



HYTERRA
ACN 116 829 675

SUPPLEMENTARY PROSPECTUS

5 OCTOBER 2022

For an offer of up to 350,000,000
Shares at an issue price of \$0.02
per Share, to raise up to \$7,000,000
(Public Offer)

IMPORTANT NOTICE

This is a supplementary prospectus (Supplementary Prospectus) intended to be read with the prospectus dated 14 September 2022 (Prospectus) issued by HyTerra Ltd (ACN 116 829 675) (Company). This Supplementary Prospectus is dated 5 October 2022 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out overleaf, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which may be downloaded free of charge from the Company's website at www.hyterra.com.

This is an important document and should be read in its entirety. If you do not understand the information presented in this Prospectus, you should consult your professional advisers without delay.

HYTERRA LTD (ACN 116 829 675)
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 14 September 2022 (**Prospectus**) issued by HyTerra Ltd (ACN 116 829 675) (**Company**).

This Supplementary Prospectus is dated 5 October 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which may be downloaded free of charge from the Company's website at www.hytterra.com.

This is an important document and should be read in its entirety. If you do not understand the information presented in this Prospectus, you should consult your professional advisers without delay.

1. BACKGROUND TO SUPPLEMENTARY PROSPECTUS

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 2 below.

The amendments to the Prospectus outlined in Section 2 below should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Chairman's Letter

The following sentence is deleted from the third paragraph:

"The existing Board considers the proposed Acquisition to be a genuinely transformational event for the Company and is a strategic shift towards transforming the Company into a niche player in the hydrogen market, focused on building material cash flow from a portfolio of hydrogen prospects with tangible potential for significant growth."

2.2 Clean Energy

In Section 3A of the Investment Overview, in paragraphs (a) and (b), under the heading "What are the Key Investment Highlights?" the word "clean" (as used in the context of "clean energy") is deleted in each place where it appears.

In Section 5.5, the word "clean" (as used in the context of "clean energy") is deleted in each place where it appears.

In Section 5.6, the word "clean" in the fifth paragraph is deleted in the place it appears.

In Section 5.17, the word "clean" (as used in the context of "clean energy") is deleted in each place where it appears.

2.3 Exploration History and Prospectivity

In Section 5.10(c), the following words are deleted from the last sentence of the fifth paragraph:

"...by adopting a range of gas compositions for hydrogen, methane, and nitrogen in volumetric input parameters."

In Section 5.10(c), the last sentence of the sixth paragraph is deleted and replaced with the following:

"Further information on the petrophysical analysis is available in Annexure A."

In Section 5.10(c), Tables 1 to 3 and their respective descriptions are deleted.

In Sections 5.11(c), 5.12(c) and 5.13(c), the following sentences are deleted in each place where they appear:

"In the absence of subsurface data in the project area, a resource density derived from the Nebraska northwest project area has been applied. The hydrogen gas in-place estimates are summarised below."

In Sections 5.11(c), 5.12(c) and 5.13(c), Tables 4 to 6 and their respective descriptions are deleted.

2.4 Independent Technical Specialist's Report

Annexure A of the Prospectus is replaced with the version of the Independent Technical Specialist's Report annexed to this Supplementary Prospectus prepared by RISC Advisory Pty Ltd (**Revised ITSR**).

The Revised ITSR retracts previously disclosed gas in place (**GIP**) and gas initially in place (**GIIP**) estimates that had been made without also disclosing any reserves, contingent or prospective resources. This was due to the requirement for a reservoir recovery rate of hydrogen, for which there is currently no precedent.

The Company notes that the inclusion of the GIP and GIIP estimates was inconsistent with Listing Rule 5.25.3 and requests that investors do not rely on the retracted information as a basis for an investment decision in the Company.

2.5 JDA

At Section 9.1.3, the following sentence is added to the 'Reporting Requirement' section after paragraph (c):

"The Company considers this information is sufficient to ensure its compliance with the ASX Listing Rules."

2.6 Risk Factor – South Carolina Projects

In Section 3E of the Investment Overview and in Section 7.3, the following risk factor is inserted:

Risk Category	Risk
Filing of South Carolina Project leases	<p>As noted in Section 5.8, the South Carolina Projects are considered to be early-stage exploration projects. Consequently, no production activities are planned for the South Carolina Projects in the first two years following completion of the proposed Acquisition and the Company considers it will be able to achieve its previously stated business objectives on Completion without these production activities.</p> <p>There is a process for recording the mineral leases comprising the South Carolina Projects against the underlying property. This operates to give notice to third parties that a mineral lease is in existence, but there is no obligation to do so. The risk of not filing the leases for the South Carolina Projects is that if the lessor enters into another lease agreement with a third party for the South Carolina leases, the third party may acquire superior title to the South Carolina leases.</p> <p>Refer to the Independent Technical Specialist's Report at Annexure A and the US Solicitor's Report on Title at Annexure B for further information on the South Carolina Projects.</p>

3. CONSENTS

RISC Advisory Pty Ltd (**RISC**) has contented to the inclusion of the Revised ITSR annexed to the Supplementary Prospectus as Annexure A. RISC has not withdrawn its consent prior to lodgement of the Supplementary Prospectus with ASIC.

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

4. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Mr Paul Garner
Non-Executive Director
For and on behalf of
HyTerra Ltd

For personal use only

For personal use only



decisions with confidence

Independent Technical Specialist Report

Certain assets of HyTerra Ltd and Neutralysis Industries Pty Ltd

For HyTerra Ltd

September 2022

For personal use only



1. Executive summary

HyTerra Ltd ('HyTerra'), formerly known as Triple Energy Ltd ('Triple'), which is currently suspended on the Australian Securities Exchange ('ASX') has proposed the acquisition of Neutralysis Industries Pty Ltd ('NIPL'), a private gas exploration company registered in Australia. Shareholder approval is required for this transaction. As part of the transaction, HyTerra will re-list.

NIPL has a 10.03% beneficial interest in a joint venture agreement with Natural Hydrogen energy LLC ('NH2E'), a private company registered in the United States of America and domiciled in Denver, Colorado.

The NIPL – NH2E joint venture has agreed a joint development and earn-in agreement ('JDA') for the exploration and exploitation of natural hydrogen gas on certain leases located in the states of Nebraska and South Carolina in the United States of America. Pursuant to the JDA, NIPL may acquire up to a 30% beneficial interest in the joint venture by funding US\$5,000,000 on an agreed Phase 1 work program, and a further 21% beneficial interest by funding a further US\$15,000,000 of work program.

The JDA includes twenty-one leases acquired by NH2E in Nebraska and South Carolina over features in the landscape which are postulated to be surface expressions of natural hydrogen seepage from the subsurface and, specifically, basement rocks where it is believed that natural hydrogen gas is generated. The JDA also contemplates the acquisition of additional leases as part of the NIPL funded work program.

NH2E drilled the Hoarty NE-3 well in 2018-2019 within a lease cluster over one such feature in Nebraska to test for the presence of natural hydrogen gas in the subsurface. The well penetrated approximately 1,000 m of sedimentary section and was drilled to a total depth of 11,287 ft (3,440 m) in basement rocks. Natural hydrogen gas was detected at potentially significant concentrations whilst drilling. Two zones of elevated hydrogen gas concentration associated with matrix and fracture porosity have been identified on wireline logs within the basement section.

Following a period where the well was shut-in, swabbing operations were undertaken and the swabbed gas was flared. However, gas samples failed to confirm the presence of substantial concentrations of natural hydrogen. Pursuant to the JDA, the joint venture plan to undertake a comprehensive testing program of the well to confirm (or otherwise) the presence of commercial quantities of hydrogen.

RISC has reviewed the available data and analyses and has undertaken a hydrogen gas in-place evaluation of the JDA leases. RISC has been unable to estimate prospective resources due to the relative immaturity of the natural hydrogen gas play and uncertainties associated with exploitation and anticipated rates of recovery.

RISC has also reviewed the legacy assets of HyTerra, comprising the Aolong joint venture with Heilongjiang LongMay Coal Mining Group ('LongMay'). HyTerra acquired its interest in Aolong with the acquisition of CFT Heilongjiang ('CFT') in 2012. Three wells were drilled by the Aolong joint venture for the exploration of coal bed methane ('CBM') over the period 2013 – 2015 in certain coal mining licenses in the Jixi - Hegang Coal Basin of the Heilongjiang Province, Peoples Republic of China. The wells failed to delineate a potentially commercial CBM resource and no exploration activities have been undertaken since this time.

In addition, HyTerra announced in 2018 that it had negotiated a memorandum of understanding ('MOU') to acquire Guanzhou Bofu Investment Co. Ltd. a company which has the right to derive income from the Xin 214 Project consisting of certain oil licenses in Songyuan City, Jilin Province in the, People's Republic of China. RISC has been advised that due-diligence was not completed on this proposed acquisition and that the acquisition terms were not agreed by the interested parties.

Table of contents

1. Executive summary.....	1
2. Terms of reference and basis of assessment	4
2.1. Terms of reference	4
2.2. Basis of assessment	4
3. Introduction.....	5
3.1. HyTerra Ltd asset overview	5
3.2. Neutralysis Industries Pty Ltd asset overview	7
4. HyTerra Ltd assets	11
4.1. Aolong Joint Venture	11
4.1.1. Work program	11
4.1.2. Geological setting	11
4.1.3. Well results and data.....	11
4.1.4. Overlapping tenure.....	12
4.1.5. Resources.....	12
4.1.6. Subsequent events	12
4.2. Guangzhou Bofu Investment Co. Ltd acquisition	13
5. Neutralysis Industries Pty Ltd assets	14
5.1. Tenure.....	14
5.2. Work program and commitments.....	14
5.3. Geological setting	16
5.4. Data	17
5.4.1. Hoarty NE-3 well.....	17
6. Resources	23
6.1. In-place resource estimate method	23
6.1.1. Prospective areas	23
6.1.2. Gas composition	24
6.2. Reservoir development plan	25
6.3. Discovery test	25
6.4. Geological risk.....	25
7. Declarations.....	26
7.1. Terms of engagement.....	26
7.2. Qualifications.....	26
7.3. Standard	26
7.4. Limitations	27
7.5. Independence.....	27
7.6. Copyright	27
7.7. Consent.....	27
8. List of terms	28

List of figures

Figure 3-1: Aolong project location map.....	5
Figure 3-2: Aolong project locations	6
Figure 3-3: NH2E asset location map	7
Figure 3-4: NH2E asset location map – Nebraska northwest and Nebraska southeast.....	8
Figure 3-5: NH2E asset location map – South Carolina west and South Carolina east.....	9
Figure 5-1: Hoarty NE-3 hydrogen gas profiles from gas detection equipment in the mud agitators (at left), and manual gas sampling of bubbles in the mud (at right).....	18
Figure 5-2: Hoarty NE-3 basement petrophysical analysis (HyTerra)	21

List of tables

Table 3-1: Summary of key terms, NH2E leases.....	9
Table 5-1: NH2E lease summary.....	15
Table 5-2: JDA work program summary.....	16
Table 5-3: Hoarty NE-3 isotube analyses, collected prior to swabbing operations	19
Table 5-4: Hoarty NE-3 petrophysical analysis sums and averages (HyTerra)	22
Table 6-1: JDA lease area tabulation and prospective areas.....	23
Table 6-4: Gas composition volumetric input parameters (RISC)	24

2. Terms of reference and basis of assessment

2.1. Terms of reference

This Independent Technical Specialist Report ('ITSR') was prepared in response to a request from HyTerra for inclusion in a prospectus required for re-listing on the Australian Securities Exchange ('ASX').

Our ITSR is compliant with the Australian Securities and Investments Commission ('ASIC') Regulatory Guides 111 and 112 and includes consent for the report to be included in a Notice of Meeting and for RISC to be named as technical specialist/expert in accordance with ASX listing rule 5.41.

2.2. Basis of assessment

The data and information used in the preparation of this report were provided by HyTerra and supplemented with public domain information.

Information and data provided by HyTerra:

- Joint development and earn-in agreement executed by NH2E and NIPL, inclusive of details on proposed forward work program;
- Information and technical data regarding the Hoarty NE-3 well drilled by NH2E in Nebraska;
- Petrophysical evaluation of the Hoarty NE-3 well commissioned by HyTerra;
- Lease information including certified documentation; and
- A concise summary of Aolong Joint Venture prepared by HyTerra.

RISC has relied upon the information provided and has undertaken the evaluation on the basis of a review and audit of existing interpretations and assessments as supplied, making adjustments that in our judgment were necessary.

RISC has reviewed the resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System ('PRMS')¹.

Details of the findings of our review and the resource estimation process are presented in this report. Unless otherwise stated, all resources presented in this report are gross (100%) quantities. The evaluation date of this report is 1 July 2022.

RISC has not conducted a site visit and does not consider one necessary.

¹ Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG) and approved by the Board of the SPE in March 2007. The PRMS was subsequently updated in June 2018.

3. Introduction

3.1. HyTerra Ltd asset overview

HyTerra (formerly known as Triple Energy Limited ('Triple')) announced on 5 October 2012 the acquisition of CFT Heilongjiang ('CFT'), a company incorporated in Hong Kong². CFT was a shareholder of and held an 80% profit interest in Heilongjiang Aolong Energy Co. Ltd ('Aolong'), an incorporated joint venture company established with Heilongjiang LongMay Coal Mining Group ('LongMay') under the laws of the Peoples Republic of China ('PRC').

Aolong was formed by LongMay and CFT with the objective of de-gassing coals via the establishment of coal bed methane ('CBM') gas production in the vicinity of LongMay's coal mining operations in the Jixi - Hegang Coal Basin of the Heilongjiang Province (Figure 3-1).

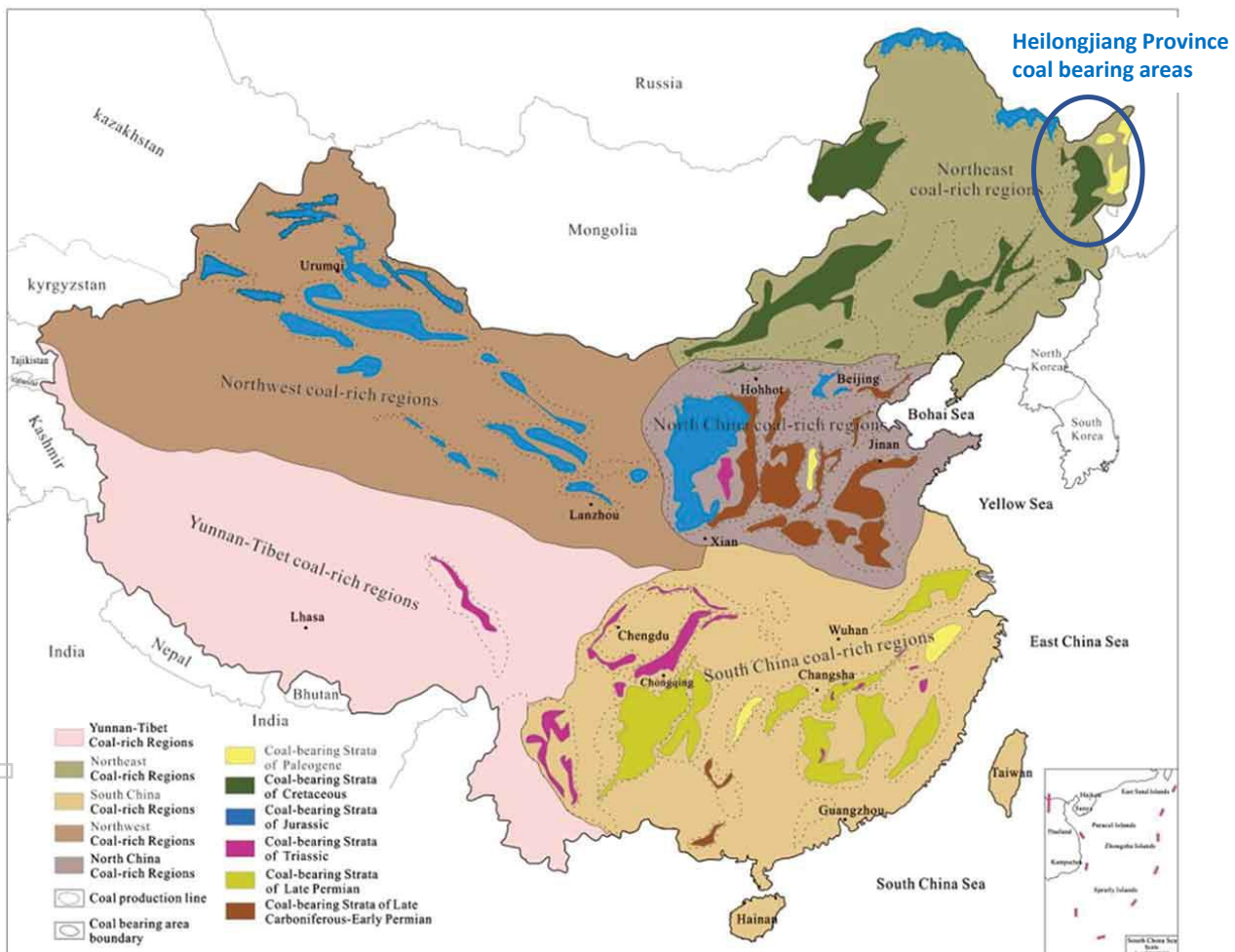


Figure 3-1: Aolong project location map³

² Triple Energy Ltd ASX release dated 5 October 2012

³ Modified from Zengxue Li, Dongdong Wang, Dawei Lv, Ying Li, Haiyan Liu, Pingli Wang, Ying Liu, Jianqiang Liu & Dandan Li (2018) The geologic settings of Chinese coal deposits, International Geology Review, 60:5-6, 548-578.

The Aolong project included gas extraction rights over the Hegang mine area, Shuan Ya Shan mines, Qi Tai He mines and Ji Xi mines (Figure 3-2).

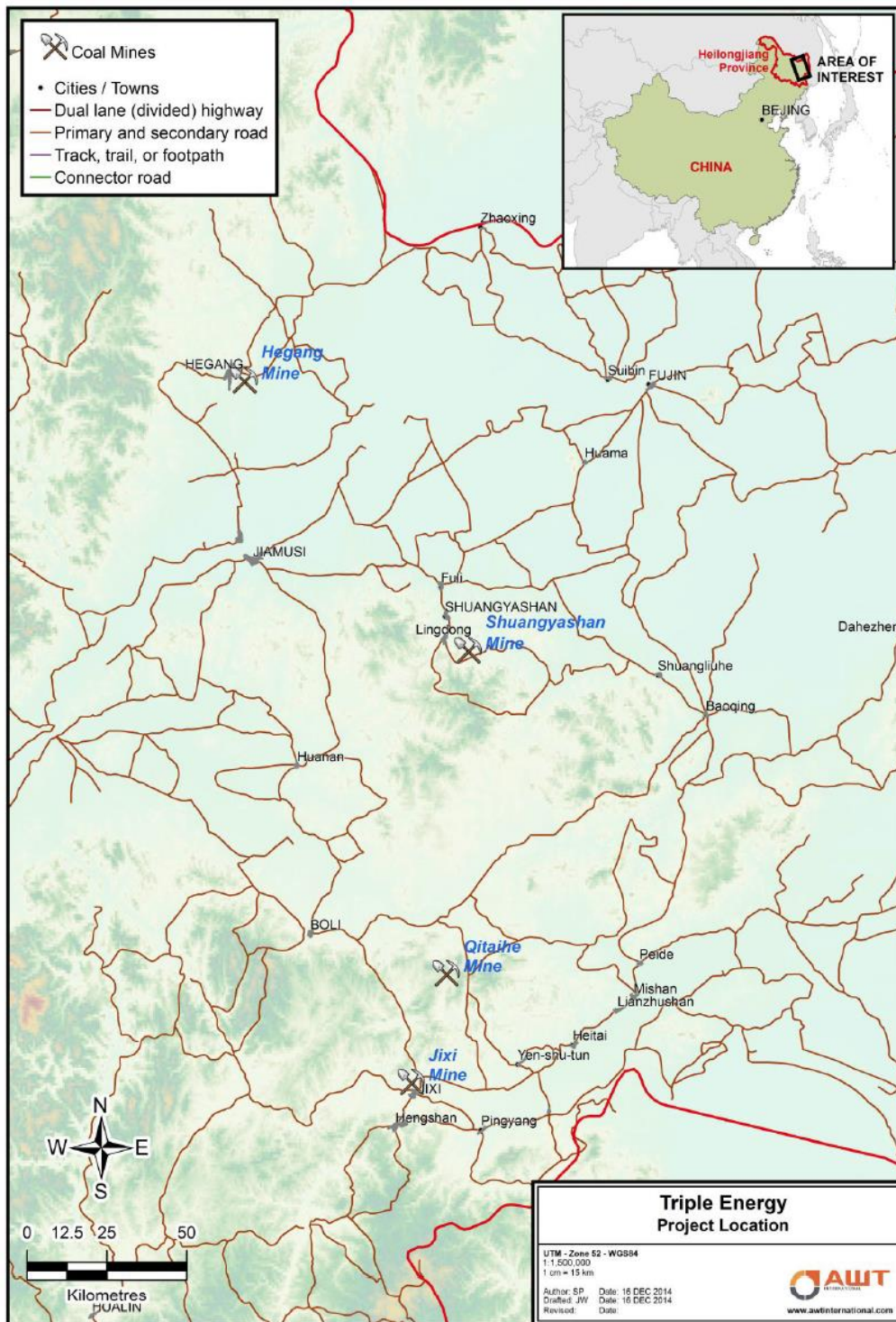


Figure 3-2: Aolong project locations⁴

⁴ Source: Valuation of Triple Energy Ltd 80% Interest in the Acreage Held by the Aolong JV, by AWT (2015) included in the Notice of General Meeting, ASX release 19 March 2015.

Three CBM wells were drilled over the period 2013-2015. The wells failed to define a CBM resource and there has been no exploration activity undertaken since this time.

HyTerra announced in 2018 that it had negotiated a memorandum of understanding ('MOU') to acquire Guanzhou Bofu Investment Co. Ltd. a company which had the right to derive income from the Xin 214 Project consisting of certain oil licenses in Songyuan City, Jilin Province in the, PRC. RISC has been advised that due-diligence was not completed on this proposed acquisition and that the acquisition terms were not agreed by the parties.

3.2. Neutralysis Industries Pty Ltd asset overview

Neutralysis Industries Pty Ltd ('NIPL') a private company registered in Australia has a 10.03% beneficial interest in a joint development and earn-in agreement ('JDA') with Natural Hydrogen Energy LLC ('NH2E'), a company domiciled in Denver, Colorado, USA.

Originally executed in April 2021 and subsequently updated April 2022, the JDA describes the funding arrangements and work program activities to be undertaken on certain exploration leases owned by NH2E for NIPL to acquire beneficial interest in the JDA in a phased manner. NIPL has the right to earn a beneficial interest of up to 51% in the JDA. The JDA specifies that a joint venture company is to be established upon the satisfaction of certain conditions precedent to reflect the beneficial interest as earned by NIPL.

NH2E has acquired leases in Nebraska and South Carolina for the exploration of natural hydrogen (Figure 3-3, Figure 3-4 and Figure 3-5) which are assigned to the JDA.

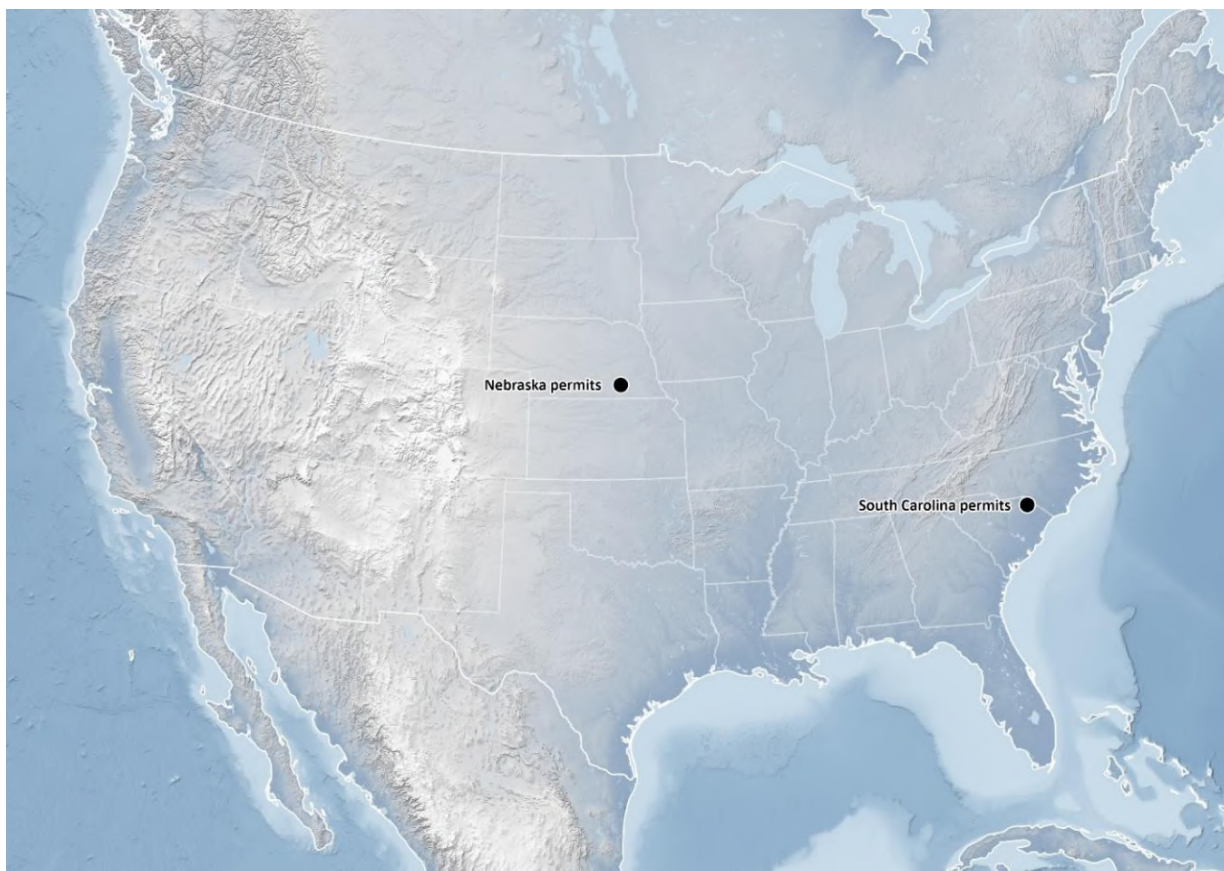


Figure 3-3: NH2E asset location map

For personal use only

These leases are situated over features in the landscape, known as ‘bays’ (or ‘Carolina Bays’) and referred to as ‘fairy circles’ in Australia, which are characterised by a depressed ground level and raised outer rim. It is postulated that these features are surface expressions of hydrogen seepage from the subsurface^{5 6}. The NH2E lease areas are situated over identified bays as seen in Figure 3-4 and Figure 3-5.

