INTRA ENERGY CORPORATION LIMITED

ABN 65 124 408 751

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2021

Contents

Directors' Report	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	23
Independent Auditor's Review Report	24
Auditor's Independence Declaration	26

Directors' Report

The Directors submit their report for the half year ended 31 December 2021.

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 (Executive Director and CEO)
- Mr Benjamin Dunn (Managing Director)

Company Secretary

Ms. Rozanna Lee – resigned 7 October 2021
Jack Rosagro – appointed 7 October 2021

Principal activities

The principal activities of the Consolidated Group during the period were coal production and supply in Eastern Africa.

The major focus of the Group was the sale of its operations in Tanzania which was achieved with the purchaser assuming the liabilities of the operations and paying US$ 2.0M subject to approval terms. Strategically, the Group has gravitated to Australia and is actively engaging in the exploration and development of mineral resources with an emphasis on copper/nickel/gold prospects as well as seeking entry into active mining operations. After the sale of its coal assets in Tanzania, it no longer has operations in the coal mining industry.

Operating results

Results Summary

The consolidated results for the half-year ended 31 December 2021 reflect the reclassification of the Tanzanian operations and Malawi operations as discontinued operations. The results of the comparative period have been re-presented for this reclassification in the consolidated statement of profit or loss and other comprehensive income accordingly. In addition, the assets and liabilities of the companies comprising these operations, have been reclassified as disposal groups held for sale in the consolidated statement of financial position. The prior period loss reflects a full impairment of previously capitalised Mine Development costs and Exploration expenditure of A$5.128M.

The Group incurred a net loss after tax (from continuing and discontinued operations) for the period ended 31 December 2021 of $3.834M (31 December 2020: $5.98M). As at 31 December 2021, the Group had a net liability position of $26.994M (30 June 2021: $23.128M).

On the 5th of November 2021, IEC received the payment of US$1.0 M being 50% of the amount agreed for the sale of Intra Energy Tanzania Limited which included nearly all of the Group's net liability position. This sale was subject to shareholders approval and the consent of the Fair Competition Commission (FCC) of Tanzania. Shareholder's approval was received on 22nd February at an IEC EGM and FCC approval is expected. The completion of this sale will consolidate IEC's announced position as an active Australian-based debt free minerals exploration and development company going forward

Directors' Report (Cont'd)

Review of operations

The 'Group' 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"), Pamodzi Power Limited and Intra Eastern Land Pty 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 Resources (Mozambique Gold) (Cont'd)

Negotiations continued during the Half Year with our partners in Mozambique over further investment in the Minas du Lurio gold project. Discussions are continuing and it is hoped that exploration can commence in 2022 after the monsoon season.

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.

IEC undertook a sales process during the Half Year, eventually reaching an agreement with Mirambo, a private Tanzanian company, to sell our interest in Intra Energy Tanzania Limited (IETL) for US$2M and the assumption of all debt. The deal was announced on 5 November 2021 and the first payment of US$1M immediately received. The balance of funds are payable upon the Company receiving both IEC shareholder approval (the EGM was held in February 2022 with shareholders overwhelmingly voting for the sale) and review by the Fair Competition Commission of Tanzania, which is pending.

IEC now has no further interest in coal mining nor activity in Tanzania.

Exploration:

No exploration was undertaken in the Half Year, as the Company focused on sale of Tancoal and assessed new opportunities in Australia and Mozambique

Directors’ Report (Cont’d)

Australia

Following the decision to seek an exit from coal mining in Tanzania the Board began actively assessing a number of exploration opportunities, focusing on base and precious metals. Late in the Half Year the Company was granted its first wholly owned licence: ELA630 at Louth in New South Wales. Initial field reconnaissance was undertaken in the Half, by a Geologist consulting to the Company along with the beginning the application process for access to the land so that a drilling campaign can be undertaken in 2022.

