Pure Hydrogen

ANNUAL REPORT
2023

Pure Hydrogen Corporation Ltd
ABN: 27 160 885 343


HYDRO

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MANAGING DIRECTORS' REPORT

Dear Shareholders,

I am pleased to present Pure Hydrogen's Annual Report for the 2023 financial year - a particularly busy 12 months that was highlighted by several key operational milestones with respect to the Company's stated project development strategy, in direct alignment with rapidly evolving global hydrogen markets.

As a result of the hard work of our staff and management team, Pure Hydrogen now heads into FY24 with strategic investments in leading hydrogen vehicle manufacturers serving a global client base and co-development partnerships for hydrogen technology with multinational companies, while also playing a leading role in the accelerating rollout of broader hydrogen infrastructure solutions.

These developments reflect strong execution of the Company's strategy to spearhead the growth of viable hydrogen solutions as part of the green energy transition. Already, we are seeing that the success of the broader industry is a by-product of direct collaboration between elite research organisations, governments at both the Federal and State level and companies such as Pure Hydrogen that can move fast to build out commercial solutions within the evolving regulatory framework.

The successful launch of the Taurus truck – Australia's first hydrogen-powered prime mover that was developed by Pure Hydrogen for the global food & beverage conglomerate PepsiCo – was a good example during the year of how the Company executed on its hydrogen development strategy in direct consultation with major companies and government policymakers.

Managing Director's Report

First announced in the September quarter, the successful execution of the Taurus development culminated in the vehicle's official launch at the Brisbane Truck Show in May 2023. The launch was followed by a live demonstration of the Taurus in June attended by senior industry and government representatives including Mick de Brenni, the Queensland Minister for Energy, Renewables and Hydrogen.

While the national media coverage for both events was reflective of the broader interest in hydrogen technology, Pure Hydrogen representatives also fielded several approaches from potential customers in the transport and logistics industry. This level of commercial interest stood out to the PH2 management team and aligned with the trend that's already emerging within the transport sector, where hydrogen power is set to play a key role in the shift to clean energy solutions – particularly for heavy vehicles.

The successful Taurus launch was just one aspect in the advancement of PH2's multi-channel commercialisation strategy for hydrogen vehicles during the period. Separately, H2X Global – a leading hydrogen vehicle manufacturer in which PH2 holds a strategic 20% stake – was selected from a competitive tender process as the preferred supplier of HFC (hydrogen fuel cell) vehicles to Sweden-based waste management company Renova AB.

The contract provides H2X Global with the right to supply up to 37 HFC trucks to Renova AB over a two-year period, at a value of up to 240 million Swedish Krona (~AUD 34 million). This was accompanied by further developments domestically, where Pure Hydrogen remains engaged with JJ's Waste & Recycling – the largest privately-owned waste management company in Australia -- to deliver the first ever hydrogen-powered garbage truck into the Australian market.

Strategically, Pure Hydrogen's ongoing initiatives in the hydrogen vehicle industry are complemented by its commitment to play a leading role in the development of associated hydrogen infrastructure, both domestically and abroad. This is a stated priority of the Board and positions the business at the forefront of developments in the broader hydrogen ecosystem.

Key developments with respect to that strategy included the ratification of a commercial agreement with Turquoise Group Pty Ltd, which is commercialising a unique net-zero hydrogen-production technology in collaboration with French plasma technology company, Plenesys. Along with a 40% non-dilutable stake in the Turquoise Group, the agreement gives Pure Hydrogen exclusive rights to acquire hydrogen produced by Turquoise Group within Australia for a 20-year period at competitive prices.

Heading into FY24

In the wake of such an exciting period of activity in FY23, Pure Hydrogen now heads into FY24 with plenty of momentum across all of its primary growth channels, and this is evidenced by the busy period of news flow the Company has reported to market post balance-date.

Key highlights include the formation of a new venture company with HDrive International, a leading supplier of zero-emissions vehicles in Australia and New Zealand which was directly involved with the manufacture of the Taurus truck. The agreement saw Pure Hydrogen take a majority stake in HDrive International which again puts the business in alignment with the companies that are spearheading the transition to hydrogen and gives it access to best-in-class components and manufacturing IP.

Other highlights included a purchase order to HDrive International by Sapphire Coast Buslines in New South Wales for the supply of two electric mini-buses valued at over $700,000.

These developments highlight the ongoing success of the development and value-accretive strategy that Pure Hydrogen clearly articulated to market – to build tangible commercial growth in the supply of hydrogen vehicles alongside the establishment of the broader hydrogen ecosystem. I'd like to thank the Company's shareholders for their ongoing support a with a busy schedule of well-funded project development plans into FY24 and beyond, we look forward to providing our investors with more exciting updates in the months and years ahead.

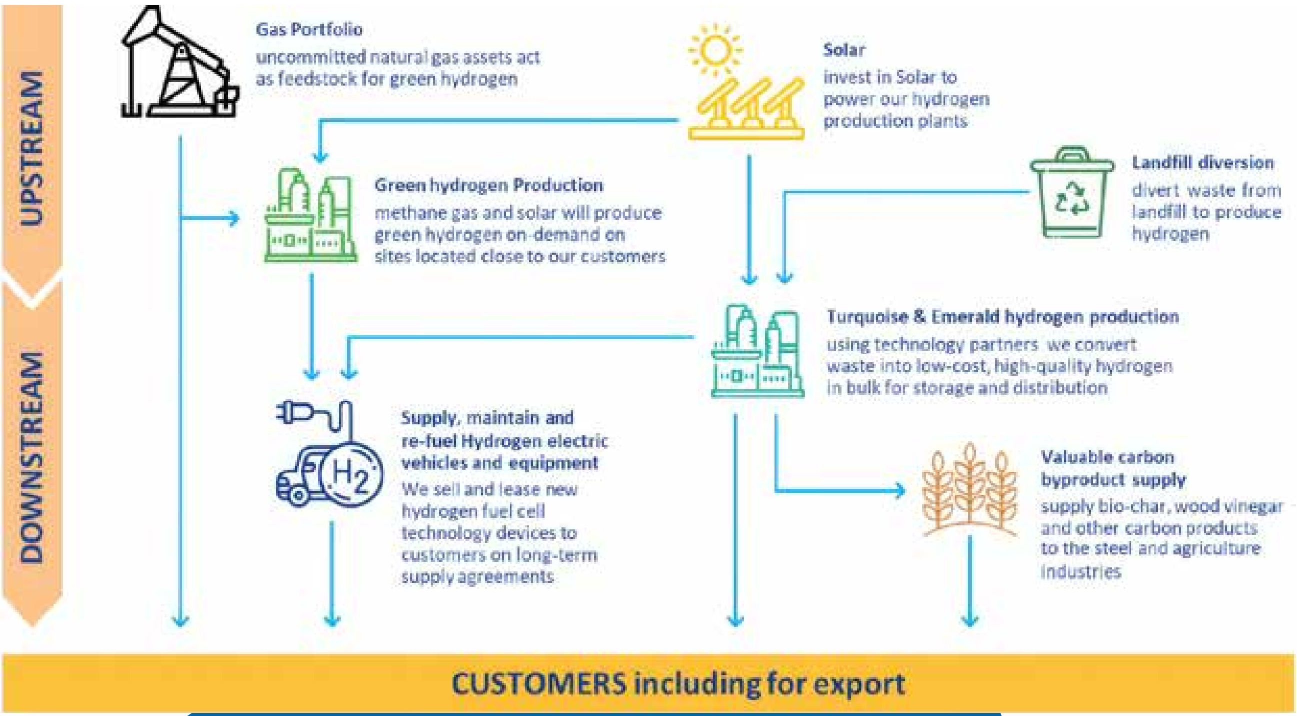
Company Overview

Pure Hydrogen (ASX: PH2) 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 processes. It plans to supply hydrogen fuel to both Australian customers and regional Asia Pacific markets, through the production of Green, Emerald, and Turquoise Hydrogen. Concurrently, the Company is developing natural gas projects directly in Australia and Botswana and through a strategic investment it holds in a Botswana-focused energy company listed on the Australian Securities Exchange.

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.

For further details www.purehydrogen.com.au

Pure Hydrogen is committed to maintaining interests across both upstream and downstream in pursuit of the company's long-term vertically integrated hydrogen strategy.



Pure Hydrogen is focused on supplying high-quality, low-cost electric and hydrogen fuel cell electric vehicles to the marketplace, creating an end-market for its hydrogen production and supply business through the delivery of cutting edge zero emission vehicle technology.

Pure Hydrogen's go-to-market strategy included supplying hydrogen electric vehicles, securing long-term hydrogen supply contracts, maintaining and financing hydrogen fuel cell vehicles and equipment and re-fitting and re-deploying assets at the end of their rental period.

Operations Overview

Pure Hydrogen continued to build out its vertically integrated strategy in FY23, taking a number of important steps to achieving its goal of becoming a leader in the development of hydrogen and energy projects.

Operational highlights in relation to Pure Hydrogen, and its partners for which Pure Hydrogen has taken a strategic investment, for FY23 and up until the date of this report were as follows:

Continued growth and development of its hydrogen fuel cell vehicle businesses

Pure Hydrogen is focused on supplying high-quality, low-cost electric and hydrogen fuel cell electric vehicles to the marketplace, creating an end-market for its hydrogen production and supply business through the delivery of cutting edge zero emission vehicle technology. Pure Hydrogen's go-to-market strategy included supplying hydrogen electric vehicles, securing long-term hydrogen supply contracts, maintaining and financing hydrogen fuel cell vehicles and equipment and re-fitting and re-deploying assets at the end of their rental period.

> **Representatives from Pure Hydrogen, HDrive, PepsiCo and Queensland Government officials with the Taurus, a 220KW 6 x 4 hydrogen fuel-cell at the official launch**

COMPANY OVERVIEW

Through its strategic investment in HDrive

HDrive continued to build out its extensive range of medium to heavy weight range of trucks and buses, tailored to the Australian market, securing strong interest from Australian customers. HDrive has great potential to be a significant player in the HFC and BEV truck and bus space.

As at the date of this report:

- three customers have signed up to accept and operate trial vehicles, including PepsiCo, JJ Richards and Solo Waste
- over 100 vehicle options are in place for hydrogen electric vehicles
- Pure Hydrogen secured controlling interest in HDrive International, with a 60% equity interest, including global distribution rights
- two electric mini-buses were sold to a NSW client, in a deal worth over $700,000 and slated for completion during FY24.

In June, Pure Hydrogen hosted a launch event in Brisbane and Sydney for the Taurus truck which will be trialled with Pepsi Co Australia from their depot in Brisbane from late 2023. The events were well attended by a mix of customers and government officials, keen to test drive the zero-emission truck.