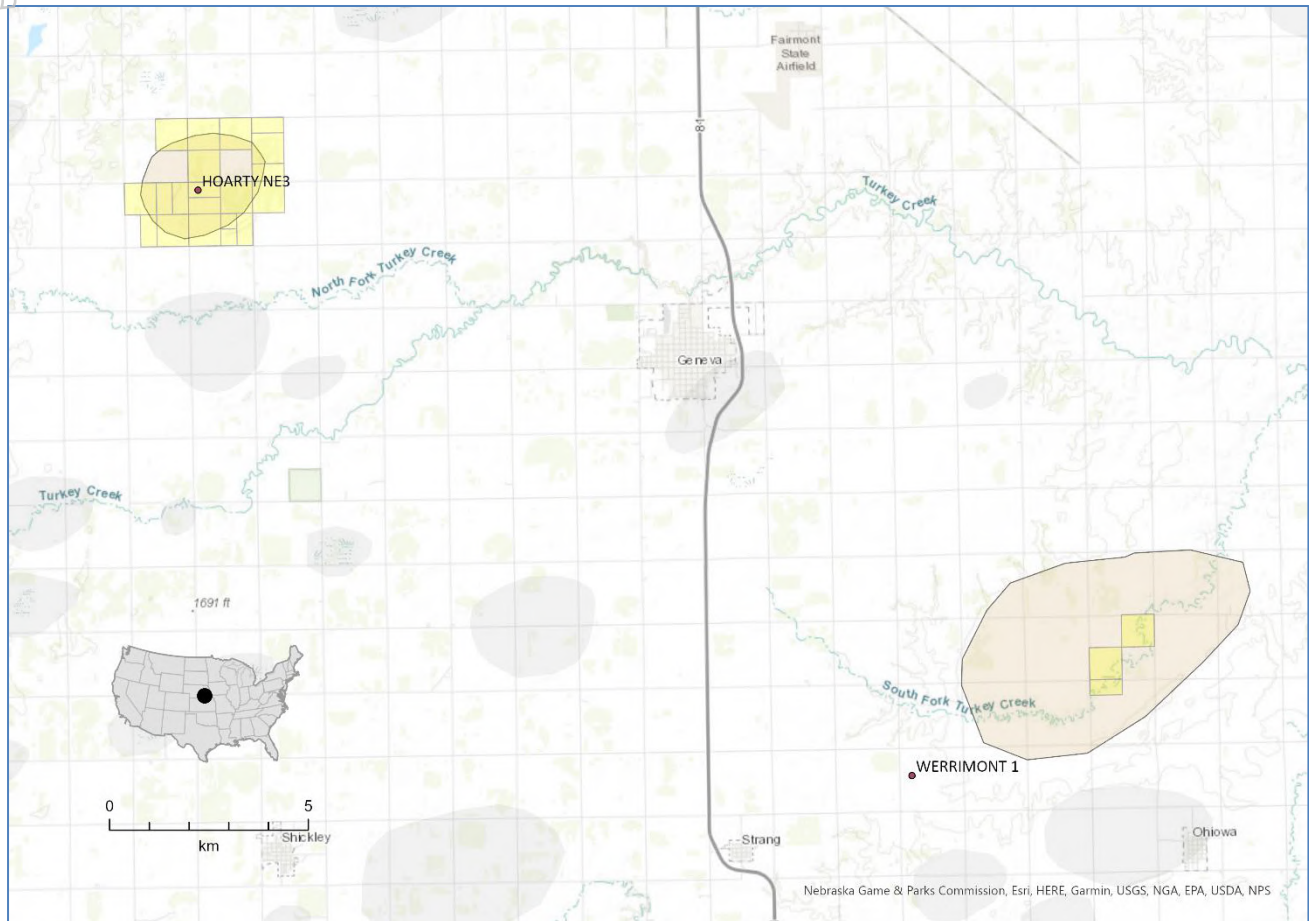


Figure 3-4: NH2E asset location map – Nebraska northwest and Nebraska southeast

As cited in the scientific literature, geochemical studies, soil sampling and analysis appear to support the theory of such features being the site of hydrogen seeps from the subsurface.

In total NH2E have acquired twenty-one (21) leases totalling 3,891 acres (15.7 km²) in Nebraska and South Carolina to explore for the presence of natural hydrogen gas in the subsurface. Key terms of the NH2E and JDA leases are summarised in Table 3-1.

⁵ Zgonnik, V. (2020), The occurrence and geoscience of natural hydrogen: A comprehensive review. Earth Science Reviews, 1031(40)

⁶ Frery, E., Langhi, L., Maison, M. and Moretti, I. (2021), Natural hydrogen seeps identified in the North Perth Basin, Western Australia. International Journal of Hydrogen Energy, August 2021.

For personal use only

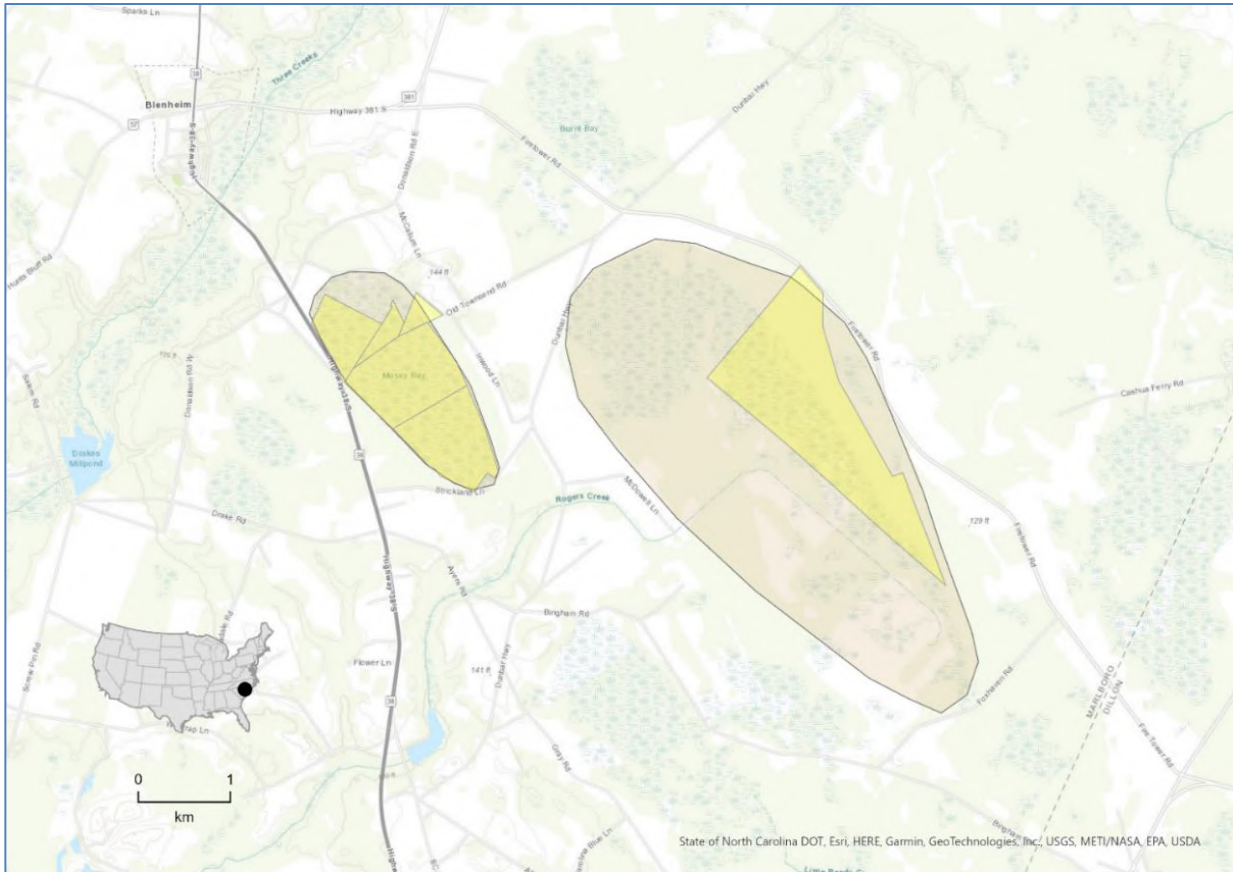


Figure 3-5: NH2E asset location map – South Carolina west and South Carolina east

Table 3-1: Summary of key terms, NH2E leases

Initial term	Up to 6-years in Nebraska, 10-years in South Carolina
Commencement date	Various
Signature bonus	Nil
Training, Administration & Local Development fees	Nil
Bonus Fees	US\$48,000 ⁷
Royalty	Nebraska - 12.5% overriding royalty South Carolina – 16.7% overriding royalty
Taxes	United States of America
Minimum work program commitments	Nil ⁸

⁷ Bonus fees are one off payments upon leasing the mineral rights. South Carolina leases do not attract bonus fees.

⁸ Leases do not have an associated work program. JDA specifies work program commitment.

For personal use only

NH2E drilled the Hoarty NE-3 well in the Nebraska northwest T7N-R4W cluster of leases (Figure 3-4). Drilled over the period November 2018 to February 2019, the well was drilled to a total depth of 11,287 ft (3,440 m) in Pre-Cambrian basement metasediments.

The well intersected several zones in the basement metasediments where elevated hydrogen gas was detected. Conventional wireline logging was conducted, a slotted liner installed in the borehole and the well was suspended for a future testing campaign.

Swabbing operations were conducted in June 2021 and gas was recovered and flared at rates up to 43,400 cf/day. The flare was observed to burn with a transparent flame suggesting high concentrations of hydrogen, however gas samples failed to confirm high levels of hydrogen and are considered unrepresentative by NH2E.

For personal use only

4. HyTerra Ltd assets

4.1. Aolong Joint Venture

The Aolong joint venture was established by LongMay and CFT in 2011 to treat, extract, produce and utilise CBM in the coal mining co-operation areas of LongMay. Aolong had an exclusive option to access an area of up to 2,700 km² for CBM exploitation.

Aolong is an incorporated joint venture under the terms of a Sino-Foreign Contractual Joint Ventures Contract ('CJV Contract') laws of the Peoples Republic of China. Under the terms of the agreement, CFT (subsequently acquired by HyTerra (Triple)) was entitled to 80% profit share of any established CBM production.

RISC has not been provided the CJV Contract nor a summary of the terms and provisions of the agreement.

RISC notes that HyTerra nor the Aolong joint venture held or were directly awarded any licenses or tenements directly. RISC understands that joint venture activities were to be undertaken within coal mining licenses held by LongMay, with the co-operation of LongMay.

4.1.1. Work program

The initial work program and business plan included the drilling and testing of 2 -3 wells in the Hegang mining cooperation area.

In total, three wells were drilled over the period 2013 – 2015:

- Xian Xian-1 drilled and tested in 2013,
- Niaoshan-1 was drilled in 2015, and
- Yixin-1 which was drilled immediately following Niaoshan-1.

No firm CBM related work program commitment was in place for the Aolong joint venture project areas and that CBM activities within the cooperation areas were discretionary activities. RISC also understands that no substantive activities have been undertaken since this period of time.

4.1.2. Geological setting

The Jixi - Hegang Basin is a Mesozoic fault bounded coal bearing basin. The western boundary of the basin is formed by the Qinhei Mountains and the south-eastern boundary is defined by the major Yilan – YiTong fault. The Hegang coal fields trend in a north – south direction in a monoclinical structure that dips to the east.

The coal bearing strata are within the Early Cretaceous aged Jixi Group, consisting of intercalating marine and non-marine deposits.⁴

4.1.3. Well results and data

RISC anticipates that in the Aolong joint venture cooperation areas, consisting of coal fields and mining operations, there would exist a significant coal seam database consisting of depth structure, coal seam thickness, coal density and potentially gas content. No such database has been made available to RISC to review.

The Xian Xian-1 well intersected 63.4 m of gross coal seams with a reported 37 m of 'gassy' coal seams. Two DST's were conducted and the results are unknown.

The Niashan-1 well failed reportedly due to fault seal issues. The Yixin-1 well result was inconclusive and a proposed fracture stimulation and testing program for the well was not conducted due to the potential risk of communication with a nearby water bore being used for irrigation purposes.

RISC is unaware of any pre-existing permeability, gas content, gas saturation or gas composition data, or any such data obtained from the drilling campaign.

4.1.4. Overlapping tenure

RISC notes that the exploration, appraisal and exploitation of CBM within the Aolong joint venture cooperation areas was to be undertaken in close proximity to established and ongoing surface coal mining operations. RISC understands that the CBM activities were also to be undertaken and governed by the coal mining licenses where no CBM exploration, appraisal and exploitation licenses or tenure were to be granted.

In such a situation, it would be expected that an access and coordination agreement between the coal mining and CBM entities would be agreed that would govern each parties rights to land access and undertaking activities.

RISC is not aware of any such formal coordination agreement between the parties undertaking coal mining and CBM activities.

4.1.5. Resources

A gas in-place assessment was undertaken by AWT in 2010, updated in 2012, and included in a HyTerra (Triple) notice of meeting on 19 November 2012⁹. RISC is not aware of any prospective resource assessments being undertaken, nor publicly released. However, a valuation of the project was undertaken by AWT was included in supporting documentation of a HyTerra (Triple) notice of meeting in March 2015¹⁰.

RISC has not undertaken an independent gas in-place assessment or resource assessment of the Aolong joint venture project.

4.1.6. Subsequent events

4.1.6.1. CBM exploration activities

Following the poor results of the wells drilled and the inability to undertake stimulation activities in Yixin-1, no further substantive CBM activities have been undertaken within the Aolong joint venture areas.

RISC has not been made aware of the current status of the joint venture.

4.1.6.2. Sino-Foreign Contractual Joint Venture contract laws

Aolong is an incorporated joint venture under the terms of Sino-Foreign Contractual Joint Ventures Contract ('CJV Contract') laws of the Peoples Republic of China prior to 1 January 2020. RISC has been advised that the Sino-Foreign Contractual Joint Ventures law was repealed on 1 January 2020, preventing the establishment of new incorporated joint ventures.

⁹ Triple Energy Ltd ASX release dated 19 November 2012

¹⁰ Triple Energy Ltd ASX release dated 19 March 2015.

Sino-Foreign joint ventures established under the pre-existing Sino-Foreign Contractual Joint Ventures laws were extended a transition period of 5-years to amend their articles of incorporation to ensure compliance with the new foreign investment laws.

RISC is not aware if this has been undertaken by the Aolong Joint Venture nor of any real or perceived impact or risk to the rights of the Aolong Joint Venture and its parties.

4.1.6.3. Sale of Aolong joint venture interest

RISC has been advised by HyTerra that it has entered into a contract for the disposal or sale of its interest in the Aolong joint venture. RISC is not aware of the terms of such a sale nor the timing of completion of the transaction.

4.2. Guangzhou Bofu Investment Co. Ltd acquisition

HyTerra (Triple) announced on 11 September 2018 that it had signed a non-binding Memorandum of Understanding ('MoU') in relation to the potential acquisition of Guangzhou Bofu Investment Co. Ltd ('GBIC') which intended to acquire an 80% interest in Songyuan Petroleum Development Co. Ltd. ('SPDC')¹¹. SPDC had the right to derive income from the development of four oil blocks in Songyuan City, Jilin Province in the PRC¹².

RISC has been advised that due diligence was not completed and that terms for an acquisition were not agreed. RISC is not aware whether GBIC acquired any interest in SPDC or whether the MoU has been terminated or is still in-force, but we assume it has lapsed.

¹¹ Triple Energy Ltd ASX release dated 11 September 2018.

¹² Collectively referred to as the Xin 214 Project.

5. Neutralysis Industries Pty Ltd assets

Neutralysis Industries Pty Ltd Limited ('NIPL') and Natural Hydrogen Energy LLC ('NH2E') formed a joint venture and executed a joint development and earn-in agreement ('JDA') on 8 April 2021, and subsequently amended 1 April 2022. Pursuant to the JDA, NIPL could earn a beneficial interest in the JDA in return for fully funding a work program associated with the leases as specified in the JDA (refer Table 5-1). To date NIPL has earned a 10.03% beneficial interest.

The JDA and the funding arrangement also contemplate the acquisition of additional leases for the purposes of hydrogen exploration and exploitation.

NIPL has the right to earn a beneficial interest of up to 51% in the JDA. The JDA specifies that a joint venture company is to be established upon satisfaction of conditions precedent to reflect the beneficial interest earned by NIPL.

In total NH2E have acquired twenty-one (21) leases totalling 3,891 acres (15.7 km²) in Nebraska and South Carolina to explore for the presence of natural hydrogen gas in the subsurface. The leases are grouped as Nebraska northwest, Nebraska southeast, South Carolina west and South Carolina east (Table 5-1). Refer also Figure 3-4 and Figure 3-5.

5.1. Tenure

RISC has been provided documentation regarding title over select mineral rights leases held by NH2E and a copy of the notarized certification of due diligence and lease examination by Katherine Morganstern of Top Notch Land Services Inc. of Kimball, Nebraska regarding the terms, obligations and standing of the mineral leases of NH2E. RISC is reasonably satisfied that NH2E is the beneficial owner of the mineral leases as included in the JDA and shown in Table 5-1.

5.2. Work program and commitments

The JDA specifies a work program to be conducted by the parties and funded by NIPL, this is summarised in Table 5-2. A provision of Phase 1 in the JDA work program is for an interim payments of US\$1,511,242 to earn an initial beneficial interest of 9.06% in the JDA.

RISC has been advised that a further US\$159,800 of work program has been fully funded by NIPL since the execution of the JDA and that the parties have agreed that the beneficial interest now stands at 10.03%. RISC has been provided evidence of this mutual agreement and is satisfied that NIPL has earned this additional equity.

The planned work program expenditure of the JDA consists of:

- An initial Phase 1 program of US\$5 million which NIPL is fully funding in order to earn a 30% beneficial interest in the JDA.
- A Phase 2 program of US\$15 million, for which NIPL can earn a further 21% if it fully funds the second phase.

The total work program is US\$20 million which, if fully funded by NIPL will gain NIPL a 51% beneficial interest in the JDA (or joint venture company). NH2E will remain operator of the joint venture unless jointly agreed that operatorship can transfer to NIPL.

Table 5-1: NH2E lease summary

Legal Description	Total Leased Acres	Effective Date	Expiration Date	Primary Term Years
Nebraska northwest				
T7N-R4W Sec 23: NE4	160	10/03/2022	10/03/2025	3
T7N-R4W Sec 23: N2NW	80	8/03/2016	8/03/2022	6
T7N-R4W Sec 23: E2SE, SWSE	120	7/05/2018	7/05/2023	5
T7N-R4W Sec 23: S2NW	80	10/08/2018	10/08/2023	5
T7N-R4W Sec 23: NWSE	40	10/08/2018	10/08/2023	5
T7N-R4W Sec 14: SW4	160	10/08/2018	10/08/2023	5
T7N-R4W Sec 22: NW4, E2SW4, SE4	400	18/09/2018	18/09/2023	5
T7N-R4W Sec 13: S2SW4	80	18/09/2018	18/09/2023	5
T7N-R4W Sec 14: NW	160	18/09/2018	18/09/2023	5
T7N-R4W Sec 14: NE4	160	18/09/2018	18/09/2023	5
T7N-R4W Sec 13: S2NW4, N2SW4	80	18/09/2018	18/09/2023	5
T7N-R4W Sec 24: NW4	160	18/09/2018	18/09/2023	5
T7N-R4W Sec 22: E2NE	80	7/11/2018	7/11/2023	5
T7N-R4W Sec 22: W2NE4	80	7/11/2018	7/11/2023	5
T7N-R4W Sec 23: SW4	160	8/11/2018	8/11/2023	5
T7N-R4W Sec 15: NE4	160	8/11/2018	8/11/2023	5
T7N-R4W Sec 13: S2NW4, N2SW4	80	12/11/2018	12/11/2023	5
T7N-R4W Sec 13: N2NW	80	15/11/2018	15/11/2023	5
Nebraska southeast				
T6N-R1W Sec 30: NE & SW Sec 31: N2NW	400	15/08/2018	15/08/2023	5
South Carolina east				
TMS #6-001-01-008 Tract 3 on plat entitled "Survey of Property for Myrtle Beach Farms" in Cabinet A, Plat Slide 167, Page 2	654.24	1/04/2014	1/04/2024	10
South Carolina west				
Property Tax ID # 059-00-02-020; 059-00-02-021; 059-00-02-022; 059-00-02-026;059-00-02-028.	517	1/04/2014	1/04/2024	10
Notes to the table:				
<ol style="list-style-type: none"> 1. T7N-R4W Sec 23: NE4 was recently renewed with an effective date of 10 March 2022. 2. T7N-R4W Sec 23: N2NW containing the Hoarty NE-3 well has been suspended under shut-in royalty terms. 				

For personal use only

Table 5-2: JDA work program summary

Description	Estimated Cost (US\$)
Phase 1	
Testing the Initial Well for production. Extended testing if required.	\$300,000 (up to \$200,000 for extended testing)
Pilot gas separation unit	\$2,100,000
Acquiring additional mineral rights leases	\$250,000
Studies, operating costs including contingency	\$950,000
2D seismic acquisition and exploratory drilling	\$1,200,000
Total Phase 1	\$5,000,000
Phase 2	
Acquiring additional mineral rights leases	\$2,200,000
Studies, operating costs including contingency	\$1,800,000
2D seismic acquisition and exploratory drilling	\$9,000,000
Gas treatment plant	\$2,000,000
Total Phase 2	\$15,000,000

The aim of Phase 1 of the work program is to undertake a comprehensive test the Hoarty NE-3 well and establish pilot hydrogen gas production. RISC has not been provided details of the proposed test program.

RISC has not been provided any specific details regarding the remainder of the work program to be undertaken and cannot comment on the reasonableness of the activities.

5.3. Geological setting

The Nebraska northwest and southeast regions are located within the Salina Basin, a mid-continent basin in eastern Nebraska and Kansas. Sediments of Cambrian to Quaternary age are reported, however sediments of Ordovician to Pennsylvanian (Upper Carboniferous) age including Mississippian age (Lower Carboniferous) dominate. The Salina Basin overlies basement terranes of metasediments and crystalline rocks of Pre-Cambrian age¹³.

The South Carolina west and east regions are associated with bays which are extensively mapped on the Atlantic coastal plain from Florida to Jersey.¹⁴ The JDA leases are located on the Atlantic coastal plain with a thin Cretaceous to Pliocene sedimentary section comprising the western edge of the Blake – Bahamas Basin.

¹³ Premsky, S. (1985) Federal Lands Assessment Project: Salina Basin Province (Phase 1), USGS open file report 87-450F

¹⁴ South Carolina Geological Survey. <https://www.dnr.sc.gov/geology/carolina-bays.html>

Underlying the sediment cover of the South Carolina regions lies the Appalachian Piedmont terrain comprising complex Neoproterozoic to early Paleozoic aged rocks.¹⁵

The nature and origin of natural hydrogen gas is vigorously debated in scientific literature. The NH2E hydrogen exploration play is based on the theory that hydrogen gas is generated and sourced from within the Earth's crust, is present in matrix and fracture porosity of predominantly basement rocks, and seepage to the surface is evidenced by features at surface.

Natural hydrogen gas is reported in Kansas to the south of the Nebraska leases in several wells drilled into basement.¹⁶

5.4. Data

No depth to basement, soil geochemistry analysis or other geological descriptions have been made available to RISC to review for the Nebraska or South Carolina leases. RISC is not aware of any seismic data or any other data such as geochemical studies or soil sampling pertinent to the evaluation of the Nebraska and South Carolina leases or the exploration of natural hydrogen.

The primary data available is that associated with the Hoarty NE-3 well drilled by NH2E in 2018/19 in the Nebraska northwest lease region.

5.4.1. Hoarty NE-3 well

NH2E drilled the Hoarty NE-3 well in the Nebraska northwest T7N-R4W cluster of leases (Figure 3-4) to test for the presence of natural hydrogen gas in basement rocks. Drilled over the period November 2018 to February 2019, the well was drilled to a total depth of 11,287 ft (3,440 m) in basement metasediments. This is the deepest well in Nebraska.

The well intersected approximately 3,478 ft (1,060 m) of sediments of up to Mississippian age (Lower Carboniferous) before drilling a further 7,800 ft (2,377 m) in basement rocks. A mudlog, daily drilling reports, a geochemical gas analysis report, wireline logs and petrophysical analyses are available for the well.

5.4.1.1. Hydrogen analysis

As detailed in the geochemical gas analysis report, specialised hydrogen gas detection equipment was used alongside traditional mudlogging gas detection equipment whilst drilling the well. In addition, manual sampling of gas from the mud flow line was also undertaken.

Hydrogen concentrations in the well are shown in Figure 5-1. The concentration difference between the two measurements is speculated by NH2E to represent atmospheric contamination. Hydrogen gas was detected via manual sampling in excess of 30% concentration below 10,000 ft (3,050 m).

