Neutralysis Industries Pty Ltd

ABN 11 156 261 791

Financial report
For the year ended 30 June 2021

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NEUTRALYSIS INDUSTRIES PTY LTD
ABN 78 091 802 201

DIRECTORS' REPORT

The directors present their report together with the financial report of Neutralysis Industries Pty Ltd (the "company") for the year ended 30 June 2021 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The names of the directors in office at any time during or since the end of the year are:

Robert Francis Davies

Russell Ernest Brimage

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company Secretary

The names of the company secretaries in office at any time during or since the end of the financial period are:

Robert Francis Davies

Results

The loss of the company for the year after providing for income tax amounted to $659,315 (2020: $Nil).

Review of operations

The company continued to progress its search for suitable hydrogen assets to acquire and develop and explore its existing hydrogen assets.

Significant changes in state of affairs

On 28 April 2021, the company has entered into a joint development agreement (JDA) with Natural Hydrogen Energy LLC (NH2E), a Colorado based limited liability company. The JDA was proposed to jointly develop a Hydrogen Exploration Project in the USA.

During the year, the company has received $350,000 from sophisticated investors for the potential issuance of shares and loan from a director of $440,000 to fund the development of Hydrogen project with NH2E.

Apart from the above, there were no other significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

NEUTRALYSIS INDUSTRIES PTY LTD
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DIRECTORS' REPORT

Principal activities

The principal activities of the company were to identify and acquire oil and gas assets, including hydrogen assets, for exploration and development.

No significant change in the nature of these activities occurred during the year.

After balance sheet date events

On 1 March 2022, the company has entered into a revised Joint Development and Earn-In Agreement with NH2E (Revised JDA) to replace the JDA dated 8 April 2021. Based on the Revised JDA, the company has the ability to acquire a 30% interest by expending USD$5 million on work programs agreed between the parties. By contributing a further US$15 million, the company can acquire additional 21% to take its equity interest in the revised JDA to 51%. At the date of this report, an amount of $2,310,466 has been contributed by the company towards development costs.

On 8 April 2022, the company has entered into a binding term sheet with Triple Energy Limited (ASX:TNP) (**TNP**) (to be renamed HyTerra Limited™) pursuant to which TNP has agreed to make recommended offers to the company's shareholders to acquire 100% of the company. In consideration for the acquisition, TNP has agreed to issue to the shareholders of the company the following:

a. 183,000,000 ordinary fully paid shares in the capital of TNP at a deemed issue price of $1,000 per share (on a post-consolidation basis); and

b. attaching 183,000,000 options (on a post-consolidation basis) with a 2.5 cents exercise price expiring on 30 June 2025.

Between July 2021 to October 2021, the company received an additional $1,430,000 for the potential issuance of shares.

In August 2021, the company issued 3,279 free "Founder shares" and 500 fully paid ordinary shares at $1,000 per share.

In January 2022, the company received an additional $230,000 from investors for the potential issuance of shares.

In May 2022, the company reduced its share capital and cancelled 2,255 "Founder shares" and subsequently issued a further 55 free Founder shares.

On 27 May 2022, the company issued 1,890 fully paid ordinary shares to its investors at a price of $1,000 per share. On the same date, the company has also issued 170 fully paid ordinary shares to its consultant in lieu of his service.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has not been any financially material impact on the company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial year.

Likely developments

On 8 April 2022, the company has entered into a binding term sheet with Triple Energy Limited (ASX:TNP) (**TNP**) (to be renamed HyTerra Limited™) pursuant to which TNP has agreed to make recommended offers to the company's shareholders to acquire 100% of the company.

The company expects to maintain the present status and level of operations.

Environmental issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia or the United States of America.

Dividends paid, recommended and declared

There were no dividends paid or declared during the current or previous financial year.

Options

No options over unissued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the end of the year.

Meetings of directors

During the period no meeting of Directors was held.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been a director of the company.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

NEUTRALYSIS INDUSTRIES PTY LTD
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DIRECTORS' REPORT

Proceedings on behalf of the company

No person has applied for leave of Court to being proceeding 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 part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the directors

Director: ______________________________

Russell Ernest Brimage

Dated this: 28 June 2022

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28 June 2022

Board of Directors
Neutralysis Industries Pty Ltd
168 Stirling Highway
Nedlands WA 6009

Dear Directors

RE: NEUTRALYSIS INDUSTRIES PTY LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Neutralysis Industries Pty Ltd.

