

20 October 2025

**INTERRA RESOURCES LIMITED ENTERS INTO CONVERTIBLE NOTE AGREEMENT
WITH MORELLA CORPORATION LIMITED (THE “TRANSACTION”)****1. INTRODUCTION**

- 1.1. Introduction.** The board of directors (the “**Board**”) of Interra Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements made on 17 October 2024 and 16 December 2024 (collectively, the “**Previous Announcements**”), where the Company announced that it had subscribed for shares in Morella Corporation Limited (“**Morella**”) pursuant to a first shortfall placement (“**Shortfall Placement**”) and a subsequent private placement (“**Private Placement**”) respectively, resulting in the Company becoming a “substantial holder” of Morella under the Corporations Act 2001 (Cth of Australia) (“**Corporations Act**”). Further to the Previous Announcements, the Board is pleased to announce that the Company has on 20 October 2025, entered into a convertible note facility agreement with Morella (“**CN Agreement**”) in respect of a convertible note facility (“**Convertible Note Facility**”), under which the Company as an investor shall provide Morella with strategic funding to support working capital and project development via a facility of up to Australian dollars (“**A\$**”) 500,000, by way of unsecured convertible notes (“**Notes**”) convertible into ordinary shares in Morella (“**Shares**”).
- 1.2. Morella.** Morella is an exploration and mineral resource development company listed on the Australian Securities Exchange (“**ASX**”), focused on advancing a portfolio of minerals across Tier 1 mining jurisdictions in Australia and the United States of America. With active exploration underway in lithium, rubidium, and now titanium, Morella is committed to securing raw materials essential for clean energy transition and high-value industrial applications. As at the date of this announcement, the Company holds a stake of 12.24%¹ in Morella.
- 1.3. Convertible Note Facility.** Pursuant to the CN Agreement, the Company as an investor shall provide funding to Morella via a facility of up to A\$500,000 (approximately US\$323,960²), by way of the Notes convertible into Shares in Morella. The Notes will have a maturity date of thirty-six (36) months from the first drawdown (the “**Maturity Date**”) and a coupon interest rate of 8% per annum, payable quarterly in cash within five (5) business days after each quarter-end. The Company will hold the Notes in Morella on behalf of its wholly-owned subsidiary, Goldwater Company Limited, a British Virgin Islands incorporated company. Further details of the key terms of the CN Agreement are set out in section 2.1 below.

¹ As at the date of this Announcement, Morella’s issued share capital comprises 368,428,985 Morella Shares.

² All figures in A\$ are converted to US\$ based on an exchange rate as at 17 October 2025 of US\$1:A\$1.5434.

2. KEY TERMS OF THE TRANSACTION

2.1. Key Terms of the CN Agreement and Convertible Note Facility. The key terms of the CN Agreement including the Convertible Note Facility are as follows:

- 2.1.1. The Convertible Note Facility includes Notes totalling A\$1.4 million. The Notes will have a face value of A\$50,000 (“**Face Value**”) each. The aggregate face value of all the Notes and the maximum size of the investment by the Company is A\$500,000 (“**Aggregate Face Value**”). Morella may drawdown the Convertible Note Facility at any time between the date of entry into the CN Agreement and the Maturity Date, in either one (1) tranche of A\$500,000 being the Aggregate Face Value, or two (2) tranches of A\$250,000 up to the Aggregate Face Value. Following a drawdown and payment of an amount equal to the Face Value of the Notes equivalent to the value of that drawdown, Morella will within five (5) business days of the relevant drawdown issue the Company a note certificate for each Note under that drawdown.
- 2.1.2. The proceeds of the Notes shall be applied to Morella’s working capital, on-ground exploration/assessment, and targeted acquisitions consistent with Morella’s diversification into copper, gold and complementary commodities.
- 2.1.3. Coupon interest (“**Interest**”) shall be payable on the Notes at the rate of 8% per annum, payable quarterly in cash within five (5) business days after each quarter-end. Payment in Shares will require prior written consent of the Company for that payment at the price equal to a 15% discount for the twenty (20) day volume weighted average price prior to the date of conversion (the “**Conversion Price**”), calculated daily by reference to the outstanding Face Value. The Interest will not compound.
- 2.1.4. Morella may, at any time after twelve (12) months from drawdown and issue of a Note, without penalty, repay all of an outstanding Note at Face Value (plus any accrued coupon value) by providing twenty (20) business days’ notice to the Company.
- 2.1.5. Provided that Morella completes an equity capital raising of an amount equal to at least A\$3 million before the Maturity Date, Morella may at its election repay or require the Company to convert all or some of the Notes (subject to certain conditions in the CN Agreement) into Shares at the conversion price, being a price equal to a 15% discount to the 20-day volume weighted average price prior to the date of conversion.
- 2.1.6. The Company may convert part or all of its Notes at any time after twelve (12) months from the relevant drawdown and issue of those Notes, subject to the condition that conversion of any of the Notes into Shares or any other issue or transfer of Shares to the Company will be strictly prohibited if it would result in the Company together with its associates (as defined in the Corporations Act) holding a relevant interest exceeding 19.99% or more in Morella’s issued share capital, unless the issue of

