

ASX / MEDIA RELEASE: 31 January 2024

## DECEMBER 2023 QUARTERLY ACTIVITIES REPORT

HyTerra Ltd (ASX: HYT) (**HyTerra** or the **Company**) provides the following report on the Company's activities for the quarter ended 31 December 2023.

### Executive Director, Avon McIntyre commented:

*"During the quarter, HyTerra received the independent maiden prospective resource assessment of the Project Nemaha leases from Sproule Incorporated. This is a major step in quantifying the potential subsurface Hydrogen resource. Additionally, we are excited to be able to add Helium to our prospective resource base. This assessment allows us to high-grade our existing exploration lease portfolio and drilling candidate locations for a 2024 exploration program."*



### HIGHLIGHTS

- Successful share placement raising \$916,000 (before costs) to progress the Company's exploration activities and strengthen its position in the Mid-West, USA.
- Hyterra delivers maiden independent Prospective Resource estimate of hydrogen and helium within 100% held Project Nemaha leases in Kansas, USA

### NEMAHA RIDGE | 100% OWNED AND OPERATED

On 13 December 2023, the Company announced that Sproule Incorporated, a specialist global energy consulting and advisory firm completed an independent prospective resource assessment of the Company's 100% owned and operated Nemaha Ridge leases in Kansas. Sproule's Independent Resource Report was completed after its extensive review of geophysical, geological and wells data in the area.

For Hydrogen, the independent resource report estimated a P50 Net Hydrogen Prospective Resource of 100.2 BCF (237,543 tonnes) with a minimum (P90) of 47.1 BCF (111,738 tonnes) and a maximum (P10) of 238.4 BCF (565,390 tonnes)\*.

In addition to being prospective for hydrogen, the Nemaha Ridge is cored by Precambrian granites which are capable of generating helium and the elements required for a helium system are present. There are documented occurrences of helium within the play area and further along the Nemaha Ridge. The independent resource assessment of the Company's leases also included helium, with a P50 volume of Helium Prospective Resources of 0.47 BCF with a P90 volume of 0.04 BCF and a P10 volume of 1.63 BCF\*.

**\*Cautionary Statement:** The estimated quantities of natural hydrogen and helium that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal, and evaluation is required to determine the existence of a significant quantity of potentially recoverable natural hydrogen and helium.

Aggregated unrisks prospective resource volumes for each of the main prospect areas was calculated and summarised as below\*.

Table 1: Aggregated Net Recoverable Prospective Hydrogen Volumes

Prospect	Reservoir	<u>MMscf</u> P90	<u>MMscf</u> P50	<u>MMscf</u> P10
Central Geary	All	3,747	8,246	19,962
Eastern Geary	All	10,634	22,981	56,904
Morris North	All	32,514	68,333	160,019
Zeandale	Lansing	215	591	1,490
<b>Total</b>	<b>All</b>	<b>47,110</b>	<b>100,151</b>	<b>238,375</b>

Table 2: Aggregated Net Recoverable Prospective Hydrogen weight equivalent (Kg)

Prospect	Reservoir	<u>Kg</u> P90	<u>Kg</u> P50	<u>Kg</u> P10
Central Geary	All	8,887,319	19,558,270	47,346,856
Eastern Geary	All	25,222,246	54,507,470	134,967,715
Morris North	All	77,118,309	162,075,581	379,540,959
Zeandale	Lansing	509,948	1,401,763	3,534,056
<b>TOTAL</b>	<b>All</b>	<b>111,737,822</b>	<b>237,543,083</b>	<b>565,389,585</b>

Table 3: Net Recoverable Prospective Helium Volumes

Prospect	Reservoir	<u>MMscf</u> P90	<u>MMscf</u> P50	<u>MMscf</u> P10
Central Geary	Basement	3	37	134
Eastern Geary	Basement	8	93	312
Morris North	Basement	25	328	1,138
Zeandale	Basement	1	13	45
<b>Total</b>	<b>Basement</b>	<b>37</b>	<b>471</b>	<b>1,629</b>

**\* This estimate of Prospective Resources must be read in conjunction with the notes below. Refer to the Cautionary Statement on Page 1 of this announcement.**

Notes:

