

1 July 2025



**INTERRA RESOURCES LIMITED ENTERS INTO MANDATORY CONVERSION
LOAN AGREEMENT AND JOINT VENTURE AGREEMENT WITH
PT MITRA INVESTINDO TBK GROUP (THE “TRANSACTIONS”)**

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 its previous announcement made on 28 May 2024 on the Memorandum of Understanding (“**MOU**”) that it entered into with PT Mitra Investindo Tbk (“**MITI**”) on the Parties’ intention to, *inter alia*, jointly develop, manage and operate silica concessions in Indonesia. The Board is pleased to announce that the Company’s wholly-owned subsidiary, PT Sumber Sari Rejeki (“**SSR**”), has entered into a mandatory conversion loan agreement (the “**Mandatory Conversion Loan Agreement**”) with PT Nusantara Bina Silika (“**NBS**”), PT Kendawangan Berkah Kersik (“**KBK**”), PT Danau Buntar Kuarsa (“**DBK**”) and PT Kendawangan Prima Silika (“**KPS**”) (KBK, DBK and KPS collectively referred to as “**NBS Subsidiaries**”, and individually as “**NBS Subsidiary**”) on 1 July 2025. On the same date as the Mandatory Conversion Loan Agreement, SSR has also entered into a joint venture agreement (the “**Joint Venture Agreement**”) with MITI and NBS.
- 1.2. Mandatory Conversion Loan Agreement.** Under the Mandatory Conversion Loan Agreement, SSR and NBS will invest in the NBS Subsidiaries by granting a loan facility (“**Loan Facility**”) to the NBS Subsidiaries for their working capital purposes. The Loan Facility is to finance the total projected costs and expenses to be incurred by the NBS Subsidiaries held pursuant to their Silica Mine Business Activities Licence for Exploration (“**IUP Exploration**”) to complete the exploration of their silica concessions and subsequently to apply for and obtain licences of Mine Business Activities Licence for Exploitation (“**IUP Exploitation**”) to carry out the silica mining production activities. Part of the Loan Facility shall be mandatorily converted to shares of the NBS Subsidiaries, such that SSR and NBS shall hold 40% and 60% of the enlarged issued and fully paid-up share capital of each NBS Subsidiary respectively after the completion of the exploration stage of the silica concession held by each NBS Subsidiary. SSR has an option, but not the obligation, to subscribe for an additional 11% of the total issued and fully paid-up share capital of any one of the NBS Subsidiaries, so that the final shareholding of SSR in the selected NBS Subsidiary shall be 51% of the selected NBS Subsidiary’s enlarged issued and fully paid-up share capital.
- 1.3. Joint Venture Agreement.** Under the Joint Venture Agreement, SSR, MITI and NBS have agreed to establish a joint venture company, namely PT Ketapang Prima Resources (“**JV Company**”). The incorporation of the JV Company is part of a strategic initiative to enhance a long-term value creation of the silica concessions through the development of silica down-streaming businesses. This involves the integration of mining operations conducted by the NBS Subsidiaries alongside the development of an industrial park which will be particularly attractive to silica-based industries, that will be managed by the JV Company.



2. INFORMATION ON MITI, NBS, KBK, DBK AND KPS

- 2.1. MITI.** MITI is listed on the Indonesia Stock Exchange and its other businesses are in logistics where it operates a fleet of vessels catering to different sectors of this industry. MITI is the majority shareholder of NBS.
- 2.2. NBS, KBK, DBK AND KPS.** Following the signing of the MOU, NBS, a subsidiary of MITI, incorporated three (3) wholly-owned Indonesian subsidiaries, namely, KBK, DBK and KPS which are each involved in the principal activity of silica mining. Each of these three (3) subsidiaries has applied for an IUP Exploration in Ketapang, West Kalimantan Province, Republic of Indonesia. KBK has successfully obtained an IUP Exploration on 24 January 2025, while DBK and KPS have applied for Approval of Granting Silica Mine Business Activities Area (WIUP), all located at Kecamatan Kendawangan, Kabupaten Ketapang, West Kalimantan Province, Republic of Indonesia.

