

WHITE HYDROGEN. A WORLD OF OPPORTUNITY.

ASX / MEDIA RELEASE: 30 April 2024

MARCH 2024 QUARTERLY ACTIVITIES REPORT

HyTerra Ltd (ASX: HYT) (**HyTerra** or the **Company**) is pleased to provide the following update on the Company's activities during the quarter to 31 March 2024.

Executive Director, Avon McIntyre commented:

"During the quarter, HyTerra's primary focus was on subsurface evaluation of high-priority areas and funding of the 2024 workplan and budget for our Project Nemaha leases in Kansas. We are delighted to work with RM Corporate Finance to achieve this, and we are progressing our ambition to drill two wells in Kansas this year. The results from these wells will be highly informative of not only the hydrogen and helium potential of the Nemaha Ridge area, but will be of great interest to those closely watching this exciting new area of the energy sector"



QUARTERLY EVENTS | ASX RELEASES

- Change of Share Registry | 29 February 2024
- Funding secured for Hydrogen & Helium Drilling Program | 28 March 2024

PROJECT NEMAHA | 100% OWNED AND OPERATED

In March 2024, Hyterra announced it had appointed RM Corporate Finance Pty Ltd (ACN 108 084 386) as the Lead Manager for a fully underwritten capital raise of approximately A\$6.1 million.

Funds raised will be used to continue leasing high-priority areas, execute exploration activities along the Nemaha Ridge, Kansas, USA, and pursue growth opportunities. The drilling campaign in Kansas is planned to begin in Q3'2024.

The capital raise was comprised of a placement and a fully underwritten non-renounceable rights issue to raise approximately A\$6.1 million, with all shares to be issued at A\$0.018 per share.

The Company received firm commitments to raise up to \$878,400 before costs via the issue of approximately 48.8 million fully paid ordinary shares in the capital of the Company (**Placement**). Subsequent to the quarter end, the Company completed the Placement and issued a total of 48.8 million fully paid shares pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 (38,529,712 ordinary shares) and 7.1A (10,270,288 ordinary shares).

The Lead Manager received a cash fee equal to 6% of the total gross proceeds raised under the Placement and will be 24,000,000 Options (each exercisable at 4 cents each on or before 30

WHITE HYDROGEN. A WORLD OF OPPORTUNITY.

November 2027) (RM Options), the issue of which is subject to shareholder approval at the Company's Annual General Meeting.

In conjunction with the placement, the Company is undertaking a pro-rata non-renounceable rights issue of four shares for every nine existing shares held by eligible shareholders at an issue price of \$0.018 each to raise up to approximately \$5.24 million (**Offer**). Shareholders whose registered address is in Australia, Greece, Malaysia, New Zealand, or the United Kingdom were eligible to apply. A total of approximately 291,245,725 New Shares will be issued pursuant to the Rights Issue and all New Shares issued will rank equally with existing shares on issue.

The Offer was fully underwritten by RM Corporate Finance Pty Ltd (ACN 108 084 386) (RM Corporate or Underwriter) in accordance with the underwriting agreement between the Company and the Underwriter (Underwriting Agreement). The Company agreed to compensate the Underwriter by paying a cash fee (comprising a 1% management fee and a 5% lodgement fee), 666,666 Shares (which will be issued by utilising the Company's placement capacity under Listing Rule 7.1 following the completion of the Rights Issue) and 72,000,000 Options (each exercisable at 4 cents each on or before 30 November 2027) (Underwriter Options), to be issued subject to shareholder approval at the Company's Annual General Meeting.

The Underwriter has entered into a sub-underwriting agreement with Director, Mr. Benjamin Mee to sub-underwrite the Rights Issue up to the value of A\$120,000 (being 6,666,666 New Shares) (Sub-Underwriting Agreement). Mr Benjamin Mee will receive a 4% sub-underwriting fee on the amount sub-underwritten and (subject to shareholder approval) 600,000 Underwriter Options. The Underwriter will be responsible for any fees payable to any sub-underwriters or other parties involved in the Rights Issue introduced by the Underwriter.

