



ASX ANNOUNCEMENT 29 JULY 2022

JUNE 2022 QUARTERLY ACTIVITIES REPORT

HyTerra Ltd (ASX: **HYT**, the **Company**) is pleased to provide the following update on the Company's activities during the quarter to 30 June 2022.

HIGHLIGHTS

- The Company entered into a binding term sheet with Neutralysis Industries Pty Ltd to make recommended offers to its shareholders. The acquisition marks the beginning of the Company's mission to acquire, develop and operate future-ready energy projects, with a focus on pioneering the exploration and production of natural hydrogen.
- Advanced discussions to dispose of the Company's shareholding in CFT Heilongjiang (HK) Ltd
- HyTerra to raise \$300,000 as a new loan agreement
- Name change to [HyTerra Ltd](#) with the ASX code changed to [HYT](#).

HYTERRA TO ACQUIRE NATURAL HYDROGEN PROJECT

As announced on 8 April 2022, HyTerra Ltd (then known as Triple Energy Limited) executed a binding term sheet pursuant to which the Company has agreed with Neutralysis Industries Pty Ltd ACN 156 261 791 (**NIPL** or **Neutralysis**) to make recommended offers to its shareholders to acquire 100% of Neutralysis (**Acquisition**).

Neutralysis is an Australian based company focused on the development and implementation of hydrogen projects. It has entered into a Joint Development and Earn-in Agreement (**JDA**) with Natural Hydrogen Energy LLC (**NH2E**), a Colorado based limited liability company. NH2E has ownership of an already drilled hydrogen exploration well in Nebraska, USA and is a recognised authority in the science of natural hydrogen.

Under the terms of the JDA, Neutralysis has the ability to acquire a 30% interest in the JDA by expending US\$5 million on work programs agreed between the parties. The amount of USD\$1,671,042 has already been contributed towards Development Costs by Neutralysis to develop and progress the Development Assets. By expending a further US\$15 million, Neutralysis can acquire an additional 21%, to take its equity interest in the JDA to 51%.

Together, HyTerra and NH2E aim to commercialise natural hydrogen sourced from within the earth. Exploring for natural hydrogen is an emerging field in the geosciences and if commercial resources can be developed it has potential to disrupt the existing energy paradigm.

The proposed Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition and satisfying all other requirements of ASX for the reinstatement to official quotation of the Company's shares on the ASX (among other things).

On completion, the Acquisition will amount to a significant change in the nature and scale of the Company's current activities and as such, the Company will be required to obtain approval from its shareholders and to re-comply with Chapters 1 and 2 of the ASX Listing Rules. As part of the Acquisition, the Company proposes to complete a capital raising to raise a minimum of \$5,000,000 and a maximum of \$7,000,000.

About Natural Hydrogen Energy LLC (www.nh2e.com)

NH2E is a pioneer in the field of exploration for geologically occurring hydrogen. Members of their team have completed more than 20 years of research, with extensive knowledge, conclusive data and proven results. Their geologists first predicted and then discovered a new, previously unknown natural phenomenon: many locations along the Earth's crust seep significant quantities of molecular hydrogen gas.



Because it is an odorless, invisible, tasteless, non-toxic and most importantly, a very diffusive gas, naturally occurring hydrogen has long been thought to be rare on Earth. Its quantity was largely underestimated and therefore almost never studied. Recognizing this phenomenon, their scientists continue to work in order to change this misconception and have published data to this effect. Now the situation is quickly evolving such that other researchers have started to study natural hydrogen and are beginning to recognise its significance.

Project Introduction

On completion of the Acquisition, the Company has the ability to acquire a 30% interest in the JDA by expending US\$5 million on work programs (indirectly via Neutralysis) in the hydrogen exploration leases which are governed by the JDA. Set out below is a summary of the hydrogen prospects that are the subject of the JDA.