As Audit Director for the audit of the financial statements of Neutralysis Industries Pty Ltd for the years ended 30 June 2021 and 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director

NEUTRALYSIS INDUSTRIES PTY LTD
ABN 11 156 261 791

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30 June 2021 $	30 June 2020 $
Revenue		-	-
		-	-
Less: expenses			
Compliance and regulatory expenses		(19,276)	-
Finance costs		(39)	-
Impairment of development costs	5	(640,000)	-
		(659,315)	-
Loss before income tax expenses		(659,315)	-
Income tax expense	14	-	-
Loss after income tax		(659,315)	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(659,315)	-

The accompanying notes form part of these financial statements.

NEUTRALYSIS INDUSTRIES PTY LTD
ABN 11 156 261 791

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	30 June 2021 $	30 June 2020 $
Current assets			
Cash and cash equivalents	4	149,982	21
Total current assets		149,982	21
Non-current assets			
Capitalised development costs	5	-	-
Total non-current assets		-	-
Total assets		149,982	21
Current liabilities			
Trade and other payables	6	369,276	-
Loan from a director	7	440,000	-
Total current liabilities		809,276	-
Total liabilities		809,276	-
Net (liabilities)/assets		(659,294)	21
Equity			
Issued capital	8	21	21
Accumulated losses	9	(659,315)	-
Total equity		(659,294)	21

The accompanying notes form part of these financial statements.

NEUTRALYSIS INDUSTRIES PTY LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued capital $	Accumulated losses $	Total equity $
Balance as at 1 July 2019	20	-	20
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners in their capacity as owners:			
Issue of shares	1	-	1
Sub-total	1	-	1
Balance as at 30 June 2020	21	-	21
Balance as at 1 July 2020			
Loss for the year	-	(659,315)	(659,315)
Total comprehensive loss for the year	-	(659,315)	(659,315)
Balance as at 30 June 2021	21	(659,315)	(659,294)

The accompanying notes form part of these financial statements.

NEUTRALYSIS INDUSTRIES PTY LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30 June 2021 $	30 June 2020 $
Cash flow from operating activities			
Payments to suppliers		(39)	-
Net cash (used in) operating activities	10	**(39)**	**-**
Cash flow from investing activity			
Payments for development project		(640,000)	-
Net cash (used in) investing activity		**(640,000)**	**-**
Cash flow from financing activities			
Proceeds from issue of shares		350,000	1
Proceeds from loan from a director		440,000	-
Net cash provided by financing activities		**790,000**	**1**
Net increase in cash and cash equivalents		149,961	1
Cash and cash equivalents at beginning of the financial year		21	20
Cash at end of financial year	4	**149,982**	**21**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Neutralysis Industries Pty Ltd (the "company") as an individual entity. Neutralysis Industries Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* and comply with other requirements of the law. Neutralysis Industries Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board.

The financial report was approved by the directors as at the date of the directors' report.

The following specific accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

The financial report has been prepared on an accrual basis and are based on the historical cost convention.

(b) Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The company's ability to continue as a going concern and pay its debts as and when they fall due, given the company's intended operational plans, assumes active management of the current level of discretionary expenditure in line with the funds available to the company.

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the company will continue to be successful in securing additional funds through the debt and/or equity issues as and when the need to raise working capital arises.

The company is aware that there is a high level of uncertainty in the market and in the exploration sector due to the ongoing impact of the COVID-19 pandemic. Neutralysis will continue to monitor the changing situation, however the company does not believe this should adversely affect the ability to raise funds if and when required.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Should the company be unable to continue as a going concern, it may be required to monetise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the company be unable to continue as a going concern.

(c) Adoption of new and revised Accounting Standards

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

(d) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of the company are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(g) Financial instruments

(i) Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value that are recognised in profit or loss.

Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Other financial liabilities comprise trade and other payables and loan from a director.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

(i) Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(j) Trade and other payables

Trade and other payables are carried at amortised cost and represents unpaid liabilities for goods and services provided to the company prior to the end of the period.

(k) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity on or before the end of the financial period but not distributed at the end of the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Share capital

Ordinary Shares

Share capital is recognised at the fair value of the consideration received by the company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.
The company operates in two (2) principal geographical areas - Australia (country of domicile) and the United States of America.