> **The HFC JJ Waste Garbage Truck being tested for ADR compliance**

Through its strategic investment in H2X

H2X saw continued traction and interest in its range of light-industrial vehicles, with reported secured orders for its hydrogen fuel cell electric vehicles and products totalling US$25.7 million.

In August 2023, H2X secured a cornerstone investor to support its working capital requirements and advance its commercialisation efforts. The agreement with Verde Mobility, will secure an initial US$3.4 million with an option to accept up to US$57 million in funding over the 2024 period, subject to operational milestones.

If operational milestones are met and the initial transaction is complete, Pure Hydrogen's equity interest in H2X Global would be 17%.

> Design Image of the Solo Garbage Truck

COMPANY OVERVIEW

$125 million rental financing initiative to support the take-up of hydrogen electric vehicles and assets

Pure Hydrogen is working with financiers to establish a hydrogen asset rental facility totalling A$125 million. The facility, subject to the completion of a due diligence process, will allow Pure Hydrogen to rent its hydrogen trucks and buses to approved credit customers. The purpose of the facility is to ease the upfront cash burden on companies wishing to embark on a fleet renewal program.

Commercial production of Hydrogen

Pure Hydrogen has ambitions to become the lowest cost hydrogen producer in the medium-term through agreements with cutting-edge hydrogen technology partners. During the year, Pure Hydrogen announced its east-coast hydrogen roadmap with the view to creating a network of hubs along the Eastern seaboard from South Australia up as far as the Northern Territory, Pure Hydrogen intends to produce hydrogen at scale using cutting edge waste-to-hydrogen technology. In the short-term, Pure Hydrogen will produce green hydrogen on a small scale close to customers with the aim of producing turquoise and emerald hydrogen in the medium-term.

Pure Refuelling Stations

Pure Hydrogen is looking to have the first of these stations located proximal to Brisbane and then replicate this across the east coast of Australia. A site has been identified and an electrolyser has been ordered for that location. The refuelling station would make green hydrogen on site and allow customers to refuel their vehicles at this location. The idea is to seed the market and provide a market presence. As demand grows the Company would look to deploy emerald and turquoise hydrogen faculties.

One Emerald site identified during the year was the Moreton Bay Hydrogen Hub north of Brisbane. The project is now expected to be delayed until after the opening of Pure's refuelling station in Brisbane. The site is expected to generate significant investment to the region and jobs for locals across both the construction and commercialisation phases.

Pure Hydrogen is continuing to identify sites that would be suited to the waste-to-hydrogen technology hubs and green micro-hubs. Planning and approval processes for hydrogen technology is a lengthy one and while the company is operating on best endeavours, the timing and outcome of the processes are outside of its control. Pleasingly, there are meaningful comparative examples of sites operating similar technology in highly regulated states and territories around the world and in Australia, so the case for favourable outcomes is building.

Partnership initiatives

Pure Hydrogen's partnering approach allows it to focus on the sale and distribution of hydrogen and maintain a capital light approach to hydrogen production. An example of this includes Pure Hydrogen's agreement with Turquoise Group to advance its Turquoise hydrogen capabilities. Under the agreement Turquoise Group will invest AU$1.6 million and assume management of the turquoise hydrogen project.

With the aim of commercialisation of the technology, in collaboration with French plasma technology company Plenesys, Pure Hydrogen will retain a 40% non-dilutable stake in Turquoise Group for 3.5 years which is the expected commercialisation phase. In addition, Pure Hydrogen will hold the exclusive rights to 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 calendar year 2023, the 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.

> Turquoise Group premises in Darra, QLD

The Plenesys designed AC plasma torch system pilot plant is located at Turquoise Group's Brisbane facilities is aiming is to produce 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 technology.

Turquoise group has secured and set up offices and operational facilities in Darra Queensland (shown in the photo above), approvals are in place, manufacture of key components is complete, with the company on track to commence a commercial demonstration program of its technology in late Q4 2023.

> AC Plasma Torch

> H2X Warrego Ute on display with H2X executives explaining the product to interested parties

Gas Projects

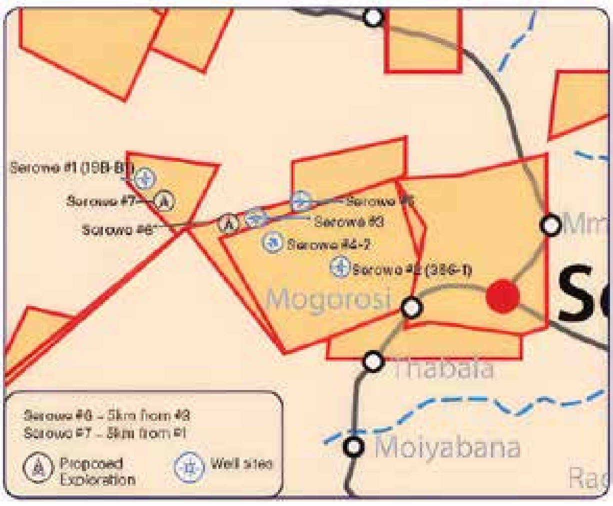
In addition to its hydrogen business, Pure Hydrogen has three significant gas-based energy projects which represent significant value for shareholders. Pure Hydrogen has a net total 12.4 TCF of Prospective Gas Resources, 1,038 BCF of 3C and 548 BCF of 2C Contingent Gas Resources across its asset suite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

Post year-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.

Also, during the year, 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, Botala 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 Botala's tenement holding of ~420,000 hectares.



> **Map of the Serowe Gas Project and well locations**

Windorah Gas Project

After the end of the year, the Company lodged a PCA application in respect of Windorah Project which covered much of ATP927 acreage. The Company has spent significant funds on the Project to achieve an independently certified resource of 330 Bcf 2C Contingent Gas Resources.

Project Venus Surat Basin Walloon CSG:

Project Venus, permit ATP2051 is 100% owed 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 fourth 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:

Walloon Subgroup - Upper Junadah Coal Measures - Contingent Resources PJ		
1C	2C	3C
87.7	130.3	157.9

Share and Options

As of 30 June 2023, the Company had 356,249,721 shares outstanding and the company had over 12,000 shareholders. The Company had 8,650,000 unlisted options as at the end of the reporting period.

Tenements

Pure Hydrogen's tenement holdings at end of 30 June 2023

Project	PH2 Ownership %	Location
ATP 927P	100	Cooper Basin, South West Queensland
ATP2051P	100	Surat Basin, Southern Queensland
Serowe CSG	30[1]	Botswana
ATP 1194P	100[2]	Cooper Basin, South West Queensland
Total		

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

Project Venus

Surat Basin Walloon CSG

Features of Project Venus – Queensland

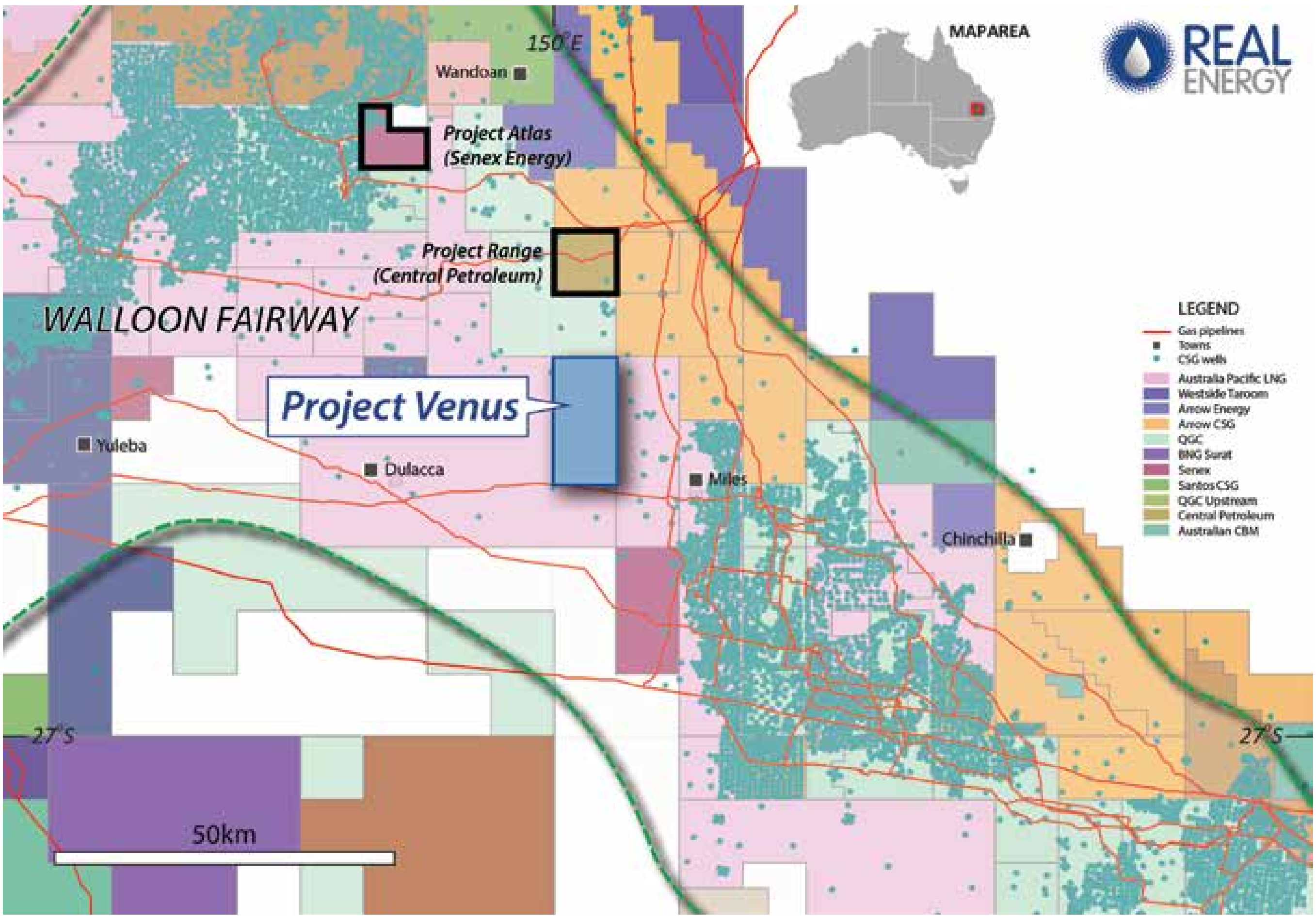
Project Venus, ATP2051 is a 100% owned by Pure Hydrogen. Project Venus contains high quality and very prospective acreage covering 154km² within the main Walloon Coal Seam Gas Fairway, and close to gas infrastructure including gas pipelines. There is significant coal in this permit and the Company believes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

Proving commercial gas flows at Venus 1 could convert the recently certified 130 PJ of 2C gas resources to 2P gas reserves. Converting contingent gas resources to gas reserves would sufficiently underpin a sizeable gas sales contract to justify development of the Venus CSG field and connection to the nearby gas pipeline infrastructure.