Swabbing operations were conducted in June 2021 to reduce the hydraulic head in the well. Gas that had been swabbed into the wellbore and recovered to surface was flared. The flare burnt with a transparent flame, interpreted to verify that hydrogen gas was predominant in the gas stream. However, RISC is not

¹⁵ Hibbard, J., Stoddard, E., Secor, D. and Dennis, A. (2002). The Carolina Zone: overview of Neoproterozoic to Early Paleozoic per-Gondwanan terranes along the eastern flank of the southern Appalachians. *Earth Science Reviews*, 57, pp299-339.

¹⁶ Guelard, J., Beaumont, V., Rouchon, V., Guyot, F., Pillot, D., Jezequel, D., Ader, M., Newell K. D. and Deville, E. (2017) Natural H₂ in Kansas: Deep or shallow origin?. *Geochemistry, Geophysics, Geosystems* (18), pp1841-1865.

aware of any gas sampling or analysis to verify a substantial hydrogen concentration. Flared gas was depressurised from the wellhead annulus and does not constitute a formal flow test.

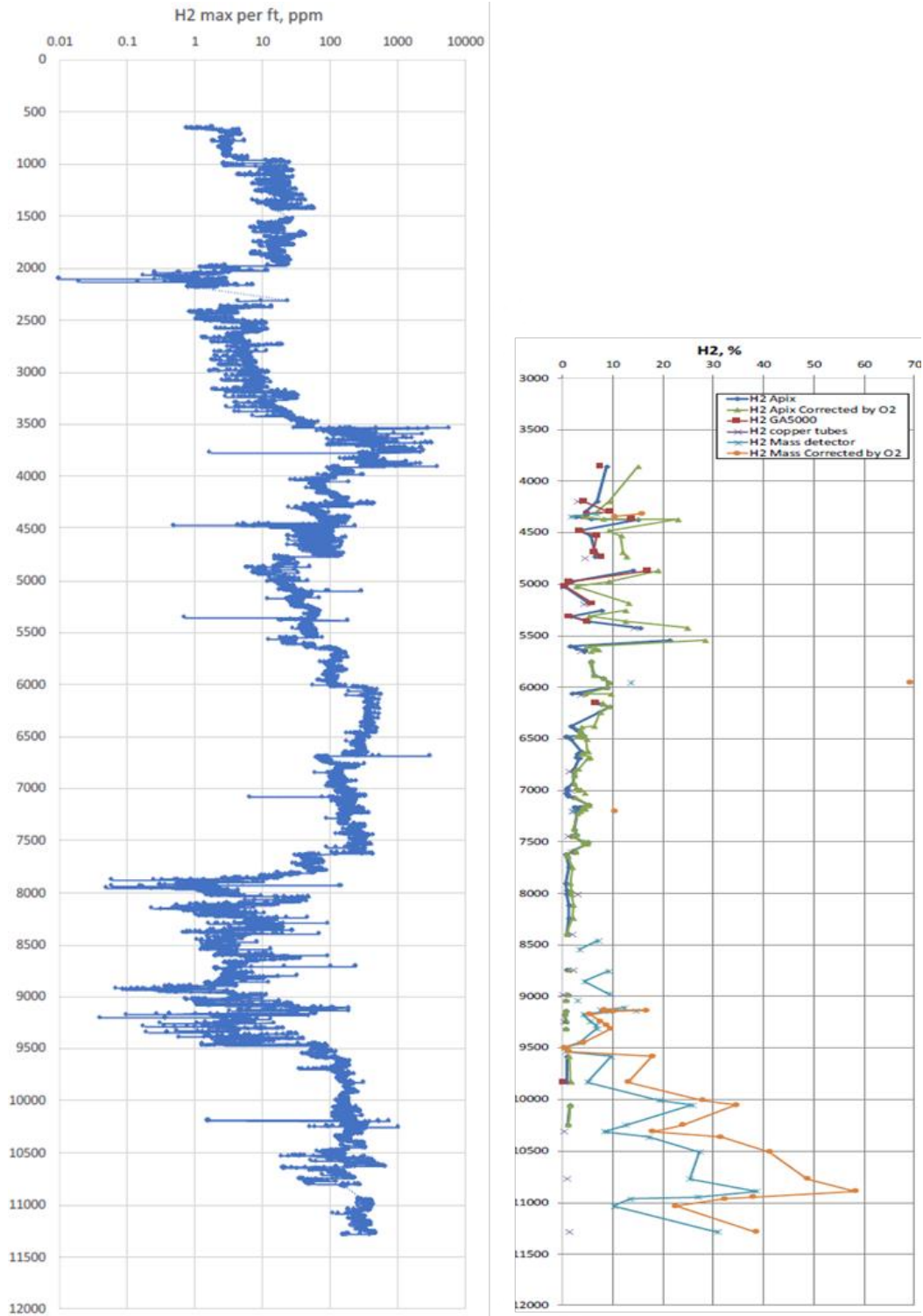


Figure 5-1: Hoarty NE-3 hydrogen gas profiles from gas detection equipment in the mud agitators (at left), and manual gas sampling of bubbles in the mud (at right)

For personal use only

During the swabbing operations, isotube gas samples were taken from the wellhead and casing annulus and analysed (Table 5-3). Hydrogen concentrations in these samples are low and markedly different to the hydrogen concentrations measured whilst drilling. NH2E postulate this is due to microbiological conversion of hydrogen in the borehole and atmospheric contamination since the well was suspended.

It is RISC's opinion that the manual hydrogen sampling undertaken whilst drilling is a more representative measurement of natural hydrogen gas in the well. However, RISC cannot verify the measurement and analysis and therefore considerable uncertainty in the hydrogen gas concentration in the well remains.

Table 5-3: Hoarty NE-3 isotube analyses, collected prior to swabbing operations

Sample #	796998	796999	797000	797001	797002	797003
Component	Chemical mol. %					
Carbon Monoxide	-	-	-	-	-	-
Helium	1.02	0.879	1.58	7.59	7.31	-
Hydrogen	0.178	0.304	0.0503		0.0183	0.17
Argon	0.388	0.464	0.167	0.34	0.408	1.24
Oxygen	2.61	2.22	1.39	0.11	1.44	0.036
Nitrogen	90.66	91.2	23.89	62.2	63.52	98.55
Carbon Dioxide	0.024	0.012	-	0.007	-	-
Methane	5.11	4.91	72.91	29.71	27.26	0.0029
Ethane	0.0048	0.0045	0.008	0.0396	0.0345	0.0003
Ethylene	0.0002	0.0002	0.0002	0.0002	0.0002	0.0004
Propane	0.0007	0.0008	0.0015	0.0048	0.0043	0.0001
Propylene	0.0002	0.0003	0.003	0.0012	0.0011	0.0003
Iso-butane			0.0001	0.0001		-
N-butane	0.0001	0.0002	0.0004	0.0007	0.0001	-
Iso-pentane	0.0004	-	-	-	-	-
N-pentane	-	-	0.0001	-	-	-
Hexanes	0.0005	0.0006	0.0012	0.0002	0.0001	0.0003
Total	100.0	100.0	100.0	100.0	100.0	100.0

RISC notes the presence of helium gas in the isotube samples (Table 5-3). NH2E and NIPL have not presented any evaluation plan to investigate further.

Notwithstanding the uncertainties regarding the hydrogen concentrations, in RISC's opinion helium at these concentrations could potentially be commercially attractive and further evaluation is warranted.

For personal use only

5.4.1.2. Petrophysical analysis

Petrophysical analysis of the well was undertaken by NH2E and has been provided to RISC. An independent petrophysical evaluation was also undertaken by Upstream Digital Solutions on the basement section for HyTerra. This analysis is more comprehensive and identified two zones of interest with elevated hydrogen gas associated with matrix and fracture porosity (Figure 5-2). The petrophysical analysis sums and averages, including calculated minima and maxima is shown in Table 5-4.

RISC has relied upon this analysis for parametrisation of volumetric inputs for estimation of gas in-place (refer Section 6).

This analysis has identified two zones of elevated hydrogen gas associated with matrix and fracture porosity, Zone 1 and Zone 4. Matrix porosity is low but significant fracture porosity has been estimated.

For personal use only

For personal use only

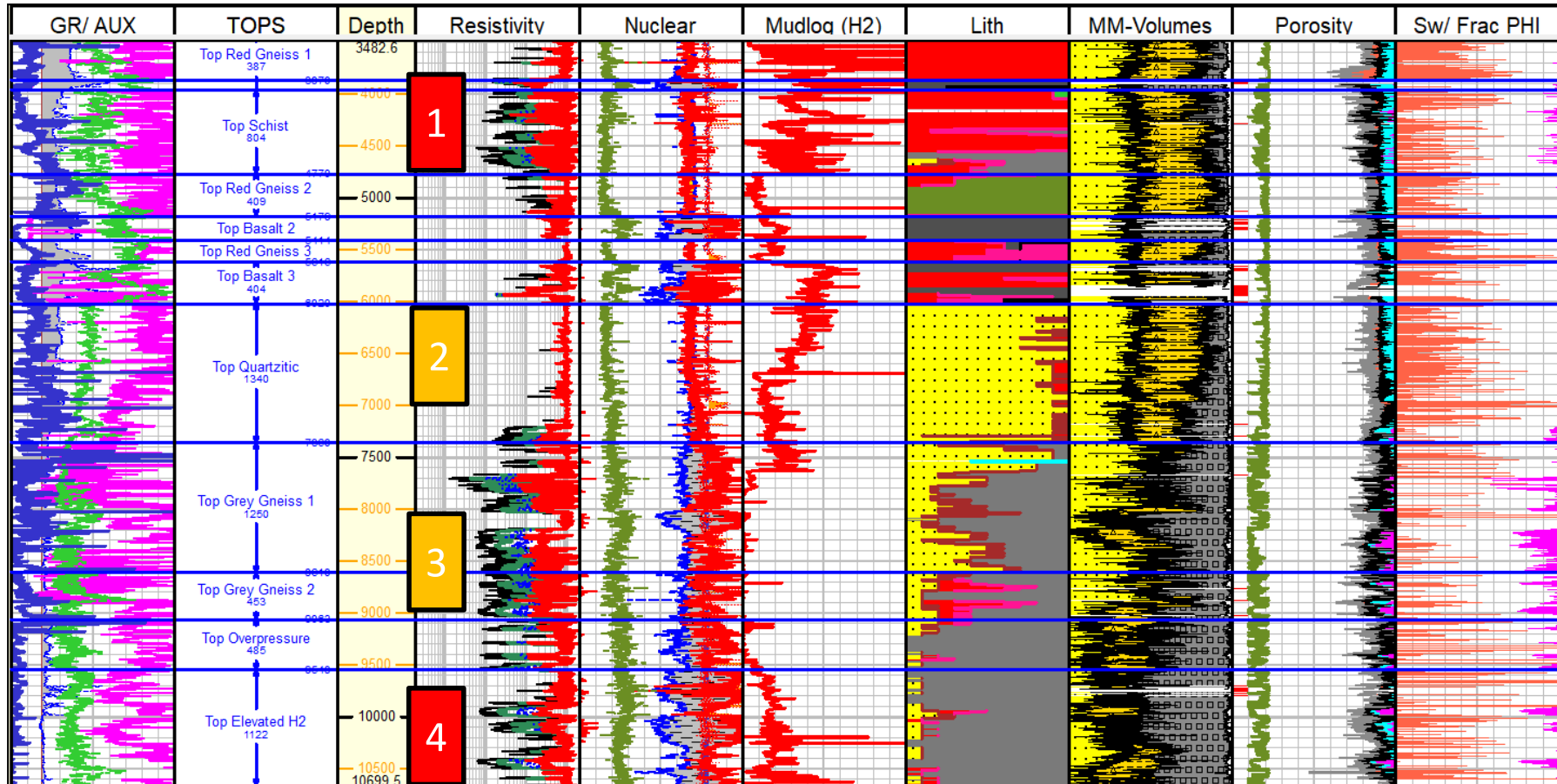


Figure 5-2: Hoarty NE-3 basement petrophysical analysis (HyTerra)

Table 5-4: Hoarty NE-3 petrophysical analysis sums and averages (HyTerra)

Interval	Top (ft)	Base (ft)	Cutoff PHIT >= 0.01 & Swt <= 0.7														
			Net (ft)	Matrix porosity					Fracture porosity				Sw Ave (%)	Sw Std Dev. (%)	Sw P90 (%)	Sw P50 (%)	Sw P10 (%)
				Ave (%)	Std Dev. (%)	P90 (%)	P50 (%)	P10 (%)	Ave (%)	Std Dev. (%)	Min (%)	Max (%)					
TOP RED GNEISS 1	3482.7	3870	301	4.60%	1.43%	3.14%	4.13%	6.69%	0.00%	0.02%	0.00%	0.29%	42.70%	12.50%	62.13%	44.98%	30.32%
TOP BASALT 1	3870	3966	10	6.20%	0.73%	5.17%	6.22%	7.09%	0.00%	0.03%	0.00%	0.15%	55.40%	9.88%	66.90%	57.12%	40.10%
TOP SCHIST (Zone 1)	3966	4770	408	3.80%	0.77%	2.94%	3.67%	4.85%	0.10%	0.27%	0.00%	1.92%	51.70%	13.55%	67.20%	55.36%	35.66%
TOP RED GNEISS 2	4770	5179	189	3.30%	0.54%	2.80%	3.17%	4.08%	0.00%	0.01%	0.00%	0.23%	56.20%	10.42%	67.89%	59.31%	43.76%
TOP BASALT 2	5179	5414	108	4.30%	1.16%	2.86%	4.35%	5.72%	0.00%	0.01%	0.00%	0.13%	40.10%	18.54%	64.22%	43.75%	9.60%
TOP RED GNEISS 3	5414	5616	149	3.30%	0.52%	2.64%	3.25%	3.97%	0.00%	0.00%	0.00%	0.00%	47.30%	16.00%	65.25%	50.95%	25.11%
TOP BASALT 3	5616	6020	164	4.00%	1.04%	2.67%	4.06%	5.28%	0.00%	0.01%	0.00%	0.12%	44.20%	15.47%	62.23%	46.33%	24.57%
TOP QUARTZITIC	6020	7360	769	3.00%	0.66%	2.18%	3.00%	3.85%	0.00%	0.05%	0.00%	0.76%	45.90%	18.88%	65.95%	50.20%	15.14%
TOP GREY GNEISS 1	7360	8610	301	2.90%	1.09%	1.69%	2.80%	4.42%	0.30%	0.63%	0.00%	3.33%	43.40%	21.54%	66.48%	46.19%	1.38%
TOP GREY GNEISS 2	8610	9063	110	4.30%	1.67%	1.82%	4.69%	6.36%	0.70%	0.70%	0.00%	2.39%	54.60%	16.65%	67.62%	54.81%	33.03%
TOP OVERPRESSURE	9063	9548	153	2.60%	1.07%	1.28%	2.42%	3.97%	0.10%	0.27%	0.00%	1.52%	38.40%	24.91%	64.31%	38.00%	0.42%
TOP ELEVATED H2 (Zone 4)	9548	10670	406	3.10%	1.37%	1.56%	2.49%	4.82%	0.10%	0.36%	0.00%	2.48%	40.00%	22.76%	64.66%	41.46%	0.66%

For personal use only

6. Resources

RISC has not been provided any resource assessment to audit in the preparation of this ITSR for the Aolong joint venture project nor for the leases included in the NH2E -NIPL JDA.

In the absence of any technical data RISC has not undertaken an independent resource assessment of the Aolong joint venture project. However, for the NH2E -NIPL JDA assets RISC has conducted an independent gas in-place assessment based on the data provided.

However, these estimates cannot be disclosed according to ASX listing rules.

6.1. In-place resource estimate method

RISC has estimated the gas in-place for the Nebraska northwest region using prospective areas as defined below and parameters evaluated by RISC which are based on the Hoarty NE-3 petrophysical analysis in addition to our evaluation of hydrogen gas content.

RISC have assessed the in-place gas resource as a continuous resource play and that the prospective interval is gas saturated over the prospective areas with hydrogen gas being a proportion of that gas.

In the absence of subsurface information for the Nebraska southeast, South Carolina west and east regions, RISC has calculated a resource density range from the Nebraska northwest region gas in-place estimate to apply to these other JDA regions to estimate the gas in-place.

In RISC's opinion this approach is reasonable but cautions that significant uncertainty exists in these prospective regions.

6.1.1. Prospective areas

RISC independently verified the lease areas as provided by NIPL and the calculated the net area of the leases within the mapped bays (prospective area). These areas are presented in Table 6-1. RISC notes that these areas include lease T7N-R4W Sec 23: NE4 which has been renewed and lease T7N-R4W Sec 23: N2NW containing the Hoarty NE-3 well location which has been suspended as permitted by the lease agreement with shut-in royalties.

Table 6-1: JDA lease area tabulation and prospective areas

Region	Permitted area		Permitted area within bay (prospective area)	
	Area (km ²)	Area (acres)	Area (km ²)	Area (acres)
Nebraska Northwest	9.40	2,320.0	4.74	1,171.3
Nebraska Southeast	1.60	400.0	1.65	407.7
South Carolina West	2.29	565.9	2.23	551.0
South Carolina East	2.82	696.8	2.76	682.0

The permitted lease area in some instances extends outside of the bay and the leased area within the bay is defined as the prospective area and is that used in the gas in-place resource estimation.

6.1.2. Gas composition

Although some gas samples were captured during the Hoarty NE-3 drilling program the samples are considered to be contaminated, and the compositional analytical results are ambiguous.

During well swabbing operations gas evacuated from the annulus of the well burned with a clear flame in direct sunlight which is indicative of a hydrogen flame. Isotube gas samples collected prior to swabbing were contaminated by air and possibly altered due to microbial activity within the well, corrections for contamination have been used where possible.

Manual sampling of gas bubbles evolving from the mud in the mud returns line whilst drilling has yielded the highest measured hydrogen gas concentrations (refer Figure 5-1) but these too were contaminated by air.

A wide range of gas composition has therefore been adopted by RISC to address the compositional uncertainty which is confined by the available data.

There is a substantial difference between the pressure and temperature of Zones 1 and 4. Zone 1 is estimated to be at 1,400 psia and 96 °F, Zone 4 is estimated to be 4,075 psia and 149 °F. This combined with the variation in hydrogen estimates (P50 estimate of 8% for Zone 1 and 12% for Zone 4) results in Zone 4 being estimated as compositionally superior with respect to hydrogen.

The estimated gas compositions are shown in Table 6-2.

Table 6-2: Gas composition volumetric input parameters (RISC)

Zone		Hydrogen (H ₂)	Methane (CH ₄)	Nitrogen (N ₂)
Zone 1	Low (%)	4.0	20.9	75.1
	Best (%)	8.0	18.9	73.1
	High (%)	12.0	15.0	73.0
Zone 4	Low (%)	4.0	20.9	75.1
	Best (%)	12.0	15.0	73.0
	High (%)	33.8	4.1	62.1

Notwithstanding the uncertainties regarding the analysis of hydrogen content, RISC notes that helium gas of up to 7.6% concentration was measured in the isotube samples (refer Table 5-3).

6.2. Reservoir development plan

RISC has not been provided a conceptual plan to develop and produce gas from the assets nor to process and extract the hydrogen from the well stream. In the absence of a development concept RISC is unable to estimate recoverable resources for the NIPL assets.

Factors to consider in the formulation of a development concept include reservoir performance, well count, artificial stimulation, well deliverability and surface processing equipment. An appraisal campaign with appropriate testing and sampling will address these issues.

RISC notes that the USA has a well-developed articulated network of natural gas pipelines infrastructure. It is reasonable to assume that any produced hydrogen gas could be evacuated via this network. Hydrogen gas can be introduced to existing natural gas infrastructure up to approximately 10% by volume.

In RISC opinion, the NIPL assets are currently immature and require further exploration and appraisal before an estimate of recovery and therefore resources can be made.

6.3. Discovery test

In RISC opinion, the Hoarty NE-3 well has not proven an accumulation of natural hydrogen gas according to Section 2.1.1 'Determination of Discovery Status' of the PRMS¹⁷. There remains significant uncertainty in the hydrogen gas concentrations and producibility has not yet been demonstrated.

6.4. Geological risk

NH2E and NIPL have not provided an estimate of geological risk for a natural hydrogen exploration play in any of the JDA lease areas.

The petroleum industry concepts of geological play risk and prospect specific risk however can be applied in this instance. For the Nebraska northwest region, as tested by the Hoarty NE-3 well, the natural hydrogen gas exploration play has been tested and appears to be present. However, the concentration of natural hydrogen gas in the subsurface has some significant uncertainty. RISC therefore assess the geological play risk at 70% for this region.

For the Nebraska southeast area an extension of this play (25 km to the southeast) is required and therefore consequently becomes riskier. For the South Carolina regions the play has not been shown to be present and is therefore considered high risk.

For a prospect specific risk of the Nebraska northwest region, as tested by the Hoarty NE-3 well, RISC estimate the chance of recovering natural hydrogen on a production test at 40%. This is based on the natural hydrogen gas as measured whilst drilling and the chance of establishing a commercially productive reservoir interval in the well. The resultant geological risk of the Nebraska northwest region is assessed at 28% (70% x 40%).

RISC cannot assign a geological risk to the Nebraska southeast or South Carolina regions.

¹⁷ Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG) and approved by the Board of the SPE in March 2007. The PRMS was subsequently updated in June 2018.

7. Declarations

7.1. Terms of engagement

This report, any advice, opinions or other deliverables are provided pursuant to the Engagement Contract agreed to and executed by the Client and RISC.

7.2. Qualifications

RISC is an independent oil and gas advisory firm. All of the RISC staff engaged in this assignment are professionally qualified engineers, geoscientists or analysts, each with many years of relevant experience and most have in excess of 20 years.

RISC was founded in 1994 to provide independent advice to companies associated with the oil and gas industry. Today the company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. We have completed over 2,000 assignments in 70+ countries for nearly 500 clients. Our services cover the entire range of the oil and gas business lifecycle and include:

- Oil and gas asset valuations, expert advice to banks for debt or equity finance;
- Exploration/portfolio management;
- Field development studies and operations planning;
- Reserves assessment and certification, peer reviews;
- Gas market advice;
- Independent Expert/Expert Witness;
- Strategy and corporate planning.

The preparation of this report has been managed by Mr Adam Craig who is an employee of RISC. Mr Craig is a highly experienced Geoscientist and Manager, with over 30 years' experience in the upstream oil & gas sector working for small and mid-size independents, as well as NOC related entities. He is a member and Certified Practising Geologist (#6446) of the AAPG. Adam is also a member of PESA (2021-22 WA Branch President) and a Fellow of the Geological Society. He holds BSc in Geology from Curtin University, Western Australia and is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX listing rules.

7.3. Standard

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

This Report has been prepared in accordance with the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

7.4. Limitations

The assessment of petroleum assets is subject to uncertainty because it involves judgments on many variables that cannot be precisely assessed, including reserves/resources, future oil and gas production rates, the costs associated with producing these volumes, access to product markets, product prices and the potential impact of fiscal/regulatory changes.

The statements and opinions attributable to RISC are given in good faith and in the belief that such statements are neither false nor misleading. While every effort has been made to verify data and resolve apparent inconsistencies, neither RISC nor its servants accept any liability, except any liability which cannot be excluded by law, for its accuracy, nor do we warrant that our enquiries have revealed all of the matters, which an extensive examination may disclose. In particular, we have not independently verified property title, encumbrances or regulations that apply to these assets.

Our review was carried out only for the purpose referred to above and may not have relevance in other contexts.

7.5. Independence

RISC makes the following disclosures:

- RISC is independent with respect to HyTerra and confirms that there is no conflict of interest with any party involved in the assignment.
- Under the terms of engagement between RISC and HyTerra, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in HyTerra or in any of the properties described herein.

7.6. Copyright

This document is protected by copyright laws. Any unauthorised reproduction or distribution of the document or any portion of it may entitle a claim for damages. Neither the whole nor any part of this report nor any reference to it may be included in or attached to any prospectus, document, circular, resolution, letter or statement without the prior consent of RISC.

7.7. Consent

RISC has consented to this report, in the form and context in which it appears, being included, in its entirety, in the Notice of Meeting. Neither the whole nor any part of this report nor any reference to it may be included or attached to any other document, circular, resolution, letter or statement without the prior consent of RISC.

8. List of terms

The following lists, along with a brief definition, abbreviated terms that are commonly used in the oil and gas industry and which may be used in this report.