(o) Exploration and evaluation expenditure

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the costs of acquiring rights to explore areas of interest are capitalised. All other exploration expenditure is expensed to the consolidated statement of profit or loss and other comprehensive income. The costs of acquisition are carried forward where the rights of tenure are current and:

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or

(ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and evaluation assets are assessed annually for impairment in accordance with AASB 6 and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income where the carrying values of exploration and evaluation assets exceed their recoverable amounts.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting period. The company's assessment of the impact of these new standards and interpretations is set out below:

Reference	Title	Summary	Application date of standard
AASB 1060 and AASB 2020-2	General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	AASB 1060 replaces the current Reduced Disclosure Requirements (RDR) with Simplified Disclosures (SDS) for general purpose financial statements (Tier 2) reporting. AASB 2020-2 removes the ability for Corporations Act entities and many others to self-assess their basis of financial statement preparation (to be "non-reporting entities") and prepare special purpose financial statements. As a small proprietary company, when these amendments are first adopted by Lifespan for the year ending 30 June 2022, there will be no material impact on the financial statements.	1 July 2021
AASB 2020-1 and AASB 2020-6	Classification of Liabilities as Current or Non-Current	A liability is classed as current if there is no right to defer settlement for at least 12 months after the end of the reporting period. This amendment clarifies that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement exists, and that management intention or expectation does not affect the classification of liabilities. When these amendments are first adopted for the year ending 30 June 2025, there will be no material impact on the financial statements.	1 January 2023

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE (CONTINUED)

Reference	Title	Summary	Application date of standard
AASB 2020-3	Annual improvements 2018-2020 and Other Amendments	When these amendments to various standards are first adopted for the year ending 30 June 2023, there will be no material impact on the financial statements.	1 January 2022
AASB 2020-7	Covid-19-Related Rent Concessions: Tier 2 Disclosures	This standard adds new disclosure requirements to AASB 1060. When these amendments are first adopted for the year ending 30 June 2022, there will be no material impact on the financial statements.	1 July 2021
AASB 2020-8 and AASB 2020-9	Interest Rate Benchmark Reform – Phase 2	AASB 2020-8 specifies disclosures related to interest rate benchmark reform. AASB 2020-9 amends AASB 1060 to provide relief from disclosure for Tier 2 entities. When these amendments are first adopted for the year ending 30 June 2022, there will be no material impact on the financial statements.	1 January 2021
AASB 2021-2	Disclosure of Accounting Policies and Definition of Accounting Estimates	This standard amends some disclosure requirements. Entities will be required to disclose material accounting policy information, rather than significant accounting policies. When these amendments to various standards are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.	1 January 2023
AASB 2021-3	Covid-19-Related Rent Concessions beyond 30 June 2021	This standard extends the changes to AASB 16 Leases in AASB 2020-4 Covid-19-Related Rent Concessions for a further year. Under this amendment, lessees are permitted not to account for rent concessions as lease modifications provided the following conditions are met: • The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;	1 July 2021

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE (CONTINUED)

Reference	**Title**	**Summary**	**Application date of standard**
AASB 2021-3	Covid-19-Related Rent Concessions beyond 30 June 2021	• Any reduction in lease payments affects only payments originally due before 30 June 2021; and • There is no substantive change to other terms and conditions of the lease. This extension of amendments currently in effect will have no material impact on the financial statements.	1 July 2021
AASB 2021-5	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	These amendments clarify that the initial recognition exception in AASB 112 would not normally apply to transactions that on initial recognition create both an asset and a liability. Entities will be required to recognise deferred tax for all temporary differences relating to leases, decommissioning, restoration and similar liabilities at the beginning of the earliest comparative period as an adjustment to the opening balance of retained earnings. When these amendments to various standards are first adopted for the year ending 30 June 2024, there will be no material impact on the financial statements.	1 January 2023

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

The company assesses impairment at the end of each reporting period by evaluating the 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 calculatings which incorporate various key assumptions.

Impairment of capitalised development costs

Capitalised development costs is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

The directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as development continues and more information becomes available. Where it is evident that the value of development costs cannot be recovered, the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income

	30 June 2021	30 June 2020
	$	$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	21	21
Cash at bank	149,961	-
	149,982	21

NOTE 5: CAPITALISED DEVELOPMENT COSTS

Development costs	-	-
Reconciliation of the movements during the year:		
Balance at beginning of year	-	-
Development costs capitalised	640,000	-
Impairment	(640,000)	-
Balance at end of year	-	-

On 8 April 2021, the company has entered into a Joint Development Agreement (JDA) with Natural Hydrogen Energy LLC (NH2E) for jointly developing Hydrogen Project in the United States of America. The company has paid $640,000 to fund development costs, as at 30 June 2021 (30 June 2020: $NIL).

The recoverability of the carrying amount of the development costs is dependent on the successful development and commercial exploitation or sale of the chemical products of the project. For the financial year ended 30 June 2021, the Board has determined impairment of $640,000 (30 June 2020: $NIL).