1. This resource statement presents HyTerra's Prospective Resources. HyTerra currently has no Reserves and no Contingent Resources.
2. Estimates are assessed to comply with the ASX Listing Rules for Prospective Resources and SPE-PRMS 2018. In August of 2022 the Society of Petroleum Engineers (SPE) published a statement on its website extending the PRMS principles to non-hydrocarbons such as hydrogen and helium and this evaluation follows that guidance.
3. Probabilistic methods are used to prepare the estimates. The distribution of the estimates is the "full distribution" and has not been truncated by application of the MEPS (minimum economic pool size concept).
4. This resource statement: is based on, and fairly represents, information and supporting documentation prepared by qualified petroleum reserves and resources evaluators.
5. Hyterra engaged independent experts Sproule to evaluate reserves and resources.
6. Refer to the ASX release dated 13 December 2023 for full details with respect to the Prospective Resource estimate and applicable Cautionary Statement.

Figure 1 below is the location map of HyTerra’s current Project Nemaha exploration leases in Eastern Kansas; overlain by roads, railroads, gas pipelines and location of historic hydrogen occurrence wells. The four main prospect areas are (from north to south): Zeandale, Eastern Geary, Central Geary and Morris North.

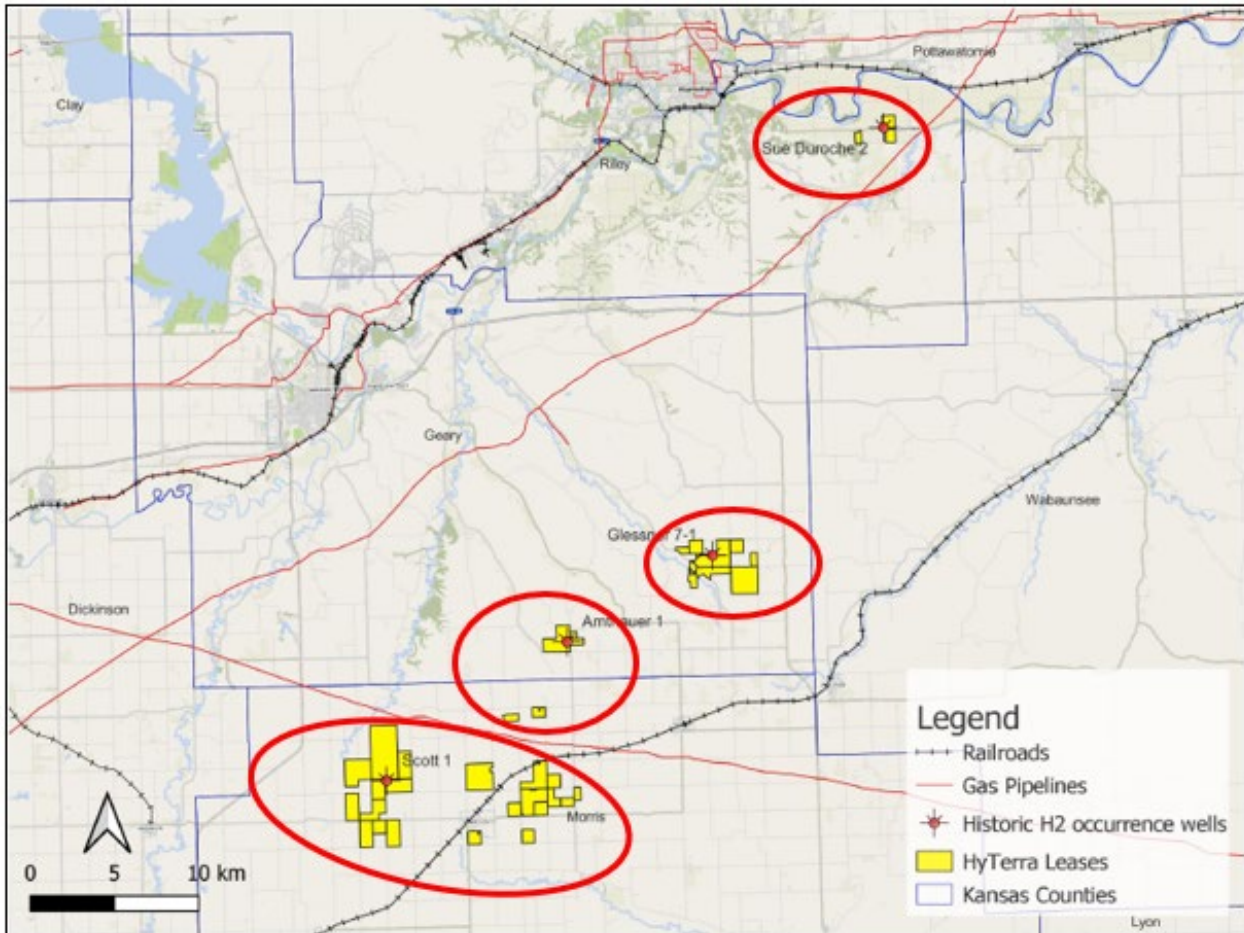


Figure 1: Project Nemaha location map

### PROJECT GENEVA | JOINT DEVELOPMENT, 16% WORKING INTEREST

The joint development partners are awaiting the provision of key data and metrics to make a joint decision on flow testing operations and the work program going forward. Upon receipt of this data and completion of required interpretation, HyTerra will update the market accordingly.

## CORPORATE & FINANCIAL

### CORPORATE

During the quarter, the Company successfully completed a Share Placement to raise A\$916,000 before costs through the support of its existing shareholders and new professional and sophisticated investors. In total, the Company issued 45,800,000 fully paid ordinary shares at an issue price of

A\$0.02 per Share and 30,533,334 free-attaching options issued on a 2-for-3 basis for shares subscribed for in the Placement. The Options were listed on ASX and are exercisable at \$0.03 on or before 31 October 2025. The Placement Shares will rank equally with HyTerra's existing fully paid shares.

The funds raised from the Placement enable HyTerra to progress its exploration activities and strengthen its position in the Mid-West, USA.