The Company assessed other opportunities in the quarter, including a number of licenses in Western Australia, but no further agreements were reached during the Half Year. However, a joint venture with Century Minerals Ltd of Western Australia was completed in the third quarter, giving IEC 70% equity in the Yalgarra Concession which is considered an exceptional mineral prospect.

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 Group under ASIC Corporations (Rounding in Financial/Directors Report) Instrument 2016/191. The Group 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 26.

Signed in accordance with a resolution of the Directors.

Graeme Robertson
Chairman
Dated at Sydney this 15th of March 2022

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2021

	Notes	31-Dec 2021 $'000	31-Dec 2020 $'000
Sales income		-	-
Cost of production		-	-
GROSS PROFIT		-	-
Other income		-	18
Foreign exchange gain/loss		63	22
Compliance and regulatory expenses		15	(126)
Legal and professional expenses		(126)	(11)
Depreciation and amortisation		-	-
Remuneration and employee expenses		(124)	(164)
Exploration expenditure		(18)	(5)
Other expenses		(791)	(468)
Impairment of mine development and exploration assets	4,5	-	-
Impairment of investments		(211)	-
Finance costs		-	(6)
LOSS BEFORE INCOME TAX		**(1,192)**	**(740)**
Income tax benefit/(expense)		-	-
LOSS FROM CONTINUING OPERATIONS		**(1,192)**	**(740)**
Loss from discontinued operations	3	(2,642)	(5,240)
LOSS FOR THE PERIOD		**(3,834)**	**(5,980)**
OTHER COMPREHENSIVE INCOME			
Exchange differences on foreign operations		(467)	1,368
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(4,301)**	**(4,612)**
NET LOSS FOR THE PERIOD			
Attributed to:			
Shareholders of Intra Energy Corporation Limited		(2,584)	(4,050)
Non-controlling interest		(1,250)	(1,930)
		(3,834)	**(5,980)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD			
Attributed to:			
Shareholders of Intra Energy Corporation Limited		(1,497)	(3,871)
Non-controlling interest		(2,804)	(741)
		(4,301)	**(4,612)**
PROFIT/(LOSS) PER SHARE (cents per share, basic and diluted)			
- Loss per share on continuing and discontinued operations		(0.63)	(1.04)
- Loss per share on continuing operations		(0.29)	(0.19)
- Loss per share on discontinued operations		(0.34)	(0.85)

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

Financial Statements

Consolidated Statement of Financial Position

as at 31 December 2021

	Notes	31-Dec 2021 $'000	30-Jun 2021 $'000
Current Assets			
Cash and cash equivalents		1,509	548
Inventories		-	1,212
Trade and other receivables		49	1,498
Disposal group / Assets held for sale	3	7,573	-
Total Current Assets		**9,131**	**3,258**
Non-Current Assets			
Property, plant and equipment		-	6,302
Rights of use assets		-	77
Mine development costs	4	-	-
Exploration expenditure	5	23	-
Investments		23	234
Total Non-Current Assets		**46**	**6,613**
TOTAL ASSETS		**9,177**	**9,871**
Current Liabilities			
Bank overdraft		-	797
Trade and other payables		2,197	19,035
Employee benefits		-	113
Borrowings	6	-	909
Lease liabilities	7	-	388
Disposal group / Liabilities related to assets held for sale	3	33,974	-
Total Current Liabilities		**36,171**	**21,242**
Non-Current Liabilities			
Trade and other payables		-	10,801
Provisions		-	956
Total Non-Current Liabilities		**-**	**11,757**
TOTAL LIABILITIES		**36,171**	**32,999**
NET (LIABILITIES)/ASSETS		**(26,994)**	**(23,128)**
EQUITY			
Issued capital	8	70,089	69,654
Reserves		3,399	2,312
Accumulated losses		(84,802)	(82,218)
Total equity attributed to equity holders of the Company		**(11,314)**	**(10,252)**
Non-controlling interest		(15,680)	(12,876)
TOTAL EQUITY		**(26,994)**	**(23,128)**