Capitalised development costs will be amortised over the expected useful life of the intangible assets once full commercialisation of production commences.

NOTE 6: TRADE AND OTHER PAYABLES

Accruals	19,276	-
Shares to be issued (i)	350,000	-
	369,276	-

(i) As at 30 June 2021, the company has received subscription funds which amounted to $350,000. Shares, however, were not allotted until 4 August 2021.

	30 June 2021	30 June 2020
	$	$

NOTE 7: LOAN FROM A DIRECTOR

Balance at beginning of year	-	-
Addition	440,000	-
Balance at end of year	440,000	-

The company has received $440,000 from a director to fund the Hydrogen Project in relation to the Joint Development Agreement with NH2E (refer to Note 5).

The loan is secured, interest-free and repayable 1 year commencing from 8 April 2021. The loan has a conversion option whereby the director has the right to convert all or part of the outstanding loan at his sole discretion, at any time prior to loan settlement, to fully ordinary shares in company based on an issue price of $1,000 per share.

In August 2021, the company paid the director $50,000.

In February 2022, the company paid the director $10,000. The remaining balance of $380,000 has been converted into 380 fully paid ordinary shares at $1,000 per share of the company on 27 May 2022.

NOTE 8: ISSUED CAPITAL

(a) Issued and fully paid		
Ordinary shares (21 shares at $1 each)	21	21
(b) Movement in ordinary shares		
Balance at beginning of year	21	20
Issuance of shares	-	1
Balance at end of year	21	21

The company does not have authorised capital or par value in respect of its shares. All issued shares are fully paid.

	30 June 2021 $	30 June 2020 $
NOTE 9: ACCUMULATED LOSSES		
Balance at beginning of year	-	-
Net loss	(659,315)	-
Balance at end of year	(659,315)	-

NOTE 10: CASH FLOW INFORMATION

	30 June 2021 $	30 June 2020 $
Reconciliation of cash flow from operations with loss after income tax		
Loss from ordinary activities after income tax	(39)	-
Changes in assets and liabilities		
Changes in assets and liabilities	-	-
Cash flows (used in) operating activities	(39)	-

NOTE 11: DIVIDENDS

There were no dividends paid during the current or previous financial year.

NOTE 12: COMMITMENTS AND CONTINGENT LIABILITIES

On 1 March 2022, the company has entered into a revised Joint Development and Earn-In Agreement with NH2E (Revised JDA) to replace the JDA dated 8 April 2021. Based on the Revised JDA, the company has the ability to acquire a 30% interest by expending USD$5 million on work programs agreed between the parties. By contributing a further US$15 million, the company can acquire additional 21% to take its equity interest in the revised JDA to 51%.

The directors are not aware of any other contingencies at the reporting date.

NOTE 13: AUDITOR'S REMUNERATION

	30 June 2021 $	30 June 2020 $
Remuneration of the auditors of the company:		
Stantons International Audit and Consulting Pty Ltd	16,000	--
Beyond Audit	3,276	--
	19,276	--

NOTE 14: INCOME TAX EXPENSE

	30 June 2021 $	30 June 2020 $
Income taxes recognised in profit or loss		
Current tax	-	--
Deferred tax	-	--
	-	--

NOTE 15: FINANCIAL RISK MANAGEMENT

The company holds the following financial instruments as at 30 June:

	2021	2020
	$	$
Financial assets		
Cash and cash equivalents	149,982	21
	149,982	21
Financial liabilities		
Trade and other payables	(369,276)	-
Loan from a director	(440,000)	-
	(809,276)	-
Net financial liabilities	(659,294)	21

(a) Financial risk management objectives

The Board monitors and manages the financial risk relating to the operations of the company. The company's activities are not expose to material risks. The overall risk management strategy focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of the company. Risk management is carried out under the direction of the Board.

Cash flow and interest rate risk

The company is not materially exposed to interest rate risk as the company does not have any financial instruments with variable rates.

(b) Liquidity risk

The company is exposed to liquidity risk. These outstanding liabilities were non-interest bearing with no security.

The table below represents the undiscounted contractual settlement terms for financial instruments and management's expectation for settlement of undiscounted maturities.

NOTE 15: FINANCIAL RISK MANAGEMENT (CONTINUED)

	< 6 Months $	6-12 Months $	1-5 years $	Total contractual cash flows $	Carrying amount $
Year ended 30 June 2021					
Cash and cash equivalents	149,982	-	-	149,982	149,982
Trade and other payables	(350,000)	(19,276)	-	(369,276)	(369,276)
Borrowings	-	(440,000)	-	(440,000)	(440,000)
Net maturities	(200,018)	(459,276)	-	(659,294)	(659,294)
Year ended 30 June 2020					
Cash and cash equivalents	21	-	-	21	21
Net maturities	21	-	-	21	21

(c) Fair value compared with carrying amounts

The carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair value due to its short-term nature as at the reporting date.