The Offer closed at 5:00pm WST on Monday, 29 April 2024 and the Company is currently finalising all valid applications under the Offer and will be providing an update to the market in due course.

PROJECT GENEVA | NON-OPERATED, 16% WORKING INTEREST

As noted in previous Quarterly reports, the Company is awaiting the provision of key data from the Operator to make a joint decision on flow testing operations, the work program going forward and the future of this Project for the Company. Despite several follow ups, the Company is yet to receive the key data from the Operator and upon receipt, HyTerra will update the market accordingly.

CORPORATE & FINANCIAL

CASH BALANCE

As of 31 March 2024, the Company's cash balance was \$389,000. The Company currently has 560,702,882 fully paid ordinary shares on issue and 229,500,000 options on issue expiring on the 30 June 2025 at an exercise price of \$0.025 plus the new options issued in the placement late 2023.

WHITE HYDROGEN. A WORLD OF OPPORTUNITY.

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\$253,000 related to payments to Sproule, technical consultants, landman and leasing costs at Nemaha Ridge.

Payments to related parties of \$41,000 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 continued to evaluate the subsurface to prioritise areas of interest to prepare for the next tranche of leasing. The current 100% owned and operated lease holding is 9,606 acres in Riley, Geary and Morris Counties, Kansas, USA. These leases are 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	6705 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. 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 March 2024 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.

WHITE HYDROGEN. A WORLD OF OPPORTUNITY.

Expenditure Item	Use of Funds (2 years) \$'000	Actual to 31 March 2024 \$'000	Variance \$'000
Hoarty NE3 Well Test	750	1,593	(843)
Seismic Survey	750	-	750
Gravity survey	69	288	(219)
Operational expenses	417	973	(556)
Additional leases	694	559	135
Geochemical survey	278	-	278
Contingency	556	-	556
Expenses of the Offer	679	694	(15)
Corporate and administration	1,713	2,261	(548)
Total	5,905	6,368*	

* 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.

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

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

Avon McIntyre
Executive Director & Chief Technical Officer
avon@hyterra.com

Benjamin Mee
Executive Director
ben@hyterra.com

ABOUT HYTERRA LTD

The first ASX listed company with a focus on the exploration and production of natural hydrogen, made naturally by the Earth and also referred to as geologic or white hydrogen. HyTerra has an earn-in interest in a Joint Development with Natural Hydrogen Energy LLC which includes a wildcat well targeting natural hydrogen in Nebraska, USA. HyTerra also holds 100% owned and operated leases on the Nemaha Ridge, Kansas, USA, near to major industrial hubs in the USA. HyTerra considers these leases prospective for natural hydrogen and helium resources and ready for exploration activity. As a first mover, HyTerra looks forward to exciting times in a marketplace globally motivated with demand for renewable energy.

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 March 2024

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	(1)	(1)
(b) development	-	-
(c) production	-	-
(d) staff costs	(68)	(68)
(e) administration and corporate costs	(87)	(87)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
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	(154)	(154)
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	(253)	(253)
(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	-	-
(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	-	-
2.6 Net cash from / (used in) investing activities	(253)	(253)

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	-	-
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	795	795
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(154)	(154)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(253)	(253)

Appendix 5B

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)	-	-
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	389	389

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	389	795
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)	389	795

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	(41)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(154)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(253)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(407)
8.4	Cash and cash equivalents at quarter end (item 4.6)	389
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	389
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.96
	<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 Company completed a Placement in April 2024 raising \$878,400 (before costs) via the issue of 48,800,000 fully paid ordinary shares at an issue price of \$0.018 per share. Placement funds will be used for leasing and working capital. In conjunction with the Placement, the Company is undertaking a pro-rata non-renounceable rights issue of four (4) shares for every nine (9) existing shares held by eligible shareholders at an issue price of \$0.018 per share to raise approximately \$5.24 million before costs. The rights issue will bolster cash reserves and continue to fund operations.	

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: 30 April 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.