Indian Ocean Securities Pty Limited acted as Lead Manager and broker to the Placement. Fees payable were 6% of the total value of the Placement. In addition, the Company issued 15 million Options to Indian Ocean on the same terms as the Placement Options.

### FINANCIAL

On 25 October 2023, the Company held a General Meeting and all resolutions were carried. Following shareholders approval at the meeting, the Company issued 38,000,000 ZEPOs to HyTerra directors.

On 17 November 2023, the Company announced that 35,100,000 ordinary shares and 154,000,000 options (\$0.025, expiring 30 June 2025) were released from escrow.

On 21 November 2023, the Company applied for the quotation of 197,350,000 options that are exercisable at \$0.025 on or before 30 June 2025.

The Company now has 606,502,882 fully paid ordinary shares on issue, all of which have voting rights.

As of 31 December 2023, the Company's cash balance was ~\$795,000.

## ADDITIONAL ASX LISTING RULE INFORMATION

### LISTING RULES 5.4.1 & 5.4.5 | Exploration expenditure & related parties payments

Exploration expenditure during the quarter of A\$331,000 related to payments to technical consultants, prospective resource assessment, leasing costs at Nemaha Ridge and the purchase of multi-client seismic data across the Nemaha Ridge area.

Payments to related parties of \$160,000 comprise payment of executive and non-executive directors' fees.

### LISTING RULE 5.4.3 | Tenements held and acquired during the quarter

#### 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 B in the Company's prospectus. The Company does not directly hold any of these leases.

#### Kansas, USA

During the quarter, the Company increased its 100% working interest to 9,606 acres of lease holdings in Riley, Geary and Morris Counties, Kansas, USA. Leases have been assigned to the Company's wholly owned USA subsidiary HYT Operating LLC which holds the sole and exclusive right to explore for and produce minerals, oil and gases (including hydrogen and helium).

Lease Area	County / State	Net acres and interest at the beginning of the quarter	Net acres and interest at the end of the quarter
Nemaha Ridge	Riley, Kansas	341 acres   100%	341 acres   100%
Nemaha Ridge	Geary, Kansas	2560 acres   100%	2560 acres   100%
Nemaha Ridge	Morris, Kansas	6665 acres   100%	6705 acres   100%

### LISTING RULE 5.4.3 | Beneficial percentage in farm-in agreements acquired during the quarter

Pursuant to the terms of the JDA with NH2E, the Company maintained its beneficial interest at 16.03% during the quarter by spending USD \$0. The JDA covers assets including mineral leases in Nebraska and South Carolina as detailed in Annexure B in the Company's prospectus. The Company does not directly hold any of these leases.