Term	Definition
1P	Equivalent to Proved reserves or Proved in-place quantities, depending on the context.
1Q	1st Quarter
2P	The sum of Proved and Probable reserves or in-place quantities, depending on the context.
2Q	2nd Quarter
2D	Two Dimensional
3D	Three Dimensional
4D	Four Dimensional – time lapsed 3D in relation to seismic
3P	The sum of Proved, Probable and Possible Reserves or in-place quantities, depending on the context.
3Q	3rd Quarter
4Q	4th Quarter
AFE	Authority for Expenditure
Bbl	US Barrel
BBL/D	US Barrels per day
BCF	Billion (10 ⁹) cubic feet
BCM	Billion (10 ⁹) cubic metres
BFPD	Barrels of fluid per day
BOPD	Barrels of oil per day
BTU	British Thermal Units
BOEPD	US barrels of oil equivalent per day
BWPD	Barrels of water per day
°C	Degrees Celsius
Capex	Capital expenditure
CAPM	Capital asset pricing model
CGR	Condensate Gas Ratio – usually expressed as bbl/MMscf
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources as defined in the SPE-PRMS.
CO ₂	Carbon dioxide
CP	Centipoise (measure of viscosity)
CPI	Consumer Price Index
DEG	Degrees
DHI	Direct hydrocarbon indicator
Discount Rate	The interest rate used to discount future cash flows into a dollars of a reference date
DST	Drill stem test
E&P	Exploration and Production
EG	Gas expansion factor. Gas volume at standard (surface) conditions/gas volume at reservoir conditions (pressure and temperature)
EIA	US Energy Information Administration

Term	Definition
EMV	Expected Monetary Value
EOR	Enhanced Oil Recovery
ESMA	European Securities and Markets Authority
ESP	Electric submersible pump
EUR	Economic ultimate recovery
Expectation	The mean of a probability distribution
F	Degrees Fahrenheit
FDP	Field Development Plan
FEED	Front End Engineering and design
FID	Final investment decision
FM	Formation
FPSO	Floating Production Storage and offtake unit
FWL	Free Water Level
FVF	Formation volume factor
GIIP	Gas Initially In Place
GJ	Giga (10 ⁹) joules
GOC	Gas-oil contact
GOR	Gas oil ratio
GRV	Gross rock volume
GSA	Gas sales agreement
GTL	Gas To Liquid(s)
GWC	Gas water contact
H ₂ S	Hydrogen sulphide
HHV	Higher heating value
ID	Internal diameter
IRR	Internal Rate of Return is the discount rate that results in the NPV being equal to zero.
JV(P)	Joint Venture (Partners)
Kh	Horizontal permeability
km ²	Square kilometres
Krw	Relative permeability to water
Kv	Vertical permeability
kPa	Kilo (thousand) Pascals (measurement of pressure)
Mstb/d	Thousand Stock tank barrels per day
LIBOR	London inter-bank offered rate
LNG	Liquefied Natural Gas
LTBR	Long-Term Bond Rate
m	Metres
MDT	Modular dynamic (formation) tester
mD	Millidarcies (permeability)
MJ	Mega (10 ⁶) Joules
MMbbl	Million US barrels
MMscf(d)	Million standard cubic feet (per day)

Term	Definition
MMstb	Million US stock tank barrels
MOD	Money of the Day (nominal dollars) as opposed to money in real terms
MOU	Memorandum of Understanding
Mscf	Thousand standard cubic feet
Mstb	Thousand US stock tank barrels
MPa	Mega (10^6) pascal (measurement of pressure)
mss	Metres subsea
MSV	Mean Success Volume
mTVDss	Metres true vertical depth subsea
MW	Megawatt
NPV	Net Present Value (of a series of cash flows)
NTG	Net to Gross (ratio)
ODT	Oil down to
OGIP	Original Gas In Place
OOIP	Original Oil in Place
Opex	Operating expenditure
OWC	Oil-water contact
P90, P50, P10	90%, 50% & 10% probabilities respectively that the stated quantities will be equalled or exceeded. The P90, P50 and P10 quantities correspond to the Proved (1P), Proved + Probable (2P) and Proved + Probable + Possible (3P) confidence levels respectively.
PBU	Pressure build-up
PJ	Peta (10^{15}) Joules
POS	Probability of Success
Possible Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.
Probable Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations as defined in the SPE-PRMS.
Proved Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Often referred to as 1P, also as "Proven".
PSC	Production Sharing Contract
PSDM	Pre-stack depth migration
PSTM	Pre-stack time migration

Term	Definition
psia	Pounds per square inch pressure absolute
p.u.	Porosity unit e.g. porosity of 20% +/- 2 p.u. equals a porosity range of 18% to 22%
PVT	Pressure, volume & temperature
QA/QC	Quality Assurance/ Control
rb/stb	Reservoir barrels per stock tank barrel under standard conditions
RFT	Repeat Formation Test
Real Terms (RT)	Real Terms (in the reference date dollars) as opposed to Nominal Terms of Money of the Day
Reserves	RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.
RT	Measured from Rotary Table or Real Terms, depending on context
SC	Service Contract
scf	Standard cubic feet (measured at 60 degrees F and 14.7 psia)
Sg	Gas saturation
Sgr	Residual gas saturation
SRD	Seismic reference datum lake level
SPE	Society of Petroleum Engineers
SPE-PRMS	Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.
s.u.	Fluid saturation unit. e.g. saturation of 80% +/- 10 s.u. equals a saturation range of 70% to 90%
stb	Stock tank barrels
STOIIP	Stock Tank Oil Initially In Place
Sw	Water saturation
TCM	Technical committee meeting
Tcf	Trillion (10 ¹²) cubic feet
TJ	Tera (10 ¹²) Joules
TLP	Tension Leg Platform
TRSSV	Tubing retrievable subsurface safety valve
TVD	True vertical depth
US\$	United States dollar
US\$ million	Million United States dollars
WACC	Weighted average cost of capital
WHFP	Well Head Flowing Pressure
Working interest	A company's equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms.
WPC	World Petroleum Council
WTI	West Texas Intermediate Crude Oil



HYTERRA
ACN 116 829 675

PROSPECTUS

For an offer of up to 350,000,000
Shares at an issue price of \$0.02
per Share, to raise up to \$7,000,000
(Public Offer)

The Public Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.7. No Securities will be issued pursuant to this Prospectus until those Conditions are met.

The Prospectus also contains the Secondary Offers which are detailed in Section 4.6.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

Lead Manager: Indian Ocean Securities Pty Ltd (ABN 66 621 321 891)

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

for personal use only

IMPORTANT NOTICE

This Prospectus is dated 14 September 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered as highly speculative.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia and New Zealand. This Prospectus has been prepared for publication in Australia and New Zealand and may not be distributed outside Australia and New Zealand.

Information for New Zealand Residents

The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is

Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the

funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.hyterra.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6478 7730 during office hours or by emailing the Company at info@hyterra.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section E of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known

and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Qualified Reserves and Resource Evaluator's statement

The information in the Company and Projects Overview, included at Section 5, including the maps and diagrams at Section 5 and the Independent Technical Specialist Report, included at Annexure A of the Prospectus, which relate to the resources have been prepared according to the classifications and definitions of the Petroleum Resources Management System, sponsored by the Society of Petroleum Engineers Oil and Gas Reserves Committee. The information in this Prospectus which relates to resources is based on, and fairly and

accurately represents, in the form and context in which it appears, information and supporting documentation prepared by Mr Adam Craig is a Qualified Petroleum Reserves and Resources Evaluator as defined in the Listing Rules. Mr Craig consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and

capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Australian Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Change in nature and scale of activities and re-compliance with Chapters 1 and 2 of the ASX Listing Rules

ASX has determined that the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations. The change in the nature and scale of the Company's operations will require:

- (a) the approval of Shareholders which will be sought at the general meeting convened to be held on 10 October 2022 (**General Meeting**) (refer to

notice of meeting released on the Company's ASX announcement platform on 9 September 2022 (**Notice of Meeting**); and

- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission of the Company to the Official List following a change in nature and scale of the Company's activities. Some of the key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

The Company expects that the conduct of the Public Offer made pursuant to this Prospectus will enable the Company to satisfy the above requirements.

The Company's Shares are currently suspended from trading on ASX and will remain suspended until the Company re-complies with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

The Acquisition is conditional on:

- (a) the satisfaction of the Conditions to the Public Offer which are set out in Section 4.7; and
- (b) approval of the ASX of the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-admission to the Official List. In the event the Conditions are not satisfied or the Company does not receive conditional approval for re-admission to the Official List then the Company will not proceed with the Offers and will repay all application monies received.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 6478 7730.

CORPORATE DIRECTORY

Directors

Mr Murray D'Almeida¹
Non-Executive Chairman

Mr Avon McIntyre
Executive Director and Chief Technical Officer

Mr Po Chan
Non-Executive Director

Mr Paul Garner
Non-Executive Director

Mr Russell Brimage²
Proposed Non-Executive Chairman

Company Secretary

Mr Alex Neuling

ASX Code

HYT

Registered Office

Unit 9
335 Hay Street
SUBIACO WA 6008

Telephone: +61 8 6478 7730

Facsimile: +61 8 6478 7739

Email: info@hyterra.com

Website: www.hyterra.com

Australian legal advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

US legal advisers

Robertson & Williams
9520 N May Ave # 260,
Oklahoma City, OK 73120
UNITED STATES

Investigating Accountant

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

Auditor³

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

Independent Technical Specialist

RISC Advisory Pty Ltd
Level 2, 1138 Hay Street
WEST PERTH WA 6005

Lead Manager

Indian Ocean Securities Pty Ltd
311-313 Hay Street
SUBIACO WA 6008

Telephone: + 61 8 9381 2888

Email: info@indianoceansecurities.com

Share Registry³

Advanced Share Registry Limited
110 Stirling Hwy
NEDLANDS WA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 6370 4203

1. Resigning on Completion.
2. To be appointed on Completion.
3. This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

TABLE OF CONTENTS

1.	CHAIRMAN'S LETTER.....	1
2.	KEY OFFER INFORMATION.....	3
3.	INVESTMENT OVERVIEW	5
4.	DETAILS OF THE OFFERS.....	28
5.	COMPANY AND PROJECTS OVERVIEW	37
6.	FINANCIAL INFORMATION.....	59
7.	RISK FACTORS	80
8.	BOARD, MANAGEMENT AND CORPORATE GOVERNANCE	93
9.	MATERIAL CONTRACTS	102
10.	ADDITIONAL INFORMATION	116
11.	DIRECTORS' AUTHORISATION	136
12.	GLOSSARY	137
	ANNEXURE A – INDEPENDENT TECHNICAL SPECIALIST REPORT	139
	ANNEXURE B – US SOLICITOR'S REPORT ON TITLE.....	140
	ANNEXURE C – INDEPENDENT LIMITED ASSURANCE REPORT	141
	SCHEDULE 1 – REFERENCES	142

1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of HyTerra Ltd (**HyTerra** or the **Company**) it gives me great pleasure to invite you to increase your existing shareholding, or to become a shareholder of the Company.

The Company's principal activities have comprised of exploration of oil and gas exploration assets in the People's Republic of China (**PCR**). With limited cashflow and difficulties in obtaining funds to continue its exploration activities in the PCR, the Company requested voluntary suspension from the Official List on 28 October 2020, pending an update on its financial and corporate strategy. Since entering into voluntary suspension in October 2020, the Company's recent focus has been on becoming a niche player in the hydrogen market and identifying suitable acquisitions and investment opportunities to create value for its shareholders.

On 8 April 2022, the Company entered into an agreement pursuant to which the Company will acquire 100% of the issued capital in Neutralysis Industries Pty Ltd (ACN 156 261 791) (**Neutralysis**) an Australian based proprietary limited company, formed in 2018, which is focused on the development and implementation of hydrogen projects (**Acquisition**). Neutralysis owns a 10.03% interest in a Joint Development and Earn-in Agreement (**JDA**) with Natural Hydrogen Energy LLC (**NH2E**), a Colorado based limited liability company. NH2E has ownership of exploration leases in Nebraska and South Carolina, USA, including ownership of a hydrogen exploration well within the leases, Hoarty NE3. On completion of the Public Offer, Acquisition and re-instatement of the Company's Securities to trading on ASX, the Company will transition to an energy company seeking to develop natural hydrogen projects. The existing Board considers the proposed Acquisition to be a genuinely transformational event for the Company and is a strategic shift towards transforming the Company into a niche player in the hydrogen market, focused on building material cash flow from a portfolio of hydrogen prospects with tangible potential for significant growth.

This Prospectus is seeking to raise a minimum of \$5,000,000 and a maximum of \$7,000,000 via the issue of Shares at an issue price of \$0.02 per Share under the Public Offer. The purpose of the Public Offer is to provide funds to implement the Company's business strategies (explained in Section 5).

In addition, subject to completion of the Offers and re-instatement of the Company's securities to trading on the ASX, the Company presently intends on undertaking a pro-rata offer of loyalty Options to existing shareholders registered on a record date proposed to be on or about 3 months from the date of re-instatement of the Company's securities to trading on the ASX. It is expected that these Options will be issued on a 1 for 3 basis, with an exercise price of \$0.025 and expiring on 30 June 2025. Subject to re-compliance with the Listing Rules, the Company also intends to apply for quotation of these Options.

This Prospectus is issued for the purpose of supporting an application to have the Company's securities reinstated to trading on ASX. This Prospectus contains detailed information about the Company, its Projects and the Public Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make

your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely

Mr Murray D'Almeida
Non-Executive Chairman

For personal use only

2. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

	Date
Lodgement of Prospectus with the ASIC	14 September 2022
Opening date of Offers	14 September 2022
General Meeting to approve Acquisition	10 October 2022
Closing date of Offers	12 October 2022
Settlement of the Acquisition and the Offers, Issue of securities under the Offers	17 October 2022
Despatch of holding statements	18 October 2022
Expected date for re-instatement on ASX	21 October 2022

- The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST.*
- If the Offers are cancelled or withdrawn before completion of the Offers, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers opens.*

KEY STATISTICS OF THE OFFERS

	Minimum Subscription (\$5,000,000) ¹	Maximum Subscription (\$7,000,000) ²
Offer Price per Share	\$0.02	\$0.02
Shares currently on issue	55,848,682	55,848,682
Shares to be issued under the Public Offer	250,000,000	350,000,000
Shares to be issued on conversion of Convertible Notes ³	1,250,000	1,250,000
Consideration Shares to be issued to Neutralysis Shareholders ⁴	183,000,000	183,000,000
Shares to be issued to IOS ⁵	9,000,000	9,000,000
Shares to be in lieu of director fees ⁶	1,604,200	1,604,200
Shares to be issued under the Pre-Raising Loan Conversion Offer ⁷	15,000,000	15,000,000
Gross Proceeds of the Offers	\$5,000,000	\$7,000,000
Shares on issue Post-Listing (undiluted)⁸	515,702,882	615,702,882
Market Capitalisation Post-Listing (undiluted)⁹	\$10,314,058	\$12,314,058
Options currently on issue	40,250,000	40,250,000
Options to be issued on conversion of Convertible Notes ^{3,12}	1,250,000	1,250,000

	Minimum Subscription (\$5,000,000)¹	Maximum Subscription (\$7,000,000)²
Options to be issued to IOS ^{10,11}	Nil	9,000,000
Consideration Options to be issued to Neutralysis Shareholders ^{4,12}	183,000,000	183,000,000
Performance Rights proposed to be issued to Directors, proposed Director and consultant ¹¹	49,000,000	49,000,000
Options to be issued to Director ^{12,13}	2,500,000	2,500,000
Shares on issue Post-Listing (fully diluted)	791,702,882	900,702,882
Market Capitalisation Post-Listing (fully diluted)⁹	\$15,834,057	\$18,014,057

Notes:

1. Assuming Minimum Subscription of \$5,000,000 at an issue price of \$0.02 per Share is achieved under the Public Offer.
2. Assuming Maximum Subscription of \$7,000,000 at an issue price of \$0.02 per Share is achieved under the Public Offer.
3. Assuming the Convertible Notes will convert into Shares (at a deemed issue price of \$0.02 per Share) and free attaching Options on a 1:1 basis prior to re-instatement to Official Quotation, subject to Shareholder approval. The Options will be issued on the terms and conditions set out at Section 10.3. Refer to Section 9.3.1 for a summary of the Convertible Notes' terms.
4. To be issued to the Neutralysis Shareholders under the Acquisition Agreements, subject to Shareholder approval. Refer to Sections 9.1.1 and 9.1.2 for summaries of the Acquisition Agreements.
5. In connection with the Public Offer, the Company has agreed to issue that number of Shares equal to the value of \$180,000 (equalling 9,000,000 Shares at a deemed issue price of \$0.02 per Share) to IOS as part consideration payable for acting as Lead Manager. Refer to Section 9.2.1 for a summary of the IOS Mandate.
6. Outstanding past Director fees owed to Director, Mr Po Chan totalling \$32,084 are proposed to be settled in Shares at \$0.02 per Share prior to re-instatement to Official Quotation, subject to Shareholder approval.
7. Refer to Section 4.6.2 for details of the Pre-Raising Loan Conversion Offer. Refer to Section 9.3.2 for a summary of the material terms contained in each of the Pre-Raising Loan Agreement.
8. Certain Shares on issue following re-instatement to Official Quotation will be subject to ASX-imposed escrow. Refer to Section 4.17 for a disclaimer with respect to ASX's likely escrow position.
9. Assuming a Share price of \$0.02, however the Company notes that the Shares may trade above or below this price.
10. In connection with the Public Offer, the Company has agreed to issue 9,000,000 Options to Lead Manager, IOS, subject to and conditional upon the Company achieving Maximum Subscription under the Public Offer.
11. Refer to Section 10.4 for the terms and conditions attaching to the Performance Rights and Section 10.5.3 for further details in respect of the Performance Rights recipients.
12. The terms of the Options are set out in Section 10.3.
13. Options proposed to be issued to Director, Mr Paul Garner as a performance-based incentive.
14. This table does not include the offer of loyalty Options that the Company intends to offer to Shareholders within 3 months of re-instatement of the Company's securities to trading on the ASX. Refer to Section 5.21 for details.

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	HyTerra Ltd (ACN 116 829 675) (ASX:HYT) (HyTerra or the Company).	Section 5.1
Who is the Company?	<p>The Company is an Australian listed public company, registered on 22 March 2010. On 27 March 2012 the Company changed its name to 'Triple Energy Limited', before changing it to 'HyTerra Ltd' on 30 June 2022.</p> <p>Between 2013 and 2020, the Company was focused on building a portfolio of quality coal seam gas assets in northern China, primarily via its Hong-Kong and PCR based subsidiaries.</p> <p>The Company proposes to acquire 100% of the issued share capital of Neutralysis and dispose of all of the issued share capital in CFT in order to transition to an energy company seeking to develop natural hydrogen projects on completion of the Acquisition (Completion).</p> <p>In 2013, the Company acquired 100% of the issued capital of CFT Heilongjiang (HK) Limited (CFT). On 10 May 2022, the Company announced that it had reached a conditional agreement to dispose of its shareholding in CFT for a nominal sum, subject to the waiver or satisfaction of certain conditions precedent. The Board is of the view that the Company has no practical means to exert control over the activities of those entities.</p>	Sections 5.1, 5.2 and 5.3
What is the Acquisition?	On 8 April 2022 the Company announced that it had entered into a binding terms sheet with Neutralysis Industries Pty Ltd (ACN 156 261 791) (Neutralysis) pursuant to which the Company has agreed to make an offer to all shareholders of Neutralysis (Neutralysis Shareholders) to acquire 100% of the issued capital of the company (Acquisition).	Section 5.2

Item	Summary	Further information
What is the consideration payable for the Acquisition?	In consideration for the Acquisition, the Company has agreed to issue to the Neutralysis Shareholders the Consideration Securities, pro rata to their current shareholdings in Neutralysis.	Section 5.2
What are the outstanding conditions precedent under the Acquisition Agreements?	<p>Under the Acquisition Agreement, the following conditions precedent must be satisfied by 31 December 2022 (or such other date as agreed by the parties in writing):</p> <ul style="list-style-type: none"> (a) the Neutralysis Shareholders and the Company each confirming in writing to one other party that it is satisfied with its due diligence inquiries on that party; (b) the Company obtaining shareholder approval at the General Meeting for all resolutions required to implement the Acquisition; (c) the Company raising the Minimum Subscription under the Public Offer; (d) receipt of ASX conditional approval to reinstate the Company's Securities to Official Quotation on the ASX, subject to the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules, on terms and conditions reasonably acceptable to the Company; and (e) all Neutralysis Shareholders other than the 8 key Neutralysis Shareholders, entering into the Minority Share Sale Agreement. 	Section 9.1.1
What are the Key Investment Highlights?	<p>The current and proposed Directors are of the view that the key highlights of an investment in the Company include:</p> <ul style="list-style-type: none"> (a) First mover advantage: The Company will be the first publicly listed company dedicated solely to natural hydrogen exploration on the ASX and will directly invest and be involved in a new and 	Sections 5.5 and 5.17

Item	Summary	Further information
	<p>exciting sector of the clean energy and hydrogen industries.</p> <p>(b) Dedicated to clean energy: The Company is positioning itself within the clean energy sector with no competing internal business interests.</p> <p>(c) Advanced exploration activities: Through the JDA with NH2E in the USA, the Company has an interest in a pioneering hydrogen exploration venture with ongoing well testing activities and aims to be the first commercial producer of natural hydrogen.</p> <p>(d) Experience and proprietary knowledge: The Directors and staff of the Company have substantial experience in international oil and gas exploration, development, and production. Together with the proprietary knowledge of natural hydrogen exploration of the joint development partner NH2E, the Company can lead and accelerate natural hydrogen exploration and development globally.</p> <p>(e) Market Opportunity: The Company is well positioned to capitalise on a significant market opportunity being the rapid growth in demand for low and zero-carbon hydrogen.</p>	
<p>B. Neutralysis, NH2E, the JDA and the Projects</p>		
<p>Who is Neutralysis and who is NH2E?</p>	<p>Neutralysis is a proprietary limited company, incorporated in Victoria, Australia in 2012. Neutralysis is focused on the development and implementation of hydrogen projects. Neutralysis holds a 10.03% beneficial interest in the JDA with NH2E. NH2E is a pioneer in the field of exploration for natural hydrogen in the earth subsurface.</p>	<p>Sections 5.7, 5.8 and 5.9</p>

Item	Summary	Further information
	<p>NH2E's geologists first predicted and then identified many locations where potentially significant quantities of hydrogen gas appeared to be seeping to the surface of the Earth's crust.</p> <p>Some of these locations have been the subject of further exploration activities, including exploration that has occurred on mineral exploration leases in Nebraska and South Carolina in the USA.</p>	
<p>What are the Projects?</p>	<p>NH2E has acquired leases that comprise four prospective hydrogen projects in Nebraska and South Carolina in the USA to explore for the presence of natural hydrogen gas in the subsurface. The projects comprise:</p> <p>(a) Nebraska Northwest Project</p> <p>The Nebraska Northwest Project comprises 21 leases covering a combined area of 2,320 acres (9.4 km²) in Fillmore County.</p> <p>The Nebraska Northwest Project comprises the Hoarty NE3 well that was drilled by NH2E over the period November 2018 to February 2019.</p> <p>(b) Nebraska Southeast Project</p> <p>The Nebraska southwest project area comprises 4 leases covering a combined area of 400 acres (1.6 km²) in Fillmore County.</p> <p>(c) South Carolina West Project</p> <p>The South Carolina west project area comprises 5 leases covering a combined area of 517 acres (2.1 km²) in Blenheim County.</p> <p>(d) South Carolina East Project</p> <p>The South Carolina east project area comprises 1 lease covering an area of 654.24 acres (2.6 km²) in Blenheim County,</p> <p>(together, the Projects).</p>	<p>Section 5.9</p>

Item	Summary	Further information
What is the JDA?	<p>Executed in April 2020 and subsequently varied by mutual agreement of Neutralysis and NH2E in April 2022, the JDA describes the funding arrangements and work program pursuant to which NH2E and Neutralysis have agreed to incorporate a joint venture company to jointly develop and explore Projects, as well as NH2E's data package that relates to the Projects.</p> <p>Under the terms of the JDA, the joint venture company (JVCo) will hold the Projects, and upon the satisfaction of certain conditions precedent, will reflect the beneficial interest of Neutralysis in the JVCo, as earned by Neutralysis. Neutralysis has the ability to acquire up to a 30% beneficial interest in the JVCo on completion of the Phase 1 work program, which requires Neutralysis to expend US\$5,000,000. On completion of the Phase 2 work program, which requires Neutralysis to expend a further US\$15,000,000, Neutralysis can acquire an additional 21%, to take its interest in the JVCo to 51%.</p> <p>Neutralysis has contributed an aggregate of US\$1,671,042 to date, towards developing and progressing the Projects and NH2E's associated data package within the scope of the JDA.</p>	Sections 5.7, 5.8, 5.9, 5.14 and 9.1.3.

