



IEC Acquires James Bay Lithium Project

HIGHLIGHTS

- Binding agreement to acquire 100% of the Llama Lithium Project located in the prolific James Bay Region of Québec, Canada.
- Exciting exploration project comprising 123 mineral claims for 63km², with reported outcropping pegmatites.
- Project acquired from DG Resource Management, who have a strong track record of identifying projects in the region, including previously identifying, and vending the Corvette Property to Patriot Battery Metals (TSK-V: PMET, ASX: PMT).
- The Llama Lithium Project is 40km from the Winsome Resources (ASX: WR1) Adina Project and 120km from Patriot Battery Metals (TSX: PMET) Corvette Project, positioning it in the exploration heart of James Bay Region.
- All-weather Trans-Taiga Highway and associated hydroelectric facilities are 50km away from the Project.
- Firm commitments received with extremely strong support from sophisticated and professional investors for a conditional share placement to raise A\$3.6 million to fund acquisition and immediately commence exploration. Due to the high demand for the offer, a number of bids have been scaled back or not accepted.

Intra Energy Corporation Limited (**ASX:IEC**) (**IEC** or the **Company**) is pleased to announce that it has entered into a binding agreement to acquire 100% ownership of 123 mineral claims covering 6305 hectares/63km² forming the Llama Lithium Project (the **Project**) located within the James Bay Region of Québec, Canada which is rapidly establishing itself as a hard rock lithium exploration 'hot spot'.

The Project has been acquired from DG Resource Management (**DGRM**), a well-known Canadian geological services company who have a strong track record of identifying projects in the region. DGRM's many successes include identifying, and vending the Corvette Property to Patriot Battery Metals (TSX-V: PMET, ASX: PMT), which is located 120km from the Llama Lithium Project.

The Project is a significant addition to IEC's existing exploration portfolio, which is headlined by its flagship Yalgarra Cu/Ni/PGE exploration project in Western Australia. Upon completion of the acquisition, exploration will immediately commence at the Llama Lithium Project, which will be conducted by Dahrouge Geological Consulting Ltd. in agreement with IEC.

Managing Director of IEC, Benjamin Dunn, commented:

"The acquisition of the Llama Lithium Project from DG Resource Management, a renowned Canadian geological services company, further solidifies our confidence in the Project's potential. DGRM has a



remarkable track record of identifying successful projects in the region, including the Corvette Property, which was recently vended to Patriot Battery Metals.

As a significant addition to our existing exploration portfolio, which includes our Yalgarra Cu-Ni-PGE Project in Western Australia, the Llama Lithium Project represents an exciting opportunity for IEC. We are eager to commence exploration activities in collaboration with Dahrouge Geological Consulting, immediately upon completion of the acquisition. Our strategic focus remains on identifying and developing high-value future facing minerals assets, and the Llama Lithium Project aligns perfectly with our long-term growth objectives.”

President of DG Resource Management, Jody Dahrouge, commented:

“The acquisition of Llama provides IEC with a significant footprint in the James Bay Lithium District, Quebec. With negligible historic exploration for spodumene pegmatites, Llama is situated in a favourable geologic setting with very good potential. We are excited for our first pass exploration program during the coming summer field season, which will see both target generation and helicopter supported ground follow up.”

Llama Lithium Project

The Llama Lithium Project is situated in the James Bay region of Quebec, Canada 40 km from the Winsome Resources (ASX: WR1) Adina Project and 120 km from Patriot Battery Metals (TSX: PMET) Corvette Project, positioning it in the exploration heart of James Bay Region.

The Project is comprised of 123 wholly owned mineral claims consolidated into one block covering approximately 63km².

The Project sits within the greenstone rocks of the Dalmas and Escale formations. While no historical geological exploration has been recorded on the Project, DGRM identified the Llama Lithium Project as being prospective for lithium from reviewing pegmatite occurrences within favourable host rocks throughout the region with the appropriate indicator-mineralogy for hosting spodumene-bearing pegmatites.

Although significant discoveries of lithium at projects nearby the Llama Lithium Project shows the exploration potential of the James Bay Region and inform IEC’s exploration programs moving forward, it does not necessarily mean the Llama Lithium Project will be host to such mineralisation.

Exploration to Commence Immediately

IEC intends to commence exploration on the Project immediately upon shareholder approval of the acquisition.

The Company intends to run a detailed geological mapping and sampling campaign in August, as well as the use of high-resolution aerial imagery and magnetics to define high quality targets.

