



June 2023 Quarterly Report

HIGHLIGHTS

- ◆ Australia's First Hydrogen Powered Prime Mover "The Taurus" debuted at the Brisbane Truck Show in May, attracting strong interest from Industry and media at its first demonstration
- ◆ Over 100 people attended "The Taurus" Drive Day event at RACQ in Mount Cotton, including Senior Executives from partner PepsiCo Australia and New Zealand, Senior Government Officials and media from various outlets
- ◆ Post balance date, Pure Hydrogen secured 60% of Hdrive International, obtaining global distribution rights for HFC Trucks and Buses
- ◆ Investee company H2X Global announced an order valued at up to 240 million Swedish Krona (~AUD \$34 million) under existing contract with Renova AB
- ◆ Serowe-3 well flow-testing showed a visible increase in gas flow as annulus pressure doubles. Progressing with Serowe-3 Commercial Pilot Program, developing 4 additional wells around the central well. Serowe-7 is being prepared for flow testing
- ◆ Very well-funded with cash of \$12.6 million as at 30 June 2023 after investing in key growth drivers. Continuing focus on tight cost control.

Pure Hydrogen Corporation Limited ASX: PH2

Pure Hydrogen is a clean energy focused company seeking to become the leader in the development of Hydrogen and Energy Projects through the use of cutting-edge technology. It plans to supply hydrogen fuel to Australian customers and regional Asia Pacific markets, through the production and wholesale purchase of Green, Emerald and Turquoise Hydrogen.

Strategically, Pure Hydrogen will also prioritise incubation for early-stage companies or projects within the clean energy sector, with the aim of realising profits from those investments.

Concurrently, the Company is developing natural gas projects directly in Australia and Botswana.

Pure Hydrogen has Independently Certified Contingent Methane Gas Resources in its three gas projects, net to the company of 326 BCF of 1C, 622 BCF of 2C and 1,130 BCF of 3C.

Directors

Ron Prefontaine – Non-Exec Chairman
Scott Brown – Managing Director
Lan Nguyen – Non-Executive Director
Hon Adam Giles - Non Executive Director

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Pure Hydrogen Corporation Limited (ASX: PH2 and “Pure Hydrogen” or “The Company”) is pleased to provide this Activities Report to shareholders for the quarter ended 30 June 2023 (Q4 FY2023). The June 2023 Quarter has been an eventful period for Pure Hydrogen. The team debuted Australia’s first Hydrogen Fuel Cell Primer Mover “The Taurus” at the Brisbane Truck Show, garnering considerable interest from those in the trucking industry and from mainstream media.

The Company held a drive day showcasing the Taurus at the RACQ in Mount Cotton, Queensland. The event was attended by Senior Members of PepsiCo Australia and New Zealand.



Image 1: Representatives from Pure Hydrogen, Hdrive, PepsiCo and Queensland Government officials with the Taurus, a 220KW 6 x 4 hydrogen fuel-cell prime mover at the official launch

Pure Hydrogen investee company H2X Global announced an order value of up to 240 million Swedish Krona (~AUD 34 Million) under the existing contract with Renova.

Pure Hydrogen made significant progress advancing its hydrogen production technologies, expanding its partnerships, and strengthening its market position during the quarter. This report provides a comprehensive overview of our financial position, operational highlights, key initiatives and outlook.

Pure Hydrogen overview

Pure Hydrogen is a clean energy focussed company developing a portfolio of hydrogen and energy projects using cutting edge technologies. Its objective is to become a leading supplier of Green, Emerald and Turquoise hydrogen fuel and hydrogen powered commercial vehicles and other infrastructure such as generators to customers in Australia and Asia-Pacific.

Concurrently, Pure Hydrogen is developing natural gas projects directly in Australia and Botswana, and throughs strategic investment holds an interest in a Botswana focussed energy company listed on the Australian Securities Exchange.

During the quarter and up to the date of this report, Pure Hydrogen has the following updates and commenced a number of initiatives including:

Hydrogen Vehicle Strategy

Pure Hydrogen secured controlling interest in Hdrive International, including global distribution rights

As announced on 28 July 2023, Pure Hydrogen will form a new venture company with the shareholders of Hdrive, a leading supplier of zero-emissions vehicles in Australia and New Zealand. Pure Hydrogen will hold a 60% controlling interest in Hdrive International ('HDI').

