coal fines mixed with clay, have the potential to reduce the use of charcoal in cooking fires and hence reduce the environmental devastation caused by the charcoal industry.

Tancoal has submitted its Corporate Social Responsibility ("CSR") plan for 2021 to the Government as required.

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Directors' Report – (Cont'd)

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Consolidated Entity under ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. The Consolidated Entity is an entity to which the Class Order applies.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 24.

Signed in accordance with a resolution of the Directors.

Graeme Robertson
Chairman
Dated at Sydney this 12th of March 2021

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Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2020

	Notes	31-Dec 2020 $'000	31-Dec 2019 $'000
Sales income		7,807	22,806
Cost of production		(5,234)	(17,450)
GROSS PROFIT		2,573	5,356
Foreign exchange gain/loss		27	(12)
Compliance and regulatory expenses		(126)	(122)
Legal and professional expenses		(106)	(216)
Depreciation and amortisation		(801)	(780)
Remuneration and employee expenses		(1,126)	(1,523)
Exploration expenditure		(6)	(13)
Other expenses		(1,352)	(1,731)
Reversal/(Impairment) of assets		169	(449)
Impairment of mine development and exploration assets	3,4	(5,128)	-
Royalty on transport costs provided for		-	(15,205)
Prior period tax audit costs provided for		-	(862)
Finance costs		(104)	(211)
LOSS BEFORE INCOME TAX		**(5,980)**	**(15,768)**
Income tax benefit/(expense)		-	-
LOSS FROM CONTINUING OPERATIONS		**(5,980)**	**(15,768)**
Loss from discontinued operations		-	(40)
Impairment of assets from discontinued operations		-	(58)
LOSS FOR THE PERIOD		**(5,980)**	**(15,866)**
OTHER COMPREHENSIVE INCOME			
Exchange differences on foreign operations		1,368	281
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(4,612)**	**(15,585)**
NET LOSS FOR THE PERIOD			
Attributed to:			
Shareholders of Intra Energy Corporation Limited		(4,050)	(10,918)
Non-controlling interest		(1,930)	(4,948)
		(5,980)	**(15,866)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD			
Attributed to:			
Shareholders of Intra Energy Corporation Limited		(3,871)	(10,675)
Non-controlling interest		(741)	(4,910)
		(4,612)	**(15,585)**
PROFIT/(LOSS) PER SHARE (cents per share, basic and diluted)			
- Loss per share on continuing and discontinued operations		(1.04)	(2.82)
- Loss per share on continuing operations		-	(2.79)
- Profit/(loss) per share on discontinued operations		-	(0.03)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the Financial Statements.

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Financial Statements

Consolidated Statement of Financial Position
as at 31 December 2020

	Notes	31-Dec 2020 $'000	30-Jun 2020 $'000
Current Assets			
Cash and cash equivalents		276	322
Inventories		1,439	1,731
Trade and other receivables		2,703	4,180
Total Current Assets		**4,418**	**6,233**
Non-Current Assets			
Property, plant and equipment		5,523	6,888
Rights of use assets		1,825	2,095
Mine development costs	3	-	5,172
Exploration expenditure	4	-	554
Investments		234	226
Total Non-Current Assets		**7,582**	**14,935**
TOTAL ASSETS		**12,000**	**21,168**
Current Liabilities			
Bank overdraft		898	1,287
Trade and other payables		18,174	20,796
Employee benefits		138	130
Borrowings	5	861	1,336
Lease liabilities	6	890	1,448
Total Current Liabilities		**20,961**	**24,997**
Non-Current Liabilities			
Trade and other payables		10,801	11,209
Lease liabilities	6	35	85
Provisions		825	887
Total Non-Current Liabilities		**11,661**	**12,181**
TOTAL LIABILITIES		**32,622**	**37,178**
NET (LIABILITIES)/ASSETS		**(20,622)**	**(16,010)**
EQUITY			
Issued capital	7	69,590	69,590
Reserves		2,463	2,284
Accumulated losses		(80,732)	(76,682)
Total equity attributed to equity holders of the Company		**(8,679)**	**(4,808)**
Non-controlling interest		(11,943)	(11,202)
TOTAL EQUITY		**(20,622)**	**(16,010)**

The Statement of Financial Position should be read in conjunction with the accompanying notes to the Financial Statements.