Subject to the usual approvals, diamond drilling will be utilised on the targets identified from the mapping and geochemical sampling.

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Deal Terms

IEC has entered into a binding agreement with DGRM and Hale Court Holdings Pty Ltd (**Vendors**) to acquire 100% ownership of 123 mineral claims comprising the Llama Lithium Project on the below terms:

- (a) **Consideration:**
- (i) C\$950,000;
 - (ii) 195,000,000 fully paid ordinary shares in IEC;
 - (iii) 97,500,000 options to acquire shares in IEC (exercisable at A\$0.015) each on or before 2 years from the date of issue);
 - (iv) 150,000,000 performance rights vesting into shares in IEC on a 1:1 basis subject to satisfaction of the following milestones:
 - (A) 50,000,000 vest into shares where IEC announces results of rock chip sampling undertaken at Llama of at least 5 rock chips with grade of at least 1.00% Li₂O within 5 years of the date of issue;
 - (B) 50,000,000 vest into shares where IEC achieves either (a) a drilled intercept of at least 5m @ 1.00% Li₂O representing lithium mineralisation; or (b) announces a surface channel sample interval of at least 5m of 1.00% Li₂O at Llama within 5 years of the date of issue; and
 - (C) 50,000,000 vest into shares where IEC delineates a JORC compliant Mineral Resource of at least 10Mt with grade of at least 1.00% Li₂O at Llama, as verified by an independent competent person under the JORC Code 2012, within 5 years of the date of issue.

The issue of the consideration shares, consideration options and performance rights to the Vendors (who are unrelated parties of IEC) will be subject to shareholder approval pursuant to ASX Listing Rule 7.1.

- (b) **Voluntary Escrow:** 97,500,000 of the consideration shares will be subject to a voluntary escrow period of 6 months from completion.
- (c) **Material Conditions Precedent:** IEC obtaining all necessary shareholder, third-party and regulatory approvals required to complete the Acquisition.
- (d) **Royalty:**
- (i) IEC will grant DGRM a 2.75% gross smelter return royalty from revenue generated from production at Llama effective from completion.
 - (ii) IEC granted the right to buy-back the royalty from 2.75% to 2.00% for C\$2 million within first 2 years of completion or C\$5 million after the first 2 years of completion.
- (e) **Consulting Agreement:** IEC will enter into a geological consulting agreement with Dahrouge Geological Consulting Ltd (a related party of DG Resources) on reasonable and standard commercial terms.

Share Placement

IEC has received binding commitments from sophisticated and professional investors for a conditional share placement to raise up to A\$3.6 million (before costs) via the issue of 720,000,000 fully paid ordinary shares at an issue price at A\$0.005 per share (**Placement**). The Placement includes a one (1) for two (2) free-attaching option exercisable at A\$0.015 and expiring 24 months from the issue date.

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Issue of the new securities under the Placement remains subject to, and conditional upon completion of the Acquisition and receipt of all relevant shareholder approvals including relation to ASX Listing Rule 7.1.

There has been strong investor support from several new institutional and high net worth investors resulting in bids being significantly scaled back.

The Placement will ensure that IEC is fully funded to complete the Acquisition and undertake its exploration objectives at the Llama Lithium Project over the next 12 months. Funds from the Placement will also be applied to the Company's existing projects and working capital.

Use of Funds

The Company intends to apply the funds raised from the Capital Raising in accordance with the table below during the 12-month period following completion of the Transaction:

Use of funds	Allocation of funds	Percentage use of funds
Acquisition of the Claims	\$1,231,000	34%
Exploration activities		0%
<ul style="list-style-type: none"> Llama Lithium Project 	\$324,000	9%
<ul style="list-style-type: none"> Yalgarra Project 	\$852,000	24%
Follow on exploration expenditure	\$400,800	11%
Working capital and costs of the Capital Raising	\$792,000	22%
TOTAL	\$3,600,000	100%

Advisors

Wentworth Securities (**Wentworth**) is acting as lead broker and advisor to IEC on the deal and capital raise and will receive a 6% cash payment on the gross proceeds raised under the Placement, in addition to one (1) broker option for every eight (8) new shares issued under the Placement (subject to Shareholder approval pursuant to ASX Listing Rule 7.1).

Next Steps

Shareholders do not need to take any action. A notice of meeting convening an extraordinary general meeting of shareholders will be distributed to shareholders in due course.

This announcement has been authorised for release by the Board of Intra Energy Corporation Limited.

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