Hdrive recently oversaw the build and delivery of Pure Hydrogen's Taurus truck, the first hydrogen fuel cell prime mover in Australia, which was developed on behalf of PepsiCo in accordance with strict design, compliance and customer specifications (*refer ASX Announcement 18 April 2023*).

Hdrive is also in the final stages of delivering Australia's first hydrogen fuel cell refuse collection vehicle to be trialled by JJ Waste & Recycling (*refer ASX Announcement 26 May 2022*), the largest privately-owned waste management company in Australia.



Image 2: The Hydrogen Fuel Cell ("HFC") garbage truck being prepared for JJ Waste & Recycling being put through its paces for ADR approval

The agreement is subject to conditions precedent including the execution of distribution agreements and the transfer of employment contracts. The HDI joint venture is consistent with Pure Hydrogen's strategy to become the lowest-cost hydrogen supplier of choice through the provision of reliable, turnkey transport solutions. The agreement also extends the current Hdrive distribution rights beyond Australia, making future global expansion opportunities possible.



Image 3: “The Taurus”, a 220KW 6 x 4 hydrogen fuel-cell Prime Mover on display at the Brisbane Truck Show in May 2023

The Taurus Prime Mover will be trialed with PepsiCo in 2023, which aligns with the agreed development timeline set out by the parties in accordance with the initial Term Sheet (refer ASX Announcement 30 September 2022). A video of “The Taurus” Prime Mover Truck can be viewed at www.purehydrogen.com.au/videos.

Drive Day Hydrogen Fuelled Prime-Mover received National News Coverage

“The Taurus” was officially launched at an exceptionally well-attended event at the Mount Cotton RACQ in May. The event attracted many VIP’s including Kyle Faulconer, CEO of PepsiCo Australian & New Zealand and The Honourable Mick de Brenni, Queensland Minister for Energy, Renewables and Hydrogen and Minister for Public Works. More than one hundred other industry participants were also in attendance.

Pure Hydrogen Managing Director, Scott Brown, said at the launch: *“This is an exciting day for our team and reflects a great deal of hard work and dedication. I would also like to thank PepsiCo for sharing our vision of the future for heavy transport, it takes courage to be an early adopter and we’re very appreciative of them leading the way and taking strides and this should be commended. We know other companies are very interested in following their lead and getting onboard the transition that’s going to take place. One of the things that sets Pure Hydrogen apart, is a dedication to Hydrogen, we think it’s the fuel of the future and our aim is to bring Hydrogen across the country, but especially here in Queensland to allow us to build an ecosystem including bringing buses, trucks and other devices to Australia as well as the Hydrogen.”*

The event also attracted media attention with coverage picked up nationally by many mainstream media outlets including Channel 7, 10 and Sky News. The news coverage can be viewed at <https://purehydrogen.com.au/in-the-news/>

The launch marked a significant step forward in our mission to develop Australia’s hydrogen eco-system, covering all sections of the market from production to end-use.

Pure Hydrogen has exclusive rights to the truck design in Australia, with the potential for multi-vehicle orders following completion of the trial period. Pure Hydrogen is also developing Australia’s first Hydrogen Powered Garbage Truck (see ASX announcement 21 March 22) to be trailed by JJ Waste and Recycling, which is on track to be delivered by the end of this quarter.



Image 4: Scott Brown, MD Pure Hydrogen presents replica Prime Mover to Kyle Faulconer, CEO of PepsiCo ANZ



Image 5: A concept of the HFC garbage truck from Hdrive.

Moreton Bay Hydrogen Hub

Pure Hydrogen has an option to acquire 21ha of land in Bracalba, South East Queensland as a site for Emerald Hydrogen manufacturing and distribution facilities. The Moreton Bay Hydrogen Hub will serve customers across the South East region of Queensland from the Sunshine Coast to the Gold Coast.

Pure Hydrogen plans to manage distribution and take 100% of the planned output to sell to end-user customers. As announced previously, the plant will deploy technology which produces hydrogen from conversion of woody biomass that would otherwise be burnt or dumped in a landfill. The Hub will be powered by renewable energy via a solar array on site.