Financial Statements

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2020

	Issued Capital	Accumulated Losses	Performance Rights	Option Reserve	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2020	**69,590**	**(76,682)**	**795**	**2,216**	**(727)**	**(4,808)**	**(11,202)**	**(16,010)**
Loss for the period	-	(4,050)	-	-	-	(4,050)	(1,930)	(5,980)
Foreign currency translation differences	-	-	-	-	179	179	1,189	1,368
Total comprehensive income / (loss)	-	(4,050)	-	-	179	(3,871)	(741)	(4,612)
Transactions with owners recorded directly into equity								
Shares issued during the period	-	-	-	-	-	-	-	-
Balance at 31 December 2020	**69,590**	**(80,732)**	**795**	**2,216**	**(548)**	**(8,679)**	**(11,943)**	**(20,622)**
At 1 July 2019	**69,590**	**(64,913)**	**795**	**2,216**	**(899)**	**6,789**	**(5,739)**	**1,050**
Loss for the period	-	(10,918)	-	-	-	(10,918)	(4,948)	(15,866)
Foreign currency translation differences	-	-	-	-	243	243	38	281
Total comprehensive income / (loss)	-	(10,918)	-	-	243	(10,675)	(4,910)	(15,585)
Transactions with owners recorded directly into equity								
Shares issued during the period	-	-	-	-	-	-	-	-
Balance at 31 December 2019	**69,590**	**(75,831)**	**795**	**2,216**	**(656)**	**(3,886)**	**(10,649)**	**(14,535)**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Financial Statements.

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Financial Statements

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2020

	31-Dec 2020 $'000	31-Dec 2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	11,119	21,231
Payments to suppliers and employees	(9,852)	(18,708)
Interest paid	(104)	(211)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**1,163**	**2,312**
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral exploration and development expenditure	(30)	(58)
Purchase of property, plant and equipment	(28)	(2,444)
Payment for investment	-	(150)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	**(58)**	**(2,652)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	2,389
Repayment of borrowings	(836)	(1,494)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	**(836)**	**895**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	269	555
Effect of exchange rate changes on cash and cash equivalents	74	-
Cash and cash equivalents at beginning of period	(965)	(243)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**(622)**	**312**

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management. The Statement of Cash Flows should be read in conjunction with the accompanying notes to the Financial Statements.

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1. Summary of Significant Accounting Policies

a) Basis of Preparation

This general purpose half-year financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134 Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Intra Energy Corporation Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the following half-year.

The interim financial statements were authorised for issue by the board of directors on 12 March 2021.

b) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue trading, realise its assets and discharge its liabilities in the ordinary course of business for a period of at least 12 months from the date that these financial statements are approved.

The Directors note that:

- The Group generated a loss after tax for the half-year of $5.98m (2020: loss of $15.886m). The loss included $5.128m for the full impairment of Mine Development costs and Exploration expenditure capitalised. The assets were fully impaired due to the ongoing discussions with the Ministry of Minerals not yet resolved on the US$10.4m (A$15.205m) for the royalty on transport fees payable from prior years accounted for in FY 2020; the threat to reject two Mining Licence Applications by the Ministry; lower sales from poor economic conditions and increased competition from small miners and the impact on profitability from the introduction of royalty and clearance fees on the cost of transport paid by customers to the location of their operations.
- Discussions are being held with several parties in Tanzania looking at potential partnership arrangements whereby IEC can transition from coal in Tanzania to being a minerals development company in other jurisdictions which will provide benefits to shareholders.
- Total liabilities exceed total assets by $20.622m and current liabilities exceed current assets by $16,543m. The deficit in net current liabilities includes an overdraft and loan facilities of $1.710m payable to KCB Bank of Tanzania ("KCB") under loan facilities which can be called at any time and also includes $2.557m for the royalty on transport from prior periods that is under discussions to be paid on a payment plan over a period of four years.