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

Financial Statements
Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2021

	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 2021	**69,654**	**(82,218)**	**795**	**2,216**	**(699)**	**(10,252)**	**(12,876)**	**(23,128)**
Loss for the period	-	(2,584)	-	-	-	(2,584)	(1,250)	(3,834)
Foreign currency translation differences	-	-	-	-	1,087	1,087	(1,554)	(467)
Total comprehensive income / (loss)	-	(2,584)	-	-	1,087	(1,497)	(2,804)	(4,301)
Transactions with owners recorded directly into equity								
Shares issued during the period, net of costs	435	-	-	-	-	435	-	435
Balance at 31 December 2021	**70,089**	**(84,802)**	**795**	**2,216**	**388**	**(11,314)**	**(15,680)**	**(26,994)**

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

Financial Statements

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2021

	31-Dec 2021 $'000	31-Dec 2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,173	11,119
Payments to suppliers and employees	(4,101)	(9,852)
Interest paid	(77)	(104)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**995**	**1,163**
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral exploration and development expenditure	(23)	(30)
Purchase of property, plant and equipment	-	(28)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	**(23)**	**(58)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued, net of costs	435	-
Proceeds from borrowings	104	-
Repayment of lease liabilities	(43)	-
Repayment of borrowings	(388)	(836)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	**108**	**(836)**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	1,080	269
Effect of exchange rate changes on cash and cash equivalents	(9)	74
Cash and cash equivalents at beginning of period	(249)	(965)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**822**	**(622)**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December

	31-Dec 2021 $'000	31-Dec 2020 $'000
Cash at banks and on hand	1,509	276
Cash at banks attributable to discontinued operations	140	-
Bank overdrafts attributable to discontinued operations	(827)	-
	822	276
Bank overdrafts	-	(898)
Cash and cash equivalents	**822**	**(622)**

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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

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 2021, 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 15 March 2022.

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 $3.834M (2020: $5.98M) and had a net asset deficiency at 31 December 2021 of $26.994M (30 June 2021: $23.128M).
- The Company sold its stake in its loss-making Tanzanian coal operations through the sale of Intra Energy Tanzania Limited ("IETL") for US$2m, of which $1m is to be received at the reporting date and to the date of this report. Substantial net liabilities will exit the Group upon completion of the sale (see Note 3).
- A placement was completed in March 2022 to raise $1.039m before costs.

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

- Prepared a forecast which shows that the Group has sufficient cash to meet its obligations for the next 12 months following sign-off of these financial statements. Should the second instalment of the sale proceeds not be received, the company can postpone certain key activities under its exploration programme while still meeting minimum required exploration commitments.
- Retained their confidence in the strategic value of the Group as it looks to develop its gold exploration project in Mozambique and exploration projects in Australia.

After considering the above factors, the Directors have concluded that the use of the going concern assumption is appropriate.

However, if the 2nd instalment from the sale of IETL of US$1m is not received, and the Group reaches a point where it is unable to further postpone certain key activities under its exploration programme, the Group will be required to raise further debt or equity or divest assets to continue as a going concern.

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.

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

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 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

During the half-year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2021. Accounting pronouncements which have become effective from 1 July 2021 and for which the measurement and recognition requirements have been adopted and that have been adopted, do not have a significant impact on the Group's financial results or position.

e) Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale and generally measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units), that either has been disposed of, or is classified as held for sale, and: represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs

f) Significant accounting judgements, estimates and assumptions

In the application of the Group'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:

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

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.

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. Assets Held for Sale and Discontinued Operations

a. Discontinued operations

Tanzanian Operations

In November 2021, the Company signed a Share Purchase Agreement ("Agreement") whereby the Company would transfer ownership of Intra Energy Tanzania Limited ("IETL"), which holds the Company's Tanzanian coal interests, to a local Tanzanian company. Consideration is US$2 million cash paid in equal tranches, with the first tranche having been received in November 2021.

At the reporting date, the sale remains subject to Company shareholder and Tanzanian regulatory approval and hence, had not been completed. The operations of IETL have therefore been considered as discontinued operations at the reporting date.