C. Business Model

What are the key business strategies of the Company?	<p>Following completion of the Public Offer and the Acquisition, the Company's proposed business model will be to further explore and develop the Projects.</p> <p>The Company's main objectives on completion of the proposed Acquisition and Public Offer will include:</p> <p>(a) completion of the Hoarty NE3 Well Test at the Nebraska Northwest Project pursuant to Phase 1 of the JDA, and subject to proving commerciality, begin exploitation plans at the Projects;</p>	Section 5.15
--	---	--------------

Item	Summary	Further information
	<ul style="list-style-type: none"> (b) continuing to evaluate opportunities for the exploration and development of hydrogen projects within the scope of the JDA and plan associated work programs; (c) engagement with complimentary resource companies to evaluate, explore and develop potential natural hydrogen projects in capacities that fit the expertise and focus of the Company (may include joint operating, joint venture, service contract or royalty-based operating models); (d) continuing to pursue other acquisitions that have a strategic fit for the Company that could lead to the production of green hydrogen from solar or biomass and technologies involving the transport of hydrogen throughout the USA and elsewhere; and (e) providing working capital for the Company. 	
<p>What are the key dependencies of the Company's business model?</p>	<p>The key dependencies influencing the viability of the Acquisition include:</p> <ul style="list-style-type: none"> (a) completion of the Acquisition and associated transactions (including acceptance of the offers by all Neutralysis Shareholders); (b) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's Securities; (c) commodity price volatility and exchange rate risk; (d) ability to meet resource and reserves and exploration targets; (e) the discovery of a potentially economic recoverable volume of natural hydrogen; 	<p>Section 5.16</p>

Item	Summary	Further information
	<p>(f) raising the Minimum Subscription to satisfy expenditure requirements, exploration and operating costs; and</p> <p>(g) minimising environmental impact and complying with health and safety requirements.</p>	
D. Use of funds		
<p>How will the proceeds of the Public Offer be used?</p>	<p>The Public Offer proceeds and the Company's existing cash reserves will be used for:</p> <p>(a) implementing the Company's business objectives and exploration programs as set out in Part C of this Investment Overview;</p> <p>(b) expenses of the Public Offer;</p> <p>(c) administration costs; and</p> <p>(d) working capital,</p> <p>further details of which are set out in Section 5.18.</p>	<p>Section 5.18</p>
<p>Will the Company be adequately funded after completion of the Public Offer?</p>	<p>The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.</p>	<p>Section 5.18</p>
E. Key Risks		
<p>What are the key investment risks?</p>	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of these risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>An investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should</p>	<p>Section 7</p>

Item	Summary	Further information
	refer to Section 7 for further information.	
Re-quotations of Shares on ASX	<p>As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company's securities are currently suspended and will remain suspended from the date of the General Meeting until completion of those transactions, the Offer, re-compliance by the Company with Chapters 1 and 2 of the ASX listing rules and compliance with any further conditions ASX imposes on such reinstatement.</p> <p>There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from Official Quotation. The Company however, following the recent detailed discussions with the ASX surrounding these acquisitions and the Company's re-compliance obligations, at the moment sees no reason why the Company should not be able to re-comply according with these conditions within a few weeks of the General Meeting.</p>	Section 7.2
Joint Venture Risk	<p>The financial performance of the Company is subject to its various counterparties or, in the case of NH2E, to perform its obligations under the JDA. If one of its counterparties or NH2E fails to perform their contractual obligations under the JDA, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance.</p> <p>Further, the Company is not the registered owner of the leases comprising the Projects, and therefore the Company's ability to achieve its business objectives on Completion is reliant upon NH2E complying with its contractual obligations under the JDA, satisfying the terms and conditions of the leases as required to maintain the leases in full force and effect, free from any liability to forfeiture or nonrenewal,</p>	Section 7.2

Item	Summary	Further information
	<p>and comply with any other applicable legislation.</p> <p>NH2E's failure to comply with these obligations may result in the Company losing its interest in those leases which may have a material adverse effect on the Company's operations and performance, value of the Company's Shares, termination of other related contracts, and may lead to disputes and/or litigation. The Company has no current reason to believe that NH2E will not meet and satisfy their respective obligations.</p>	
Completion Risk	<p>Pursuant to the Acquisition Agreements, the Company has a conditional right to acquire 100% of the issued capital in Neutralysis.</p> <p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX. Trading in the Company's Securities is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following settlement of the Acquisition.</p> <p>There is a risk that the conditions for settlement of the Acquisition cannot be fulfilled, including where the Company is unable to meet the requirements of the ASX for re-quotations of its Securities on the ASX.</p>	Section 7.2
Restricted securities and liquidity risk	<p>Upon the Company's readmission to the Official List, a majority of the Company's Shares will be subject to mandatory escrow in accordance with the Listing Rules. This will reduce liquidity in the market for the Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares is likely to have an adverse impact on the Share price.</p> <p>Following the end of any mandatory escrow periods, a significant number of Shares will become tradable on</p>	Section 7.2

Item	Summary	Further information
	<p>ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.</p>	
<p>Hydrogen Exploration and Evaluation</p>	<p>The future value of the Company will depend on its ability to find and develop natural hydrogen resources that are economically recoverable within the Projects.</p> <p>Natural hydrogen exploration is an emerging area of the natural resources industry and knowledge and understanding of the geological processes behind its occurrence is limited. There is a risk that exploration activities conducted on the Projects will not result in the discovery of hydrogen, and indications of hydrogen observed during such exploration activities may not result in the presence or absence of natural hydrogen at that location.</p> <p>The circumstances in which a discovered hydrogen resource becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the resource, such as size, depth, concentration, composition, development cost and proximity to infrastructure as well as key external factors such as hydrogen supply and demand.</p> <p>Hydrogen exploration, production and development involves activities and operations which may not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The outcome of any exploration program may be dependent on matters which include the host rock composition, the permeability of the host rock, the flow rate and the rate of</p>	<p>Section 7.4</p>

Item	Summary	Further information
	<p>any decrease in pressure as the gas flows to the surface. These matters cannot be known until the Company undertakes drilling and testing programs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.</p> <p>Hydrogen is a highly reactive gas and is able to combine with most other elements. Consequently, there is a risk that, under certain conditions, a chemical reaction may take place between hydrogen and other elements or compounds which are naturally occurring on the Projects to form other gases and / or liquids (including methane and / or water), which may have an adverse effect on the value of the resource derived from the Projects.</p>	
<p>Resource Reserves and Exploration Targets</p>	<p>The parties to the JDA have identified a number of exploration targets at the Projects, based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the resource. Whilst the Company intends to undertake additional exploratory work at the Projects the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid</p>	<p>Section 7.4</p>

Item	Summary	Further information
	<p>when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>	
<p>Additional requirements for capital</p>	<p>The funds to be raised under the Public Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.</p> <p>Following completion of the Public Offer, the Company may seek to raise further funds through equity or debt financing, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of its activities and the Company's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.</p>	<p>Section 7.5</p>
<p>Other risks</p>	<p>For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.4 and 7.5.</p>	<p>Sections 7.4 and 7.5</p>
<p>F. Directors, Key Management Personnel and Promoters</p>		
<p>Who are the Directors and proposed Directors?</p>	<p>The Board currently consists of:</p> <p>(a) Mr Murray D'Almeida - Non-Executive Chairman;</p>	<p>Section 8.1</p>

Item	Summary	Further information
	<p>(b) Mr Avon McIntyre - Executive Director and Chief Technical Officer;</p> <p>(c) Mr Po Chan - Non-Executive Director; and</p> <p>(d) Mr Paul Garner - Non-Executive Director.</p> <p>On completion of the Acquisition and Public Offer it is proposed that:</p> <p>(a) existing Non-Executive Chairman Mr Murray D'Almeida will resign from the Board;</p> <p>(b) existing Directors Mr Po Chan and Mr Paul Garner will remain on the Board as Non-Executive Directors;</p> <p>(c) recently appointed Director, Mr Avon McIntyre will remain on the Board as Chief Technical Officer and Executive Director; and</p> <p>(d) Mr Russell Brimage (the nominee director of Neutralysis) will be appointed to the Board as Non-Executive Chairman.</p> <p>The profiles of each of the Directors that will comprise the Board on Completion, are set out in Section 8.1.</p>	
<p>What experience do the Directors have?</p>	<p>Avon McIntyre - Chief Technical Officer and Executive Director</p> <p>Mr McIntyre holds a PhD in Geology from Waikato University in New Zealand and has more than 20 years' experience in both minerals and oil and gas exploration. He has held roles with government, service and operating companies. He departed Shell in late 2021, following 13 years of international service to pursue natural hydrogen and helium exploration, a subject of professional and personal interest. Mr McIntyre has been providing consulting services to the Company since 1 October 2021.</p> <p>The Board considers that Mr McIntyre is not an independent Director.</p>	<p>Section 8.1</p>

Russell Brimage – Proposed Non-Executive Chairman

Mr Brimage has over 40 years' experience in the upstream oil and gas industry, ranging from public listed oil & gas companies to the service industry – both onshore and offshore. He has managed all facets of the upstream oil and gas industry, through exploration to exploitation and has served in the capacity of Operations Manager and CEO on several ASX listed entities since 1997. Currently, he is a Non-Executive Director of Lion Energy (ASX: LIO).

The Board considers that Mr Brimage will not be an independent Director.

Paul Garner – Non Executive Director

Mr Garner has over 20 years' experience in the oil and gas industry having served on the boards of several public listed companies. Mr Garner's career highlights include the acquisition and development of a Gulf of Mexico discovery, High Island 24L, which produced 460 BCF of gas and 4 million barrels of oil. He was most recently a non-executive director at Provaris Energy Ltd, an ASX listed company in the business of natural gas and hydrogen. Prior to his involvement in the Oil & Gas industry, he spent several years in international business, property, and equity markets. Mr Garner brings to the Board an extensive knowledge of capital markets, upstream drilling operations and business development in the rapidly evolving new energies sector.

The Board considers that Mr Garner is an independent Director.

Po Chan – Non-Executive Director

Mr Chan has previously served as a director of the Company from February 2015 to February 2017. He is a fellow of the Institute of Chartered Accountants in Australia and is a Director of Afanti Asset Management in Hong Kong. Mr Chan has experience in business consulting and investment banking in China and the Asia Pacific region. Mr Chan has held roles as a Director at PwC in the Advisory division and as a Senior Manager at ANZ in its Project Finance division and has significant experience in transactions in China and Asia

Item	Summary	Further information
	<p>Pacific. He holds a Masters Degree in Commerce (specialised in Banking and Finance) from the University of New South Wales in Sydney and a Bachelor Degree in Commerce from the University of Sydney in Sydney.</p> <p>The Board considers that Mr Chan is an independent Director.</p>	
<p>G. Interests of Key People and Related Party Transactions</p>		
<p>What are the benefits being paid to the Directors, proposed Directors and others connected to the Public Offer and the Acquisition?</p>	<p>The annual remuneration of each Director and proposed Director together with their relevant direct and indirect interest in the securities of the Company as at the date of this Prospectus is set out in Section 8.1.</p> <p>Directors Messers Garner, Chan and McIntyre and proposed Director Mr Russell Brimage will be issued an aggregate of 49,000,000 Performance Rights prior to re-instatement to Official Quotation.</p> <p>Additionally, Mr Russell Brimage is a Neutralysis Shareholder as such and he (or his nominee) will receive 19,900,000 Consideration Shares and 19,900,000 Consideration Options on Completion.</p>	<p>Sections 8.1 and 9</p>
<p>What are the significant interests of advisors to the Company? Will any other benefits be conferred in connection with the Public Offer or Acquisition?</p>	<p>Indian Ocean Securities Pty Ltd (ACN 621 321 891) (IOS) does not currently hold any Securities in the Company. IOS will be issued the IOS Shares as part consideration for lead manager services provided, and the IOS Options subject to Maximum Subscription being achieved under the Public Offer.</p> <p>Enrico Mattiaccio (an executive director of IOS) holds 10 shares in Neutralysis (as a controller of one of the Neutralysis Shareholders, Cumani Investments Pty Ltd) and will be issued 500,000 Consideration Shares and 500,000 Consideration Options on Completion.</p> <p>Luke John Martino (an executive director of IOS) holds 60 shares in Neutralysis (as a controller of one of the Neutralysis shareholders – LJM Capital Pty Ltd <The Noble Capital A/C>) and will be issued 3,000,000 Consideration shares and 3,000,000 Consideration Options on Completion.</p>	<p>Section 4.5</p>

Item	Summary	Further information
<p>What related party agreements are the Company party to?</p>	<p>The Company has entered into the following related party agreements:</p> <ul style="list-style-type: none"> (a) the Convertible Note Deed with Ohio Investments (an entity controlled by Director, Mr Paul Garner); (b) Pre-Raising Loan Agreements with Directors Mr Paul Garner and Mr Avon McIntyre (or their respective nominee/s); (c) executive services agreement with Mr Avon McIntyre; (d) letters of appointment with each of the Non-Executive Directors on standard terms; and (e) deeds of indemnity, insurance and access with each of the Directors on standard terms. <p>Refer to Section 9 for further details with respect to the related party agreements.</p>	<p>Section 9</p>
<p>Has the Company adopted an employee incentive scheme?</p>	<p>The Company has adopted an employee incentive scheme titled "Employee Securities Incentive Plan" (the Plan). The objective of the Plan is to:</p> <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of eligible participants, which includes employees (including executive directors), non-executive directors and key contractors of the Company; (b) link the reward of eligible participants to Shareholder value creation; and (c) align the interests of eligible participants with Shareholders by providing an opportunity to eligible participants to receive an equity interest in the Company in the form of Securities. <p>A summary of the key terms and conditions of the Plan is set out in Section 10.5.2.</p>	<p>Section 10.5.2</p>

Item	Summary	Further information
H. Financial Information		
How has the Company been performing?	The audited financial information of the Company (including its subsidiaries) for the financial years ended 31 March 2022, 31 March 2021 and 31 March 2020 is set out in Section 6 and Annexure C.	Section 6 and Annexure C
How has Neutralysis been performing?	The audited financial information of Neutralysis as at 30 June 2021 and half-year ended 31 December 2021 is set out in Section 6.	Section 6 and Annexure C
What is the financial outlook for the Company?	<p>The reviewed pro-forma statement of financial position for the Company following completion of the Public Offer and the Acquisition is set out in Section 6.</p> <p>Further detail with respect to the pro-forma statement of financial position is set out in the Independent Limited Assurance Report at Annexure C.</p> <p>The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 6 and Annexure C
Does the Company have sufficient funds for its activities?	The Directors are of the view that the funds raised under the Public Offer, together with existing cash reserves of the Company, will provide the Company with sufficient working capital to progress the business set out in this Prospectus.	Section 5.18
I. Offers		
What is the Public Offer?	The Public Offer is an offer of up to 350,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$7,000,000 (before costs).	Section 4.1
Is there a minimum subscription under the Public Offer?	The minimum amount to be raised under the Public Offer is \$5,000,000 (before costs).	Section 4.2

Item	Summary	Further information
What are the Secondary Offers	<p>The Prospectus also includes the following Secondary Offers:</p> <ul style="list-style-type: none"> (a) 183,000,000 Consideration Shares and 183,000,000 Consideration Options to the Neutralysis Shareholders under the Consideration Offer; and (b) 15,000,000 Pre-Raising Loan Conversion Shares to the Lenders under the Pre-Raising Loan Conversion Offer. <p>Only specified persons will be entitled to participate in the Secondary Offers, all of whom will be approached directly by the Company.</p>	Section 4.6
What are the purposes of the Public Offer?	<p>The primary purposes of the Public Offer are to:</p> <ul style="list-style-type: none"> (a) assist the Company to meet the re-admission requirements of the ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 4.18 for further details); (b) provide the Company with additional funding for the proposed development program at the Projects; (c) remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Public Offer; and (d) provide the Company with sufficient working capital. <p>The Company intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 5.18.</p>	Section 4.8
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Section 4.4
Who is the lead manager to the Public Offer?	<p>The Company has IOS as lead manager to the Company in respect of the Public Offer.</p> <p>In consideration for lead manager provided, IOS will receive a 1% lead manager fee on all funds raised under the Public Offer and 5% lodgement capital raising fee on funds raised by</p>	Section 4.5

Item	Summary	Further information
	<p>IOS directly from its own contacts, clients or wholesale investors and be issued the IOS Shares.</p> <p>Upon the successful completion of Maximum Subscription, IOS is also entitled to be issued the IOS Options.</p>	
Who is eligible to participate in the Public Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.12
How do I apply for Shares under the Public Offer?	Applications for Shares under the Public Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.9.1
What is the allocation policy under the Public Offer?	<p>The Company retains an absolute discretion to allocate Shares under the Public Offer and will be influenced by the factors set out in Section 4.10.</p> <p>There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied.</p>	Section 4.10
What will the Company's capital structure look like on completion of the Offers and the Acquisition?	The Company's pro forma capital structure following completion of the Offers and the Acquisition is set out in Section 5.20.	Section 5.20.
What are the terms of the Shares offered under the Offers?	A summary of the material rights and liabilities attaching to the Shares offered under the Offers are set out in Section 10.2.	Section 10.2
Will any Shares be subject to escrow?	None of the Shares issued under the Public Offer or Pre-Raising Loan Conversion Offer will be subject to escrow.	Section 4.17

Item	Summary	Further information
	<p>However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Public Offer and Acquisition it is anticipated that the following Securities will be subject to escrow:</p> <ul style="list-style-type: none"> (a) all Consideration Securities will be subject to ASX escrow for 24 months from the date of Official Quotation; (b) all of the Convertible Notes' attaching Options; (c) 2,500,000 Options proposed to be issued to Director, Mr Paul Garner; (d) 1,604,200 Shares proposed to be issued to Director, Mr Po Chan in lieu of outstanding director's fees for the 2021 financial year; (e) the IOS Shares; (f) the IOS Options (subject to Maximum Subscription being raised); and (g) all Performance Rights proposed to be issued to current and proposed Directors and consultant, Vestigo Pty Ltd. <p>During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (subject to ASX's discretion and approval).</p> <p>The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List) will be approximately 59% comprising all shares issued following completion of the Acquisition, other than Shares</p>	

Item	Summary	Further information
	subject to ASX imposed escrow or held by Directors, or promoters.	
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Public Offer and Pre-Raising Loan Conversion Offer will be made to ASX no later than 7 days after the date of this Prospectus.	
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 2.	Section 2
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (100,000 Shares) and thereafter, in multiples of \$500 worth of Shares (25,000 Shares).	Section 4.9.1
Are there any conditions to the Public Offer?	<p>The Public Offer is conditional upon the unsatisfied conditions precedent of the Acquisition Agreements being satisfied, including:</p> <ul style="list-style-type: none"> (a) the Minimum Subscription to the Public Offer being raised; (b) the Company receiving Shareholder approval for the Essential Resolutions at the General Meeting; and (c) the Company has received conditional approval from ASX for the Company's Shares to be reinstated to Official Quotation following the Company's re-compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the Listing Rules. <p>The Public Offer will only proceed if all Conditions are satisfied. Further details are set out in Section 4.7.</p>	Section 4.7
J. Additional information		
Is there any brokerage, commission or duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Public Offer.</p> <p>However, the Company will pay to IOS a 1% lead manager fee on all funds raised under the Public Offer and 5% lodgement capital raising fee on funds raised by IOS directly from its own contacts, clients or wholesale investors.</p>	Sections 4.5 and 4.15

Item	Summary	Further information
Can the Offers be withdrawn?	<p>The Company reserves the right not to proceed with the Offers at any time before the issue or transfer of Shares to successful applicants.</p> <p>If the Offers does not proceed, application monies will be refunded (without interest).</p>	Section 4.16
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.15
What is the Company's Dividend Policy?	<p>For the Company to progress its business model as detailed in Section 5.15, significant funding is likely to be required and therefore the Company currently has no plans to declare any dividends.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 5.24
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's full Corporate Governance Plan is available from the Company's website www.hyterra.com.</p>	Section 8.4

Item	Summary	Further information
	<p>Prior to re-listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.</p>	
<p>Loyalty Options offer</p>	<p>Subject to completion of the Offers and re-instatement of the Company's securities to trading on the ASX, the Company presently intends on undertaking a pro-rata offer of loyalty Options to Shareholders registered on a record date proposed to be on or about 3 months from the date of re-instatement of the Company's securities to trading on the ASX. It is expected that these Options will be issued on a 1 for 3 basis, with an exercise price of \$0.025 and expiring on 30 June 2025.</p> <p>Subject to re-compliance with the Listing Rules, the Company also intends to apply for quotation of these Options.</p> <p>Refer to Section 5.21 for further details.</p>	<p>Section 5.21</p>
<p>Where can I find more information?</p>	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Company Secretary, on +61 8 6478 7730; or</p> <p>(c) By contacting the Share Registry on +61 8 9389 8033.</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4. DETAILS OF THE OFFERS

4.1 The Public Offer

Pursuant to this Prospectus, the Company invites applications for up to 350,000,000 Shares at an issue price of \$0.02 per Share to raise \$7,000,000 (**Maximum Subscription**).

The Shares issued under the Public Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

4.2 Minimum Subscription

The minimum subscription for the Public Offer is \$5,000,000 (250,000,000 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Public Offer.

4.4 Underwriter

The Public Offer is not underwritten.

4.5 Lead Manager

The Company has appointed Indian Ocean Securities Pty Ltd (ACN 621 321 891) (**IOS**) as lead manager to the Company in respect of the Public Offer. In consideration for lead manager services provided, the Company has agreed to issue/pay IOS the following:

- (a) a 1% lead manager fee on all funds raised under the Public Offer;
- (b) a 5% lodgement capital raising fee on funds raised by IOS directly from its own contacts, clients or wholesale investors;
- (c) that number of Shares equal to the value of \$180,000 (equal to 9,000,000 Shares at a deemed issue price of \$0.02 per Share) (**IOS Shares**); and
- (d) upon the successful completion of Maximum Subscription, 9,000,000 unlisted options to acquire Shares exercisable at \$0.025 each on or before 30 June 2025 (**IOS Options**).

The total value attributed to the IOS Options is \$110,700 (assuming Maximum Subscription). However, in accordance with the terms of the IOS Mandate, it is likely that a portion of the Lead Manager Options will be allocated to IOS' nominees who may be third party advisers who have assisted with the completion of the Public Offer. Refer to Section 10.3 for the full terms and conditions of the IOS Options.

For further information with respect to the appointment of IOS as lead manager, please refer to Section 9.2.1.

4.6 Secondary Offers

The Prospectus also includes the following secondary offers:

- (a) the Consideration Securities to the Neutralysis Shareholders under the Consideration Offer; and
- (b) the Pre-Raising Loan Conversion Shares to the Lenders under the Pre-Raising Loan Conversion Offer;

(together, the **Secondary Offers**).

4.6.1 Consideration Offer

This Prospectus includes an offer of:

- (a) 183,000,000 Shares (at a deemed issue price of \$0.02 per Share) (**Consideration Shares**); and
- (b) 183,000,000 attaching Options, each exercisable at \$0.025 on or before 25 June 2025 (**Consideration Options**),

(together, the **Consideration Securities**),

to all shareholder of Neutralysis (**Neutralysis Shareholders**) in consideration for the Acquisition pursuant to the Acquisition Agreements (the material terms of which are summarised at Sections 9.1.1 and 9.1.2) (**Consideration Offer**).

The Consideration Shares issued under the Consideration Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

The Consideration Options offered under the Consideration Offer will be issued on the terms and conditions set out in Section 10.3.

Only the Neutralysis Shareholders may accept the Consideration Offer. A personalised application form in relation to the Consideration Offer will be issued to the Neutralysis Shareholders together with a copy of this Prospectus.

The Shares issued under the Consideration Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 4.17 for a summary of the likely escrow position.

4.6.2 Pre-Raising Loan Conversion Offer

The Company has entered into unsecured loan agreements with professional and sophisticated third party lenders and Directors, Mr Avon McIntyre and Mr Paul Garner (each, a **Lender**) to raise an aggregate of \$300,000 which will be applied towards funding general working capital purposes up until the date that the Company's Securities are re-instated to Official Quotation (each, a **Pre-Raising Loan Agreement**).

Pursuant to the terms of the Pre-Raising Loan Agreements, the aggregate \$300,000 Pre-Raising Loan amount will be converted into an aggregate of 15,000,000 Shares, at a deemed issue price of \$0.02 per Share (**Pre-Raising Loan Conversion**

Shares). Refer to Section 9.3.2 for a summary of the material terms contained in each of the Pre-Raising Loan Agreement.

Consequently, this Prospectus includes an offer of Pre-Raising Loan Conversion Shares to the Lenders on conversion of the aggregate loan amount of \$300,000 (**Pre-Raising Loan Conversion Offer**).

The Pre-Raising Loan Conversion Shares issued under the Pre-Raising Loan Conversion Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

Only the Lenders may accept the Pre-Raising Loan Conversion Offer. A personalised application form in relation to the Pre-Raising Loan Conversion Offer will be issued to the Lenders together with a copy of this Prospectus.

4.7 Conditions of the Public Offer

The Public Offer is conditional upon the unsatisfied conditions precedent of the Acquisition Agreements being satisfied, including:

- (a) the Minimum Subscription to the Public Offer being raised;
- (b) the Company receiving Shareholder approval for the Essential Resolutions at the General Meeting; and
- (c) the Company receiving conditional approval from ASX for the Company's Shares to be reinstated to Official Quotation following the Company's re-compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the Listing Rules,

(together, the **Conditions**).

The Company has convened the General Meeting for the purpose of seeking the approval of Shareholders to a number of resolutions relevant to implementing the Acquisition, including the Essential Resolutions set out below.

Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Essential Resolutions. If one of the Essential Resolutions is not approved by Shareholders, all of the Essential Resolutions will fail, and completion of the Acquisition will not occur.

A summary of the Essential Resolutions is as follows:

- (a) the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations, for which Shareholder approval is required under Listing Rule 11.1.2 (**Resolution 1**);
- (b) the Company will need to re-comply with Chapters 1 and 2 of the Listing Rules and to achieve this must undertake the Public Offer (**Resolution 2**);
- (c) Shareholder approval is required for the purpose of Section 611 item 7 of the Corporations Act to permit the Neutralysis Shareholders to collectively acquire a voting power of between 31.06% and 54.68% through the issue of the Consideration Securities to the Neutralysis Shareholders (**Resolution 3**); and
- (d) the appointment of Mr Russell Brimage to the Board (**Resolution 6**),

(each, an **Essential Resolution**).

If these Conditions are not satisfied then the Offers will not proceed and no Securities will be issued pursuant to this Prospectus. If this occurs, the Company will repay all application monies received under the Offers within the time prescribed under the Corporations Act, without interest.

4.8 Purpose of the Public Offer

The primary purposes of the Public Offer are to:

- (a) assist the Company to meet the re-admission requirements of the ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 4.18 for further details);
- (b) provide the Company with additional funding for the proposed development program at the Projects;
- (c) remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Public Offer; and
- (d) provide the Company with sufficient working capital.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.18.

4.9 Applications

4.9.1 Public Offer

Applications for Shares under the Public Offer must be made by using the relevant Application Form as follows:

- (a) using an online Application Form at <http://www.advancedshare.com.au/IPO-Offers> and pay the application monies electronically by BPAY® or EFT; or
- (b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Public Offer must be for a minimum of \$2,000 worth of Shares (100,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.02 per Share.

Applicants can make their payments by BPAY® or electronic funds transfer (**EFT**). Please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY® reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY® or EFT should be aware of their financial institution's cut-off time (the

time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Public Offer. You do not need to return any documents if you have made payment via BPAY® or EFT.

Payment by cheque will not be accepted.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.

4.9.2 Secondary Offers

Participation in the Secondary Offers is personal and Application Forms in relation to the Secondary Offers will be issued to the relevant participants together with a copy of this Prospectus.

4.10 Allocation policy under the Public Offer

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors in conjunction with the IOS will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Public Offer;
- (c) the desire for a spread of investors, including institutional investors;
- (d) recognising the ongoing support of existing Shareholders; and
- (e) the desire for an informed and active market for trading Shares following completion of the Public Offer.