In assessing the appropriateness of using the going concern assumption, the Directors have:

- Retained their confidence in the strategic value of the Group as it develops its gold exploration project in Mozambique.
- Noted the continued support from KCB bank.
- Equipment purchase loans are almost completed which will assist cashflow.
- The US$900,000 loan with KCB will be repaid in July 2021 which will assist cashflow.
- Noted that sales were lower due to competition from small miners and the impact of Covid-19 but there is some improvement in the second half of the year.
- Continued to implement a number of cost saving initiatives in Tancoal.
- Recognised that the interest-bearing liabilities relating to the loans from KCB are secured against the Group's mining equipment.
- Noted JORC compliant resources of 357 million tonnes at the Tancoal mine in Tanzania.
- Ongoing discussions with the Ministry of Minerals in relation to settlement of outstanding royalty on transport fees.
- Negotiations with suppliers to settle overdue payments

After considering the above factors, the Directors have concluded that the use of the going concern assumption is appropriate. However, if improved coal sales, cost saving initiatives or working capital improvements are not achieved or if the KCB Bank of Tanzania demands repayment of their debt facility or repayment plans can't be negotiated, the Group will be required to raise further debt or equity or divest assets to continue as a going concern.

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1. Summary of Significant Accounting Policies – (Cont'd)

Whilst the Directors remain confident in the Group's ability to access further working capital through debt, equity or asset sales if required, there remains material uncertainty as to whether the Group will continue as a going concern.

Had the going concern basis not been used, adjustments would need to be made relating to the recoverability and classification of certain assets, and the classification and measurement of certain liabilities to reflect the fact that the Group may be required to realise its assets and settle its liabilities other than in the ordinary course of business, and at amounts different from those stated in the consolidated financial statements.

c) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for those as described in Note 1(d) below.

d) New and Amended Standards Adopted by the Group

There were no changes to the prior year financial statements as a result of the changes in the Group's accounting policies.

e) Significant accounting judgements, estimates and assumptions

In the application of the Consolidated Entity's accounting policies management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Rehabilitation expenditure

The mining, extraction and processing activities of the Company give rise to obligations for site rehabilitation. Rehabilitation obligations can include facility decommissioning and dismantling, removal of treatment of waste materials, land rehabilitation and site restoration. The extent of work required and the associated costs are estimated based on feasibility and engineering studies using current restoration standards and techniques. Provisions for the cost of each rehabilitation programme are recognised at the time the environmental disturbance occurs.

Rehabilitation provisions are initially measured at the expected value of future cash flows required to rehabilitate the relevant site, discounted to their present value. The value of the provision is progressively increased over time as the effect of discounting unwinds. When provisions for rehabilitation are initially recognized, the corresponding cost is capitalized as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of rehabilitation activities is recognised in 'Mine Development Costs' as rehabilitation assets and amortised accordingly.

Where rehabilitation is expected to be conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the present obligation or estimated outstanding continuous rehabilitation work at each Consolidated Statement of Financial Position date and the costs charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in line with remaining future cash flows.

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1. Summary of Significant Accounting Policies – (Cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on average costs over the relevant period of production and includes expenditure in accumulating the inventories, production costs and other costs incurred in bringing them to their existing location and condition. Stockpile tonnages are verified by periodic surveys.

Recoverability of exploration and evaluation expenditure

The recoverability of the capitalised acquisition expenditure recognised as a non-current asset is dependent upon the successful development, or alternatively sale, of the respective tenements which comprise the assets.

2. Changes in Accounting Policies

There were no changes to the prior year financial statements as a result of the changes in the Group's accounting policies.