The site is expected to generate significant investment to the region and jobs for locals across both the construction and commercialisation phases. Renewable Plus is the chosen technology partner for the development of the biomass to hydrogen plant. During the quarter, the Company prepared submissions and arranged consulting reports for the Moreton Bay Hydrogen Hub. Pure Hydrogen added a solar array and electrolyser to the Emerald Hydrogen System. The latest plan is below:



Image 6: Aerial image of the Moreton Bay Project site, with proposed hydrogen system construction adjacent to the entry road

H2X's H2 vehicle operations continue to advance

Pure Hydrogen also owns a 20% stake in hydrogen vehicle company H2X Global, which is currently undergoing final testing and approvals in the European market for the Warrego, a 4WD hydrogen fuel cell powered utility vehicle. H2X has also established a wholly-owned subsidiary in Sweden.

Pure Hydrogen investee company H2X Global announced an order valued at up to 240 million Swedish Krona (~AUD \$34 million) under the existing contract with Renova AB. H2X Global was nominated as the preferred supplier in the tender process, specifically for Hydrogen Fuel Cell vehicles. H2X Global retains the right to supply up to 37 HFC trucks to Renova AB during 2023 and 2024.

Turquoise Hydrogen Technology

Pure Hydrogen has entered into agreement with Turquoise Group Pty Ltd which will invest AU\$1.6 million and assume management of the Turquoise Hydrogen project, targeting commercialisation of the technology in collaboration with French plasma technology company, Plenesys.

Pure Hydrogen will retain a 40% non-dilutable stake in Turquoise Group (TG) for 3.5 years which is the expected commercialisation phase. In addition, Pure Hydrogen will hold the exclusive rights to acquire hydrogen produced by Turquoise Group within Australia for 20 years at prices based on a sliding scale linked to the value of the carbon offtake products.

Commissioning in late CY23, a demonstration pilot plant located at Turquoise Group's Brisbane facilities will decompose methane into hydrogen and solid carbon with the view to reforming the solid carbon into high value carbon products such as graphene with net-zero carbon emissions. The Plenesys designed AC

plasma torch system, the ‘engine’ of the demonstration pilot plant, is due to arrive at Turquoise Group’s Brisbane facilities in Q3 CY23.

The aim is to produce both low-priced Hydrogen to advance the Hydrogen economy and produce low-priced bulk Graphene to establish the Graphene economy. When powered with renewable electricity or fuel cells using some of the Hydrogen it manufactures, the process will be no emissions.



Image 7: AC Plasma Torch

Pure Hydrogen Managing Director, Scott Brown added:

“Pure Hydrogen is moving forward with its strategy to advance construction and development at our first hydrogen fuel production site at Bracalba in Queensland, which aims to set the benchmark for biomass waste-to-hydrogen production and establish a framework to expand into further developments in the years ahead. In addition, the successful Taurus demonstration at the Brisbane Truck Show is the latest exciting step in our broader development strategy for hydrogen-powered vehicles in Australia. The live demonstration marked the culmination of a successful six-month co-development period, with no delays to the stated production timeline.”

As well as our discussions with PepsiCo, interest from other parties has been most encouraging. A key part of Pure Hydrogen’s strategy is to provide hydrogen solutions to potential customers bringing both the devices and the hydrogen needed to power them to our customers. The Taurus marks an important step in this strategy.”

“To support the upcoming trials of the hydrogen-electric vehicles ordered by PepsiCo and JJ Waste, we procured our first hydrogen-electrolyser during the quarter. The electrolyser will be based in South East Queensland and will allow Pure to produce green hydrogen by early 2024. The small scale electrolyser will allow Pure to go-to-market with localised hydrogen supply solutions, before transitioning to emerald and turquoise hydrogen produced by hubs in the medium term.”

Pure Hydrogen Gas Projects

In addition to its hydrogen business, Pure Hydrogen has three significant gas-based energy projects which represent significant value for shareholders. Pure Hydrogen has a net total 12.4 TCF of Prospective Gas Resources, 1,038 BCF of 3C and 548 BCF of 2C Contingent Gas Resources across its asset suite in Queensland and Botswana.

Serowe Gas Project

Post quarter-end, ASX-listed Botala Energy Limited (ASX: BTE) provided an update on flow testing at its Serowe-7 and Serowe-3 gas wells in Botswana. Pure Hydrogen has a 30% free carried interest in the Serowe Gas Project together with a 19.99% interest in Botala Energy Limited, the operator and owner of 70% interest in the Serowe Project.

NMR logging on the Serowe-7 well confirmed the presence of gas in the 35m of coal intersected in three seams. A decision was subsequently taken to progress to flow-testing. Flow testing at the Serowe-3 well is showing a steady increase in bubbling of gas, while pumping water rates stabilised as anticipated.