NOTE 16: SEGMENT REPORTING INFORMATION

The table below presents the asset and liability information and operating results regarding the geographical segments for the company:

	30 June 2021 $	30 June 2020 $
Assets		
Australia	149,982	21
United States of America	-	-
Total assets	149,982	21
Liabilities		
Australia	809,276	-
United States of America	-	-
Total liabilities	809,276	-

NOTE 16: SEGMENT REPORTING INFORMATION (CONTINUED)

	30 June 2021 $	30 June 2020 $
Operating result		
Australia	(19,315)	-
United States of America	(640,000)	-
Total loss from operations	(659,315)	-

NOTE 17: RELATED PARTIES

There were no transactions with related parties during the current reporting period, other than those already disclosed elsewhere in this financial report.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

On 1 March 2022, the company has entered into a revised Joint Development and Earn-In Agreement with NH2E (Revised JDA) to replace the JDA dated 8 April 2021. Based on the Revised JDA, the company has the ability to acquire a 30% interest by expending USD$5 million on work programs agreed between the parties. By contributing a further US$15 million, the company can acquire additional 21% to take its equity interest in the revised JDA to 51%. At the date of this report, an amount of $2,310,466 has been contributed by the company towards development costs.

On 8 April 2022, the company has entered into a binding term sheet with Triple Energy Limited (ASX:TNP) (**TNP**) (to be renamed HyTerra Limited™) pursuant to which TNP has agreed to make recommended offers to the company's shareholders to acquire 100% of the company. In consideration for the acquisition, TNP has agreed to issue to the shareholders of the company the following:

c. 183,000,000 ordinary fully paid shares in the capital of TNP at a deemed issue price of $1,000 per share (on a post-consolidation basis); and

d. attaching 183,000,000 options (on a post-consolidation basis) with a 2.5 cents exercise price expiring on 30 June 2025.

Between July 2021 to October 2021, the company received an additional $1,430,000 for the potential issuance of shares.

In August 2021, the company issued 3,279 free "Founder shares" and 500 fully paid ordinary shares at $1,000 per share.

In January 2022, the company received an additional $230,000 from investors for the potential issuance of shares.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

In May 2022, the company reduced its share capital and cancelled 2,255 "Founder shares" and subsequently issued a further 55 free founder shares.

On 27 May 2022, the company issued 1,890 fully paid ordinary shares to its investors at a price of $1,000 per share. On the same date, the company has also issued 170 fully paid ordinary shares to its consultant in lieu of his service.

Apart from the above, there has been no other matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

(a) the operations, in half year subsequent to 30 June 2021, of the company, or
(b) the results of those operations, or
(c) the state of affairs, in half year subsequent to 30 June 2021, of the company.

NEUTRALYSIS INDUSTRIES PTY LTD
ABN 78 091 802 201

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the attached financial statements and notes thereto comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

(b) the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2021 and 30 June 2020 and of its performance for the financial years ended on that date;

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(d) the attached financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Russell Ernest Brimage
Director

Dated this: 28 June 2022

Stantons

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEUTRALYSIS INDUSTRIES PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Neutralysis Industries Pty Ltd ("the Company"), which comprises the statements of financial position as at 30 June 2021 and 30 June 2020, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the years 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 Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2021 and 30 June 2020 and of its financial performance for the years 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 Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty in Relation to Going Concern

As referred to in Note 1(b) to the financial statements, the financial statements have been prepared on a going concern basis. At 30 June 2021, the Company had cash and cash equivalents of $149,982 (30 June 2020: $21) and net liabilities of $659,294 (30 June 2020: net assets of $21). The Company has also incurred a loss after income tax of $659,315 for the year ended 30 June 2021 and $Nil for the year ended 30 June 2020, respectively.

The ability of the Company to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Company raising further working capital and/or successfully commercialising its development asset.

In the event that the Company is not successful in raising further equity or successfully commercialise its development asset, the Company may not be able to meet its liabilities as and when they fall due and the realisable value of the Company's current and non-current assets may be significantly less than book values.

Our opinion is not modified with respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 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 opinion 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 Company 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 Company 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

Stantons

We 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 Company'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 Company to cease to continue as a going concern.

We 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.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director

West Perth, Western Australia
28 June 2022