The issue of the Consideration Securities and Pre-Raising Loan Conversion Shares are subject to the Conditions set out in Section 4.7 being met.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.11 Issue

Subject to the to the Conditions set out in Section 4.7 being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a

separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors, in conjunction with the IOS, will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.10). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

4.12 New Zealand applicants

The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

4.13 Applicants outside Australia and New Zealand

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia and New Zealand. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

4.14 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

However, the Company will pay to IOS a 1% lead manager fee on all funds raised under the Public Offer and 5% lodgement capital raising fee on funds raised by IOS directly from its own contacts, clients or wholesale investors.

4.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.16 **Withdrawal of Offers**

The Offers may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

4.17 **Restricted securities and free float**

Subject to the Company being re-admitted to the Official List and completing the Public Offer and the Acquisition certain Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company anticipates that the Securities offered under the Consideration Offer will be escrowed for a period of 24 months from the date of Official Quotation.

No Shares issued pursuant to the Public Offer or the Pre-Raising Loan Conversion Offer will be subject to any escrow requirements by ASX.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

Upon the Minimum Subscription being raised under this Prospectus, the Company's 'free float', being the percentage of Shares not subject to escrow and which are held by Shareholders that are not related parties or promoters of the Company (or their associates) at the time of re-instatement to Official Quotation (**Re-instatement**), will be approximately 59%, comprising all Shares on issue following completion of the Offers other than Shares to be applied for by the Directors or promoters.

4.18 **Suspension and re-admission to ASX**

The Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's activities. In accordance with the ASX Listing Rules, the change in the nature and scale of the Company's activities will require:

- (a) Shareholder approval for the Acquisition, which will be sought at the General Meeting to be held on 10 October 2022; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

The Company's Securities are currently suspended from trading on the ASX and will remain suspended and not be reinstated to Official Quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by the ASX to the Official List.

Investors should be aware that the Company's Securities have been suspended from quotation since 28 October 2020. The Company's Shares will remain suspended from trading on ASX until ASX approves the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules. If the Company's Shares have not been reinstated to trading before 28 October 2022 (or any extended date approved by ASX), the Company will be removed from

the Official List, given that the Company's Shares will have been suspended from quotation for a continuous period of 2 years.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3.

The Company expects that the conduct of the Public Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

5. COMPANY AND PROJECTS OVERVIEW

5.1 Background

The Company was initially registered in New Zealand on 30 August 1990 and was subsequently registered in Australia as a foreign company on 24 October 2005. On 12 December 2005 the Company was admitted to the Official List of the ASX. The Company transferred its registration to Australia and was registered as an Australian company under the Corporations Act on 22 March 2010. The Company changed its name to 'Tango Petroleum Limited' on 14 May 2010 and subsequently to 'Triple Energy Limited' on 27 March 2012. On 30 June 2022, the Company changed its name to 'HyTerra Ltd.'

In 2013, the Company acquired 100% of the issued capital of CFT Heilongjiang (HK) Limited (**CFT**). CFT holds 80% of the issued capital of Heilongjiang Aolong Energy Co. Ltd (**Aolong**), a co-operative joint venture established under the laws of the PRC that was focussed on establishing a portfolio of quality coal seam gas assets in northern China with the objective of de-gassing coals via the extraction of coal bed methane.

Three coal bed methane wells were drilled over the period 2013 to 2015. The wells failed to define a coal bed methane resource and there has been no exploration activity undertaken since this time. In 2018, the Company announced that it had negotiated a memorandum of understanding (**MOU**) to acquire Guanzhou Bofu Investment Co. Ltd. a company which had the right to derive income from the Xin 214 Project consisting of certain oil licenses in Songyuan City, Jilin Province in the PRC. Due diligence was not completed on this proposed acquisition and that the acquisition terms were not agreed by the parties.

As announced in its Half Yearly Report released on the Company's ASX platform (ASX:HYT), the Company was not in a position during or since the year-end to provide funding to CFT. CFT has sought and obtained its own funding from parties introduced by and associated with Waypost Ltd, a substantial shareholder in the Company. The significant net liability position of both CFT and Aolong, combined with changes to the Board in the current regulatory and geopolitical environment have had a negative impact on the Company's ability to exert influence over its China based subsidiaries, to the point where the Directors conclude that the Company no longer controls CFT or Aolong.

With limited cashflow and difficulties in obtaining funds to continue its exploration activities in China, the Company requested voluntary suspension from the Official List on 28 October 2020, pending an update on its financial and corporate strategy.

Since entering into voluntary suspension in October 2020, the Company has been working to identify suitable acquisition and investment opportunities to create value for its Shareholders.

5.2 Details of the Acquisition

On 8 April 2022 the Company announced that it had entered into a binding terms sheet with Neutralysis Industries Pty Ltd (ACN 156 261 791) (**Neutralysis**) pursuant to which the Company had agreed to make an offer to all shareholders of Neutralysis (**Neutralysis Shareholders**) to acquire 100% of the issued capital of capital of the company (**Acquisition**).

As contemplated by the binding terms sheet, the Company and the Neutralysis Shareholders will subsequently enter into formal share sale and purchase agreements to affect the Acquisition comprising:

- (a) a binding share sale and purchase agreement between the Company, Neutralysis and 8 key shareholders of Neutralysis with respect to the sale by those Neutralysis Shareholders of their fully paid ordinary shares in the capital of Neutralysis (**Neutralysis Shares**) (comprising 49.45% of the Neutralysis Shares currently on issue) (**Share Sale and Purchase Agreement**); and
- (b) a short-form share sale and purchase agreement with each of the remaining 42 Neutralysis Shareholders with respect to the sale by those Neutralysis Shareholders of their Neutralysis Shares (comprising 50.55% of the Neutralysis Shares currently on issue) (each, a **Minority Share Sale Agreement**),

(together, the **Acquisition Agreements**).

Completion under the Share Sale and Purchase Agreement and the Minority Share Sale Agreements is interdependent. The key terms of the Acquisition Agreements are set out at Sections 9.1.1 and 9.1.2 respectively.

In consideration for the Acquisition, the Company has agreed to upon reinstatement to Official Quotation of the Company's Securities on the ASX, issue to the Neutralysis Shareholders an aggregate of:

- (a) 183,000,000 Shares (**Consideration Shares**), at a deemed issue price of \$0.02 per Share; and
- (b) 183,000,000 options to acquire Shares at an exercise price of \$0.025 expiring on 30 June 2025 (**Consideration Options**),

(together, the **Consideration Securities**).

The full terms and conditions attaching to the Consideration Options are set out at Section 10.3. The Consideration Securities are proposed be issued to the Neutralysis Shareholders pro-rata according to their respective shareholdings in Neutralysis and on the further terms and conditions set out in the Acquisition Agreements.

The Board considered several potential acquisition opportunities prior to entering into the Acquisition Agreements. Following such consideration, the Board settled on the Acquisition due to the unique opportunities the Board believed that the Acquisition presented.

The Company notes that the Acquisition Agreements contains a condition precedent that the Company and Neutralysis complete due diligence to their satisfaction. The Company has not yet satisfied or waived this condition precedent, however, the Company intends to complete due diligence prior to lodging a prospectus and seeking Re-instatement.

The Board believes it is prudent to seek Shareholder approval prior to completion of the full due diligence program, so as to allow for a minimal period between the completion of the Meeting and the opening of the Offers.

The Board considers that the quantum of the consideration payable at Completion for the Acquisition reflects reasonable fair value of the Projects in view of the Key

Investment Highlights set out in Section 5.17 of the Prospectus, and the Company having conducted arm's length negotiations with representatives of Neutralysis to arrive at the commercial terms of the Acquisition.

In determining the consideration for the Acquisition, the Company also took into account the following considerations:

- (a) recent third-party backdoor listing transactions involving acquisitions of natural hydrogen prospects; and
- (b) the Board's assessment of the future prospects of the Projects based on its geological review of the Projects.

As with the acquisition of any business or asset that does not have a meaningful track record of revenue and profitability, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the consideration. As such, the Company was required to consider qualitative factors such as those set out above in coming to a decision on price.

The Board considers that the Acquisition presents Shareholders with the opportunity to hold a position in hydrogen exploration projects with the potential to develop relatively low-cost operations in the short to medium term, subject to the successful implementation of the Company's business model (as detailed in Section 5.15) and the associated risk factors detailed in Section 7.

5.3 Disposal of CFT

Subsequent to the Company's announcement of the Acquisition, on 10 May 2022, the Company announced that it had reached a conditional agreement to dispose of its 100% shareholding in CFT (**Disposal**) for a nominal sum of HK\$10,000 to a PRC-resident individual investor, Mr Yang Jie, subject to the satisfaction or waiver of certain conditions precedent (**Disposal Agreement**).

As previously disclosed on the Company's ASX platform, both CFT and Aolong have significant net liabilities. The terms and conditions of the Disposal Agreement are set out in Section 9.1.4.

5.4 Composition of the Board of Directors

On Completion, it is proposed that:

- (a) existing Non-Executive Chairman Mr Murray D'Almeida will resign from the Board;
- (b) existing Directors Mr Po Chan and Mr Paul Garner will remain on the Board as Non-Executive Directors;
- (c) recently appointed Director, Mr Avon McIntyre will remain on the Board as Chief Technical Officer and Executive Director; and
- (d) Mr Russell Brimage (nominee director of Neutralysis) will be appointed to the Board as Non-Executive Chairman.

The profiles of each of the Company's Directors at the time of Re-instatement are set out in Section 8.1.

5.5 Key Investment Highlights

The current and proposed Directors are of the view that the key highlights of an investment in the Company include:

- (a) **First mover advantage:** The Company will be the first publicly listed company dedicated solely to natural hydrogen exploration on the ASX and will directly invest and be involved in a new and exciting sector of the clean energy and hydrogen industries.
- (b) **Dedicated to clean energy:** The Company is positioning itself within the clean energy sector with no competing internal business interests.
- (c) **Advanced exploration activities:** Through the JDA with NH2E in the USA, the Company has an interest in a pioneering hydrogen exploration venture with ongoing well testing activities and aims to be the first commercial producer of natural hydrogen.
- (d) **Experience and proprietary knowledge:** The Directors and staff of the Company have substantial experience in international oil and gas exploration, development, and production. Together with the proprietary knowledge of natural hydrogen exploration of the joint development partner NH2E, the Company can lead and accelerate natural hydrogen exploration and development globally.
- (e) **Market Opportunity:** The Company is well positioned to capitalise on a significant market opportunity being the rapid growth in demand for low and zero-carbon hydrogen.

5.6 Overview of the Hydrogen industry

The global energy sector is transforming and the urgency to decarbonise has created unprecedented political support and business momentum for hydrogen.

Up until recently, the vast majority of hydrogen used globally was manufactured from gas and coal as a raw material for industrial processes.

Governments and industries that are heavily reliant on fossil fuels have identified hydrogen as a key pathway to decarbonise. Hydrogen is a fuel and industrial feedstock that can also be produced using renewable energy and electrolysis (referred to as green hydrogen).

Generating green hydrogen is essentially a carbon-free process however developing the mega scale renewable energy projects requires significant natural resources, land, capital and time.

The energy industry is also exploring new ways to produce carbon-free hydrogen and has identified the significance of hydrogen as an energy source, rather than a manufactured gas. The exploration and production of natural hydrogen presents an opportunity for HyTerra to accelerate the development of an inexpensive, clean, and sustainable source of hydrogen.

Natural hydrogen is an emerging and rapidly growing geoscience and refers to hydrogen that is formed through chemical reactions within the Earth's subsurface. While the presence of subsurface hydrogen has been commonly encountered, the recognition of its potential to exist in sufficient quantity as an economic resource is a more recent development.

A global review of natural hydrogen occurrences by Zgonnik (2020) identifies over 300 occurrences of naturally occurring hydrogen at concentrations greater than 10% by volume, approximately half of these being free (mobile) gas. The potential for natural hydrogen as an energy source in Australia is also recognised by the federal geoscience agency (Geoscience Australia) and the CSIRO with peer-reviewed publications on natural hydrogen occurrences in Australia recently released by Boreham and others (2021) and Stalker and others (2022).

One possible reason that natural hydrogen has not been more widely identified is the means in which subsurface gases are sampled and analysed, as well as the types of detection systems used in oil and gas exploration. The standard approach for gas chromatography often uses hydrogen as a carrier gas and as a result, detection of hydrogen in any gases analysed by this technique is compromised. Furthermore, only a few modern portable gas analysers used in the natural sciences include a hydrogen sensor in their design (Zgonnik, 2020).

However, natural hydrogen with commercial production potential has been discovered. The leading example is in Mali, Africa, where natural hydrogen was first encountered in a well drilled in the 1980's. Flow testing of the well in 2012 recovered gas with a composition of approximately 98% hydrogen, 1% nitrogen and 1% methane with a flow rate of up to 1,500 m³/day (Briere and others, 2017; Prinzhofer and others, 2018). Pilot production of this well was conducted for approximately 5 years. A further 18 wells have been drilled in the vicinity of the original discovery well to further evaluate the resource (Prinzhofer and others, 2018).

While the science of natural hydrogen exploration and exploitation is still in initial stages, the benefits of natural hydrogen could be immense. The costs associated with the exploitation of 1kg of natural hydrogen may be 2 to 10 times smaller than the cost of manufactured hydrogen (Prinzhofer and others, 2018).

In short, natural hydrogen could revolutionise the green energy industry.

5.7 About NH2E and Neutralysis

(a) Background to NH2E

Natural Hydrogen Energy LLC (**NH2E**) is a private company registered in the United States of America (**USA**) and domiciled in Denver, Colorado. NH2E is a pioneer in the field of exploration for geologically occurring hydrogen.

NH2E's geologists first predicted and then discovered a new, previously unknown natural phenomenon: many locations along the Earth's crust seep significant quantities of molecular hydrogen gas.

(b) Background to Neutralysis

Neutralysis is a proprietary limited company, incorporated in Victoria, Australia in 2012. Neutralysis is focused on the development and implementation of hydrogen projects.

Neutralysis currently holds a 10.03% beneficial interest in a joint development and earn-in agreement (**JDA**) with NH2E. NH2E has acquired leases in Nebraska and South Carolina to explore for the presence of natural hydrogen gas in the subsurface. Further information with respect to the JDA is set out below.

5.8 Joint Development Agreement

Executed in April 2020 and subsequently varied by mutual agreement of Neutralysis and NH2E in April 2022, the JDA describes the funding arrangements and work program pursuant to which NH2E and Neutralysis have agreed to incorporate a joint venture company to jointly develop and explore the leases that comprise four prospective hydrogen projects in Nebraska and South Carolina in the USA (the, **Projects**) as well as NH2E's data package that relates to the Projects.

The Projects themselves do not have associated work programs. Neutralysis and NH2E have mutually agreed a two-phase exploration and development plan which will governs the work program that is to be carried out at the Projects (including any mutually agreed modifications) and funded by Neutralysis (**Exploration and Development Plan**). Further information in respect of the Projects and the two-phased Exploration and Development Plan is set out at Sections 5.9 and 5.14 respectively.

Under the terms of the JDA, Neutralysis and NH2E have agreed to incorporate a joint venture company (**JVCo**) that will hold the Projects, and upon the satisfaction of certain conditions precedent, will reflect the beneficial interest of Neutralysis in the JVCo, as earned by Neutralysis. Neutralysis has the ability to acquire up to a 30% beneficial interest in the JVCo on completion of the Phase 1 work program, which requires Neutralysis to expend US\$5,000,000. On completion of the Phase 2 work program, which requires Neutralysis to expend a further US\$15,000,000, Neutralysis can acquire an additional 21%, to take its interest in the JVCo to 51%.

NH2E and Neutralysis agree that Neutralysis has contributed an aggregate of US\$1,671,042 to date, towards developing and progressing the Projects and NH2E's associated data package within the scope of the JDA.

Further details with respect to the JDA is set out at Section 9.1.3.

5.9 Project Overview

A comprehensive summary of regional and local geology, historical exploration pertaining to the Projects is contained in the Independent Technical Specialist Report (**ITSR**) in Annexure A. A comprehensive summary of the status of the leases comprising the Projects can be found in the US Solicitor's Report on Title in Annexure B.

The leases that comprise the Projects total 3,891 acres (15.7 km²) in Nebraska and South Carolina in the USA and were acquired by NH2E to explore for the presence of natural hydrogen gas in the subsurface of the Project areas.

The Projects comprise:

(a) **Nebraska Northwest Project**

The Nebraska Northwest Project comprises 18 leases covering a combined area of 2,320 acres (9.4 km²) in Fillmore County.

The Nebraska Northwest Project comprises the Hoarty NE3 well that was drilled by NH2E over the period November 2018 to February 2019. Further information in respect of the Hoarty NE3 well is set out at Section 5.10.

(b) **Nebraska Southeast Project**

The Nebraska Southeast Project area comprises 1 lease covering a combined area of 400 acres (1.6 km²) in Fillmore County.

(c) **South Carolina West Project**

The South Carolina West project area comprises 1 lease covering a combined area of 517 acres (2.1 km²) in Marlboro County.

(d) **South Carolina East Project**

The South Carolina East project area comprises 1 lease covering an area of 654.24 acres (2.6 km²) in Marlboro County.

The Company notes the Nebraska Southeast Project, South Carolina West Project and the South Carolina East Project are not as advanced as the Nebraska Northwest Project, and are considered to be early stage exploration projects.

Further information in respect of the leases comprising the Projects is set out below:

Legal Description	Total Leased Acres	Effective Date	Expiration Date	Primary Term Years	Registered Holder
Nebraska Northwest Project					
T7N-R4W Sec 23: NE4	160	10/03/2022	10/03/2025	3	NH2E
T7N-R4W Sec 23: N2NW	80	8/03/2016	8/03/2022	6	NH2E
T7N-R4W Sec 23: E2SE, SWSE	120	7/05/2018	7/05/2023	5	NH2E
T7N-R4W Sec 23: S2NW	80	10/08/2018	10/08/2023	5	NH2E
T7N-R4W Sec 23: NWSE	40	10/08/2018	10/08/2023	5	NH2E
T7N-R4W Sec 14: SW4	160	10/08/2018	10/08/2023	5	NH2E
T7N-R4W Sec 22: NW4, E2SW4, SE4	400	18/09/2018	18/09/2023	5	NH2E
T7N-R4W Sec 13: S2SW4	80	18/09/2018	18/09/2023	5	NH2E
T7N-R4W Sec 14: NW	160	18/09/2018	18/09/2023	5	NH2E
T7N-R4W Sec 14: NE4	160	18/09/2018	18/09/2023	5	NH2E
T7N-R4W Sec 13: S2NW4, N2SW4	80	18/09/2018	18/09/2023	5	NH2E
T7N-R4W	160	18/09/2018	18/09/2023	5	NH2E

Legal Description	Total Leased Acres	Effective Date	Expiration Date	Primary Term Years	Registered Holder
Sec 24: NW4					
T7N-R4W Sec 22: E2NE	80	7/11/2018	7/11/2023	5	NH2E
T7N-R4W Sec 22: W2NE4	80	7/11/2018	7/11/2023	5	NH2E
T7N-R4W Sec 23: SW4	160	8/11/2018	8/11/2023	5	NH2E
T7N-R4W Sec 15: NE4	160	8/11/2018	8/11/2023	5	NH2E
T7N-R4W Sec 13: S2NW4, N2SW4	80	12/11/2018	12/11/2023	5	NH2E
T7N-R4W Sec 13: N2NW	80	15/11/2018	15/11/2023	5	NH2E
Nebraska southeast					
T6N-R1W Sec 30: NE & SW Sec 31: N2NW	400	15/08/2018	15/08/2023	5	NH2E
South Carolina east					
TMS #6-001-01-008 Tract 3 on plat entitled "Survey of Property for Myrtle Beach Farms" in Cabinet A, Plat Slide 167, Page 2	654.24	1/04/2014	1/04/2024	10	NH2E
South Carolina west					
Property Tax ID # 059-00-02-020; 059- 00-02-021; 059-00- 02-022; 059-00-02- 026;059-00-02-028.	517	1/04/2014	1/04/2024	10	NH2E

Notes:

1. T7N-R4W Sec 23: NE4 has been renewed.
2. T7N-R4W Sec 23: N2NW containing the Hoarty NE3 well has been suspended under shut-in royalty terms.

5.10 Nebraska Northwest Project

(a) **Location**

The project area is situated in Fillmore County, Nebraska.

(b) **Geology**

The geology of the Nebraska Northwest Project contains two main geological successions. The upper succession is comprised of Cambrian to Quaternary aged sedimentary rocks of the Salina Basin, which extends across the eastern parts of Nebraska and Kansas. Directly underlying the Salina Basin are metasediments and crystalline rocks of Pre-Cambrian age, which form the basement terranes in this area and comprise the lower geological succession in the project area.

(c) **Exploration History and Prospectivity**

The Nebraska Northwest Project includes the Hoarty NE3 well that was drilled between November 2018 and February 2019 by NH2E to a total depth of 11,287 ft (3,440 m) in Pre-Cambrian basement rocks.

The upper 1060 m (3478 ft) of Hoarty NE3 intercepted sedimentary rocks of Quaternary, Cretaceous and Mississippian - Late Cambrian age (Salina Basin), and a further ~2377 m (7800 ft) of Pre-Cambrian basement rocks.

During drilling, potentially significant concentrations of natural hydrogen were detected during drilling in several zones within the Pre-Cambrian basement rocks. Gas sampled from the mud flow line during drilling detected elevated hydrogen below 3050 m (10000 ft) at concentrations over 30%. Post drilling and wireline logging, a slotted liner was installed, and the well was suspended.

The well was shut in until June 2021 when swabbing operations were conducted to reduce the hydraulic head in the well. At various stages of the swabbing process, gas swabbed into the wellbore was recovered to surface through the wellhead annulus and flared at rates of up to 43,400 cubic feet / day. The flare burnt with a transparent flame (interpreted to indicate the predominance of hydrogen in the gas stream) and isotube samples of these gases were taken for further analysis.

Analysis of the gas samples recovered during swabbing operations show a marked reduction in hydrogen concentration when compared with those taken during drilling. The gases sampled during swabbing operations are considered by the operator to be unrepresentative due to microbial activity in the wellbore and atmospheric contamination since the well was suspended. The uncertainty in gas composition has been addressed by RISC in their ITSR (Annexure A) by adopting a range of gas compositions for hydrogen, methane, and nitrogen in volumetric input parameters.

Petrophysical analysis of Hoarty NE3 identified two potential gas bearing zones of elevated hydrogen gas concentration associated with matrix and fracture porosity in the Pre-Cambrian basement. These zones have been assigned probabilistic gas in-place volume estimates by RISC, both for raw gas and gross hydrogen for the project area.

Zone		Hydrogen (H ₂)	Methane (CH ₄)	Nitrogen (N ₂)
Zone 1	Low (%)	4.0	20.9	75.1
	Best (%)	8.0	18.9	73.1
	High (%)	12.0	15.0	73.0
Zone 4	Low (%)	4.0	20.9	75.1
	Best (%)	12.0	15.0	73.0
	High (%)	33.8	4.1	62.1

Table 1: Gas composition volumetric input parameters of the potential gas-bearing zones within the Nebraska NW project area based on Hoarty NE3 well data (Source: RISC ITSR report, Annexure A)

Gross raw GIIP (Bcf)	P90	P50	P10
Zone 1	27.7	44	70.3
Zone 4	59.7	114.0	214.0
Arithmetic summation	87.4	158.0	284.3
Notes to the table: 1. Probabilistic methods have been used.			

Table 2: Gross in-place raw gas volumes (billion cubic feet) in the potential gas-bearing zones within the Nebraska NW project area based on Hoarty NE3 well petrophysical analysis (Source: RISC ITSR report, Annexure A)

Gross hydrogen GIIP (Bcf)	P90	P50	P10
Zone 1	1.5	3.4	6.5
Zone 4	4.1	16.9	47.8
Arithmetic summation	5.6	20.3	54.3
Notes to the table: 1. Probabilistic methods have been used.			

Table 3: Gross in-place hydrogen gas volumes (billion cubic feet) in the potential gas-bearing zones within the Nebraska NW project area based on Hoarty NE3 well petrophysical analysis (Source: RISC ITSR report, Annexure A)

5.11 Nebraska Southeast Project

(a) **Location**

The project area is situated in Fillmore County, Nebraska.

(b) **Geology**

The geology of the Nebraska Southeast Project is predicted to contain two main geological successions, based on interpolation of regional well data as no well is present in the project area. The upper succession is

predicted to contain Cambrian to Quaternary aged sedimentary rocks of the Salina Basin, and the lower succession is predicted to contain metasediments and crystalline rocks of Pre-Cambrian age.

(c) **Exploration History and Prospectivity**

No significant exploration activities have been recorded for the Nebraska Southeast Project. In the absence of subsurface data in the project area, a resource density derived from the Nebraska northwest project area has been applied. The hydrogen gas in-place estimates are summarised below.