Financial information relating to the discontinued operations is set out below. The financial performance of the discontinued operations which is included in loss from discontinued operations in the statement of profit or loss and other comprehensive income, is as follows:

	31-Dec 2021 $'000	31-Dec 2020 $'000
Revenue	2,851	7,789
Expenses	(5,484)	(13,187)
Loss before income tax	(2,633)	(5,398)
Income tax (expense)/benefit	-	-
Loss attributable to owners of the Parent Entity	(2,633)	(5,398)

Malawian Operations

The Malawi Group is presented as discontinued operations. The carrying value of the assets were fully impaired as at 30 June 2016 and the mining license has been relinquished. The Malawi Group will subsequently be wound up.

Financial information relating to the discontinued operations is set out below. The financial performance of the discontinued operations which is included in loss from discontinued operations in the statement of profit or loss and other comprehensive income, is as follows:

3. Assets Held for Sale and Discontinued Operations - (Cont'd)

a. Discontinued operations – (Cont'd)

Malawian Operations (continued)

	31-Dec 2021 $'000	31-Dec 2020 $'000
Revenue	-	-
Expenses	(9)	158*
Loss before income tax	(9)	158
Income tax (expense)/benefit	-	-
Loss attributable to owners of the Parent Entity	(9)	158
** Net of impairment reversal of $169k*		
Total loss from discontinued operations		
Tanzanian operations	(2,633)	(5,398)
Malawian operations	(9)	158
	(2,642)	**(5,240)**

b. Assets and liabilities of disposal group held for sale

Tanzanian Operations

The assets and liabilities of the group of entities to be sold under the Agreement have been presented as a Disposal Group at the reporting date.

	31-Dec 2021 $'000
Cash and cash equivalents	135
Trade and other receivables	740
Inventories	1,038
Property, plant and equipment	5,621
Right-of-use assets	34
Assets held for sale	**7,568**

3. Assets Held for Sale and Discontinued Operations - (Cont'd)

b. Assets and liabilities of disposal group held for sale – (Cont'd)

Tanzanian Operations (continued)

	31-Dec 2021 $'000
Trade and other payables	(30,278)
Interest bearing liabilities	(552)
Bank overdraft	(827)
Lease liabilities (see Note 7)	(360)
Environmental rehabilitation provision	(913)
Liabilities held for sale	**(32,930)**

Malawian Operations

The assets and liabilities of the group of entities to be wound down have been presented as a Disposal Group at the reporting date.

	31-Dec 2021 $'000
Cash and cash equivalents	5
Assets held for sale	5
Trade and other payables	(1,044)
Liabilities held for sale	(1,044)
Total Assets held for sale	
- Tanzanian operations	7,568
- Malawian operations	5
	7,573
Total Liabilities held for sale	
- Tanzanian operations	(32,930)
- Malawian operations	(1,044)
	(33,974)

4. Mine Development Costs

	31-Dec 2021 $'000	30-Jun 2021 $'000
Tancoal Mine		
Opening balance	-	5,172
Mine development expenditure	-	23
Rehabilitation asset	-	110
Amortisation	-	(24)
Impairment	-	(4,816)
Effect of exchange rates	-	(465)
Net carrying value	**-**	**-**

5. Exploration expenditure

	31-Dec 2021 $'000	30-Jun 2021 $'000
Opening balance	-	554
Exploration expenditure	23	-
Impairment	-	(513)
Effect of exchange rates	-	(41)
Net carrying value	**23**	**-**

6. Borrowings

	31-Dec 2021 $'000	30-Jun 2021 $'000
Current		
Secured loan facility – overdraft transferred to term loan	283	410
Secured loan facility – crushing and screening plant	210	341
Insurance premium funding	59	158
	552	**909**

6. Borrowings - (Cont'd)

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$205,000 at 9% interest rate for overdraft transferred to a term loan in July 2018 (original principal amount US$300,000).
- Term Loan (at call) for US$152,000 at 8% interest rate for the purchase of the crushing and screening plant (original principal amount US$936,000).