Rationale

There is a huge market opportunity for an inexpensive, clean, and sustainable source of hydrogen. Natural hydrogen is an emerging and rapidly growing geoscience, as the industry recognises the significance of hydrogen as an energy source, rather than an energy vector. A successful well has the potential to produce for decades and at a lower cost than renewable energy and electrolysis (green hydrogen) or via extraction from fossil fuels (black hydrogen).

Project Location

Since 2018, NH2E have actively been exploring for natural hydrogen near the town of Geneva in Fillmore County, Nebraska, where they hold leases across 2720 acres (see Annexure E for the complete tenement schedule). NH2E selected this acreage based on its extensive experience in hydrogen prospecting across multiple global locations and their understanding of the processes driving natural hydrogen occurrence. In addition to the subsurface prospectivity, a gas pipeline passes through the main cluster of leases and is a potential commercialisation option, as it supplies a nearby ammonia plant that requires hydrogen feedstock.

Exploration

Following initial prospecting work, including ground surveying and geological assessment of the acreage, the world's first exploration well deliberately targeting a new hydrogen resource (Hoarty NE3) was spudded in late 2018 and drilling was completed in early 2019. During drilling, elevated hydrogen readings were observed in Precambrian basement rocks, consistent with the pre-drill prognosis by NH2E. Data collected during drilling and subsequent wireline logging of Hoarty NE3 also indicated increasing hydrogen concentration with depth. Post drilling, the well was suspended for further evaluation.

Testing

In 2021, NH2E entered into a JDA with NIPL to test the existing potential subsurface resources and further explore the leasehold area. The primary objective of the 2021 Hoarty NE3 testing program was to swab the well and recover an original sample of the gases interpreted to be present in the Precambrian basement rocks. Operational issues with tubing and COVID-19 travel restrictions meant that the well was unable to be sufficiently dewatered and the well test program was halted. Remedial work was carried out on the tubing and a successful three week swabbing program took place in early 2022.

2022 Forward Work Programme

The Joint Venture is preparing for the installation of pumping equipment in advance to conducting a long-term well test. This test will provide the key information to define the size, extent and gas composition of the recoverable resource and its commerciality.

Further information on the Acquisition and Project can be found in the ASX Announcement released on 8 April 2022.



SALE OF SUBSIDIARIES - AOLONG JV PROJECT IN HEILONGJIANG

Further to the Company's announcement on 8 April 2022, HyTerra Ltd (then known as Triple Energy Limited) advised that the Company has reached a conditional agreement to dispose of its 100% shareholding in CFT Heilongjiang (HK) Ltd (CFT) for a nominal sum of HK\$10,000 to a PRC-resident individual investor, Mr YANG Jie. CFT is the entity which holds the Company's 80% interest in Heilongjiang Aolong Energy Co. Ltd (Aolong). As previously disclosed, both CFT and Aolong have significant net liabilities.

CHANGE OF NAME TO HYTERRA LTD

At the 2021 AGM held on the 30 June 2022, Shareholders approved to change the name of the Company to HyTerra Ltd. The ASX code was subsequently changed to HYT.

CORPORATE & FINANCIAL

The Company agreed to raise \$300,000 under a new loan agreement to fund working capital requirements. The loans will convert to HYT shares at \$0.02 (subject to shareholder approval) and will attract an interest payment of 6%, paid in cash. Of the total loan funds, funding of \$85,000 was received during the quarter from entities associated to Directors of the Company and subsequent to the quarter an additional \$215,000 is being made available from clients of Indian Ocean Group.

During the Quarter 655,000 Convertible Notes were converted to 34,305,643 shares and 40,281,270 options (on a post consolidation basis).

The Company currently has 55,904,459 shares on issue and 40,281,270 options on issue expiring on the 30 June 2025 at an exercise price of \$0.025.

Subsequent to the end of the quarter the Company successfully completed a consolidation of its securities on a 1:3333 recurring basis.

HyTerra's principal place of business and registered address is: Unit 9, 335 Hay St, Subiaco, WA 6008. Postal address: PO Box 807, Subiaco, WA 6904. Tel: 08 6478 7730. Fax: 08 6478 7739

As of 30 June 2022, the Company's cash balance was A\$118,000 (excluding funds held by legal subsidiaries no longer controlled by HYT).