Region	Area (ac)	Hydrogen GIIP (Bcf)		
		P90	P50	P10
Nebraska southeast	407.7	2.0	7.1	18.9

Table 4: Gross in-place estimated hydrogen gas volumes (billion cubic feet) in Nebraska Southeast Project area using resource density derived from Nebraska Northwest Project (Source: RISC ITSR report, Annexure A)

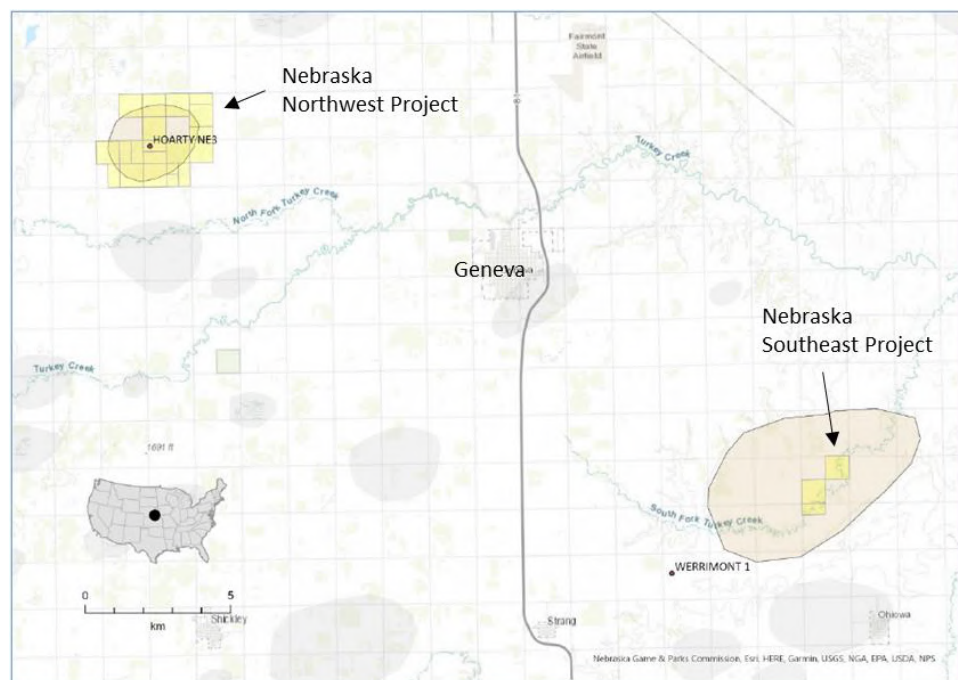


Figure 1: Location of Nebraska Northwest and Nebraska Southeast project areas (yellow polygons) (Source: RISC ITSR report, Annexure A)

5.12 South Carolina West Project

(a) **Location**

The project area is situated in Marlboro County, South Carolina.

(b) **Geology**

The geology of the South Carolina West Project area is located on the western edge of the Blake – Bahamas basin on the Atlantic coastal plain. Here, Cretaceous to Pliocene sedimentary rocks are underlain by Neoproterozoic to early Paleozoic basement rocks of the Appalachian Piedmont terrane.

(c) **Exploration History and Prospectivity**

No significant exploration activities have been recorded for the South Carolina West Project. In the absence of subsurface data in the project area, a resource density derived from the Nebraska northwest project area has been applied. The hydrogen gas in-place estimates are summarised below.

Region	Area (ac)	Hydrogen GIIP (Bcf)		
		P90	P50	P10
South Carolina west	551.0	2.6	9.5	25.5

Table 5: Gross in-place estimated hydrogen gas volumes (billion cubic feet) in South Carolina West Project area using resource density derived from Nebraska northwest Project (Source: RISC ITSR report, Annexure A)

5.13 South Carolina East Project

(a) **Location**

The project area is situated in Marlboro County, South Carolina.

(b) **Geology**

The geology of the South Carolina East Project area is located on the western edge of the Blake – Bahamas basin on the Atlantic coastal plain. Here, Cretaceous to Pliocene sedimentary rocks are underlain by Neoproterozoic to early Paleozoic basement rocks of the Appalachian Piedmont terrane.

(c) **Exploration History and Prospectivity**

No significant exploration activities have been recorded for the South Carolina East Project. In the absence of subsurface data in the project area, a resource density derived from the Nebraska northwest project area has been applied. The hydrogen gas in-place estimates are summarised below.

Region	Area (ac)	Hydrogen GIIP (Bcf)		
		P90	P50	P10
South Carolina east	682.0	3.3	11.8	31.6

Table 6: Gross in-place estimated hydrogen gas volumes (billion cubic feet) in South Carolina East Project area using resource density derived from Nebraska northwest Project (Source: RISC ITSR report, Annexure A)

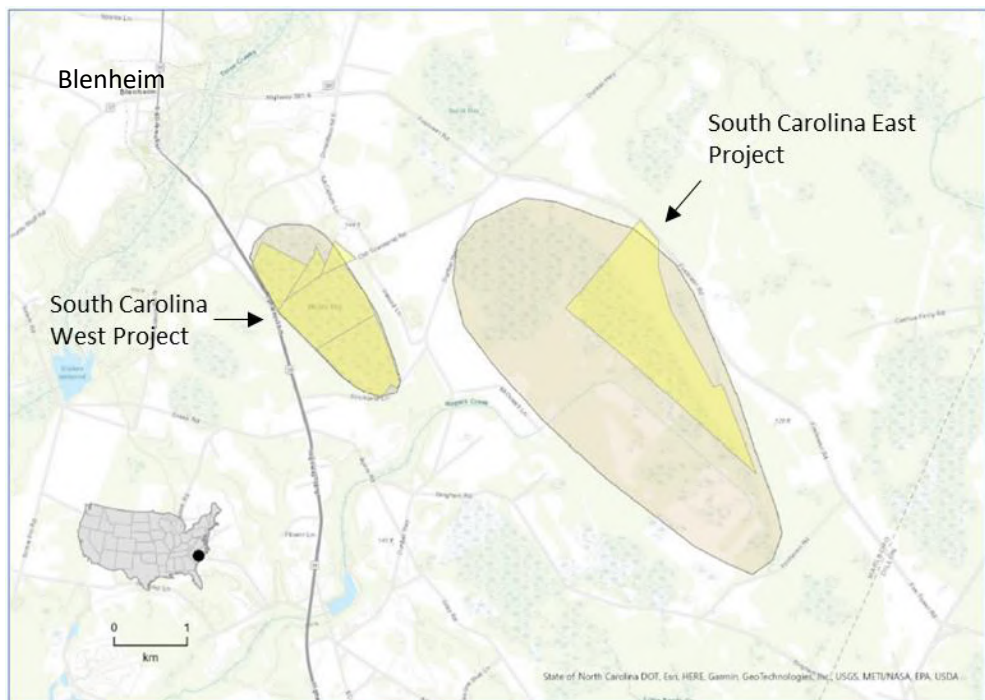


Figure 2: Location of South Carolina West and South Carolina East project areas (yellow polygons) (Source: RISC ITR report, Annexure A)

5.14 Proposed Exploration and Development Plan

The Exploration and Development Plan under the JDA denotes a total planned work program expenditure of US\$20,000,000. Consequently, it is anticipated that Phase 1 and Phase 2 of the Exploration and Development Plan will dictate the Company's work program at the Projects for the first 2 years following Reinstatement.

On Completion, the Company will seek to increase Shareholder value by undertaking systematic exploration activities at the Projects in accordance with Phase 1 of the Exploration and Development Plan under the JDA.

The two phases of the Exploration and Development Plan are set out below:

Exploration and Development Plan: Phase 1	Estimated cost US\$	Estimated cost A\$ (on the basis that US\$0.68 equals A\$1)
Testing the Hoarty NE3 Well for production by installing tubing and removing water (Hoarty NE3 Well Test)	300,000	441,176
Depending on the results of the first series of tests, longer term tests may be necessary	200,000 ¹	294,118
Setting up a pilot gas separation unit, including purification, compression and storage	2,100,000 ²	3,088,235
Acquiring additional mineral rights leases in vicinity of well location	250,000	367,647

Exploration and Development Plan: Phase 1	Estimated cost US\$	Estimated cost A\$ (on the basis that US\$0.68 equals A\$1)
Geochemical studies to connect drilling results with the surface data	200,000	294,118
2D seismic study of the location to identify the precise location of the next exploratory drilling	500,000	735,294
Additional gravity study	50,000	73,529
Exploratory drilling (Secondary Well)	700,000	1,029,412
Operational expenses and miscellaneous costs	300,000	441,176
Reserve for unforeseen expenses related to exploration uncertainties	400,000	588,235
Total	5,000,000	7,352,940

Notes:

1. Costs will vary depending on the techniques used. The estimated range of this cost is between US\$25,000-200,000.
2. Costs will vary depending on the volume of gas and composition. This is the estimated maximum cost for setting up a pilot gas separation unit.

Exploration and Development Plan: Phase 2	Estimated cost US\$	Estimated cost A\$ (on the basis that US\$0.68 equals A\$1)
Leasing multiple locations with potential in the region	2,200,000	3,235,294
Making studies of those sites, mainly geochemistry	900,000	1,323,529
Seismic studies	1,500,000	2,205,882
Drilling several wells, exploration and production ones to unveil all the potential of the resource and start the production	7,500,000	11,029,412
Installation of gas treatment equipment, including purification, compression and storage	2,000,000	2,941,176
Operational expenses and miscellaneous costs	900,000	1,323,529
Total	15,000,000	22,058,824

It should be noted that the activities listed in Phases 1 and 2 of the Exploration and Development Plan are subject to modification and change by mutual agreement

of Neutralysis and NH2E depending on the results obtained from exploration undertaken at the Projects.

5.15 Business model

Following completion of the Acquisition and re-instatement, the Company will transition from its previous oil and gas strategy to an energy company seeking to develop a natural hydrogen project.

Consequently, the Company's proposed business model will be to continue exploration for, and exploitation of, natural hydrogen globally and to support the future work program of the JDA, with a primary focus on natural hydrogen sourced from within the earth.

The Company's main objectives on completion of the proposed Acquisition and Public Offer will include:

- (a) completion of the Hoarty NE3 Well Test at the Nebraska Northwest Project pursuant to Phase 1 of the JDA, and subject to proving commerciality, begin exploitation plans at the Projects;
- (b) continuing to evaluate opportunities for the exploration and development of hydrogen projects within the scope of the JDA; plan associated work programs;
- (c) continuing to pursue other acquisitions that have a strategic fit for the Company that could lead to the production of green hydrogen from solar or biomass and technologies involving the transport of hydrogen throughout the USA and elsewhere;
- (d) engagement with complimentary resource companies to evaluate, explore and develop potential natural hydrogen projects in capacities that fit the expertise and focus of the Company (may include joint operating, joint venture, service contract or royalty-based operating models); and
- (e) providing working capital for the Company.

5.16 Key Dependencies

The key dependencies influencing the viability of the Acquisition are:

- (a) completion of the Acquisition and associated transactions (including acceptance of the offers by all Neutralysis Shareholders);
- (b) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's Securities;
- (c) commodity price volatility and exchange rate risk;
- (d) ability to meet resource and reserves and exploration targets;
- (e) the discovery of a potentially economic recoverable volume of natural hydrogen;
- (f) raising the Minimum Subscription to satisfy expenditure requirements, exploration and operating costs; and

- (g) minimising environmental impact and complying with health and safety requirements.

5.17 Key Investment Highlights

The current and proposed Directors are of the view that the key highlights of an investment in the Company include:

- (a) **First mover advantage:** The Company will be the first publicly listed company dedicated solely to natural hydrogen exploration on the ASX and will directly invest and be involved in a new and exciting sector of the clean energy and hydrogen industries.
- (b) **Dedicated to clean energy:** The Company is positioning itself within the clean energy sector with no competing internal business interests.
- (c) **Advanced exploration activities:** Through the JDA with NH2E in the USA, the Company has an interest in a pioneering hydrogen exploration venture with ongoing well testing activities and aims to be the first commercial producer of natural hydrogen.
- (d) **Experience and proprietary knowledge:** The Directors and staff of the Company have substantial experience in international oil and gas exploration, development, and production. Together with the proprietary knowledge of natural hydrogen exploration of the joint development partner NH2E, the Company can lead and accelerate natural hydrogen exploration and development globally.
- (e) **Market Opportunity:** The Company is well positioned to capitalise on a significant market opportunity being the rapid growth in demand for low and zero-carbon hydrogen.

5.18 Use of funds

The issue of Shares under the Public Offer is subject to Shareholder approval (the subject of Resolution 2 at the General Meeting). The funds raised from the Public Offer will be applied towards assisting the Company with re-complying with Chapters 1 and 2 of the Listing Rules and to support the Company's proposed Exploration and Development Plan at the Projects (as set out in Section 5.14) over the first two years as follows:

Allocation of funds	Minimum Subscription (\$)	Percentage of Funds (%)	Maximum Subscription (\$)	Percentage of Funds (%)
Existing cash reserves ¹	\$327,441	5.82%	\$327,441	4.29%
Funds raised under Pre-Raising Loan Agreements ²	\$300,000	5.33%	\$300,000	3.93%
Funds raised from Offer	\$5,000,000	88.85%	\$7,000,000	91.77%
Total	\$5,627,441	100%	\$7,627,441	100%

Allocation of funds	Minimum Subscription (\$)	Percentage of Funds (%)	Maximum Subscription (\$)	Percentage of Funds (%)
Hoarty NE3 Well Test ³	\$694,400	12.34%	\$694,400	9.10%
Seismic survey ⁴	\$694,400	12.34%	\$694,400	9.10%
Gravity survey ⁴	\$69,400	1.23%	\$69,400	0.91%
Operational expenses ⁵	\$416,700	7.40%	\$416,700	5.46%
Additional leases ⁵	\$347,200	6.17%	\$347,200	4.55%
Geochemical survey ⁵	\$277,700	4.93%	\$277,700	3.64%
Contingency	\$555,500	9.87%	\$555,500	7.28%
Secondary well ⁶	Nil	Nil	\$972,222	12.75%
Total Phase 1 JDA Project Spend⁷	\$3,055,300	54.29%	\$4,027,522	52.80%
Expenses of the Offer ⁸	\$630,944	11.21%	\$753,194	9.87%
Corporate and administration ⁹	\$1,712,963	30.44%	\$2,618,545	34.33%
Working capital ¹⁰	\$228,234	4.06%	\$228,180	2.99%
Total	\$5,627,441	100%	\$7,627,441	100%

Notes:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 31 December 2021, the Company has expended approximately \$160,000 in progressing the Acquisition and preparing the related transaction documents.
2. Refer to Section 9.3.2 for further details.
3. The primary objective of the Company's exploration activities is to ensure the successful completion of the Hoarty NE3 Well Test. This test will determine the gas flow rate, gas composition and subsurface pressures and inform the parties to the JDA on the commercial potential of Hoarty NE3 well and the area of the existing leases that comprise the Projects. This expenditure also accounts for longer term tests at the Hoarty NE3 Well as per Phase 1 of the JDA which may be necessary.
4. Including exploration activities on the leases comprising the Nebraska Northwest Project and Nebraska Southeast Project.
5. Including exploration activities on the leases comprising the Nebraska Southeast Project, South Carolina West Project and South Carolina East Project.
6. The JDA is considering a Secondary Well in the Project areas following the Hoarty NE3 Well Test, the Company anticipates that this will either be an appraisal well for Hoarty NE3 in the Nebraska Northwest Project area, or a new exploration well in either of the Nebraska Northwest or Nebraska Southeast Project areas.

7. Refer to Section 5.14 for further details with respect to the JDA, the Company's Projects and proposed exploration programs at the Projects. The Company does not intend to apply any of the Public Offer funds towards setting up a pilot gas separation unit, including purification, compression and storage at the Hoarty NE3 well, as outlined in the Phase 1 work program.
8. Including legal fees, ASIC and ASX fees, Lead Manager fees, Investigating Accountant fees, Independent Expert Fees, Share Registry Fees and brokerage costs.
9. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
10. To the extent that:
- (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,
- the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial two-year period following Re-instatement.

It is anticipated that the funds raised under the Public Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period.

Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's Projects. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Project or to capitalise on other acquisition opportunities that have a strategic fit for the Company.

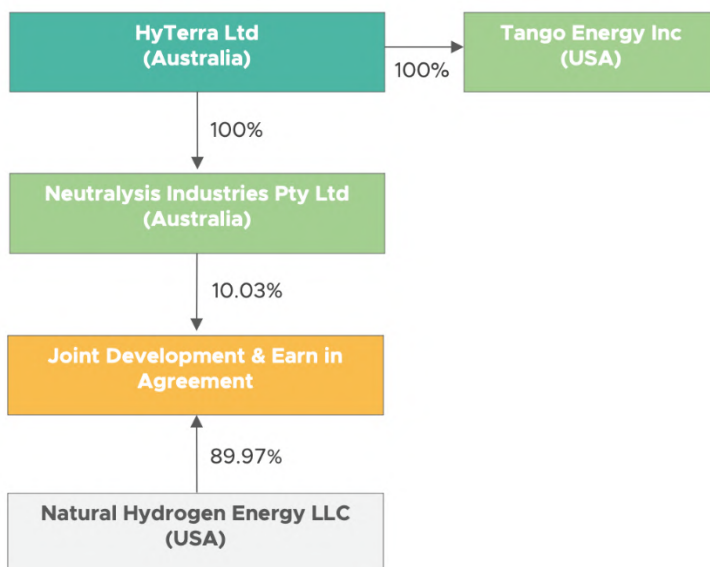
In the event the Company raises more than the Minimum Subscription under the Public Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Public Offer and then proportionally to the other line items in the above table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative, and investors are encouraged to read the risk factors outlined in Section 7.

5.19 Group Structure on Completion

On Completion, the corporate structure of the Company and its subsidiaries (together, the **Group**) is intended to comprise as follows:



5.20 Capital structure

The capital structure of the Company following completion of the Offers (assuming both Minimum Subscription and Maximum Subscription under the Public Offer) is summarised below:

Shares¹

	Minimum Subscription	Maximum Subscription
Shares currently on issue ²	55,848,682	55,848,682
Shares to be issued pursuant to the Public Offer	250,000,000	350,000,000
Shares to be issued under the Pre-Raising Loan Conversion Offer ³	15,000,000	15,000,000
Shares to be issued on conversion of Convertible Notes ⁴	1,250,000	1,250,000
Consideration Shares to be issued to Neutralysis Shareholders ⁵	183,000,000	183,000,000
Shares to be issued to IOS ⁶	9,000,000	9,000,000
Shares to be in lieu of director fees ⁷	1,604,200	1,604,200
Total Shares on completion of the Offer	515,702,882	615,702,882

Notes:

- The rights attaching to the Shares are summarised in Section 10.2.
- Assuming no other Shares are issued prior to Re-instatement.
- Shares proposed to be issued to the Lenders on conversion of the Pre-Raising Loan. Refer to Section 4.6.2 for further details of the Pre-Raising Loan Conversion Offer and Section 9.3.2 for a summary of the terms of the Loan Agreement.
- Subject to Shareholder approval, these Shares will be issued to Ohio Investments, an entity controlled by Company Director Mr Paul Garner, on conversion of the Convertible Note. Refer to Section 9.3.1 for further details.

5. Shares to be issued to Neutralysis Shareholders under the Acquisition Agreements. Refer to Sections 9.1.1 and 9.1.2 for a summary of the Acquisition Agreements.
6. In connection with the Public Offer, the Company has agreed to issue the IOS Shares to IOS (or its nominee/s), under the IOS Mandate. Refer to Section 9.2.1 for a summary of the terms of the IOS Mandate.
7. Outstanding past Director fees owed to Mr Po Chan totalling \$32,084 will be settled in Shares at \$0.02 per Share prior to ASX listing.

Options¹

	Minimum Subscription	Maximum Subscription
Options currently on Issue	40,250,000	40,250,000
Options to be issued on conversion of the Convertible Notes ²	1,250,000	1,250,000
IOS Options ³	Nil	9,000,000
Consideration Options to be issued to Neutralysis Shareholders ⁴	183,000,000	183,000,000
Options to be issued to Director ⁵	2,500,000	2,500,000
Total Options on completion of the Offer	227,000,000	236,000,000

Notes:

1. Refer to Section 10.3 for a summary of the terms of these Options.
2. Subject to Shareholder approval, these Options will be issued to Ohio Investments, an entity controlled by Company Director Mr Paul Garner, on conversion of the Convertible Note. Refer to Section 9.3.1 for further details.
3. Under the Lead Manager Mandate, the Company has agreed to issue the IOS Options to IOS (or its nominee/s), subject to and conditional upon the Company achieving Maximum Subscription under the Public Offer. The IOS Options are proposed to be issued on the same terms and conditions set out at Section 10.3.
4. Consideration Options proposed to be issued to Neutralysis Shareholders under the Acquisition Agreements. Refer to Sections 9.1.1 and 9.1.2 for a summary of the Acquisition Agreements. The Consideration Options are proposed to be issued on the same terms and conditions set out at Section 10.3.
5. Options proposed to be issued to Director, Mr Paul Garner as a performance-based incentive on the terms and conditions set out at Section 10.3.

Performance Rights

	Minimum Subscription	Maximum Subscription
Performance Rights currently on issue	Nil	Nil
Total Performance Rights on issue after completion of the Offer¹	49,000,000	49,000,000

Notes:

1. In connection with the Acquisition, the Company has agreed to issue 19,000,000 Class A Performance Rights and 19,000,000 Class B Performance Rights to current and proposed Directors. As set out in Mr McIntyre and Vestigo's services agreements with the Company,

For personal use only

the Company has also agreed to issue 5,000,000 Class C Performance Rights to Director, Mr Avon McIntyre and 3,000,000 Class A Performance Rights and 3,000,000 Class B Performance Rights to consultant Vestigo. Refer to Section 10.4 for the terms and conditions attaching to the Performance Rights and Section 10.5.3 for further details in respect of the Performance Rights recipients. Refer to Sections 9.1.1 and 9.1.2 for summaries of the Acquisition Agreements and Sections 9.4.1 and 9.4.2 for further details with respect to Mr McIntyre's and Vestigo's respective services agreements with the Company.

5.21 Loyalty Options

Subject to Completion, it is the Company's present intention that it will undertake a pro-rata non-renounceable entitlement issue of Options to existing Shareholders that are registered as members of the Company on or about three months from the date of Re-instatement.

These Options would be offered under a separate prospectus and it is proposed that, for a nominal issue price per Option, one Option will be granted for every three Shares held by eligible Shareholders on the record date (other than Shares held by Shareholders with a registered address outside of Australia or New Zealand). It is expected that the Options will be exercisable at \$0.025 each with an expiry date of 30 June 2025. Subject to re-compliance with the Listing Rules, the Company also intends to apply for quotation of these Options.

5.22 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below:

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
CIS Securities Asset Management Limited	9,688,459	Nil	17.35	10.08
Waypost Limited	5,760,786	Nil	10.32	5.99
Amberwood Nominees Pty Ltd	1,500,000	4,500,000	2.69	6.24
Cintra Holdings Pty Ltd	2,500,000	2,500,000	4.48	5.20
Ping Hung Lau	2,500,000	2,500,000	4.48	5.20
Timriki Pty Ltd	2,500,000	2,500,000	4.48	5.20

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

As at the date of this Prospectus it is not expected that any Shareholder will hold more than 5% of the Shares on issue after the completion of the Offers.

5.23 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

- (a) the Independent Technical Specialist Report in Annexure A for further details about the geology, location and prospectivity of the Company's Projects;
- (b) the US Solicitor's Report on Title in Annexure B for further details in respect to the Company's interests in the Projects; and
- (c) the Independent Limited Assurance Report in Annexure C for further details on the Company's financials.

5.24 Dividend policy

For the Company to progress its business model as detailed in Section 5.15 significant funding is likely to be required and therefore the Company currently has no plans to declare any dividends.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6. FINANCIAL INFORMATION

6.1 Introduction

The financial information in this Section 6 includes:

- (a) summary of the audited statutory Statements of Profit or Loss and Other Comprehensive Income of HyTerra for the years ended 31 March 2020, 31 March 2021 and 31 March 2022;
- (b) a summary of the audited statutory Statements of Cashflows of HyTerra for the years ended 31 March 2020, 31 March 2021 and 31 March 2022;
- (c) a summary of the audited statutory Statement of Financial Position of HyTerra as at 31 March 2020, 31 March 2021 and 31 March 2022; and
- (d) the audited statutory Financial Statements of Neutralysis Industries Pty Ltd for the year ended 30 June 2021 and half-year ended 31 December 2021 (refer Section 6.3.8),

(together referred to as the **Historical Financial Information**), together with;
- (e) the Pro Forma Historical Financial Information, being the Pro forma historical consolidated Statement of Financial Position of HyTerra as at 31 March 2022 (**Pro Forma Historical Financial Information**),

(collectively referred to as the **Financial Information**).

No forecast financial information has been provided for the Company.

Also summarised in this Section 6 is:

- (a) the basis of preparation and presentation of the Financial Information (see Section 6.2); and
- (b) the pro forma adjustments to the historical statement of financial position as at 31 March 2022 and reconciliations to the historical Statement of Financial Position as at 31 March 2022 (see Sections 6.3.4 to 6.3.6).

The Financial Information has been reviewed and reported on by HLB Mann Judd (WA Partnership), whose Independent Limited Assurance Report is contained in Annexure C to the Prospectus. The Independent Limited Report has been prepared in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement Involving Fundraising and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Proforma Historical Financial Information*. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The information in this Section 6 should also be read in conjunction with other information contained in this Prospectus including;

- (a) the risk factors described in Section 7;
- (b) the use of funds described in Section 5.18;
- (c) the indicative capital structure described in Section 5.20;

- (d) the Independent Limited Assurance Report on the historical and pro forma financial information set out in Annexure C to the Prospectus; and
- (e) other information contained in the Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

6.2 Basis of Preparation and Presentation of the Financial Information

6.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Company.

The Historical Financial Information included in this Section 6 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001. Significant accounting policies applied to the Historical Financial Information are set out in Annexure A of this Section 6 under the heading 'Significant Accounting Policies.'

The Historical Financial Information has been reviewed by HLB Mann Judd (WA Partnership) as set out in the Independent Limited Assurance Report in Annexure C to the Prospectus. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Historical Financial Information has been prepared for the purpose of the Public Offer.

The consolidated financial information that relates to the years ended 31 March 2020, 31 March 2021 and 31 March 2022 has been extracted from the financial statements of the Company which were audited by HLB Mann Judd (WA Partnership). HLB Mann Judd (WA Partnership) issued unmodified audit opinions for each of the years specified with an emphasis of matter paragraph in respect of material uncertainty related to going concern, for each of the years.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (AAS), other than that the Pro Forma Historical Consolidated Statement of Financial Position of HyTerra includes certain adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions which are planned to or have taken place subsequent to 31 March 2022, as if they had occurred on or before 31 March 2022.

The Pro Forma Historical Consolidated Statement of Financial Position of HyTerra does not reflect the actual statement of financial position of HyTerra as at 31 March 2022. HyTerra believes that it provides useful information as it illustrates the financial position of the Company as at 31 March 2022 on the basis that the

proposed Capital Raising and other related pro forma transactions were completed as at that date.