The independent review of the Contingent Gas Resources was completed by Sproule International (refer ASX announcement: 4 May 2021). Further upside potential for the Project Venus is the Prospective Gas Resources with Best Estimate Case of over 560 PJ and High Estimate Case of over 675 PJ (refer ASX announcement on 12 December 2019).

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

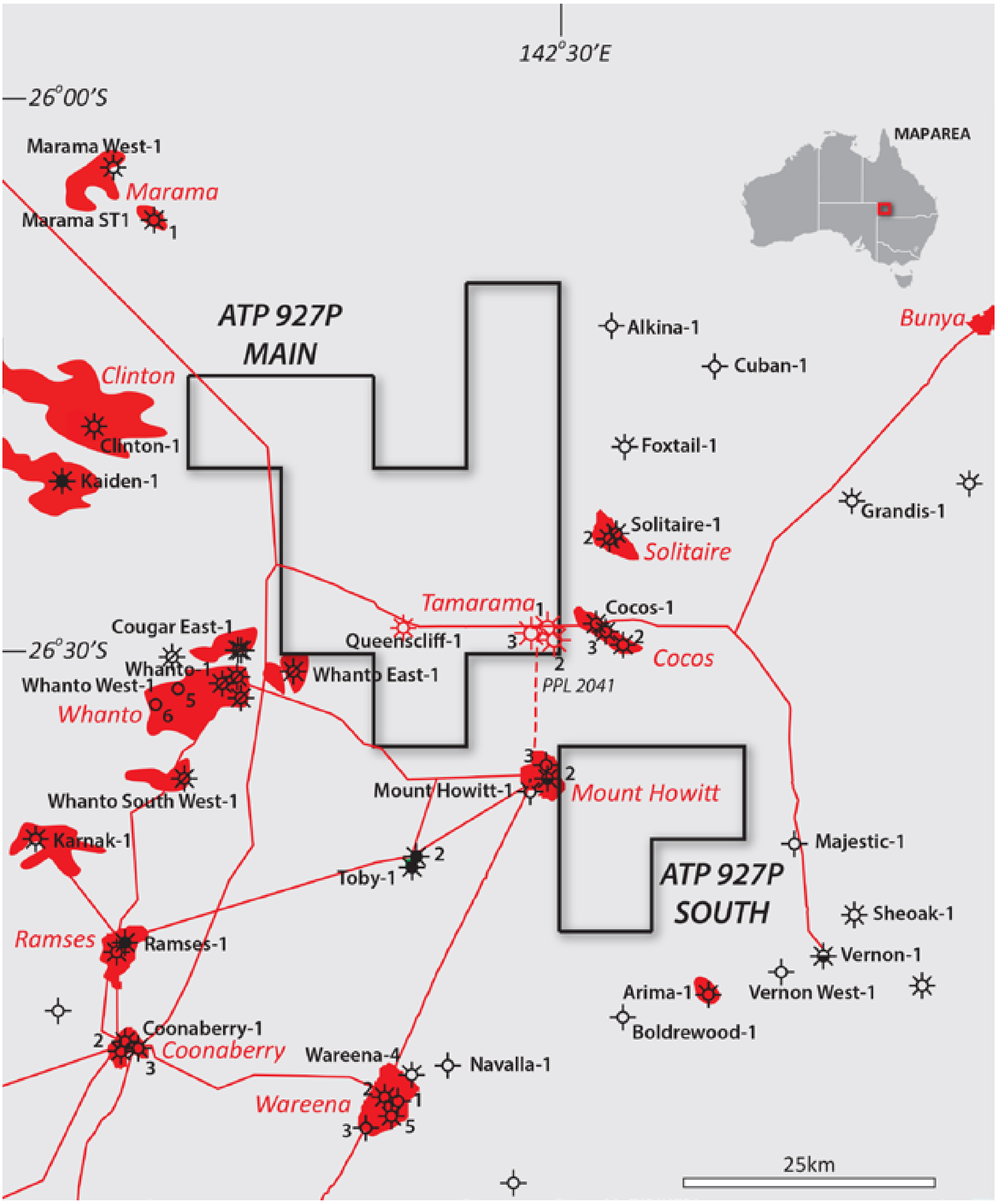
Project Venus	Contingent Resources PJ		
	1C	2C	3C
Walloon Subgroup Upper Junandah Coal Measures	87.7	130.3	157.9



Windorah Gas Project

Features of Windorah Gas Project – Queensland

The Company continues to review development options for the Windorah Gas Project. We are also likely to apply for a PCA or retention license for large parts of the Project. We remain committed to securing funding for this project and are exploring all exploring all available options. The current map outline is shown on the below:



- Estimated are Mean Original Gas-In-Place excluding 2C/3C Resources.
- Gas Volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases.
- Resource estimates independently certified by DeGolyer & MacNaughton (Queenscliff area) & Aeon Petroleum Consultants (Tamarama area)

Directors' Report

The Directors presented their report together with the consolidated financial statements of Pure Hydrogen Corporation Ltd (the 'Company' or 'parent entity'), and its controlled entities for the financial year ended 30 June 2023 (the 'Consolidated Entity' or 'Group').

Principal activities

The principal activities of the Company during the financial year ended 30 June 2023 consisted of continued development as a clean energy focused company seeking to become the leader in the advancement of Hydrogen and Energy Projects through the use of cutting-edge technology processes. It plans to supply hydrogen fuel to both Australian customers and regional Asia Pacific markets, through the production of Green, Emerald and Turquoise Hydrogen. Concurrently, the Company is developing natural gas projects directly in Australia and Botswana and through a strategic investment it holds in a Botswana- focused energy company listed on the Australian Securities Exchange.

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. During the 12 months ended June 30, a significant change in the maturity of these activities was the capital outlay on the hydrogen projects to help diversify the business align with its broader clean energy strategic development targets.

Significant changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial period under review, not otherwise disclosed in this report or the consolidated accounts.

Financial results and position and review of operations

The Company recorded a consolidated profit of $1,411,442 for the year ended 30 June 2023 (FY2022 profit: $388,154). The comprehensive gain resulted from ~$6 million in Research and Development tax incentive claims pertaining to the 2015, 2016, 2017, 2018 and 2019 financial years following settlement of a dispute with the Department of Industry Sciences and the Australian Taxation Office. This amount was recorded as revenue during the period.

The cash and cash equivalent on hand balance was $12.6 million (FY2022 $9.5m).

The Company's expenditure on gas exploration, evaluation and development projects during the year was $1,201,724 in development of its various Hydrogen Hubs and Gas Projects (FY2022: $235,833). The increases in other investments include intake in H2X Global (20.3%) and Botala Energy (19.99%) and the purchase of Hyplasma demonstration test unit to support the Turquoise Hydrogen project. (FY2021: nil)

The Company will continue to focus on controlling costs whilst growing its energy projects and minimise its operations expenses.

Likely Developments and Expected Results

The Company will continue to develop activities described in this report with major emphasis on expanding the Company's business through organic growth.

Further information as to likely developments in the operations of the Company and the expected results of those operations in future years have not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Company.

Dividend

The Directors do not recommend the payment of a dividend and no dividends have been paid or declared or paid by the Company concerning the financial year ended 30 June 2023 (FY2022: $nil).

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which has significantly affected or could significantly affect the operation of the consolidated company in future financial years apart from the following matters:

DIRECTORS' REPORT

On 28 July 2023 Pure Hydrogen announced that it has signed an agreement allowing it to obtain a 60% interest in HDrive International, a leading supplier of zero-emissions vehicles in Australia and New Zealand, including access to global distribution rights. Under the terms of the agreement, Pure Hydrogen will issue shares equivalent to the value of loans and obligations outstanding, amounting to approximately A$2.2 million.

On 31 August 2023, Pure Hydrogen executed a term sheet with a funder to establish a A$125 million equipment finance facility, subject to customary conditions precedent, to support the rental of hydrogen powered Prime Movers and buses. Once established, subject to a successful accreditation process, the facility will allow Pure to offer Hydrogen Fuel Cell trucks to its customers on a multi-year rental basis inclusive of maintenance services.

Directors

The names and particulars of the qualifications and experience of the directors in office during and since the end of the financial year, unless otherwise stated, are as follows:

Ron Prefontaine (Non-Executive Chairman)

B. Sc (University of British Columbia Vancouver, Canada)

Ron Prefontaine has over 40 years of experience in the oil and gas industry, and is the Chairman of Pure Energy Board of Directors. Between 2001 and 2011, he was an Executive and Managing Director of two successful Australian Securities Exchange listed companies, Arrow Energy and Bow Energy. Arrow Energy was taken over in 2010 for $3.5 billion and Bow Energy in late 2011 for $550 million. Ron received his BSc in Geophysics from the University of British Columbia in 1979. His strengths are asset growth recognition and the management of corporate growth. In 2009 Ron received a lifetime achievement award in recognition to his services to the Australian petroleum industry.

Scott Brown (Managing Director)

B. Bus (University of Technology Sydney)
M. Com (University of New South Wales)
Member of the Institute of Chartered Accountants and the Petroleum Exploration Society of Australia

Scott has over 25 years' experience as a director and executive with extensive background in finance and management in public companies. Prior to Pure Hydrogen, Scott was instrumental in the listing of several companies on either US or ASX including Real Energy (ASX: RLE) and Objective Corporation (ASX: OCL). Scott is currently a non-executive director of Trisil Group Limited.

Scott was the CFO of Mosaic Oil NL (ASX: MOS), a public Australian company with an extensive range of oil and gas and production and exploration with interest in QLD, New Zealand and offshore WA. During his time at Mosaic, Scott was involved in the acquisition of production properties and the growth of its business and profitability with the companies, and was instrumental in putting together a Scheme of Arrangement with AGL Energy Ltd to acquire Mosaic for consideration of $142 million.

Scott was also formerly the CFO, Company Secretary and chairman/director with a number of public companies including Turnbull & Partners Limited, Allegiance Mining NL, FTR Holdings Limited, Garratt's Limited, RPM Automotive Group Limited (ASX: RPM). Scott also worked at accounting firms, Ernst Young and KPMG.