3. Mine Development Costs

	31-Dec 2020 $'000	30-Jun 2020 $'000
Tancoal Mine		
Opening balance	5,172	5,079
Mine development expenditure	18	-
Rehabilitation asset	29	135
Amortisation	(13)	(57)
Impairment	(4,623)	-
Effect of exchange rates	(583)	15
Net carrying value	-	**5,172**

4. Exploration expenditure

	31-Dec 2020 $'000	30-Jun 2020 $'000
Tancoal Energy Limited Tenements		
Opening balance	554	722
Exploration expenditure	12	47
Impairment	(505)	(230)
Effect of exchange rates	(61)	15
Net carrying value	-	**554**

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5. Borrowings

	31-Dec 2020 $'000	30-Jun 2020 $'000
Current		
Secured loan facility – overdraft transferred to term loan	321	511
Secured loan facility – crushing and screening plant	491	644
Insurance premium funding	48	181
	860	**1,336**

Secured loan facility

The secured loans are with KCB Bank Tanzania Limited ("KCB"). The main terms of the facilities (current liabilities) are summarised below:

- Term Loan (at call) for US$900,000 at 8% interest rate for half the overdraft transferred to a term loan in July 2018.
- Term Loan (at call) for US$936,000 at 8% interest rate for the purchase of the crushing and screening plant;

The loan is classified as current debt as KCB retains the right to demand immediate repayment of the facility.

The Insurance premium funding terms are;

- Commercial Bank of Africa Ltd TZS 85,534,108 that was paid by 31 January 2021

6. Lease liabilities

	31-Dec 2020 $'000	30-Jun 2020 $'000
Current		
Secured loan facility – mining equipment and office lease	550	1,107
Hire purchase	305	341
	855	**1,448**
Non - current		
Secured loan facility – office lease	35	85
	35	**85**

7. Issued capital

	31-Dec 2019 $'000	30-Jun 2019 $'000
Fully Paid Ordinary Shares		
387,724,030 shares (30 June 2020: 387,724,030 ordinary shares)	69,590	69,590

During the period to 31 December 2020 there were no shares issued in the Company.

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8. Post Balance Date Events

There has not arisen in the interval between 31 December 2020 and the date of this report, any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, in future financial years.

9. Contingent liabilities and Contingent Assets

The supplier of the hire purchase contracts in Malawi has brought a legal claim for penalties as part of the cancellation of the arrangement against the subsidiary company Malcoal Mining Limited. The company is defending the claim but the potential liability may be up to $500,000 in addition to costs accounted for in the accounts. The claim was still pending at 31 December 2020.

Tancoal Energy Limited in Tanzania won a legal claim brought by NBC bank for recovery of money paid under a letter of credit arrangement in 2013 for a potential liability up to US$470,000 and also won a claim against NBC for the return of US$230,000 it withdrew without authority from Tancoal's bank account, NBC Bank has lodged an appeal and the outcome is pending at 31 December 2020.

The Tanzanian Revenue Authority (TRA) issued Tancoal a VAT assessment for the years 2011 to 2015 for TZS 6 billion (A$3.7 million), the amount of TZS 3.9 billion (A$2.4 million) was provided for in the FY 2019 accounts. Tancoal has not provided the full amount as it has proof of payments that were not included in the TRA's assessment. Tancoal has lodged an objection to the assessment and paid the one third required for the objection to be administered. This matter was still pending at 31 December 2020.

The Tanzanian Revenue Authority (TRA) has issued Tancoal a discussion paper for additional taxes based on IEC as the Australian Parent company being deemed to be a Tanzanian resident company back to the start of IEC in 2007, Tancoal is strongly rejecting this proposition.

Other than the above, the Directors are not aware of any contingent liabilities or contingent assets at 31 December 2020

10. Segment Information

The Consolidated Entity operates in two geographical segments being Australia and Africa.

Segment information

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Consolidated Entity's business is gold exploration, and coal exploration and production in South Eastern Africa.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Consolidated Entity.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

10. Segment Information – (Cont'd)

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Consolidated Entity as a whole and are not allocated. Segment liabilities include trade and other payables.

