

ASX / MEDIA RELEASE: 17 APRIL 2023

## MARCH 2023 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 2023.

### QUARTERLY EVENTS

- Natural hydrogen testing operations
- Resignation of Non-Executive Director
- Vesting of performance rights
- Loyalty option offer
- Pioneering natural hydrogen test underway
- Natural hydrogen testing update
- Financial annual reporting
- Natural hydrogen testing update (subsequent to the March quarter)
- Acquired additional lease holdings in Kansas, USA

### PROJECT GENEVA

#### NATURAL HYDROGEN TESTING OPERATIONS | 24 January 2023

HyTerra and Natural Hydrogen Energy LLC (NH2E or the Operator) finalised planning of the extended flow test of the Hoarty NE3 natural hydrogen exploration well. The test will measure hydrogen production potential and key parameters of gas composition, pressure, and flow rate.

#### PIONEERING NATURAL HYDROGEN TEST UNDERWAY | 6 March 2023

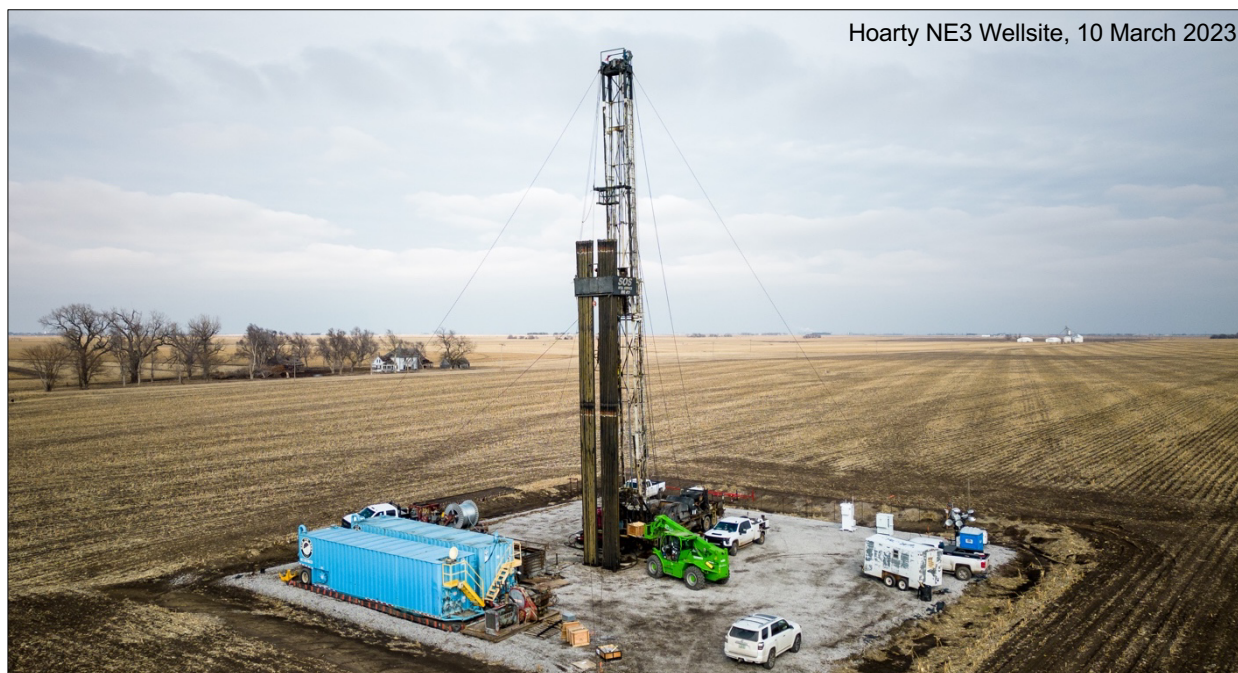
The completion rig arrived at the Hoarty NE3 well site on 3 March and the rig crew were preparing to run the production tubing and an electrical submersible pump. The pump will then dewater the well to remove the hydrostatic pressure on subsurface gases. This is anticipated to allow hydrogen-enriched gases to flow freely from two prospective zones. These zones are associated with elevated hydrogen concentrations detected during drilling and swabbing operations and were further defined by petrophysical analysis as having increased porosity and gas saturation.

The second phase of the operation is the extended flow testing which will record gas flow data over several months to establish the hydrogen production potential of the well and measure key parameters that include gas composition, pressure and flow rate. Well data will be continuously measured on location and gas samples will be captured for independent laboratory analysis. These analyses will focus on the concentrations of hydrogen and other commercially significant non-hydrocarbon gases (e.g., Helium) that may coexist in the gas stream.

**Executive Director & Chief Technical Officer, Avon McIntyre commented:** "This is a pivotal moment for HyTerra to demonstrate the hydrogen production potential of the Hoarty NE3 well and gain first-hand operational experience in natural hydrogen resource development. We look forward to providing further updates to shareholders during March."