Dang Lan Nguyen (Non – Executive Director)

B.Sc. (Baku, Azerbaijan)
M.Sc. - Geology (University of New England)
Member of the Petroleum Exploration Society of Australia and the Society of Petroleum Engineers

Lan is a professional petroleum geologist and engineer with over 25 years' experience in petroleum exploration, development and production in Australia and internationally including 15 years at Mosaic Oil NL, transforming Mosaic to a successful company as Managing Director with growing production revenues, petroleum reserves/resources and profitability. Lan is credited with the discovery and development of many oil and gas fields in the Surat-Bowen Basins through his innovative introduction of various exploration, drilling and completion technologies to Australia.

Lan was the co-founder of Real Energy and is currently a principal/director of Tanvinh Resources Pty Limited and Latradanick Holdings Pty Limited, which provide services to energy and resources companies in Australia and Asia-Pacific region.

Hon. Adam Giles (Non – Executive Director) (Appointed 4 May 2023)

M.Sc. - Geology (University of New England)

Mr Giles was the 10th Chief Minister of the Northern Territory, holding office from 2013 until 2016. During his political career, Mr Giles also held the portfolios of Economic Development, Major Projects, Transport, Infrastructure, Indigenous Affairs and Northern Australia.

As the head of multiple government portfolios, Mr Giles initiated several major infrastructure projects including the rollout of solar power to Indigenous communities, and the establishment of the interstate gas pipeline between the Northern Territory and eastern Australia.

Since leaving politics Adam has held several senior corporate roles, including as CEO of Hancock Agriculture and S Kidman & Co. Mr Giles is also Non-Executive Chairman at Locksley Resources Limited.

Company Secretary

Ron Hollands

B. Bus (University of Technology, Sydney, Australia) & MBA (MGSM, Australia)
Grad. Dip Corporate Governance (CSA)
Member of the Institute of Chartered Accountants, TPB, SMSF Auditor, CPP

Ron is a Chartered Accountant, a Registered Tax Agent and holds a Certificate of Public Practice. Ron has over 30 years' experience in a range of industries including professional practice, financial services and real estate. Ron is currently also the company secretary of Ashley Services Group Ltd (ASX: ASH).

Indemnifying of Officers

During the financial year the Company paid premiums to insure all directors and officers of the Company against possible claims brought against the individual while performing services for the Company and against expenses relating thereto, other than conduct involving a willful breach of duty in relation to the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporation Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings. The Company was not a party to any such proceedings during the year.

Remuneration Report

This remuneration report which formed part of the Director's Report, sets out information about the

remuneration of Key Management Personnel (KMP) of the Group. The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors (wherever executive or otherwise) of the Group.

Remuneration policy

The board's policy for determining the nature and amount of remuneration for Key Management Personal (KMP) of the consolidated entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors was developed by the remuneration committee and approved by the board. All executives receive a base salary (which is based on factors such as length of service and experience) with reference to market conditions and comparisons and superannuation guarantee required by the government. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the consolidated entities strategic objectives and deliver sustainable total shareholder returns.

The board's policy is to remunerate non-executive directors at market rate for comparable companies for time, commitment and responsibilities. The remuneration committee determine payments to the non-executive directors and review their remuneration annually based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

DIRECTORS' REPORT

The remunerations for each KMP of the Company during the year were as follows

FY2023	Cash remuneration		Non cash remuneration	
	Short term remuneration	Long term remuneration		
Name (KMP)	Salaries/fees ***	Super contribution	Share based payment	Total
	$'000	$'000	$'000	$'000
Ron Prefontaine	50	-	-	50
Scott Brown	303	22	29	354
Lan Nguyen °	78	3	9	90
Adam Giles	60	-	9	69
Ron Hollands °	18	-	-	18
Total	**509**	**25**	**47**	**581**

*** Fees payable inclusive of director fees and consultant fees.

° Consultant services were provided based on normal commercial terms and conditions.

FY2022	Cash remuneration		Non cash remuneration	
	Short term remuneration	Long term remuneration		
Name (KMP)	Salaries/fees ***	Super contribution	Share based payment	Total
	$'000	$'000	$'000	$'000
Ron Prefontaine	50	-	-	50
Scott Brown	309	21	-	330
Lan Nguyen °	78	3	-	81
Ron Hollands °	49	-	-	49
Total	**486**	**24**	**-**	**510**

*** Fees payable inclusive of director fees and consultant fees.

° Consultant services were provided based on normal commercial terms and conditions.

Directors Interests

Directors' beneficial interests in shares and options at the end of the reporting period were:

	Balance at beginning of year		Movement during the year		Balance at end of year	
Directors	Ordinary shares	Options	Ordinary shares	Options	Ordinary shares	Options
Ron Prefontaine	16,840,285	1,850,000	1,900,000	(1,700,000)	18,740,285	150,000
Scott Brown	12,825,695	166,667	88,334	4,833,333	12,914,029	5,000,000
Lan Nguyen	7,623,393	-	-	1,500,000	7,623,393	1,500,000
Adam Giles	-	-	-	2,000,000	-	2,000,000
Total	**37,289,373**	**2,016,667**	**1,988,334**	**6,633,333**	**39,277,707**	**8,650,000**

Board committees

To facilitate achieving its objectives, the Board has established 2 sub-Committees comprising board members – the Audit and Risk Committee and Remuneration Committee. Each of these Committees have formal terms of reference that outline the Committee's roles and responsibilities, and the authorities delegated to it by the Board.

Remuneration committee

The Board has established a Remuneration Committee and its role is set out in a formal charter which is available in the Corporate Governance Statement.

The Remuneration Committee is responsible for the evaluation of the Board, Committee and individual Directors' performance. The Chairman of the Remuneration Committee is not the Chairman of the Board and the Committee consists of two members including one independent Non-executive director and one Non-executive director. At the end of the reporting period, they are Ron Prefontaine and Lan Nguyen (Chairman). It is intended that the Committee will meet when required.

Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in monitoring the processes and controls associated with the financial reporting function that ensure the integrity of the company's financial statements. The responsibilities of the Committee are set out in a formal charter..

The Audit and Risk Committee Charter sets out the policy for the selection, appointment and rotation of external audit engagement partners. The Committee makes recommendations to the Board regarding the adequacy of the external audit and compliance procedures. The Committee evaluates the effectiveness of the financial statements prepared for Board meetings. The Committee has the necessary power and resources to meet its responsibilities under its charter, including rights of access to management and auditors (internal and external) and to seek explanations and additional information. The Chairman of the Audit Committee is not the Chairman of the Board and the Committee and ideally will consist of three members including one independent Non-executive director and two Non-executive directors. At the end of the reporting period, the Committee members are Scott Brown and Lan Nguyen (Chairman). It is intended that the Committee will meet at least two times per year or as frequently as required.

Meetings of Directors and committees

The number of directors' and Committees' meetings of the Company held during the year ended 30 June 2023 and the numbers of meetings attended by each director are as follows:

Directors	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ron Prefontaine	6	6	N/A	N/A	-	-
Scott Brown *	6	6	2	2	-	-
Lan Nguyen *	6	6	2	2	-	-

Employees

The company had nine (9) employees at 30 June 2023 (FY2022: seven).

Environmental Regulations and Performance

The Company caring for the environment as an integral part of its business and has a statutory obligation to protect the environment areas when conducting exploration and evaluation activities in accordance with the relevant government legislation. During the reporting period, the Company was not aware of any failure to meet its obligations pursuant to any breach of such legislation or regulations.

DIRECTORS' REPORT

Shares and Options

Total number of fully paid ordinary shares on issue was 356,249,721 and 8,650,000 unlisted options at the reporting day.

Rounding

The consolidated result has applied to the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest $1,000.

Non-audit services

The Board of Directors, in accordance with advice from the Audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- All non-audit services are reviewed and approved by the Audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principal relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standard Board.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 19 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Scott Brown
Managing Director

Sydney, 29 September 2023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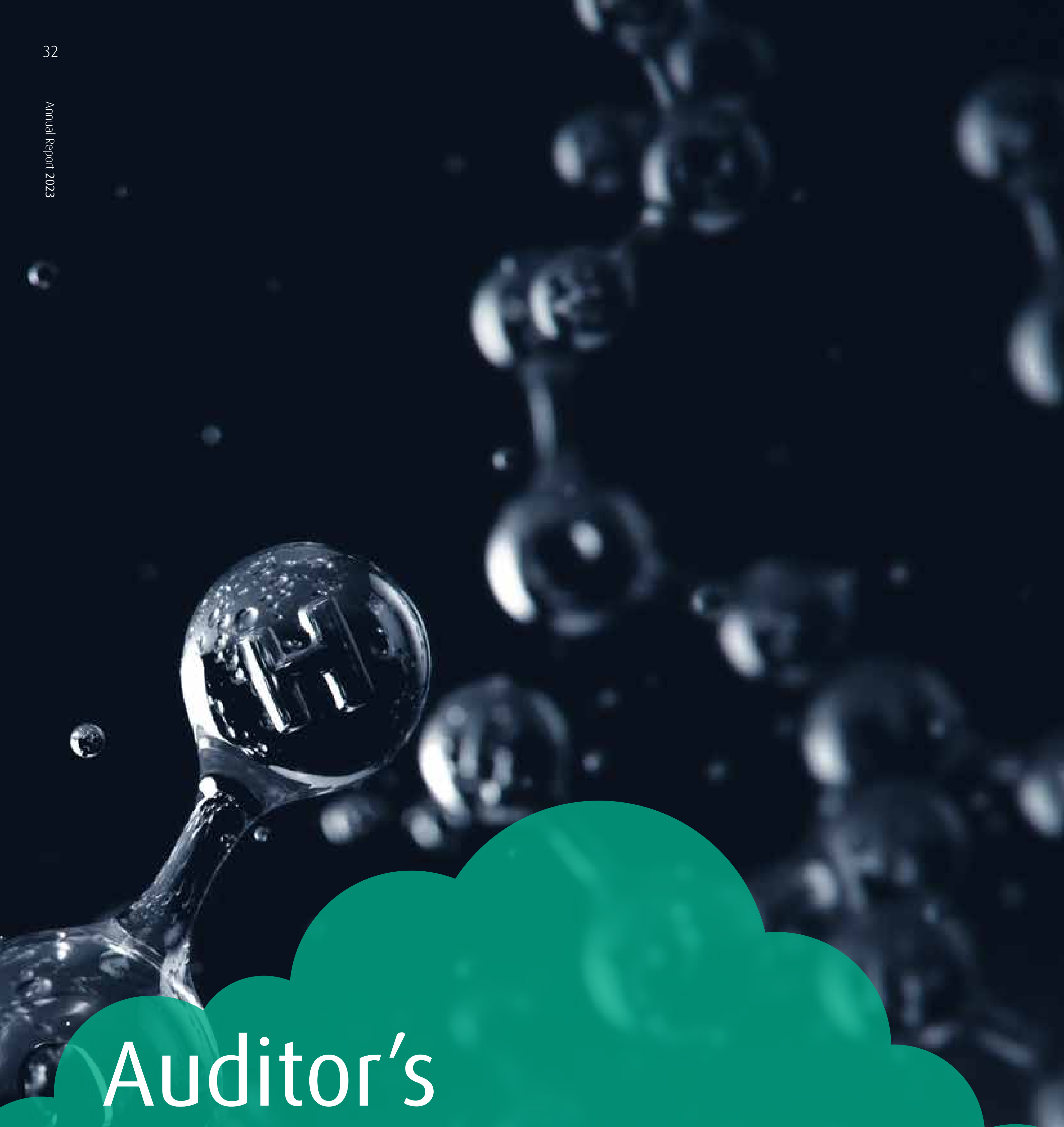

Auditor's Independence Declaration

A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
Sydney NSW 2000

PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099

Email:
add3@addca.com.au
Website:
www.addca.com.au

Auditor's Independence Declaration
Under Section 307c of The Corporations Act 2001
To the Directors of Pure Hydrogen Corporation Limited
ABN 27 160 885 343
And Controlled Entities

I declare that, to the best of our knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the review.