Agreement	Project Location(s)	Working interest at the beginning of the quarter	Working interest at the end of the quarter
JDA with NH2E	Nebraska & South Carolina	16.03%	16.03%

**LISTING RULE 5.4.4 | Use of Funds**

HyTerra's securities were re-admitted to trading on the ASX on 2 December 2022. The 31 December quarter is included in a period covered by a Use of Funds statement in a prospectus lodged with ASX under Listing Rule 1.a, condition 3. A comparison of the Company's expenditure against the estimated Use of Funds statement is set out below as required under Listing Rule 5.4.4.

Expenditure Item	Use of Funds (2 years) \$'000	Actual to 31 December 2023 \$'000	Variance \$'000
Hoarty NE3 Well Test	750	1,593	(843)
Seismic Survey	750	-	750
Gravity survey	69	288	(219)
Operational expenses	417	720	(303)
Additional leases	694	559	135
Geochemical survey	278	-	278
Contingency	556	-	556
Expenses of the Offer	679	694	(15)
Corporate and administration	1,713	2,107	(394)
<b>Total</b>	<b>5,905</b>	<b>5,961*</b>	

\* The total expenditure spent to date is higher than the total expenditure in the Use of Funds statement included in the Prospectus due to the Company raising \$916,000 (before costs) in the December quarter to progress the Company's exploration activities and strengthen its position in the Mid-West, USA.

**Notes:**

- Use of Funds covers a 2-year period whereas current actual expenditure principally covers the period since reinstatement (December 2022).
- Material variance for expenditure related to the 'Hoarty NE3 Well Test' are due to:
  - an unfavourable Australian dollar/US dollar exchange rate
  - the complexity of operating and testing a deep wellbore
  - the necessity for further data that has strengthened the Company's understanding of hydrogen testing and resource development
- Material variances for expenditure related to the 'Gravity Survey' are due to:
  - Survey area expanded to acquire data supporting 'Additional leases' acquired during the quarter

**This ASX announcement has been authorised by the Board of Directors.**

**For further information please visit the Company's website at [www.hyterra.com](http://www.hyterra.com) or contact:**

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## COMPETENT PERSON STATEMENT

The resources estimate information and supporting documentation referred to in this announcement was reviewed by HyTerra's Chief Technical Officer and Executive Director, Mr Avon McIntyre, who is a full-time employee of the Company. Mr McIntyre is a qualified oil and gas geologist with over 20 years of international experience. He has extensive experience of oil and gas exploration, appraisal, strategy development and reserve/resource estimation. Mr McIntyre has a BSc, MSc and PhD in geology from The University of Waikato, New Zealand and is a member of The Society of Petroleum Engineers (SPE). Mr McIntyre is qualified in accordance with the ASX Listing Rules and has consented to the form and context in which this statement appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## ABOUT HYTERRA LTD

The first ASX listed company with a focus on pioneering the exploration and production of natural hydrogen. HyTerra has an earn-in interest in a Joint Development with Natural Hydrogen Energy LLC which includes the world's first wildcat well targeting natural hydrogen in Nebraska, USA. HyTerra also holds 100% owned and operated leases on the Nemaha Ridge, Kansas, USA.

## Appendix 5B

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

Name of entity

HyTerra Ltd

ABN

68 116 829 675

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(19)	(144)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(244)	(752)
	(e) administration and corporate costs	(181)	(804)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	27
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(441)</b>	<b>(1,673)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	(516)
	(c) property, plant and equipment	-	(7)
	(d) exploration & evaluation	(312)	(2,424)
	(e) investments	-	-
	(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(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	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(312)</b>	<b>(2,947)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	916	916
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	(59)	(59)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(6)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>857</b>	<b>851</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	697	4,590
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(441)	(1,673)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(312)	(2,947)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	857	851
4.5	Effect of movement in exchange rates on cash held	(6)	(26)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>795</b>	<b>795</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	795	697
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>795</b>	<b>697</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(160)
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.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		
	N/A		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(441)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(312)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(753)
8.4	Cash and cash equivalents at quarter end (item 4.6)	795
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	795
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.06</b>
	<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?	
	Yes.	
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?	
	The Board regularly evaluates market appetite for equity financing and believes that the Company will be able to continue to access funding as required.	

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?

Yes, the Company expects to be able to continue its operations and meet its business objectives based on the current cashflow forecast prepared for internal purposes and the capital raising per 8.8.2 above.

*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: 31 January 2024

Authorised by: The Board of HyTerra Ltd  
(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.