Shares by Morella to the Company satisfies certain exemptions under the Corporations Act. Any portion of the Notes not converted as a result of this restriction will remain outstanding. The Company shall give (10) business days’ notice prior to the intended conversion by providing the requisite conversion notice to Morella.

2.1.7. Upon the occurrence of certain events of default, and where the events of default continue for fifteen (15) business days after notice, the Company may elect to convert all or part of the Notes (together with any accrued but unpaid interest) into Shares at a price equal to seventy-five per cent (75%) of the twenty (20) day volume weighted average price immediately prior to the date of conversion, provided that the Company may elect to convert Notes above the 19.99% threshold only to the extent permitted under the Corporations Act.

2.1.8. The CN Agreement is governed by the laws of Western Australia.

3. SOURCE OF FUNDING FOR THE TRANSACTION

3.1. The Group’s provision of the Convertible Note Facility is up to a maximum of A\$500,000 (approximately US\$323,960), which will be funded by internal sources of funds.

4. RATIONALE FOR THE TRANSACTION

4.1. The Company has been actively exploring a variety of new businesses and collaboration opportunities to identify suitable new ventures and strategic alliances to meet a new investment profile, including moving into new areas of renewable energy. Morella has announced respectively on 22 September 2025 and 25 September 2025 via the ASX that (i) its ground gravity survey at the Mallina Lithium Project has identified twelve (12) new exploration targets for further exploration and (ii) it has acquired a new exploration licence for titanium known as the Dixon Well Project at Murchison, Western Australia, thereby adding titanium to its existing portfolio of lithium and rubidium. The Company’s participation in the Convertible Note Facility allows the Company to further increase its interest in Morella as a “substantial holder”, in view of the proposed voluntary conversion right which may entitle the Company to convert part or all of its Notes at any time after twelve (12) months from the relevant drawdown and issue of those Notes subject to certain terms and conditions. The Company is of the view that its participation in the Convertible Note Facility will further strengthen its strategic and long-term investment in Morella.

5. DISCLOSEABLE TRANSACTION

5.1. Rule 1006 Relative Figures. For the purposes of Chapter 10 of the Listing Manual, and in particular Rule 1005 of the Listing Manual, under which separate transactions completed within the last twelve (12) months may be required to be aggregated and treated as if they were one transaction, the relative figures for the Company’s participation in the Shortfall Placement and the Private Placement, as well as the current provision of the Convertible Note Facility (collectively, the

“**Aggregated Transactions**”), computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced consolidated financial information of the Group for the financial period ended 30 June 2025 are as follows:

Rule 1006	Basis	Relative Figure for the Transaction (%)	Relative Figure for the Aggregated Transactions (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value ³	0.68	0.68
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits ⁴	1.47	1.47
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation ⁵ based on the total number of issued shares excluding treasury shares	1.84	7.18
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable	Not applicable

5.2. Discloseable Transaction. The aggregated relative figures for the Aggregated Transactions under Rule 1006(a) and Rule 1006(b) of the Listing Manual do not exceed 5% while the aggregated relative figure under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%. Therefore, based on the above relative figures (whether in respect of the Transaction alone or when aggregated as part of the Aggregated Transactions), the Transaction constitutes a “discloseable” transaction as defined in Chapter 10 of the Listing Manual and is not subject to shareholders’ approval at a general meeting.