A D DANIELI AUDIT PTY LTD

Sam Danieli

Sydney, 29 September 2023

Financial Statements

PURE HYDROGEN CORPORATION LIMITED

Consolidated Statement of Comprehensive Income as at 30 June 2023

	Notes	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Continuing operations			
Revenue	2	397	43
Government incentive	2	6,240	15
Expenses			
Production & operating expenses		(7)	-
Accounting & legal expenses		(305)	(536)
Depreciation & amortisation expenses		(4)	(2)
Share-based payments		(47)	-
Impairment provision		(1,500)	(100)
Listing & share registry expenses		(202)	(181)
Marketing & adverting		(238)	(238)
Employee & consultant benefits & expenses		(1,482)	(924)
Other operating expenses	3	(411)	(272)
Total operating expenses		**(4,243)**	**(2,253)**
Share of net profit of associates accounted for using the equity method	12	(983)	(315)
Profit/(loss) from continuing activities before income tax		1,411	(2,510)
Other comprehensive income	2	-	2,898
Income tax expense	4	-	-
Total comprehensive income for the period	19	1,411	388
Total changes in equity other than those resulting from transactions with owners as owners		**1,411**	**388**
Earnings per share		**Cents**	**Cents**
Basic earnings per share	23	0.40	0.12
Diluted earnings per share	23	0.40	0.12

The statement of Comprehensive Income should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED

Consolidated Statement of Financial Posiiton as at 30 June 2023

	Notes	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Assets			
Current Assets			
Cash & cash equivalents	5	12,602	9,532
Inventories	6	42	42
Other assets	7	115	35
Trade & other receivables	8	392	381
Total Current Assets		**13,151**	**9,990**
Non-Current Assets			
Property, plant & equipment	9	-	4
Exploration, evaluation & development assets	10	13,134	12,932
Right-of-use assets	11	75	149
Investments in equity affiliates	12	2,253	3,236
Other investments	13	4,812	4,150
Total Non-Current Assets		**20,274**	**20,471**
Total Assets		**33,425**	**30,461**
Liabilities			
Current Liabilities			
Trade & other payables	14	1,496	1,111
Deposits received	15	500	144
Provisions	16	266	248
Total Current Liabilities		**2,262**	**1,503**
Non-Current Liabilities			
Provisions	16	519	597
Total Non-Current Liabilities		**519**	**597**
Total Liabilities		**2,781**	**2,100**
Net Assets		**30,644**	**28,361**
Equity			
Equity contribution	17(a)	83,209	81,762
Reserves	17(b)	50	391
Contributed surplus	18	30,060	30,060
Accumulated profits/(losses)	19	(82,675)	(83,852)
Total Equity		**30,644**	**28,361**

The statement of Financial Position should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED

Consolidated Statements of Changes in Equity for the year ended 30 June 2023

Consolidated Group	Contributed equity $'000	Reserves $'000	Contribution surplus $'000	Accumulated losses $'000	Total $'000
Opening balance 1 July 2021	75,852	503	30,060	(84,244)	22,171
Profit for the financial period	-	-	-	388	388
Transactions with shareholders issue of shares	2,500	-	-	-	2,500
Option issued/exercised	3,410	(112)	-	4	3,302
Balance as 30 June 2022	**81,762**	**391**	**30,060**	**(83,852)**	**28,361**
Opening balance 1 July 2022	81,762	391	30,060	(83,852)	28,361
Profit for the financial period	-	-	-	1,411	1,411
Option exercised/expired	1,447	(341)	-	(234)	872
Balance as 30 June 2023	**83,209**	**50**	**30,060**	**(82,675)**	**30,644**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED

Consolidated Statements of Cash Flows for the year ended 30 June 2023

	Notes	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Cash flow from operating activities			
Interest received		337	42
Other income		6,164	15
Payments to suppliers & employees		(2,572)	(2,012)
Net cash outflow from operating activities	31	3,929	(1,955)
Cash flow from investing activities			
Payments for property, plant & equipment		-	(2)
Payments for exploration & evaluation assets		(1,666)	(425)
Deposit received		500	100
Payments for investments – shares		-	(1,572)
Proceeds from sale of investments – shares		-	720
Transaction costs		-	(24)
Payments for investments - Hydrogen Projects		(944)	(716)
Net cash outflow from investing activities		(2,110)	(1,919)
Cash flow from financing activities			
Options exercised		1,251	3,302
Deposits received		-	4
Net cash inflow from financing activities		1,251	3,306
Net increase/(decrease) in cash held		3,070	(568)
Cash & cash equivalents at the beginning of the year		9,532	10,100
Cash & cash equivalents at the end of the period	5	**12,602**	**9,532**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

A. Basis of preparation

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Standards Board and the Corporations Act 2001.

The financial information has been prepared on an accrual's basis under the historical cost convention and, except where stated, does not take into account current valuations of non-current assets.

Non-current assets are re-valued from time to time as considered appropriate by the Directors and are not stated at amounts in excess of their recoverable amounts. Except where stated, recoverable amounts have been determined using undiscounted cash flows.

(i) Compliance with IFRS

The consolidated financial statements of Pure Hydrogen Corporation Limited comply with Australian Accounting Standards and International Financial Report Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Comparison figures

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements. Where the presentation of items in the financial statements was amended, the comparative amounts have been reclassified where practical.

(iii) New and amended Accounting Standards and Interpretations adopted

During the year ended 30 June 2023, the Group have adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current financial report period. Any new or amended Accounting Standards or Interpretations that were not yet mandatory have not been early adopted.

(iv) Critical accounting estimates and judgements

The Directors evaluated estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and were based on current trends and economic data, obtained both external and within the company. Actual results may differ from these estimates.

B. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of all entities controlled by Pure Hydrogen Corporation Limited ('Parent Entity') as at 30 June 2023. Controlled entity is the entity over which the Parent Entity having the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible were considered when assessing whether the Parent Entity controls another entity.

Acquisitions of businesses were accounted for using the acquisition method. The consideration transferred in a business combination was measured at fair value, which was calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired and the equity interests issued by the Group in exchange for control of the acquired. Acquisition-related costs were recognised in profit or loss as incurred.

NOTE 1. Summary of significant accounting policies (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed were recognised at their fair value, except that:

(i) deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 and AASB 119 respectively;

(ii) liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with AASB 2 at the acquisition date; and

(iii) assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 are measured in accordance with that Standard.

Inter-company transactions and balances, and unrealised gains on transactions between Group companies, were eliminated. Unrealised losses were also eliminated unless the transaction provided evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

C. Going concern

This financial report has been prepared on a going concern basis, which contemplated the continuity of business activities and the realisation of assets and payments of liabilities in the normal course of business.

At the date of signing this report, the Directors are satisfied that the Company has sufficient cash reserves to enable normal business activities to continue operations and believe that the Company will be able to pay its creditors as and when they fall due. The Directors believe the company will be able to raise further funds when it is required and that it is appropriate to prepare the financial report on the going concern basis.

D. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or business under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liability (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

E. Property, Plant & Equipment

Each class of property, plant and equipment is stated at historical cost less, any accumulated depreciation. Historical cost included expenditure that was directly attributable to the acquisition of the items.

Plant and equipment are measured on a cost basis. The carrying value of property, plant and equipment is reviewed annually if appropriate to ensure that it is not in excess of the net recoverable amount.

NOTE 1. Summary of significant accounting policies (continued)

Depreciation

Plant and equipment are depreciated over their estimated useful life using the straight-line method. The principal depreciation rates used are:

Furniture & Fittings	15%
Office equipment	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Right-of-use asset

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use-assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The costs of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a decline of balance over its useful life and the lease term.

F. Trade receivables and payables

(i) Trade debtors

Trade debtors are carried over amounts due less any allowance for doubtful debts. An allowance is raised for any doubtful debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off during the period in which they are identified.

(ii) Payables

These are unpaid amounts for goods and services provided to the Company prior to the end of the financial year. Payables are unsecured and are settled within the time agreed with suppliers.

G. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and service tax (GST) except:

(i) where the amount of GST incurred is not recoverable from the relevant taxation authority.

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as operating cash flows.

H. Cash and cash equivalents

For the purposes of the Statement of cash flows, cash includes:

(i) cash on-hand & cash on-deposit with banks or financial institutions, net of bank overdrafts; and

(ii) investments in money market instruments with less than 180 days to maturity.

All intercompany transactions and balances are eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Parent Entity.

NOTE 1. Summary of significant accounting policies (continued)

I. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave to be settled within 12 months of the reporting date are recognised, and are measured as the amount unpaid at the reporting date at the remuneration rate expected to apply at the time of settlement, including allowances for on costs if applicable, in respect of employees' services up to that date.

A liability for long service leave is recognised and measured as the present value of future payments to be made in respect of services provided by employees up to the reporting date. Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred. The Company does not operate any defined benefit superannuation plan.

J. Capital risk management

The consolidated entity and Pure Hydrogen's objectives are to safeguard their ability to continue as a going concern and to maintain a conservative capital structure so that management can focus on running its core business together with being an attractive company for shareholders and potential investors.The Company will consider the most appropriate use of debt and equity to maximise its returns while maintaining a low-risk capital structure.

K. Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Once an area of interest enters a development phase, historical capitalised exploration expenditure is transferred to capitalised development expenditure.

Where the group acquires an area of interest (through direct purchases or merger), expenditures incurred in the acquisition of the area of interest are capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of definitive feasibility studies or when the production commences.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 1. Summary of significant accounting policies (continued)

L. Share based payments reserves and option reserves

The share-based payments reserve is used to recognise the share-based payment expense compensation at the grant date, and record the grant date fair value of share-based payments and other options grants made by the Company.

M. Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the Income Statement is matched with the profit from ordinary activities after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be used, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary differences are associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be applied.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only where a legally enforceable right of set off exists and the deferred tax assets and liabilities relate to the same taxable entity.

Deferred tax assets are not brought to account unless it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTE 1. Summary of significant accounting policies (continued)

N. Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

O. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Interest revenue is recognised using the effective interest rate method taking into account rates applicable to the financial assets.

P. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Q. Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or less, unless the asset is carried at a revalued amount in accordance with another standard Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

R. Options issued

Total number of 8,650,000 unlisted options are outstanding as at 30 June 2023.

S. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sells the assets (ie. Trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which cash transaction costs are recognised as expenses in profit or loss immediately.

NOTE 1. Summary of significant accounting policies (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financially asset or financial liability. Revisions to expected future net cash flows will necessitate and adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is de-recognised.

(ii) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is de-recognised.

(iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is de-recognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

NOTE 1. Summary of significant accounting policies (continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using the probability-weighted discounted cash flow approach. The probability has been based on:

(i) (i) The likelihood of the guaranteed party defaulting during the next reporting period;

(ii) (ii) The proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and

(iii) (iii) The maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

De-recognition

Financial assets are de-recognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

T. Critical accounting estimates and judgements

Key estimate

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

NOTE 1. Summary of significant accounting policies (continued)

Key judgements

(i) Exploration, evaluation and development expenditure

The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2023

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
NOTE 2.		
a) Revenue		
Interest revenue	361	43
Sales revenue	36	-
Government incentive	6,240	15
Total	**6,637**	**58**
b) Other Comprehensive Income		
Profit from the sale of 21% Interest in Serowe Project	-	2,723
Profit from the sale shares	-	175
Total	**-**	**2,898**
NOTE 3. Other operating expenses		
Insurance	113	80
Consultant services	-	45
Rent expenses	88	22
Other expenses	210	125
Total	**411**	**272**

NOTE 4. Income tax

Reconciliation of income tax expense/(benefit) for the year as follows:

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Net profit/(loss) from continuing operations before income tax expense	1,411	388
Prima facie income tax expense on the profit/ (losses) 30% (FY 2022: 25%)	423	97
Non-deductible items	690	-
Non-assessable items	(1,574)	(817)
Temporary difference	(149)	(70)
Current year tax /(losses) not brought to account	**(610)**	**(790)**
Income tax expense/(benefit)	**-**	**-**
Current year tax /(loss)	(610)	(790)
Add previous year's loss	(45,660)	(44,870)
Less tax losses unable to be recouped	-	-
Add tax loss results from tax amendments	-	-
Total tax losses not brought to account	**(46,270)**	**(45,660)**

Potential future income tax benefits estimated at $46 million (FY2022: $46 million) attributable to Australian tax losses carried forward by the Company and future benefits to exploration expenditure and other timing differences allowable for deduction have not been brought to account in the consolidated accounts at 30 June 2023 because the Directors do not believe it is appropriate to regard full realisation of the future income tax benefits as probable. These benefits will only be obtained if: The consolidated entity derives future assessable income of a nature and of sufficient amount to enable the benefits from the deductions to be realised; and

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2023

NOTE 4. Income tax (continued).

a. The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

b. No changes in tax legislation adversely affect the Company in realising the benefit from the deduction in losses.

c. No change in tax legislation adversely affect the Company in realising the benefit from the deduction in losses.

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000

NOTE 5. Cash & cash equivalents

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Cash at bank	**12,602**	**9,532**

NOTE 6. Inventories

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Materials and supplies	42	42
Total	**42**	**42**

All inventory items held by the Company are in respect of spares and parts involved in drilling operations and are carried at costs in the current and previous financial years.

NOTE 7. Other assets

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Prepayment – Insurance & others	115	35
Total	**115**	**35**

NOTE 8. Trade & other receivables

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
GST refund & trade receivables	182	205
Interest & other receivables	210	176
Total	**392**	**381**

NOTE 9. Plant and equipment

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Office equipment	32	32
Less accumulated depreciation	(32)	(28)
Total office equipment	**-**	**4**

NOTE 10. Exploration, evaluation and development assets

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Opening balance	12,932	12,796
Expenditure incurred during the year	1,202	236
Impairment provision	(1,000)	(100)
Closing balance at 30 June	**13,134**	**12,932**

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2023

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Note 11. Right-of-use assets		
Leased office	155	155
Accumulated depreciation	(80)	(6)
Net carrying value	**75**	**149**

The company has entered a new office lease effective from 9 May 2022 for a 24 months term. In accordance with AASB 16 Leases, the current lease agreement calculated right-of-use assets and have been included in the lease liability.

NOTE 12. Investments in equity affiliates

(a) Information about the Principal Associates

Set out below are the associates of the Company as at 30 June 2023.

Name	Place of business/ country of incorporation	% of ownership interest 2023	% of ownership interest 2022	Nature of relationship	Measurement method	Carrying amount $'000 2023	Carrying amount $'000 2022
H2X Global Ltd	Australia	20.3	23	Associate	Equty method	2,253	3,236

H2X is a hydrogen technology company that focuses on the growing Hydrogen Fuel transportation markets and Hydrogen Fuel Cell Generators which are emerging in the key regions Europe, Asia and Australia.

(b) Commitments and contingent liabilities in respect of Associates

The company has no capital commitment relating to its interest in H2X Global.

(c) Summaried financial information for Associates

The table below provided summarised financial information for H2X Global. Unless otherwise stated, the information disclosed reflects the amounts presented in the financial statement of H2X. They have been amended to reflect adjustments made by the Company when using the equity method, including adjustments for any differences in accounting policy between the Company and H2X.

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Summarised financial position		
Cash and cash equivalent	380	958
Other current assets	1,562	4,942
Total current assets	1,942	5,900
Total non-current assets	5,940	-
Current financial liabilities (excluding trade & other payables, & provisions)	-	-
Other current liabilities	5,654	68
Total current liabilities	5,654	68
Total non-current liabilities	-	-
Net assets	**2,228**	**5,832**

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2023

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000

NOTE 12. Investments in equity affiliates (continued).

Group's shares (%)	20.3%	23%
Group's share of associates' net assets	452	1,341

Reconciliation to carrying amounts

Opening net assets	3,236	-
Investments during the period	-	3,551
Group's share of associates total comprehensive income	(983)	(315)
Group's share of dividends paid by associates	-	-
Disposal during the period	-	-
Group's share of associate closing net assets	**2,253**	**3,236**

NOTE 13. Other investments

Shares in listed companies[1]	2,724	2,724
Turquoise Hydrogen project	1,571	1,203
Hydrogen Eco System	1,017	223
Impairment provision	(500)	-
	4,812	**4,150**

[1] Listed Shares – Botala Energy Ltd (ASX:BTE) 27,236.657 fully paid ordinary shares

NOTE 14. Trade & other payables

Trade creditors	1,086	638
Sundry creditors	410	473
	1,496	**1,111**

NOTE 15. Deposits received

Deposit received - Turquoise Hydrogen Project	500	-
Other deposits	-	144
	500	**144**

NOTE 16. Provisions

Current provisions

Current leave provision	191	174
Current lease provision	75	74
Sub total	266	248

Non-current provisions

Non-current leave provision	69	72
Non-current lease provision	-	75
Rehabilitation provision	450	450
Sub total	519	597
Total provisions	**785**	**845**

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2023

NOTE 16. Investments in equity affiliates (continued).

The current leave provision consists of employee benefits including accrued annual leave and long service leave. For long service leave, it covers all unconditional entitlements where employees have completed the required period of service.

The lease provision arose from adopting AASB16 in regards to its 24 months office lease commencing May 2022. The rehabilitation provision is the expected rehabilitation costs for the five drilled wells being - Tamarama-1, 2, 3, Queenscliff-1 and Venus-1.

NOTE 17. Issued capital & reserves

a) Shares

FY 2023

	No. of shares	Contributed Equity $'000
Existing shares at beginning of the year	343,176,363	81,762
Options exercised, 15 July 2022	38,334	5
Options exercised, 17 August 2022	2,091,670	269
Options exercised, 15 September 2022	2,294,178	295
Options exercised, 19 October 2022	1,677,092	215
Options exercised, 23 December 2022	3,976,250	445
Options exercised, 16 January 2023	2,987,500	217
Options exercised, 13 April 2023	8,334	1
Balance at end of 30 June 2023	356,249,721	83,209
Issuance costs		-
Balance at end of 30 June 2023		**83,209**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

FY 2022

	No. of shares	Contributed Equity $'000
Existing shares at beginning of the year	321,222,705	75,852
Options exercised, 8 November 2021	4,058,924	516
Options exercised, 19 November 2021	7,814,327	2,612
Issued to H2X, 22 November 2021	8,620,690	2,500
Options exercised, 9 December 2021	221,896	92
Options exercised, 1 February 2022	82,472	19
Options exercised, 30 March 2022	774,169	102
Options exercised, 29 April 2022	381,180	69
Balance at end of 30 June 2022	343,176,363	81,762
Issuance costs		(541)
Balance at end of 30 June 2022		**81,762**

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000

NOTE 17. Issued capital & reserves (continued).

b) Options & reserves

Option Reserves		
Beginning balance	391	503
Expiry of options	-	(5)
Options exercised	(388)	(107)
Options granted during the year	47	-
Balance at 30 June	**50**	**391**

There is a total 8,650,000 of unlisted options on issue 30 June 2023 as below:

Company	Number outstanding	Exercise price	Expiry date
Options	150,000	CAD $0.075	6 Dec 2023
Options	6,500,000	AUD $0.50	23 Dec 2025
Options	2,000,000	AUD $0.35	17 Apr 2026

NOTE 18. Contributed surplus

Contributed surplus consists of amounts contributed by the former parents of Strata-X, Inc. over a period of years to fund exploration and development activities. The contribution was considered to be a net investment in Strata-X, Inc. and is classified as equity.