Trading in the Company's securities remains suspended.

An ASX Appendix 5B for the quarter to 30 June 2022 accompanies this activities report.

This ASX announcement has been authorised by the Board of HyTerra Ltd.

For further information please visit the Company's website at www.hyterra.com or contact:

Avon McIntyre
Executive Director & Chief Technical Officer
+61 403 881 135
avon@hyterra.com

Paul Garner
Non-Executive Director
+61 411 871 487
paul@hyterra.com



ABOUT HYTERRA LTD (ASX: HYT)

The first ASX company with a dedicated focus on pioneering natural hydrogen. Our mission is to create shareholder value by acquiring, developing and operating future-ready energy projects.

 @HyTerra_ASX  HyTerra Ltd

ADDITIONAL ASX LISTING RULE INFORMATION

Listing Rule 5.4.3

1. Petroleum tenements held at the end of each quarter and their location.

N/A – The Company does not directly hold any petroleum tenements.

HyTerra legally holds an 80% legal interest in a Cooperative Joint Venture (CJV, known as Aolong Energy) with LongMay Coal Mining Company (LongMay), one of China's largest State-owned coal mining companies. As disclosed in the quarterly activities report, however the Company's Directors have formed the view that HyTerra no longer controls its subsidiaries in China and have reached a conditional agreement for their sale.

2. Petroleum tenements acquired and disposed of during the quarter and their location.

As noted – The Company no longer controls the subsidiaries which hold its interests in the LongMay joint venture and has reached a conditional agreement for their sale.

As announced by the Company on 8 April 2022, the Company has signed a binding terms sheet (subject to conditions including Shareholder and regulatory approval) to make offers to acquire 100% of Neutralysis Industries Pty Ltd, which holds rights under a Joint Development and Earn-in Agreement (JDA) with Natural Hydrogen Energy LLC. The JDA covers assets including mineral leases in Nebraska and South Carolina as detailed in Annexure to the 8 April 2022 Announcement.

3. Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.

None.

4. The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter.

None.

Listing Rules 5.3.1 & 5.3.5

There was no exploration expenditure (other than costs included within staff costs).

Payments to related parties of \$110,000 comprise payment of directors fees and consulting fees.



Appendix 5B

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

Name of entity

HyTerra Ltd (formerly Triple Energy Ltd)

ABN

38 116 829 675

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(110)	(110)
	(e) administration and corporate costs	(99)	(99)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(209)	(209)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Rental Deposit	(11)	(11)
2.6	Net cash from / (used in) investing activities	(15)	(15)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	85	85
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	85	85

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	327	327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(209)	(209)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	85	85
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	188	188

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	188	327
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	188	327

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

7.	Financing facilities	Total facility amount at quarter end \$A'ooo	Amount drawn at quarter end \$A'ooo
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	300	85
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	300	85
7.5	Unused financing facilities available at quarter end		215
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The Company has arranged to borrow a total of \$300,000 (unsecured) from a number of private investors (including \$85,000 from parties related to Directors of the Company) at an interest rate of 6%, proposed to be repaid through the issue of ordinary securities upon relisting (subject to approvals). As at 30 June 2022 \$85,000 had been drawn down from parties related to Paul Garner and Avon McIntyre, Directors of HyTerra Ltd. Note – excludes convertible notes.		

8.	Estimated cash available for future operating activities	\$A'ooo
8.1	Net cash from / (used in) operating activities (item 1.9)	(209)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	-
8.4	Cash and cash equivalents at quarter end (item 4.6)	118
8.5	Unused finance facilities available at quarter end (item 7.5)	215
8.6	Total available funding (item 8.4 + item 8.5)	333
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.6
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Operating cashflows have been minimised and deferred where possible, pending the completion of new material financing and investment transactions.	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Refer TNP announcement dated 20 March 2022 and subsequent.	

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

Answer: Yes

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

Compliance statement

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

Date: 29 July 2022

Authorised by: Alex Neuling, Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.