

17 October 2024

SUBSCRIPTION FOR SHARES OF MORELLA CORPORATION LIMITED PURSUANT TO SHORTFALL PLACEMENT AS A LONG-TERM INVESTMENT

1. INTRODUCTION

- 1.1. Introduction.** The board of directors (the “**Board**”) of Interra Resources Limited (the “**Company**”) wishes to announce that it has, on 16 October 2024, subscribed for 24,258,333 fully paid ordinary shares (“**Shares**”) in Morella Corporation Limited (“**Morella**”) pursuant to a placement of shortfall shares and free-attaching shortfall options of Morella (the “**Shortfall Securities**”) under its shortfall facility (the “**Shortfall Placement**”) in connection with Morella’s non-renounceable rights issue announced on 5 August 2024.
- 1.2. Placement of Shortfall Securities.** Pursuant to the Shortfall Placement, the Company has subscribed for 24,258,333 new Shares in Morella (“**New Shares**”) representing approximately 8.00% of the enlarged issued share capital of Morella¹, for an issue price of A\$0.036² (equivalent to approximately US\$0.024) per Share and 12,129,166 free attaching options in Morella (“**New Options**”). The Company has paid to Morella the subscription amount of A\$873,299.98 (equivalent to US\$587,730.89) (the “**Shortfall Subscription Amount**”) in connection with the Shortfall Placement. The Company will hold the New Shares and New Options in Morella on behalf of its wholly-owned subsidiary, Goldwater Company Limited, a British Virgin Islands incorporated company. Further details of the principal terms of the Shortfall Placement are set out in section 3.1 below.
- 1.3.** Rule 1006(a), Rule 1006(d) and Rule 1006(e) of the Listing Manual of the SGX-ST (the “**Mainboard Rules**”) are not applicable to the Company’s subscription of Morella Shares pursuant to the Shortfall Placement as it is not a disposal of assets and the consideration is to be satisfied entirely by cash. As the relative figures computed on the bases set out in Rule 1006 of the Mainboard Rules in respect of the Shortfall Subscription Amount do not exceed 5 per cent., the Company’s subscription of Morella Shares pursuant to the Shortfall Placement constitutes a non-discloseable transaction under Chapter 10 of the Mainboard Rules.

2. INFORMATION ON MORELLA CORPORATION LIMITED

Morella is an exploration and mineral resource development company listed on the Australian Securities Exchange (“**ASX**”), focused on lithium and other battery minerals. Morella is currently engaged in exploration activities on multiple lithium project opportunities, strategically located, in Tier 1 mining jurisdictions in both Australia and the United States of America. Morella will secure and develop raw

¹ As at the date of this announcement, Morella’s issued share capital comprises 278,830,247 Morella Shares. After the issuance of the New Shares to the Company pursuant to the Shortfall Placement, Morella’s issued share capital will comprise 303,088,580 Morella Shares.

² All figures denoted in A\$ are converted to US\$ at an exchange rate of US\$1:A\$1.4859 as at 17 October 2024.

materials to support the surging demand for battery minerals, critical in enabling the global transition to green energy.