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 98,793,605

Borrowings are classified under liabilities held for sale (see Note 3).

7. Lease liabilities

	31-Dec 2021 $'000	30-Jun 2021 $'000
Current		
Secured loan facility – office lease	37	77
Hire purchase – trucks	323	311
	360	**388**

Lease liabilities are classified under liabilities held for sale (see Note 3).

8. Issued capital

	31-Dec 2021 $'000	30-Jun 2021 $'000
Fully Paid Ordinary Shares		
455,882,635 shares (30 June 2021: 397,724,030 ordinary shares)	70,089	69,654

8. Issued capital – (Cont'd)

Movement for the period	31 Dec 2021 No.	Issue price $ per share	31 Dec 2021 $'000s	30 June 2021 No.	Issue price $ per share	30 June 2021 $'000s
Balance at the beginning of the period / year:	**397,724,030**		**69,654**	**387,724,030**		**69,590**
Shares issued	-	-	-	10,000,000	$0.0064	64
Shares issued – services provided	555,555	0.009	5	-	-	-
Shares issued - placement – tranche 1	57,602,050	0.008	461	-	-	-
Shares issued - Cleansing Prospectus	1,000	0.008	-	-	-	-
Share issue costs	-	-	(31)	-	-	-
Balance at the end of the period / year	**455,882,635**		**70,089**	**397,724,030**	**-**	**69,654**

9. Post Balance Date Events

On 28 January 2022, the Company announced that it had entered into a binding agreement with Century Minerals ("Century") whereby Century agrees to transfer a 70% undivided share in exploration licence application E70/5464 for the following consideration:

- the payment of $50,000 by IEC to Century Minerals;
- the issue by IEC of 40,000,000 performance shares which each convert to one, fully paid share in the capital of IEC to Century (Performance Shares);
- the issue by IEC of 20,000,000 Shares to Century (IEC Shares) subject to the terms of a Voluntary Escrow Deed; and
- IEC committing to a minimum in-ground expenditure of $600,000 within 2 years of grant of the Tenement.

The exploration licence was granted on 3 March 2022.

On 22 February 2022, at an extraordinary general meeting of shareholders, shareholders:

- approved the sale of the Tanzanian Coal Assets to Mirambo Mining Limited;
- ratified the issue of 57,602,050 tranche 1 placement shares and 1,000 cleansing shares;
- approved the issue of 98,646,950 tranche 2 placement shares;
- approved the issue of 31,250,000 director placement shares;
- approved the issue of 15,000,000 lead manager options; and
- approved the issue of up to 30,000,000 performance rights to Managing Director, Benjamin Dunn *

* The performance rights issued to Mr Dunn have a number of underlying vesting conditions which include a project acquisition, an exploration target, a capital raising target and Company share price VWAP targets.

On 3 March 2022, 98,646,950 tranche 2 placement shares and 31,250,000 director placement shares were issued at $0.008, raising gross proceeds of $1.039M.

Other than the above, there has not arisen in the interval between 31 December 2021 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 Group, in future financial years.

10. Contingent Liabilities and Contingent Assets

The supplier of the hire purchase contract 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 2021.

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 has lodged an appeal, the appeal was still pending at 31 December 2021.

A supplier, VIVO, has brought a legal claim against Tancoal Energy Limited for late payment of their account in Tanzania, the case includes TZS 200 million (A$115k) for damages for breach of contract, interest and costs of the case , the case was still pending at 31 December 2021.

The National Social Security Fund (NSSF) is claiming TZS 1,603,719,576 in unremitted member's contributions and accumulated penalties from Tancoal Energy Limited. The matter was scheduled for mention at Court on 25 April 2022.

Tancoal Energy Limited has commenced proceedings at the High Court claiming payment of TZS 404,053,788 for coal sales to Tanga Cement Plc. The case is still in the initial stages and parties have been filing the appropriate Court papers. The case is scheduled for mention on 4 April 2022.