## NATURAL HYDROGEN TESTING UPDATE | 14 March 2023

The first phase of operations was successful with the pump being installed on schedule. The Operator released the completion rig on Monday 13 March (US time). The extended flow test commenced and the Operator began performing tests to monitor gas composition, pressure and flow rate.



Hoarty NE3 Wellsite, 10 March 2023

## NATURAL HYDROGEN TESTING UPDATE | 3 April 2023 (Subsequent to the March quarter)

Since commencing the extended flow testing on 14 March, the pump successfully lowered the water level resulting in a significant decrease of hydrostatic pressure on prospective zones. The Operator reported that casing gas pressure samples have been taken and have been sent to a laboratory for independent analyses. A mechanical pump issue requires inspection and while the testing activities are temporarily paused, HyTerra is reviewing the collected data. The Company looks forward to providing an operational update this month on the recommencement of testing.

**Commenting on the flow testing, Executive Director, Avon McIntyre said:** “The testing activities have already produced key technical insights which are consistent with HyTerra’s geological model and petrophysical interpretations and have enhanced our understanding of natural hydrogen exploration. The initial observations are encouraging, and we are eagerly working with the Operator to resume operations and obtain conclusive testing results.”

## ADDITIONAL LEASE HOLDINGS, KANSAS USA

During the quarter, the Company acquired a 100% working interest in 2,241 acres of lease holdings in Riley and Morris Counties, Kansas, USA. The leases are supported by the Company’s geological model and are calibrated to known historical occurrences of natural hydrogen. Further information including a lease map is provided on page 4 under Listing Rule 5.4.3.



## CORPORATE & FINANCIAL

### NON-EXECUTIVE RESIGNATION | 17 February 2023

HyTerra advised Po Chan would be resigning from the Board effective at the end of February to focus on other business interests. The Board thanked Mr Chan for his service during the Company's relisting on ASX and transitioning to a new and exciting future in natural hydrogen.

### PERFORMANCE RIGHTS VESTING | 22 February 2023

In accordance with ASX listing rules, 5 million Class C Performance Rights held by Avon McIntyre, an Executive Director of the Company, were vested in full and converted to 5 million fully paid ordinary shares. Restriction conditions applicable to the rights are also applicable to the shares, which are escrowed until 2 December 2024.

### LOYALTY OPTION OFFER | 28 February 2023 / 3 March 2023

HyTerra proposed to undertake a non-renounceable entitlement issue of options to acquire HYT shares to eligible shareholders on the basis of one option for every four shares, at an issue price of \$0.001 per option. On 3 March, the Company announced that upon consideration of shareholder dilution concerns and shareholders outside of Australia and New Zealand not being able to participate, the Board resolved not to proceed with the Loyalty Options Offer.

### FINANCIAL ANNUAL REPORT | 31 March 2023

HyTerra released its statutory annual financial report for 31 December 2022. As previously announced during, the Company financial year end was changed from 31 March to 31 December in accordance with section 323D(2A) of the Corporations Act 2001 (Cth). The Company will also be releasing its Annual Report by 30 April 2023.

### APPOINTMENT OF COMPANY SECRETARY | 13 April 2023 (Subsequent to the March quarter)

HyTerra announced the appointment of Hannah Cabatit as Company Secretary to replace Alex Neuling.

### CASH BALANCE

As of 31 March 2023, the Company's cash balance was \$2,779,000.

The Company currently has 560,702,882 fully paid ordinary shares on issue and 227,000,000 options on issue expiring on the 30 June 2025 at an exercise price of \$0.025.

## 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\$1,184,000 related to payments to technical consultants for technical evaluation and undertaking well testing activities on the Company's Project Geneva, in Nebraska, USA.

Payments to related parties of \$80,000 comprise payment of 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