3. SALIENT TERMS OF THE TRANSACTIONS

- 3.1. Salient Terms of the Mandatory Conversion Loan Agreement.** The salient terms of the Mandatory Conversion Loan Agreement are set out below.
- 3.1.1.** NBS and SSR will contribute an amount equivalent to 60% and 40% respectively of the total working capital needed by the NBS Subsidiaries to complete the exploration of their silica concessions held pursuant to their IUP Exploration and to apply for and obtain an IUP Exploitation. The entire costs of these works are estimated to be Rp 56,687,442,000 (approximately US\$3.49 million) (the “**Loan Amount**”) and SSR’s loan quantum is estimated to be Rp 22,674,976,800 (approximately US\$1.40 million), which will be satisfied in cash.
- 3.1.2.** The principal of the Loan Amount (“**Loan Principal Amount**”) is subject to interest calculated at a commercial rate of Singapore Overnight Rate Average plus 1%, calculated on a daily basis from the relevant drawdown date, subject to such adjustments as may be agreed in writing by the parties from time to time.
- 3.1.3.** Immediately upon the completion of the exploration stage of each of the silica mines of the NBS Subsidiaries and the issuance of the IUP Exploitation to each of the NBS Subsidiaries (which in any case shall be no later than three (3) years after the date of the Mandatory Conversion Loan Agreement, or at such other time as the parties may mutually agree in writing) (“**Maturity Conversion Date**”), the Loan Principal Amount or such part of it as shall be sufficient to satisfy the minimum capital requirement of a Indonesian Foreign-Owned Company or Perseroan Terbatas Penanaman Modal Asing (PMA) under Indonesian law, shall be converted to such number of shares representing 60% and 40% of the total enlarged, issued and fully paid-up share capital of each of the NBS Subsidiaries, and issued to NBS and SSR respectively. The remaining Loan Principal Amount shall be repaid on the Maturity Conversion Date.

3.1.4. SSR is given an option, exercisable at its sole discretion, to subscribe for an additional 11% of the total issued and fully paid-up share capital of any one of KBK, DBK or KPS, such that SSR will increase its shareholding in the selected NBS Subsidiary to 51% of the enlarged issued and fully paid-up share capital of that NBS Subsidiary.

3.1.5. Upon the occurrence of certain events of default, SSR shall be entitled by notice in writing to the NBS Subsidiaries and/or NBS to declare that the Loan Principal Amount and its interest are immediately due and payable without further written demand or notice of any kind. Thereafter, the NBS Subsidiaries and/or NBS upon receiving the notification from SSR, must repay the Loan Principal Amount and its interest no later than thirty (30) calendar days of the date of the notification by SSR by transferring such amount into the bank account as to be notified in writing by SSR.

3.2. Salient Terms of the Joint Venture Agreement. The salient terms of the Joint Venture Agreement are set out below.

3.2.1. Pursuant to the Joint Venture Agreement, the JV Company shall engage in the business of developing and managing industrial parks, including but not limited to territories or zones with the status of Special Economic Zones (“**SEZs**”) at Kecamatan Kendawangan, Kabupaten Ketapang West Kalimantan, Republic of Indonesia, and this includes building and managing territories/zones which also covers other supporting business/services activities related to SEZ facilities, such as port management, road infrastructure, waste and water management, and other related utilities.

3.2.2. Subject to the feasibility study to be jointly conducted by the parties to the JVA, the total investment into the JV Company shall be in the amount of at least Rp 10,000,000,000 which is the subscription price in the amount of Rp 10,000,000,000 (approximately US\$0.62 million) and represents the amount of issued and paid up capital of the JV Company, and any amount in excess of the subscription price which may be required for the development and operation of the business, shall be in the form of a loan, subject to the terms of and conditions as to be agreed by the Parties in writing and the approval of shareholders of SSR, MITI and NBS respectively if required.

3.2.3. In respect of the shareholding proportions in the JV Company, SSR will subscribe for 40.0% of the share capital in the JV Company (“**Subscription Shares**”) while MITI and NBS will subscribe for the remaining 59.9% and 0.1% of the share capital in the JV Company respectively. Based on the total subscription price of Rp 10,000,000,000, the total subscription price for the Subscription Shares to be paid by SSR in cash is Rp 4,000,000,000 (approximately US\$0.25 million).

3.2.4. Upon the occurrence of a deadlock which cannot be resolved by way of the mechanisms stipulated in the JVA, any shareholder shall be entitled to offer to sell its shares to the other shareholders in accordance with the

procedures and terms set out under the JVA upon the fulfilment of certain conditions.

- 3.2.5.** Each shareholder has pre-emption rights for transfers or issuances of securities in the JV Company, as well as co-sale rights for proposed transfers of securities subject to certain conditions being satisfied.
- 3.2.6.** The Board of Directors shall consist of three (3) Directors at any time with the following composition of one (1) President Director, and two (2) Directors of which a majority shareholder shall be entitled to nominate two (2) Directors, including the President Director, and the minority shareholder shall be entitled to nominate one (1) Director. The Board of Commissioners shall consist of three (3) Commissioners at any time with the following composition of one (1) President Commissioner and two (2) Commissioners of which a majority shareholder shall be entitled to nominate two (2) Commissioners, including the President Commissioner, and the minority shareholder shall be entitled to nominate one (1) Commissioner.