Image 8: Evaporation pond next to Serowe 3 well

Also, during the quarter, the Company secured Local Asset Status and Accreditation from the Botswana Investment and Trade Centre (BITC), providing increased access to capital markets and local investment

partners. In addition, Botlala has made significant advances in its ambition to develop renewable energy projects within Botswana.

The second flow-test at the Serowe-7 well is a significant step towards proving commercial flows within Botlala’s tenement holding of ~420,000 hectares.

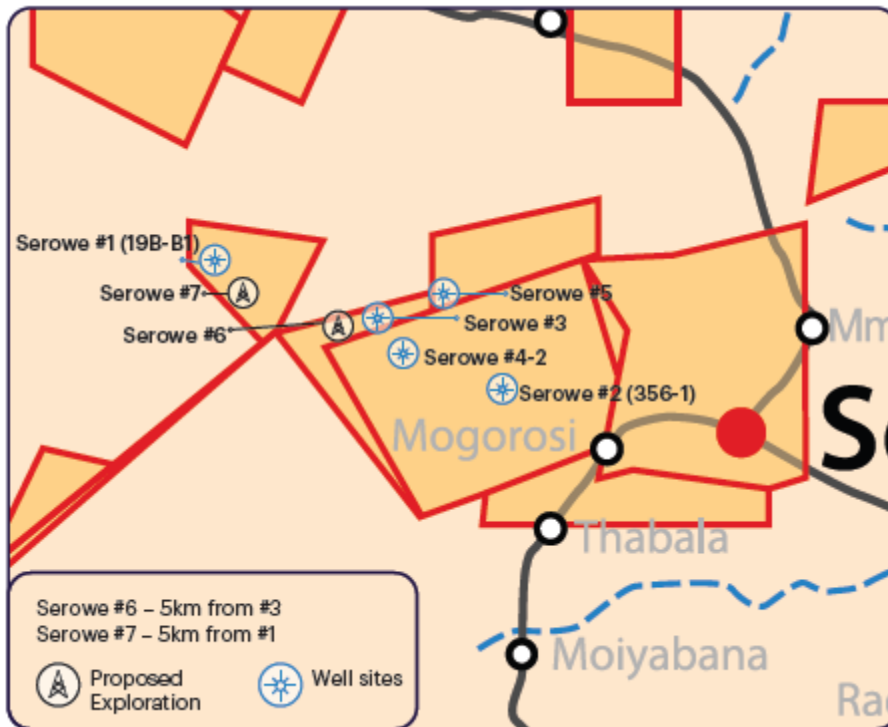


Image 9: Map of the Serowe Gas Project and well locations

Windorah Gas Project

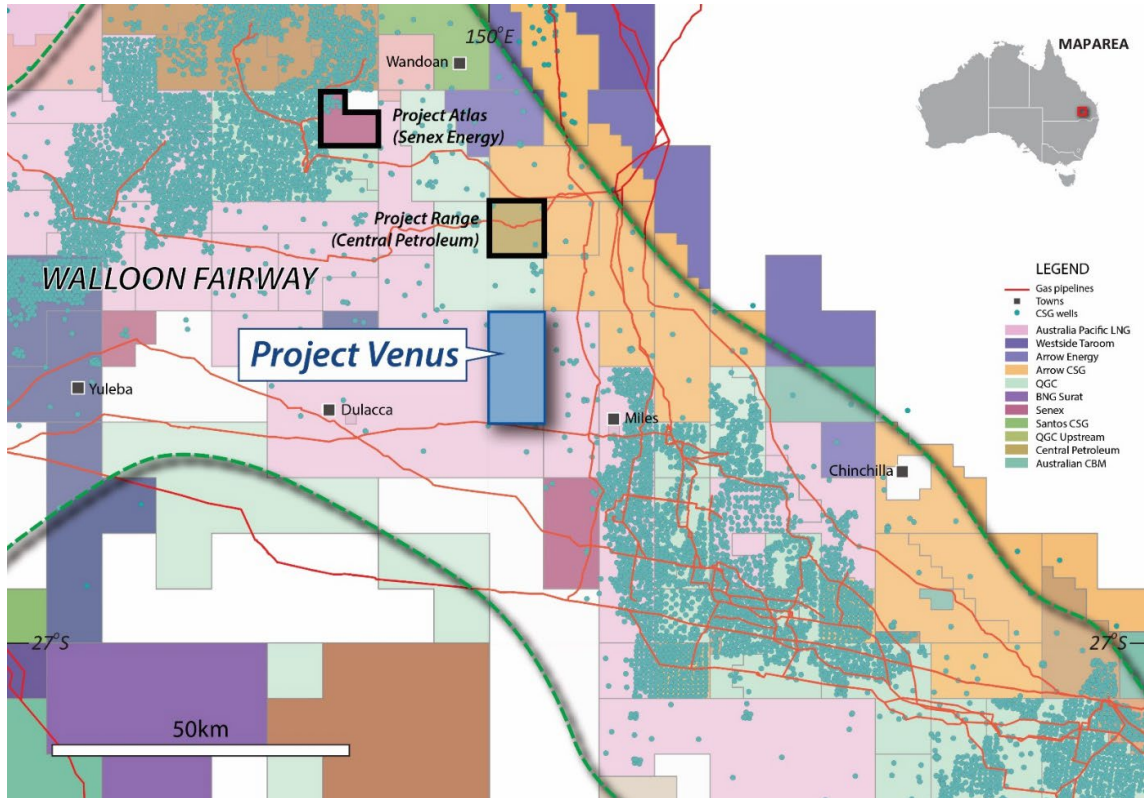
After the end of the quarter the Company lodged a PCA application in respect of Windorah Project which covered much of ATP927 acreage. The Company has spent significant amount defining a contingent gas resource on the Project of 330 Bcf 2C Continent Gas resource.