³ The net asset value of the assets to be disposed of means the aggregate value of the financial assistance amounting up to a maximum of A\$500,000 (approximately US\$323,960).

⁴ The total interest income attributable to the Transaction and the aggregate total interest income attributable to the Aggregated Transactions are both approximately A\$10,000 (approximately US\$6,479).

⁵ The market capitalisation is based on 633,034,104 ordinary shares of the Company in issue, the weighted average price transacted on 31 January 2025 of S\$0.036 and an exchange rate as at 17 October 2025 of US\$1: S\$1.2945.

6. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

6.1. The financial effects of the Transaction set out below are purely for illustrative purposes and should not be taken as an indication of the actual financial performance of the Group.

6.2. The financial effects of the Transaction set out below were calculated based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 (“FY2024”), being the most recently completed financial year.

6.3. The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

6.3.1. for the purposes of computing the NTA per Share of the Group after the completion of the Transaction, it is assumed that the Transaction had been completed on 31 December 2024 (being the end of the most recently completed financial year) in respect of the FY2024 pro forma financial effects;

6.3.2. for the purposes of computing the EPS of the Group after the completion of the Transaction, it is assumed that the Transaction had been completed on 1 January 2024 (being the beginning of the most recently completed financial year) in respect of the FY2024 pro forma financial effects; and

6.3.3. the estimated expenses incurred/to be incurred in relation to the Transaction is approximately US\$5,000.

6.4. Net Tangible Assets (“NTA”). The effect of the Transaction on the NTA per share of the Group for FY2024 is as follows:

FY2024	Before the Transaction	After the Transaction
NTA (US\$'000)	35,875	35,896
Total number of issued Shares	633,034,104	633,034,104
NTA per Share (US cents)	5.67	5.67

6.5. Earnings per Share (“EPS”). The effect of the Transaction on the EPS of the Group for FY2024 is as follows:

FY2024	Before the Transaction	After the Transaction
Profit attributable to shareholders (US\$'000)	4,198	4,219
Weighted average number of issued Shares	633,034,104	633,034,104
EPS (US cents)	0.66	0.67

7. FURTHER INFORMATION

- 7.1. Interests of Directors and Substantial Shareholder.** Other than Mr Ng Soon Kai's direct interest in 10,336,787 Morella Shares, representing approximately 2.81% of Morella issued share capital and a deemed interest in 7,000,000 Morella Shares, representing approximately 1.90% of Morella issued share capital, the Directors confirmed that they have no other interests, direct and indirect, in the Transaction other than through their respective interests (if any) in the share capital of the Company.
- 7.2. No Directors' Service Contracts.** No person is proposed to be appointed to the Board as part of the Transaction and no director's service contract is proposed to be entered into by the Company with any person in connection with the Transaction.

By Order of the Board of Directors of
INTERRA RESOURCES LIMITED

Ng Soon Kai
Executive Chairman

About Interra

Interra Resources Limited, a Singapore-incorporated company listed on the SGX Mainboard, is engaged in the business of petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration.

We are venturing into renewable energy and collaborating with our Indonesian joint venture partner to install floating solar farms in Indonesia. We also hold the rights to convert certain loans into a 40% equity interest in 3 silica sand concessions in Indonesia with an option to increase our stake to 51% for one of the 3 concessions. We are also included by PT PLN Nusantara Power in their Long List for Strategic Partner for partnership in developing power plant projects in Indonesia.

The Company holds a stake of 12.24% in Morella Corporation Limited, an ASX-listed exploration and resource development company focused on advancing a portfolio of critical minerals across Tier 1 jurisdictions in Australia and the United States of America.