4. VALUATION AND SOURCE OF FUNDING FOR THE TRANSACTIONS

- 4.1.** The Group's share of this investment (including the consideration for the Subscription Shares pursuant to the Joint Venture Agreement and the SSR's share of the Loan Facility pursuant to the Mandatory Conversion Loan Agreement) is approximately US\$1.65 million, which will be funded by internal sources of funds.
- 4.2.** As the JV Company has not commenced operations nor own any assets, the value of SSR's Subscription Shares, based on the book value and net tangible asset value of the JV Company upon incorporation, is Rp 4,000,000,000 (approximately US\$0.25 million). No valuation of the Subscription Shares has been commissioned by the Company.

5. RATIONALE FOR THE TRANSACTIONS

- 5.1.** Silica is a key component in the construction, glassmaking, electronics, and pharmaceutical industries and is also used to manufacture solar panels for the photovoltaic industry. The Company believes that securing an interest in silica concessions will be beneficial to the Company's interest as the photovoltaic industry continues to grow in Indonesia. Trina Solar Co., Ltd., has collaborated with Sinarmas Group's PT Dian Swastatika Sentosa Tbk and PT PLN Indonesia Power Renewables to construct a solar cell and module factory in Kendal Industrial Estate, Central Java, with an annual production capacity of 1GW. Longi Green Energy Technology Co. Ltd. has also announced their development of a photovoltaic panel manufacturing facility in collaboration with PT. Pertamina NRE with an annual production capacity of 1.6GW in Deltamas, West Java. Besides the potential provided by the photovoltaic industry, Indonesia is also seeing an increase in investment in other areas which uses silica, including glass factories such as the US\$258 million glass manufacturing facility in Batang, Central Java by South Korea's KCC Glass Corporation.

- 5.2.** The formation of the JV Company with MITI and NBS and entry into the Mandatory Conversion Loan Agreement present significant strategic advantages and opportunities to provide new revenue streams and growth opportunities for the Group.

6. DISCLOSEABLE TRANSACTION

- 6.1. Rule 1006 Relative Figures.** The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) in respect of the Transactions based on the audited consolidated financial information of the Group for the financial year ended 31 December 2024 (“**FY2024**”) as announced on 15 May 2025 are as follows:

Rule 1006	Basis	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not applicable ¹
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation ² based on the total number of issued shares excluding treasury shares	9.13
(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
(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

- 6.2. Discloseable Transaction.** As the relative figure under Rule 1006(c) exceeds 5% but is not more than 20%, the Transactions constitute a discloseable transaction for the Company as defined in Chapter 10 of the Listing Manual. Accordingly, the Company is not required to seek the approval of its shareholders for the Transactions pursuant to Chapter 10 of the Listing Manual.

7. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

- 7.1.** The financial effects of the Transactions set out below are purely for illustrative purposes and should not be taken as an indication of the actual financial performance of the Group. The financial effects of the Transactions set out below were calculated based on the audited consolidated financial statements of the Group for FY2024, being the most recently completed financial year.

¹Not applicable, as the JV Company has yet to commence operations.

² The market capitalisation is based on 633,034,104 ordinary shares of the Company (“**Shares**”) in issue and the weighted average price of the Share transacted on the SGX-ST on 31 January 2025 of S\$0.036 and converted at the exchange rate of US\$1:S\$1.2757 as at 30 June 2025.

- 7.2. Net Tangible Assets (“NTA”).** The effect of the Transactions on the NTA per share of the Group for FY2024, assuming that the Transactions had been effected at the end of FY2024 is as follows:

FY2024	Before the Transactions	After the Transactions
NTA (US\$'000)	35,875	35,875
Total number of issued Shares	633,034,104	633,034,104
NTA per Share (US cents)	5.667	5.667

- 7.3. Earnings per Share (“EPS”).** The effect of the Transactions on the EPS of the Group for FY2024, assuming that the Transactions had been effected at the start of FY2024 is as follows:

FY2024	Before the Transactions	After the Transactions
Profit attributable to shareholders (US\$'000)	4,198	4,198
Weighted average number of issued Shares	633,034,104	633,034,104
EPS (US cents)	0.663	0.663

8. FURTHER INFORMATION

- 8.1. Interests Of Directors and Controlling Shareholders.** None of the Company’s directors or substantial shareholders has any interest, direct or indirect, in the Transactions save for their interests (if any) in the share capital of the Company.
- 8.2. No Directors’ Service Contracts.** No person is proposed to be appointed to the Board as part of the Transactions, and no director’s service contract is proposed to be entered into by the Company with any person in connection with the Transactions.

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 have 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.