3. PRINCIPAL TERMS OF THE SHORTFALL PLACEMENT

3.1. Principal Terms of the Shortfall Placement. The principal terms of the Shortfall Placement include the following:

- 3.1.1.** By way of a prospectus issued on 5 August 2024, Morella had made a non-renounceable pro rata rights issue of its Shares to its eligible shareholders of approximately 123,576,552 New Shares at an issue price of A\$0.036 per New Share on the basis of one (1) New Share for every two (2) existing Shares held, together with one (1) attaching New Option for every two (2) New Shares subscribed for, to raise up to approximately A\$4,448,756 before issue costs. Subsequent to the closing of the rights issue, on 29 August 2024, Morella announced that it would proceed to collaborate with other parties interested in participating in the Shortfall Placement, under which the issue price of the New Shares and the attaching New Options will have the same price and terms as those offered under the rights issue.
- 3.1.2.** Pursuant to the Shortfall Placement, the Company has, on 16 October 2024, subscribed for 24,258,333 New Shares for an issue price of A\$0.036 (equivalent to approximately US\$0.024) per New Share.
- 3.1.3.** Pursuant to the terms of the prospectus, Morella will also issue to the Company 12,129,166 New Options in Morella on the basis of one (1) New Option for every (2) New Shares subscribed for, and the New Options are convertible into Shares on or before 31 August 2026 at an exercise price of A\$0.072 (equivalent to approximately US\$0.049) per Share.
- 3.1.4.** The Company has, on 17 October 2024, paid to Morella the Shortfall Subscription Amount of A\$873,299.98 (equivalent to US\$587,730.89).
- 3.1.5.** Morella will issue the Shortfall Securities to the Company and update the share register as soon as practicable after the subscription date.
- 3.1.6.** Upon the issuance of the New Shares to the Company, the Company will become a “substantial holder” of Morella pursuant to the Corporations Act 2001 (Cth) of Australia, holding approximately 8.00% of the enlarged issued share capital of Morella. In accordance with the provisions of the Corporations Act 2001 (Cth) of Australia, the Company will submit a substantial holder notice to Morella for release on the ASX.
- 3.1.7.** The Shortfall Placement, the terms of which are set out in the prospectus issued by Morella, is governed by the laws of Western Australia.



4. SOURCE OF FUNDING FOR THE SUBSCRIPTION OF SHARES PURSUANT TO THE SHORTFALL PLACEMENT

- 4.1.** The consideration for the Shortfall Subscription Amount was paid fully in cash by the Company to Morella and was funded by the Company using the group's internal cash resources.

5. RATIONALE FOR SUBSCRIBING FOR MORELLA SHARES UNDER THE SHORTFALL PLACEMENT

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. The Company's participation in the Shortfall Placement allows the Company to hold a long-term strategic investment in a reputable company which has renewable energy project opportunities in Australia and the United States of America as well as a long track record of discovery, development and operations of globally significant assets including raw materials to supply the consistently strong demand for global battery growth, which are compatible and synergistic with the Company's venture into renewable energy. The Company views this opportunity as a long-term investment and partnership with Morella.

6. FURTHER INFORMATION

- 6.1. Interests of Directors and Substantial Shareholders.** As at the date of this announcement, none of the Company's directors or substantial shareholders has any interest, direct or indirect, in the Shortfall Placement other than through their respective interests (if any) in the share capital of the Company, save as disclosed below:

6.1.1. Ng Soon Kai, a director and controlling shareholder of the Company, has a direct interest in 10,336,787 Morella Shares, representing approximately 3.71% of Morella's issued share capital³, and a deemed interest in 7,000,000 Morella Shares⁴ representing approximately 2.51% of Morella's issued share capital.

6.1.2. Tjia Marcel Han Liong, a director of the Company, has a deemed interest in 940,231 Morella Shares⁵, representing approximately 0.34% of Morella's issued share capital.

Accordingly, Ng Soon Kai and Tjia Marcel Han Liong have abstained from participating in the deliberations of the Board in respect of the Shortfall Placement.

³ As at the date of this announcement, Morella's issued share capital comprises 278,830,247 Morella Shares.

⁴ Ng Soon Kai is deemed to have an interest in the Morella Shares held by his spouse.

⁵ Tjia Marcel Han Liong is deemed to have an interest in the Morella Shares held by a company of which he is a sole shareholder and director.



- 6.2. No Directors' Service Contracts.** No person is proposed to be appointed to the Board as part of the Shortfall Placement and no director's service contract is proposed to be entered into by the Company with any person in connection with the Shortfall Placement.
- 6.3. Financial effects.** The subscription of Morella Shares pursuant to the Shortfall Placement is not expected to have any material impact on the net tangible assets per share and earnings per share of the Company for the financial year ending 31 December 2024.

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 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 we have recently announced an agreement to jointly develop a wood pellet manufacturing plant in Indonesia where we will hold a 40% interest and another agreement to jointly develop a 2-MW solar farm in Sabah. We have also been included by PT PLN Nusantara Power in their Long List for Strategic Partner for partnership in developing power plant projects in Indonesia from 18 March 2024 to 18 March 2026.

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