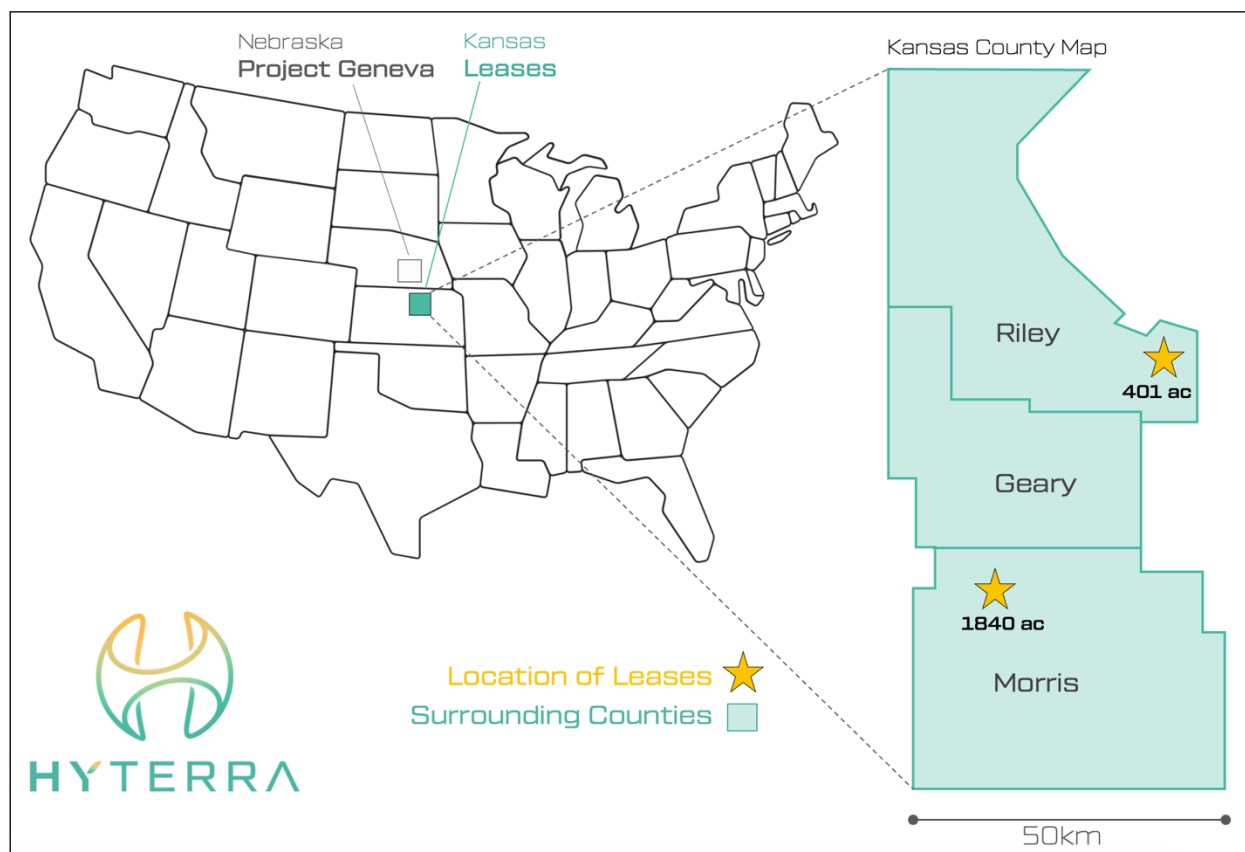
The JDA covers assets including mineral leases in Nebraska and South Carolina as detailed in Annexure B in the Company's prospectus. The Company does not directly hold any of these leases.

## Kansas, USA

During the quarter, the Company acquired a 100% working interest in 2,241 acres of lease holdings in Riley and Morris Counties, Kansas, USA. The leases will be assigned to the Company's wholly owned USA subsidiary HYT Operating LLC which will hold the sole and exclusive right to explore for and produce minerals, oil and gases (including hydrogen and helium) from the leased acreage.

The system of leasing mineral rights in the USA is noticeably different to the exploration licencing system in Australia. The leases were negotiated and acquired directly from mineral owners, via a contractual agreement that is typical for mineral rights leasing in the USA.

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	Riley, Kansas	0 acres   0%	401 acres   100%
Nemaha	Morris, Kansas	0 acres   0%	1840 acres   100%



Location of leases acquired and held during the quarter on the USA state map and Kansas County Map

## 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 increased its beneficial interest from 10.03% to 14.36% during the quarter by spending US \$721,977. 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	10.03%	14.36%

#### 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 2023 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 March 2023 \$'000	Variance \$'000
Hoarty NE3 Well Test <sup>(1)</sup>	750	1,102	(352)
Seismic Survey <sup>(1)</sup>	750	-	750
Gravity Survey <sup>(1)</sup>	69	-	69
Operational expenses <sup>(1)</sup>	417	125	291
Additional leases <sup>(1)</sup>	694	283	410
Geochemical survey <sup>(1)</sup>	278	-	278
Contingency <sup>(1)</sup>	556	-	556
Expenses of the Offer <sup>(1)</sup>	679	694	(15)
Corporate and administration <sup>(1)</sup>	1,713	936	777
<b>Total</b>	<b>5,905</b>	<b>3,140</b>	<b>2,764</b>

<sup>(1)</sup> The Use of Funds statement covers a 2-year period whereas current actual expenditure principally covers the period since reinstatement (4 months).

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

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

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#### 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 Agreement 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 in 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 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(125)	(125)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(95)	(95)
	(e) administration and corporate costs	(283)	(283)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	11
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>(492)</b>	<b>(492)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(240)	(240)
	(c) property, plant and equipment	(7)	(7)
	(d) exploration & evaluation	(1,059)	(1,059)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 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	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(1,306)</b>	<b>(1,306)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,590	4,590
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(492)	(492)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,306)	(1,306)

## 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	(13)	(13)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,779</b>	<b>2,779</b>

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	2,779	4,590
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>2,779</b>	<b>4,590</b>

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	(80)
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.*



<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'ooo</b>	<b>Amount drawn at quarter end \$A'ooo</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		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'ooo</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(492)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,059)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,551)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,779
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,779
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>2</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?	
	N/A	
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?	
	N/A	

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?

N/A

*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: 17 April 2023

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.