Other than the above, the Directors are not aware of any other contingent liabilities or contingent assets at 31 December 2021.

11. Segment Information

The Group operates in two geographical segments being Australia and Africa.

Segment information
The Group 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 Group'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 Group.

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.

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 Group as a whole and are not allocated. Segment liabilities include trade and other payables.

11. Segment Information – (Cont'd)

Geographical Segment	Australia Period Ended 31-Dec-21 $'000	Australia Period Ended 31-Dec-20 $'000	Africa Period Ended 31-Dec-21 $'000	Africa Period Ended 31-Dec-20 $'000	Eliminations Period Ended 31-Dec-21 $'000	Eliminations Period Ended 31-Dec-20 $'000	Consolidated Period Ended 31-Dec-21 $'000	Consolidated Period Ended 31-Dec-20 $'000
Revenue								
Sales revenue	-	-	-	7,807	-	-	-	7,807
Inter segment revenue	886	1,077	-	-	(886)	(1,077)	-	-
Total revenue	886	1,077	-	7,807	(886)	(1,077)	-	7,807
Cost of production	-	-	-	(5,234)	-	-	-	(5,234)
Gross Profit	**886**	**1,077**	**-**	**2,573**	**(886)**	**(1,077)**	**-**	**2,573**
Other income	72	-	-	-	(9)	-	63	-
Other operating expenses	(921)	(766)	-	(1,754)	(123)	-	(1,044)	(2,520)
(Loss)/profit before impairment, depreciation, amortisation, net finance costs	**37**	**311**	**-**	**819**	**(1,018)**	**(1,077)**	**(981)**	**53**
Impairment							(211)	(5,128)
Depreciation							-	(787)
Amortisation							-	(14)
Results from operating activities							(1,192)	(5,876)
Finance expenses							-	(104)
Loss Before Tax							(1,192)	(5,980)
Income tax benefit/(expense)							-	-
Loss from continuing operations							(1,192)	5,980)
Loss from discontinued operations							(2,642)	-
Loss for the period							**(3,834)**	**(5,980)**

11. Segment Information – (Cont'd)

Geographical Segment	Australia Period Ended 31-Dec-21 $'000	Australia Period Ended 30-Jun-21 $'000	Africa Period Ended 31-Dec-21 $'000	Africa Period Ended 30-Jun-21 $'000	Eliminations Period Ended 31-Dec-21 $'000	Eliminations Period Ended 30-Jun-21 $'000	Consolidated Period Ended 31-Dec-21 $'000	Consolidated Period Ended 30-Jun-21 $'000
Balance per statutory accounts								
Total assets	6,936	4,523	296	10,298	(5,628)	(4,950)	1,604	9,871
Total liabilities	(1,920)	(705)	(547)	(71,514)	270	39,220	(2,197)	(32,999)
							(593)	
Assets held for sale							7,573	
Liabilities held for sale							(33,974)	
Net liabilities							**(26,994)**	

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 Group, as set out on pages 6 to 22:

   (i) give a true and fair view of the financial position as at 31 December 2021 and the performance for the half-year ended on that date of the Group; 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 Group 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 15th day of March 2022

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

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Intra Energy Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2021, 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, a summary of significant accounting policies and 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 Intra Energy Corporation Limited's financial position as at 31 December 2021 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 of 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 Intra Energy Corporation Limited in accordance with 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*, which has been given to the directors of Intra Energy Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 $3,834,000 during the half-year ended 31 December 2021 and as of that date, the group's total liabilities exceeded its total assets by $26,994,000. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b) indicate the existence of a material uncertainty 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.

HALL CHADWICK (NSW)

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

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with the Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001.*

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

GRAHAM WEBB
Partner
Dated: 15 March 2022

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

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 Corporations Limited. As the lead audit partner for the review of the financial report of Intra Energy Corporations Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of 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

GRAHAM WEBB
Partner
Dated: 15 March 2022