Project Venus Surat Basin Walloon CSG:

Project Venus, permit ATP2051 is 100% owned by Pure Hydrogen. Project Venus contains high quality and very prospective acreage covering 154km² within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure including gas pipelines. There is significant coal in this permit and the Company believes it can turn these into significant gas resources.

Pure Hydrogen’s Project Venus is located within the proven Walloon CSG Fairway and immediately adjacent to gas pipeline infrastructure in the Surat Basin. It offers relatively low risk and a lot of value with its 130PJ of 2C Contingent Gas Resources and 536 PJ of Prospective Gas Resources.

During the quarter the company advanced plans to drill Venus 2 as a horizontal well and is currently looking to contract a drilling rig.



The independent review of the data for Project Venus (ATP2051) has the following Contingent Gas Resources:

Project Venus

Contingent Resources PJ

Walloon Subgroup

Upper Junandah Coal Measures

	1C	2C	3C
Walloon Subgroup	87.7	130.3	157.9
Upper Junandah Coal Measures	87.7	130.3	157.9

Tenement schedule at end of quarter:

Permit	PH2 ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP2051P	100	Surat Basin, Southern Queensland
Serowe CSG	30 ¹	Botswana
ATP1194P	100 ²	Cooper Basin, South West Queensland

1. Subject to completion of farm out
2. Subject to agreement to sell the permit

Corporate

As at 30 June 2023, Pure Hydrogen held \$12.6 million cash at bank and no debt. During the quarter the Company operating cash flow was \$363,000 on operating expenses including \$103,000 on directors' fees and related party consulting remuneration. The total number of ordinary fully paid shares on issue was 355,162,139 and the company had over 12,000 shareholders as at the date of this report.

For further information, please contact:

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Managing Director

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Or visit our website at www.purehydrogen.com.au

On our website you can register for email alerts.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pure Hydrogen Corporation Limited

ABN

27 160 885 343

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(1)	(10)
(d) staff costs	(387)	(1,253)
(e) administration and corporate costs	(244)	(917)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	176	337
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and R & D tax incentives	194	6,164
1.8 Other – costs in relation to R & D tax incentive	(56)	(311)
1.9 Net cash from / (used in) operating activities	(318)	4,010
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(420)	(975)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) exploration & evaluation	(8)	(76)
(e) investments	(540)	(1,617)
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	500	500
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (deposit received for sales of a tenement)	-	-
2.6 Net cash from / (used in) investing activities	(468)	(2,168)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	1,252
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	1,252

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,412	9,532
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(318)	4,010
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(468)	(2,168)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,252
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,626	12,626

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,575	393
5.2	Call deposits	8,051	13,019
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,626	13,412

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	103
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(318)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(8)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(326)
8.4 Cash and cash equivalents at quarter end (item 4.6)	12,626
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	12,626
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	38.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

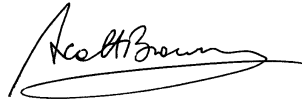
Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 31/07/2023

Director/~~Company secretary~~

Print name: Scott Brown

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".