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000

NOTE 19. Accumulated losses

Accumulated profit/(losses) at beginning of the year	(83,852)	(84,244)
Expiry of options	(234)	4
Net profit/(loss) for the year	1,411	388
Accumulated profit/(losses) at end of 30 June	**(82,675)**	**(83,852)**

NOTE 20. Auditor's remuneration

Remuneration of the auditor of the consolidated entities for:

Annual audit	40	30
Half year review	16	15
Other services	26	-
	82	**45**

NOTE 21. Related party transactions

Disclosures relating to key management personnel compensation are set out in the Remuneration Report.

NOTE 22. Contingent assets and liabilities update

The Group is not aware of any contingent assets or liabilities as at the date of this report.

	No. of shares At 30 June 2023	No. of shares At 30 June 2022
NOTE 23. Earnings per share		
Weighted average number of ordinary shares used in calculating basic earnings per share:	351,454,043	333,979,135
	$'000	**$'000**
Net profit after income tax attributable to shareholders	**1,411,442**	**388,269**

	Cents	Cents
Basic earnings per share	0.40	0.12
Diluted earnings per share	0.40	0.12

NOTE 24. Key management personnel (KMP) compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's KMP for the year ended 30 June 2023.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2021 $'000
Short term employee benefits	556	486
Other long-term benefits	25	24
Total KMP compensation	**581**	**510**

NOTE 24. Key management personnel (KMP) compensation (continued).

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chairman and non-executive directors as well as salary and paid leave benefits to executive directors and other KMP.

Other long-term benefits

These amounts represent superannuation paid during the year. Further information in relation to KMP remuneration can be found in the directors' report.

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
NOTE 25. Capital commitments		
Petroleum lease commitments		
Not later than one year	1,000	1,000
Later than one year but not later than two years	2,000	5,000
Later than two years but not later than five years	10,000	-
Later than five years	-	-
	13,000	**6,000**
Office lease commitments		
Not later than one year	75	74
Later than one year but not later than two years	-	75
Later than two years but not later than five years	-	-
Later than five years	-	-
	75	**149**

NOTE 26. Financial risk management

The Company's activities expose it to a variety of financial risks, market risk (including interest rate risk, commodity price risk, equity price risk and currency risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital.

The Company at present does not use derivative financial instruments and did not have any derivative instruments during the year ended 30 June 2023 (FY2022: nil).

The Company uses different methods to measure different types of risk to which it is exposed. Risk management is carried out by the Company under policies approved by the Board of Directors. The Board meets on a regular basis and analyses and discusses the current economic climate and forecasts and provides written principles for overall risk management. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the financial performance of the Company.

NOTE 26. Financial risk management (continued).

(a) Market risks

(i) Foreign exchange risk

The Company has minimal exposure to foreign exchange risk.

(ii) Price risk

The Company does not have any exposure to investment or commodity price risk.

(iii) Interest rate risk – cash flow and fair value interest rate risk

The Company does not have any borrowings and therefore no significant exposure to interest rate risk other that interest it receives on surplus cash invested on deposit. The Company invests in short term deposits and the interest return will be affected by the market rates at the time.

All other assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At the reporting date, the interest rate profile of the Company's cash and cash equivalent (interest-bearing financial instruments) was $12,601,940 (FY2022: 9,531,887) and an increase of 1% in interest rate (decrease of 1%) would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant and the analysis is performed on the same basis as the prior year.

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
Impact on profit or loss		
Interest rate +1%	126	95
Interest rate -1%	(126)	(95)
Impact on equity		
Interest rate +1%	126	95
Interest rate -1%	(126)	(95)

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security in respect of recognised financial assets, is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

(c) Net fair values

TThe fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The net fair values of the financial assets and financial liabilities approximate their carrying values.

No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2023

NOTE 26. Financial risk management (continued).

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through credit facilities. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and matching maturity profiles of financial assets and liabilities.

(e) Capital management

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

The capital structure of the Company consists of equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

The Company's Board reviews the capital structure on an annual basis. As a part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Company may balance its overall capital structure through new share issues or borrowings.

The Company's overall strategy remains unchanged at 30 June 2023.

NOTE 27. Interest in subsidiary

The consolidated financial statements include the financial statements of Pure Hydrogen Corporation Limited and its controlled entities.

Company	Place of Incorporation	Region where business carried on	% of Interest	Principal Activities
Real Energy Corporation P/L	Australia	NSW	100%	Oil & gas exploration
Real Energy Queensland P/L	Australia	QLD	100%	Oil & gas exploration
Pure Energy Corporation P/L	Australia	QLD	100%	Oil & gas exploration
Pure Hydrogen Australia P/L	Australia	QLD	100%	Hydrogen production
Pure Hydrogen Operations P/L	Australia	NSW	100%	Operational support
Pure Hydrogen International P/L	Australia	QLD	60%	Hydrogen production
Emerald Hydrogen P/L	Australia	QLD	100%	Hydrogen production
Caboolture Hydrogen P/L	Australia	NSW	100%	Hydrogen production
Turquoise Group P/L	Australia	QLD	100%	Hydrogen production
HDrive International P/L	Australia	NSW	100%	Hydrogen vehicles
Eromanga Energy P/L	Australi a	QLD	100%	Oil & gas exploration
Strata-X Australia P/L	Australia	QLD	100%	Oil & gas exploration
Strata-X, Inc.	USA	CO	100%	Oil & gas exploration

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2022

NOTE 28. Subsequent events

No matters or circumstances have arisen since the end of the financial year which has significantly affected or could significantly affect the operation of the consolidated company in future financial years apart from the following matters:

On 28 July 2023 Pure Hydrogen announced that it has signed an agreement allowing it to obtain a 60% interest in HDrive International, a leading supplier of zero-emissions vehicles in Australia and New Zealand, including access to global distribution rights. Under the terms of the agreement, Pure Hydrogen will issue shares equivalent to the value of loans and obligations outstanding, amounting to approximately A$2.2 million.

On 31 August 2023, Pure Hydrogen executed a term sheet with a funder to establish a A$125 million equipment finance facility, subject to customary conditions precedent, to support the rental of hydrogen powered Prime Movers and buses. Once established, subject to a successful accreditation process, the facility will allow Pure Hydrogen to offer Hydrogen Fuel Cell trucks to its customers on a multi-year rental basis inclusive of maintenance services.

NOTE 29. Dividend

No dividends have been paid or declared or paid by the Company concerning the year since last annual report period.

NOTE 30. Parent information

(i) Summary financial information

The individual financial statements for the parent entity in FY 2022 show the following aggregate amounts:

	30-Jun-2023 $'000	30-Jun-2022 $'000
Assets		
Current assets	8,746	84
Non-current assets	10,772	19,231
Total assets	**19,518**	**19,315**
Liabilities		
Current liabilities	107	120
Non-current liabilities	1,692	2,698
Total liabilities	**1,799**	**2,818**
Equity		
Issued capital	16,434	14,980
Reserves	45	20
Accumulated profits/(losses)	1,240	1,497
Total equity	**17,719**	**16,497**
Total profit/(loss) during the year	(496)	2,410
Total comprehensive income/(loss)	**(496)**	**2,410**

NOTE 30. Parent information (continued).

(ii) Guarantees

At 30 June 2023, subsidiary Pure Hydrogen Operations Pty Ltd held bank guarantee for the office premises of $24,200. And subsidiary Real Energy Corporation Pty Ltd held bank guarantee for its corporate credit card facility of $20,000.

Subsidiary Real Energy Queensland Pty Ltd has lodged a bank guarantee assurance of $144,000 for ATP927P with QLD Department of Environment and Heritage Protection in regard to its exploration and development activities within that permit.

(iii) Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2023 other than disclosed in note 21 (FY2022: nil).

(iv) Contractual commitments

At 30 June 2023, the parent entity had no contractual commitments for the acquisition of property, plant or equipment (FY2022: nil).

	Consolidated 30-Jun-2023 $'000	Consolidated 30-Jun-2022 $'000
NOTE 31. Reconciliation of cash flow from operations with loss after income tax		
Profit/(loss) of the year	1,411	388
Amortisation and depreciation	4	2
Impairment provision	1,500	-
Option reserve/Share-based payment	47	-
Share of net profit of associate accounted for using equity method	984	-
Non-cash revenue recognition	(22)	(2,723)
Changes in assets and liabilities that involve recognition in the Income Statement		
Decrease/(increase) in receivables	(11)	213
Decrease/(increase) in prepayments	(80)	(17)
Decrease/(increase) in Inventories	-	-
Increase/(decrease) in lease provision	(75)	(149)
Increase/(decrease) in deposit received	-	104
Increase/(decrease) in payables	157	45
Increase/(decrease) in provisions	14	183
Cash flow from operating activities	**3,929**	**(1,954)**

PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2022

NOTE 32. Fair value measurement

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1

Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2

Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3

Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

		As at 30 June 2023		As at 30 June 2022	
	Level	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Financial assets					
Cash & cash equivalents	1	12,602	12,602	9,532	9,532
Other assets	1	115	115	35	35
Inventories	1	42	42	42	42
Trade & other receivables	1	392	392	381	381
Financial liabilities					
Trade & other payables	1	1,496	1,496	1,111	1,111

The financial assets and liabilities of the Company are recognised in the consolidated statements of financial position in accordance with the accounting policies set out in Note 1 in this Report.

The Company considers that the carrying amount of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair value.

NOTE 33. Segments reporting

AASB 8 requires operating Segments to be identified on the basis of internal reports about the components of the group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Pure Hydrogen Corporation Limited. The group operates in one segment, being energy development in Australia and Botswana. Accordingly, under the management approach outlined only one operating segment has been identified and no further disclosure is required in the financial statements.

NOTE 33. Segments reporting (continued).

Segment information:

	For energy developments	
	As at 30 June 2023 $'000	As at 30 June 2022 $'000
Revenue		
Interest income	361	43
- Sales revenue	36	-
Government incentive payment	6,240	15
Total revenue	6,637	58
Expenses	(2,739)	(2,193)
Impairment provision	(1,500)	-
Depreciation & amortisation expenses	(4)	(2)
Share of associate's profit	(983)	(315)
Segment results	1,411	(2,510)
Assets		
Current assets	13,151	9,990
Plant & equipment	-	4
Exploration and evaluation assets	13,134	12,932
Right-of-use assets	75	149
Other investments	7,065	7,386
Total assets	33,425	30,461
Liabilities		
Current liabilities	2,262	1,503
Non-current liabilities	519	597
Total liabilities	2,781	2,100
Net assets	30,644	28,361

NOTE 34. Company details

The registered office and principal place of the Company is:
119 Willoughby Road, Crows Nest NSW 2065

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 35 to 61, are in accordance with the Corporations Act 2001 and:

    (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

    (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated group;

    (c) the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the Corporation Act 2001.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2023.