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10. Segment Information – (Cont'd)

Geographical Segment	Australia Period Ended 31-Dec-20 $'000	Australia Period Ended 31-Dec-19 $'000	Africa Period Ended 31-Dec-20 $'000	Africa Period Ended 31-Dec-19 $'000	Eliminations Period Ended 31-Dec-20 $'000	Eliminations Period Ended 31-Dec-19 $'000	Consolidated Period Ended 31-Dec-20 $'000	Consolidated Period Ended 31-Dec-19 $'000
Revenue								
Sales revenue		-	7,807	22,806	-	-	7,807	22,806
Inter segment revenue	1,077	1,639		-	(1,077)	(1,639)	-	-
Total revenue	1,077	1,639	7,807	22,806	(1,077)	(1,639)	7,807	22,806
Cost of production	-	-	(5,234)	(17,450)	-	-	(5,234)	(17,450)
Gross Profit	**1,077**	**1,639**	**2,573**	**5,356**	**(1,077)**	**(1,639)**	**2,573**	**5,356**
Other income				-	-	-	-	-
Other operating expenses	(766)	(896)	(1,754)	(18,788)	-	-	(2,520)	(19,684)
(Loss)/profit before impairment, depreciation, amortisation, net finance costs	**311**	**743**	**819**	**(13,432)**	**(1,077)**	**(1,639)**	**53**	**(14,328)**
Impairment							(5,128)	(449)
Depreciation							(787)	(745)
Amortisation							(14)	(35)
Results from operating activities							(5,876)	(15,557)
Finance expenses							(104)	(211)
Loss Before Tax							(5,980)	(15,768)
Income tax benefit/(expense)							-	-
Loss from continuing operations							5,980)	(15,768)
Profit/(loss) from discontinued operations							-	(98)
Losst for the period							(5,980)	(15,866)

10. Segment Information – (Cont'd)

Geographical Segment	Australia Period Ended 31-Dec-20 $'000	Australia Period Ended 30-Jun-20 $'000	Africa Period Ended 31-Dec-20 $'000	Africa Period Ended 30-Jun-20 $'000	Eliminations Period Ended 31-Dec-20 $'000	Eliminations Period Ended 30-Jun-20 $'000	Consolidated Period Ended 31-Dec-20 $'000	Consolidated Period Ended 30-Jun-20 $'000
Balance per statutory accounts								
Total assets	14,311	4,466	12,025	20,933	(14,336)	(4,231)	12,000	21,168
Total liabilities	(10,243)	(159)	(69,918)	(78,432)	47,539	41,413	(32,622)	(37,178)

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Directors' Declaration

In accordance with a resolution of the Directors of Intra Energy Corporation Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Consolidated Entity, as set out on pages 8 to 18:

(i) give a true and fair view of the financial position as at 31 December 2020 and the performance for the half-year ended on that date of the Consolidated Entity; and

(ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Graeme Robertson
Chairman
Dated at Sydney this 12th day of March 2021

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INTRA ENERGY CORPORATION LIMITED
ABN 65 124 408 751
AND ITS CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
INTRA ENERGY CORPORATION LIMITED

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Intra Energy Corporation Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2020 , the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Intra Energy Corporation Limited does not comply with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, has been given to the directors of the Company.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a loss after tax of $5.98m during the half year ended 31 December 2020 and as of that date, the Group's total liabilities exceeded its total assets by $20.622m. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Intra Energy Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

INTRA ENERGY CORPORATION LIMITED
ABN 65 124 408 751
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
INTRA ENERGY CORPORATION LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

GWebb

GRAHAM WEBB
Partner
Dated: 12 March 2021

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ABN 65 124 408 751
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SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTRA ENERGY CORPORATION LIMITED

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Intra Energy Corporation Limited. As the lead audit partner for the review of the financial report of Intra Energy Corporation Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. any applicable code of professional conduct in relation to the review.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

GWebb

GRAHAM WEBB
Partner
Dated: 12 March 2021

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