3. In the Directors' opinions, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Scott Brown
Managing Director

Sydney, 29 September 2023

INDEPENDENT AUDITOR'S REPORT

A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
Sydney NSW 2000

PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099

Email:
add3@addca.com.au
Website:
www.addca.com.au

Independent Auditor's Report
To the Members of
Pure Hydrogen Corporation Limited
ABN 27 160 885 343
And Controlled Entities

Report on the audit of the Financial Report

Opinion

We have audited the consolidated financial report of Pure Hydrogen Corporation Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Investments in equity affiliates	
At 30 June 2023, the group had invested \$2,252,364 into H2X Global Limited resulting in the group having a 20.3% ownership of H2X Global Limited. The acquisition has been accounted as an investment in an associate using the equity method using the principles set out in AASB 128 "Investments in Associates and Joint Ventures". In accordance with AASB 128, the group is deemed to have significant influence under paragraph 5 due to the group holding 20% or more of the entity. Management assess costs incurred during the year and capitalise based on their judgements. Costs incurred include direct costs only. Management has determined to exclude indirect costs included by the Group such as general and administrative costs.	We have evaluated the appropriateness of management's assessment that the deemed consideration invested in H2X Global Limited resulted in significant influence. Our procedures included challenging management on the reasonableness of these assumptions and judgements including: • Whether significant influence is present • Valuation of the investment accounted for using the equity method. Based on our work, we noted no significant issues on the investment accounted for using the equity method.

Capitalisation of current year exploration, evaluation and development costs The group capitalised $1,201,724 in exploration expenditure during the year. Management assess costs incurred during the year and capitalise based on their judgements. Costs incurred include direct costs only. Management has determined to exclude indirect costs included by the Group such as general and administrative costs. Where management has determined incurred costs do not meet the requirements for capitalisation, they have been expensed in full.	We have evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalised and assessed the timeliness of the transfer of assets in the course of development. There were no exceptions noted from our testing. In performing these procedures, we challenged the judgements made by management including: • The nature of underlying costs capitalised as part of the costs of the exploration, evaluation and development asset; and • The allocation of costs to each tenement. Based on our work, we noted no significant issues on the capitalisation of costs incurred.
Impairment consideration of exploration, evaluation and development costs The group incurred further exploration expenditure of $1,201,724 during the period increasing the capitalised asset to $13,133,736 after impairment of $1,000,000. Exploration, evaluation & development costs have been impaired in full where cost were incurred in respect to exploration activities not currently being pursued by management. As detailed in the financial reports, work is continuing with the group focusing on the Windorah Gas Project (ATP927P). This permit has now been extended to 30 September 2023. Management has determined that there are no facts or circumstances that suggest that the carrying amount of the remaining exploration and development asset exceeds its recoverable amount.	We have evaluated the appropriateness of management's assessment that there are no facts or circumstances that suggest the carrying amount of exploration asset may exceed its recoverable amount. Therefore, determined there is no requirement to test for impairment in respect to Windorah Gas Project exploration, evaluation and development costs. Our procedures included challenging management on the suitability and reasonableness of these assumptions, through performing the following: • Review of independent evaluations of geological data; • Review of geological data in respect to independent reports and ASX announcements; • Assessing the budgeted expenditure on further exploration and evaluation of the tenement; and • Assessing the various agreements entered on future production and sales. Based on our procedures, we noted that the exploration, evaluation and development asset is fairly stated.

INDEPENDENT AUDITOR'S REPORT

Cash and cash equivalents

At balance date the Group had cash and cash equivalents totaling $12,601,940 which represents a significant balance to the Group. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to significant level of judgement, however, due to the materiality in the context of the financial statements as a whole, they are considered to be an area of risk in our overall audit strategy.	We have evaluated disclosure and challenged management during our procedures to confirm existence of the asset including: • Documenting and assessing the processes and controls in place to record cash transactions; • Testing and sampling payments to determine they were bona fide payments, were properly authorized and recorded in the general ledger; and • Agreeing 100% of cash holdings to independent third-party documentation.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 16 to 17 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Pure Hydrogen Corporation Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

Sydney, 29 September 2023

Additional Information

Other Information for Shareholders

Additional information required pursuant to the ASX listing rules and not shown elsewhere in this report as follows:

1. Fully paid ordinary shares of Pure Hydrogen Corporation Limited (ASX: PH2).

(a) Distribution of shareholdings at 30 October 2023

Category of holding	Holders	No. of shares	% of capital
1 – 1,000	774	523,776	0.15
1,001 – 5,000	5,171	14,731,492	4.15
5,001 – 10,000	2,367	18,586,190	5.23
10,001 – 100,000	3,582	109,198,736	30.75
100,001 – and over	392	212,121,945	59.72
Total	**12,286**	**355,162,139**	**100.00**

There were 4,021 holders of less than marketable parcel of ordinary shares.

(b) The twenty largest shareholders at 30 October 2023

Shareholder	Holding	%
Mr Ronald Prefontaine & Mrs Annabel Prefontaine	13,050,775	3.67
Citicorp Nominees Pty Limited	11,096,363	3.12
Mr Scott Brown	9,878,853	2.78
Sixth Erra Pty Limited	7,109,914	2.00
Mr Dang Lan Nguyen	5,966,667	1.68
Sharesies Nominee Limited	5,571,150	1.57
BNP Paribas Nominees Pty Limited	5,353,122	1.51
Sixth Erra Pty Limited	5,326,580	1.50
Kabila Investments Pty Limited	4,751,582	1.34
Sino Portfolio International Limited	4,440,000	1.25
Berenes Nominees Pty Limited	4,000,000	1.13
BNP Paribas Noms Pty Limited	3,807,425	1.07
Hooks Enterprises Pty Limited	3,600,000	1.01
Finclear Pty Ltd	2,860,210	0.81
Hainason Holdings Pty Ltd	2,607,048	0.73
Dr Norman Phillip Carey	2,352,941	0.66
Dr Wolf-Gerhard Martinick	2,407,500	0.68
Mr Timothy Lee Hoops	2,339,698	0.66
HSBC Custody Nominees (Australia) Limited	2,295,482	0.65
Mr Ronald Prefontaine	2,130,000	0.60
Total	**100,945,310**	**28.42**

(c) Voting rights

All ordinary shares carry one vote per share without restriction. One a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no voting rights attaching to options.

(d) Substantial holders

At 30 October 2023, there were no substantial shareholders.

ADDITIONAL INFORMATION

Other Information for Shareholders

2. Pure Hydrogen Corporation Limited Options (ASX: PH2)

(a) Distribution of option holdings at 30 October 2023

Category of holding	Holders	No. of shares	% of capital
1 – 1,000	0	0	0.00
1,001 – 5,000	0	0	0.00
5,001 – 10,000	0	0	0.00
10,001 – 100,000	0	0	0.00
100,001 – and over	4	8,650,000	100.00
Total	**4**	**8,650,000**	**100.00**

(b) The twenty largest option holders at 30 October 2023

Optionholder	Holding	%
Brown Brothers Pty Limited	5,000,000	57.8
Adgile Investments Pty Ltd	2,000,000	23.1
TVR Pty Limited	1,500,000	17.3
Mr Ronald Prefontaine	150,000	1.7
Total	**8,650,000**	**100.0**

3. Schedule of petroleum tenements

Permits	Area (sq acres)	Expiry Date	% Interest FY2023	% Interest FY2022
ATP 927P	259,460	30/09/2023	100	100
ATP 2051P	38,054	23/03/2024	100	100
ATP 1194P	255,771	22/11/2026	100[2]	100
Serowe CSG	449,766	31/12/2022-31/03/2024	30[1]	30

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

4. Estimates of Resources

(a) Contingent resources - The estimates of contingent resources are based on the area surrounding the two successful gas wells, Queencliff-1 & Tamarama-1, located within the exploration permit ATP 927P. Discovery status is based on definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007. A summary of the gross estimates of contingent gas resources for ATP 927P is provided below:

Resources Category	BCF (billion cubic feet)
1C	118
2C	330
3C	770

Contingent Resources is based on the summation of 2 reports for the Windorah Gas Project. One estimate prepared by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm in June 2015 in respect of the Queenscliff Area and one estimate prepared by Aeon Petroleum Consultants in respect of the Tamarama area completed in August 2019. Bcf (Billions Cubic Feet) is equal to 1,000 MMcf.

The estimates of contingent gas resources of the Upper Juandah Coal Measures within the Walloon Subgroup for Project Venus (ATP2051) following the drilling of Venus-1 pilot well is provided below:

Resources Category	PJ (Petajoules)
1C	87.7
2C	130.3
3C	157.9

The estimates of Contingent Resources for Project Venus were prepared in accordance with the 2018 Petroleum Resource Management System (PRMS) by Sproule Inc., a leading independent petroleum engineering and certification firm based in Calgary, Canada with offices in Denver, Colorado which has experience working in most of the significant petroleum provinces throughout the world.

(b) Prospective resources - In addition to the Contingent Resources, the mean gross prospective natural gas resources for ATP 927P (adjusted post-renewal) are:

Resources Category	BCF (billion cubic feet)
Prospective OGIP Resources	8,780
Prospective Recoverable Gas Resources	3,498

(c) Recoverable Prospective Gas Resources for Project Venus - ATP 2051P (adjusted post drilling of Venus-1 and assigning of contingent resources to the Upper Juandah Coal Measures) are

Estimates Gross Prospective Gas Resources (Petajoules-PJ)		
LOW	BEST	HIGH
467.3	563.7	675.1

5. Corporate Governance Statement

The Corporate Governance Statement was approved by the Board of Directors on 1 November 2021 and can be viewed at: https://purehydrogen.com.au/wp-content/uploads/2021/10/Corporate-Governance-Statement.pdf

Corporate Directory

Directors

Mr. Adam Giles
(Non Executive Chairman)

Mr. Scott Brown
(Managing Director)

Mr. Dang Lan Nguyen
(Non Executive Director)

Mr. Ron Prefontaine
(Non Executive Director)

Company Secretary

Ron Hollands

Registered Office

119 Willoughby Road
Crows Nest NSW 2065 Australia

ASX Code

PH2

Auditor

A D Danieli Audit Pty Limited
Level 1, 261 George Street
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Taxation Advisers

KPMG
International Towers Sydney 3
300 Barangaroo Ave
Sydney NSW 2000

Internet

www.purehydrogen.com.au

Email

admin@purehydrogen.com.au

Pure Hydrogen

Pure Hydrogen Corporation Ltd
ABN: 27 160 885 343

119 Willoughby Road
Crows Nest NSW 2065 Australia

+61 2 9955 4008
www.purehydrogen.com.au