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied throughout the periods presented. Significant accounting policies of HyTerra, relevant to the Financial Information, are set out in Annexure A of Section 6.

6.3 Historical Financial Information

6.3.1 Historical Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 March 2020, 31 March 2021 and 31 March 2022.

Historical Statements of Profit or Loss and Other Comprehensive Income	Audited	Audited	Audited
	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-22
	\$	\$	\$
Continuing Operations			
Other income	42	21	-
Total income	42	21	-
Expenses			
Finance Costs		-	(44,050)
Project Costs	(176,683)	-	(53,500)
Corporate Administration Costs	(251,047)	(248,087)	(551,456)
Total expenses	(427,730)	(248,087)	(649,006)
Loss before income tax expense	(427,688)	(248,066)	(649,006)
Income tax expense	-	-	-
Loss after tax expense	(427,688)	(248,066)	(649,006)
Net (loss) for the year from continuing operations	(427,688)	(248,066)	(649,006)
Discontinued operations			
Profit for the year from discontinued operations	-	1,045,047	-
Profit / (Loss) for the year	(427,688)	796,981	(649,006)

Historical Statements of Profit or Loss and Other Comprehensive Income	Audited	Audited	Audited
	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-22
	\$	\$	\$
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations			
Current year differences	(45,430)	-	-
Reclassification to profit or loss	-	(245,487)	-
De-recognition of non-controlling interest	-	106,052	-
Total comprehensive income / (loss) for the year	(473,118)	657,546	(649,006)

6.3.2 Historical Consolidated Statements of Cash Flows

The table below sets out the Historical Statements of Cash Flows for the years ended 31 March 2020, 31 March 2021 and 31 March 2022.

Historical Statements of Cash Flows	Audited	Audited	Audited
	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-22
	\$	\$	\$
Cash Flows from Operating activities			
Interest received	42	21	
Interest and other costs of finance paid	-	-	(2,450)
Payments to suppliers and employees	(400,848)	(206,626)	(322,898)
Net cash used in operating activities	(400,806)	(206,605)	(325,348)
Cash Flows from Investing activities			
Cash held by subsidiaries over which control was lost	-	(90,549)	-
Payments for exploration and evaluation	-	-	(5,000)
Net cash used in investing activities	-	(90,549)	(5,000)
Cash Flows from Financing activities			
Proceeds from borrowings	86,071	60,000	733,000
Repayment of borrowings	-	-	(78,000)

Historical Statements of Cash Flows	Audited	Audited	Audited
	Year ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-22
	\$	\$	\$
Net cash provided by financing activities	86,071	60,000	655,000
Increase/(decrease) in cash and cash equivalents	(314,735)	(237,154)	324,652
Foreign Exchange	-	(494)	-
Cash and cash equivalents, beginning of year	555,172	240,437	2,789
Cash and cash equivalents, end of year	240,437	2,789	327,441

6.3.3 Historical Statement of Financial Position

The table below sets out the Historical Statements of Financial Position as at 31 March 2020, 31 March 2021 and 31 March 2022.

Historical Statements of Financial Position	Audited	Audited	Audited
	31-Mar-20	31-Mar-21	31-Mar-22
	\$	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	240,437	2,789	327,441
Other current assets	11,237	2,840	40,219
Total Current Assets	251,677	5,629	367,660
Total Assets	251,677	5,629	367,660
Liabilities			
Current Liabilities			
Trade and other payables	874,753	81,363	400,633
Borrowings	-	60,000	667,703
Total Current Liabilities	874,753	141,363	1,068,336
Non-Current Liabilities			
Trade and other payables	-	10,858	48,125
Borrowings	181,059	-	-
Total Non-Current Liabilities	181,059	10,858	48,125
Total Liabilities	1,055,812	152,221	1,116,461

Historical Statements of Financial Position	Audited	Audited	Audited
	31-Mar-20	31-Mar-21	31-Mar-22
	\$	\$	\$
Net Liabilities	(804,138)	(146,592)	(748,801)
Equity			
Issued Capital	37,232,495	37,232,495	37,232,495
Reserves	1,105,457	859,970	906,767
Accumulated losses	(39,036,038)	(38,239,057)	(38,888,063)
Parent entity interest	(698,086)	(146,592)	(748,801)
Non-controlling interests	(106,052)	-	-
Total deficiency	(804,138)	(146,592)	(748,801)

6.3.4 Pro Forma Historical Consolidated Statement of Financial Position

The table below sets out the post reporting date transactions and pro forma adjustments that have been incorporated into the Pro Forma Statement of Financial Position as at 31 March 2022.

The post reporting date transactions reflect material transactions that have occurred subsequent to 31 March 2022 and up to the date of authorisation of this Prospectus. The pro forma adjustments reflect the impact of the Acquisition and the Public Offer as if it had occurred at 31 March 2022. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of the Group's future financial position.

	Note	Audited	Pro Forma Minimum	Pro Forma Maximum
		31 March 2022	\$5,000,000	\$7,000,000
		\$	\$	\$
Assets				
Current Assets				
Cash and cash equivalents	(1)	327,441	4,996,497	6,874,247
Other current assets		40,219	40,219	40,219
Total Current Assets		367,660	5,036,716	6,914,466
Non-Current Assets				
Capitalised Exploration and Evaluation Assets	(2)	-	5,910,900	5,910,900
Total Non-Current Assets		-	5,910,900	5,910,900
Total Assets		367,660	10,947,616	12,825,366

		Audited 31 March 2022	Pro Forma Minimum \$5,000,000	Pro Forma Maximum \$7,000,000
	Note	\$	\$	\$
Liabilities				
Current Liabilities				
Trade and other payables		400,633	416,674	416,674
Borrowings	(3)	667,703	4,833	4,833
Total Current Liabilities		1,068,336	421,507	421,507
Non-Current Liabilities				
Trade and other payables		48,125	-	-
Total Non-Current Liabilities		48,125	-	-
Total Liabilities		1,116,461	421,507	421,507
Net Assets /(Liabilities)		(748,801)	10,526,109	12,403,859
Equity				
Issued Capital	(4)	37,232,495	46,303,635	48,070,685
Reserves	(5)	906,767	3,188,417	3,299,117
Accumulated losses		(38,888,063)	(38,965,943)	(38,965,943)
Total Equity/(Deficiency)		(748,801)	10,526,109	12,403,859

6.3.5 Post Reporting Date Transactions

The following material transactions (each, a **Post Reporting Date Transaction**) have occurred subsequent to 31 March 2022, and up to the date of authorisation of this Prospectus and have been incorporated as part of the Pro Forma Statement of Financial Position.

There have been no other material post reporting date transactions that have occurred between 31 March 2022 and the date of authorisation of this Prospectus.

(a) **Conversion of Convertible Notes**

The conversion of 60,000 Tranche 2 and 625,000 Tranche 3 convertible notes, pursuant to Shareholder approval granted 30 June 2022, through the issue of 3,000,000 Shares and attaching 9,000,000 Options (exercisable at \$0.025, expiring 30 June 2025), and 31,250,000 Shares and 31,250,000 attaching Options (exercisable at \$0.025, expiring 30 June 2025), respectively.

(b) **Pre-Raising Loan Funding**

The receipt of \$300,000 in additional pre-raising loan funds. Refer to Section 4.6.2 for further details of the Pre-Raising Loan Conversion Offer and Section 9.3.2 for a summary of the terms of the Loan Agreement. (Refer to Pro Forma Adjustment (c)).

(c) **Share Consolidation**

The consolidation of the Company's share capital on a 1:3.33 (recurring) basis as approved by Shareholders on 30 June 2022.

6.3.6 Pro forma adjustments

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Public Offer (collectively referred to as the **Pro Forma Adjustments**), are presented as if they, together with the Public Offer, had occurred on or before 31 March 2022 and as follows:

- (a) The issue of the Consideration Shares and Consideration Options to the Neutralysis Shareholders under the Acquisition Agreements, subject to Shareholder approval. Refer to Sections 9.1.1 and 9.1.2 for a summary of the Acquisition Agreements. The Acquisition has been accounted for as an asset acquisition and a share-based payment transaction using the principles of AASB 3 *Business Combinations* and AASB 2 *Share-Based Payments*. Refer to Note 6 for further details.
- (b) Pursuant to the Public Offer, the issue by the Company of a minimum of 250,000,000 Public Offer Shares to raise \$5,000,000 before the expenses and up to a maximum of 350,000,000 Public Offer Shares to raise \$7,000,000 before the expenses, subject to Shareholder approval. Refer to Note 1 and Note 4 for further details.
- (c) The issue of 15,000,000 Pre-Raising Loan Conversion Shares, proposed to be issued to the Lenders on conversion of the Pre-Raising Loan. Refer to Section 4.6.2 for further details of the Pre-Raising Loan Conversion Offer and Section 9.3.2 for a summary of the terms of the Loan Agreement (refer Post Reporting Date Transaction (b) above).
- (d) The proposed settlement of outstanding past Director fees owed to Mr Po Chan totalling \$32,084 by the issue of 1,604,200 Shares at \$0.02 per Share (prior to Re-instatement and subject to Shareholder approval).
- (e) The proposed conversion of the Convertible Notes issued to Ohio Investments for the value of \$25,000, an entity controlled by Director, Mr Paul Garner, through the issue of 1,250,000 Shares and attaching 1,250,000 Options (exercisable at \$0.025, expiring 30 June 2025), subject to Shareholder approval. Refer to Section 9.3.1 for further details.
- (f) In connection with the Public Offer, the write off against issued capital of 9,000,000 IOS Shares at \$0.02 per Share (value \$180,000), and, in the event of Maximum Subscription being achieved, a further 9,000,000 IOS Options (exercisable at \$0.025, expiring 30 June 2025) to be issued to IOS (or its nominee/s), under the IOS Mandate, as part consideration payable for acting as Lead Manager to the Public Offer. Refer to Section 9.2.1 for a summary of the terms of the IOS Mandate and Section 10.3 for the terms of IOS Options.
- (g) The proposed issue of 2,500,000 Options (exercisable at \$0.025, expiring 30 June 2025) to Director, Mr Paul Garner as a performance-based incentive on the terms and conditions set out at Section 10.3, subject to Shareholder approval.
- (h) The write off against issued capital of estimated cash expenses associated with the Offers of \$630,944 (assuming Minimum Subscription under the Public Offer) and \$753,194 (assuming Maximum Subscription

under the Public Offer). Refer to Section 10.10 for further details of the expected Expenses of the Offers.

Note 1 - Cash and cash equivalents

The reviewed pro forma cash and cash equivalents have been set out below:

	Section	Minimum Subscription \$	Maximum Subscription \$
As at 31 March 2022		327,441	327,441
Pre-Raising Loan Proceeds	6.3.5 (b)	300,000	300,000
Public Offer Proceeds	6.3.6 (b)	5,000,000	7,000,000
Expenses of the Offers	6.3.6 (h)	(630,944)	(753,194)
Pro Forma		4,996,497	6,874,247

Note 2 - Deferred exploration and evaluation expenditure

	Section	Minimum Subscription \$	Maximum Subscription \$
As at 31 March 2022		-	-
Acquisition of Projects comprising:			
Consideration Shares	6.3.6 (a)	3,660,000	3,660,000
Consideration Options ¹	6.3.6 (a)	2,250,900	2,250,900
Pro Forma		5,910,900	5,910,900

- The Consideration Options have been valued on the basis of the assumptions set out in Note 5 below.

The ultimate recoupment of the expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 3 - Borrowings

	Section	Minimum Subscription \$	Maximum Subscription \$
As at 31 March 2022		667,703	667,703
Interest and finance charges		47,130	47,130
Conversion of Tranche 2 and Tranche 3 Convertible Notes (aside from the Ohio Investments Convertible Notes) ¹	6.3.5 (a)	(685,000)	(685,000)
Conversion of Ohio Investments Convertible Notes (a Tranche 3 Convertible Notes) ¹	6.3.6 (e)	(25,000)	(25,000)
Pro Forma		4,833	4,833

- Each of the Tranche 2 and Tranche 3 Convertible Notes (including the Ohio Investments Convertible Notes) have a face value of \$1 and converts to an equivalent number of Shares at \$0.02 per Share plus a free attaching Option (60,000 Tranche 2 Convertible Notes had 3 free attaching Options per Share issued on conversion). The interest on the Tranche 2 and Tranche 3 Convertible Notes is 10% with a maturity date of 1 July 2022 (with the exception of the Ohio Investments Convertible Notes, which mature on 31 December 2022). In total, there are 41,500,000 free attaching Options exercisable at

\$0.025, expiring 30 June 2025, will be issued/have been issued on conversion of the Tranche 2 and Tranche 3 Convertible Notes.

Note 4 – Issued Capital

Contributed equity consists of issued share capital. The reviewed pro forma share capital has been set out below:

	Section	Minimum Subscription		Maximum Subscription	
		No.	\$	No.	\$
As at 31 March 2022		71,996,054	37,232,495	71,996,054	37,232,495
Shares issued upon conversion of the Tranche 2 and Tranche 3 Convertible Note (aside from the Ohio Investments Convertible Notes) (net of issue costs)	6.3.5 (a)	114,166,682	685,000	114,166,682	685,000
Share Consolidation	6.3.5 (c)	(130,314,054)	-	(130,314,054)	-
Subtotal		55,848,682	37,917,495	55,848,682	37,917,495
Pre-Raising Loan Conversion	6.3.6 (c)	15,000,000	300,000	15,000,000	300,000
Consideration Shares	6.3.6 (a)	183,000,000	3,660,000	183,000,000	3,660,000
Shares to be issued to Mr Po Chan in lieu of outstanding director fees	6.3.6 (d)	1,604,200	32,084	1,604,200	32,084
Ohio Investments Convertible Note conversion shares	6.3.6 (e)	1,250,000	25,000	1,250,000	25,000
Public Offer proceeds	6.3.6 (b)	250,000,000	5,000,000	350,000,000	7,000,000
Expenses of the Offers	6.3.6 (h)	-	(630,944)	-	(753,194)
IOS Shares (Lead Manager)	6.3.6 (f)	9,000,000	-	9,000,000	-
IOS Option Valuation (Lead Manager)	6.3.6 (f)	-	-	-	(110,700)
Pro Forma		515,702,882	46,303,635	615,702,882	48,070,685

For personal use only

Note 5 - Reserves

	Section	Number of options	Minimum Subscription \$	Maximum Subscription \$
As at 31 March 2022		-	906,767	906,767
Consideration Options	6.3.6 (a)	183,000,000	2,250,900	2,250,900
Options to be issued to Mr Paul Garner	6.3.6 (g)	2,500,000	30,750	30,750
IOS Options	6.3.6 (f)	9,000,000	-	110,700
Pro Forma			3,188,417	3,299,117

(a) Options

The Consideration Options, Director Options and IOS Options have been valued using the Black-Scholes methodology on the basis of the following assumptions:

- (i) Exercise price: \$0.025;
- (ii) Expiry Date: 30 June 2025;
- (iii) Underlying Price: \$0.02;
- (iv) Volatility: 100%; and
- (v) Risk Free rate: 2.9%.

The fair value of the Options was determined to be \$0.0123 per Option.

(b) Performance Rights

The Company has agreed, subject to Shareholder approval, to issue a total of 22,000,00 Class A, 22,000,000 Class B and 5,000,000 Class C Performance Rights, which will be subject to vesting conditions including a market-based condition (for Class B).

The Milestones attaching to each class of Performance Right are detailed in Section 10.5(a) of the Prospectus.

The Class A and Class C Performance Rights are valued at \$0.02 per Performance Right. The total fair value per Performance Right was \$440,000 and \$100,000 per Class A and Class C Performance Right respectively.

The derived value for the Class B Performance Rights was determined in accordance with AASB 2: Share Based Payments, using Monte Carlo simulation based option valuation methodology. The methodology involved running 100,000 simulations of future Share prices to 30 June 2027, with each iteration tested for whether the 30-day VWAP exceeded the VWAP hurdle at any time during the period, which calculated a fair value per Class B Performance Right of \$0.0189. The total value of the Class B Performance Rights is \$415,800 which is to be brought to account over the vesting period of five years.

The Class A, Class B and Class C Performance Rights have been valued using the following assumptions:

The following assumptions were used to value the Class A, Class B and Class C Performance Rights	
Underlying asset price	\$0.02
Barrier – VWAP hurdle must be achieved over 30 consecutive days to vest	\$0.05
Expected volatility	100%
Life of the rights	5 years
Risk free rate	3.1128

The effect at the date of this Prospectus of the Class A, Class B and Class C Performance Rights is immaterial as the fair value of the rights will be recognised over the vesting period of the rights, and therefore no amount has been recorded in the pro forma Statement of

Financial Position. Refer Sections 10.4 and 10.5 for full details in respect of the Class A, Class B and Class C Performance Rights.

Note 6 - Acquisition of Neutralysis

The Acquisition has been accounted for as an asset acquisition, as follows:

	Section	Minimum Subscription \$	Maximum Subscription
<u>Consideration:</u>			
183,000,000 Consideration Shares with a fair value of \$0.02 per Consideration Share	6.3.6 (a)	3,660,000	3,660,000
183,000,000 Consideration Options with a fair value of \$0.0123 per Consideration Option (note 5 a))	6.3.6 (a)	2,250,900	2,250,900
Total consideration		5,910,900	5,910,900
Less net assets of Neutralysis at the date of Acquisition	6.3.7	-	-
Excess consideration allocated to exploration and evaluation expenditure		5,910,900	5,910,900

6.3.7 Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions, or events subsequent to 31 March 2022 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

In relation to the financial information presented in Section 6.3.8, the following material transactions (each, a Subsequent Event) have occurred subsequent to the financial period ended 31 December 2021, and up to the date of authorisation of this Prospectus:

- (a) the remaining balance of a \$390,000 loan advanced by Neutralysis director, Mr Russell Brimage to Neutralysis (approximately \$380,000) was converted to equity in Neutralysis on 27 May 2022;
- (b) included within the 'trade and other payables' line item was an amount of \$1,280,000 described as Shares to be Issued, the shares were allotted on 27 May 2022 and the liability was transferred equity; and
- (c) as at 30 June 2022, the statement of financial position of Neutralysis contained immaterial assets and liabilities.

6.3.8 Financial statements Neutralysis

6.3.8.1 Historical Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2020, 30 June 2021 and 31 December 2021.

Historical Statements of Profit or Loss and Other Comprehensive Income	Audited	Audited	Audited
	Year ended 30-June-20	Year ended 30-Jun-21	Year ended 31-Dec-21
	\$	\$	\$
Continuing Operations			
Other income	-	-	-
Expenses			
Finance Costs	-	(39)	(132)
Impairment	-	(640,000)	(840,796)
Corporate Administration Costs	-	(19,276)	(8,000)
Total expenses	-	(659,315)	(848,928)
Loss before income tax expense	-	(659,315)	(848,928)
Income tax expense	-	-	-
Profit/(Loss) after tax for the year	-	(659,315)	(848,928)
Other comprehensive income / (loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations			
Current year differences	-	-	-
Total comprehensive income / (loss) for the year	-	(659,315)	(848,928)

6.3.8.2 Historical Statement of Financial Position

The table below sets out the Historical Statements of Financial Position as at 30 June 2020, 30 June 2021 and 31 December 2021.

Historical Statements of Financial Position	Audited	Audited	Audited
	As at 30-Jun-20	As at 30-June-21	As at 31-Dec-21
	\$	\$	\$
Assets			

Historical Statements of Financial Position	Audited	Audited	Audited
	As at 30-Jun-20	As at 30-June-21	As at 31-Dec-21
	\$	\$	\$
Current Assets			
Cash and cash equivalents	21	149,982	638,924
Total Current Assets	21	149,982	638,924
Total Assets	21	149,982	638,924
Liabilities			
Current Liabilities			
Trade and other payables	-	369,276	1,307,276
Loan from Director	-	440,000	390,000
Total Current Liabilities	-	809,276	1,697,276
Total Liabilities	-	809,276	1,697,276
Net Assets/(Liabilities)	21	(659,294)	(1,058,352)
Equity			
Issued Capital	21	21	449,891
Accumulated losses	-	(659,315)	(1,508,243)
Total Equity/(Deficiency)	21	(659,294)	(1,058,352)

6.3.8.3 Historical Consolidated Statements of Cash Flows

The table below sets out the Historical Statements of Cash Flows for the years ended 30 June 2020, 30 June 2021 and 31 December 2021.

Historical Statements of Cash Flows	Audited	Audited	Audited
	Year ended 30-Jun-20	Year ended 30-Jun-21	Year ended 31-Dec-21
	\$	\$	\$
Cash Flows from Operating activities			
Payments to suppliers and employees	-	(39)	(132)
Net cash used in operating activities	-	(39)	(132)
Cash Flows from Investing activities			
Payments for project	-	(640,000)	(840,796)
Net cash used in investing activities	-	(640,000)	(840,796)

Historical Statements of Cash Flows	Audited	Audited	Audited
	Year ended 30-Jun-20	Year ended 30-Jun-21	Year ended 31-Dec-21
	\$	\$	\$
Cash Flows from Financing activities			
Proceeds from issue of shares	1	350,000	1,430,000
Payments for share issue costs	-	-	(50,130)
Repayment of borrowings	-	440,000	(50,000)
Net cash provided by financing activities	1	790,000	1,329,870
Increase/(decrease) in cash and cash equivalents	1	149,961	488,942
Cash and cash equivalents, beginning of year	20	21	149,982
Cash and cash equivalents, end of year	21	149,982	638,924

6.3.8.4 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied during the years and period presented, unless otherwise stated.

Historical Cost Convention

The Financial Information has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The Financial Information has also been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

Going concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the commercial realisation of the Company's assets, and the settlement of liabilities in the normal course of business.

(a) **Basis of Preparation**

(i) **Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are

believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

(ii) **Critical Judgements in applying Accounting Policies**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(iii) **Loss of Control over Subsidiaries during the 2021 financial year**

The financial statements have been prepared based on a determination by the Directors that the Company lost effective control over its subsidiary CFT, which held the Group's interest in Aolong during the previous financial year.

During the prior financial year, the Directors determined that the Company no longer controlled its legal subsidiary CFT, which held the Group's legal interest in the Aolong Joint Venture entity. Triple was not in a position during or since the year end to provide funding to CFT or Aolong and CFT sought and obtained its own funding from parties introduced by and associated with Waypost Ltd, a significant shareholder in the Company.

On 10 May 2022, the Company announced that it had reached a conditional agreement to dispose of its shareholding in CFT for a nominal sum, subject to the waiver or satisfaction of certain conditions precedent. The Board is of the view that the Company has no practical means to exert control over the activities of those entities.

(b) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(c) **Interest income**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(d) **Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) **Trade and other receivables**

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expected credit loss where the Company may not be able to collect all amounts due according to the original contractual terms.

Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant historic delinquency in making contractual payments to the Company. The expected credit loss is calculated as the difference between the cash flows due in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(f) **Foreign currency translation**

The functional and presentation currency of HyTerra is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(g) **Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- (i) when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- (ii) when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- (A) when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- (B) when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(h) **Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- (A) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (B) receivables and payables, which are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) **Impairment of assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a

revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) **Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(k) **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised in equity reserves, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

(l) **Share-based payment transactions**

The Company may provide benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of HyTerra (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income or expense for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(m) **Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) **Exploration and evaluation**

Exploration and evaluation costs are expensed as incurred based upon each area of interest. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

(o) **Asset acquisition**

The Acquisition has been accounted for as an asset acquisition. The acquisition does not meet the definition of a business combination in accordance with AASB 3 *Business Combinations* (as Neutralysis has been determined for accounting purposes not to be a business). As such, the acquisition has been accounted for as a share-based payment transaction using the principles of AASB 3 *Business Combinations* and AASB 2 *Share-based Payment*.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Risks relating to change in nature and scale of activities

Risk Category	Risk
Joint Venture Risk	<p>The financial performance of the Company is subject to its various counterparties or, in the case of NH2E, to perform its obligations under the JDA. If one of its counterparties or NH2E fails to perform their contractual obligations under the JDA, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Company's financial performance.</p> <p>Further, the Company is not the registered owner of the leases comprising the Projects, and therefore the Company's ability to achieve its business objectives on Completion is reliant upon NH2E complying with its contractual obligations under the JDA, satisfying the terms and conditions of the leases as required to maintain the leases in full force and effect, free from any liability to forfeiture or nonrenewal, and comply with any other applicable legislation.</p> <p>NH2E's failure to comply with these obligations may result in the Company losing its interest in those leases which may</p>

Risk Category	Risk
	<p>have a material adverse effect on the Company's operations and performance, value of the Company's Shares, termination of other related contracts, and may lead to disputes and/or litigation. The Company has no current reason to believe that NH2E will not meet and satisfy their respective obligations.</p>
<p>Legacy Risk Factor/Historical Activities</p>	<p>The Company's existing activities relate to coal seam oil and gas which will cease to be the focus of the Company's business following completion of the Acquisition.</p> <p>The Company has various subsidiaries, including CFT and consequently Aolong, which was the operating subsidiary for the Company's existing business activities. The Company has agreed to dispose of its interest in CFT and which holds the Company's interest in Aolong in conjunction with completion of the Acquisition. Refer to Section 5.3 for further details.</p> <p>While the Company is not aware of any material claims against it or its subsidiaries, there is a risk of claims being made against the Company with respect to its historical operations. Any such claims have the potential to cause detriment to the Company and may be adverse to Shareholders.</p>
<p>Completion Risk</p>	<p>Pursuant to the Acquisition Agreements, the Company has a conditional right to acquire 100% of the issued capital in Neutralysis.</p> <p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX. Trading in the Company's Shares are currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following settlement of the Acquisition.</p> <p>There is a risk that the conditions for settlement of the Acquisition cannot be fulfilled, including where the Company is unable to meet the requirements of the ASX for re-quotations of its Securities on the ASX. If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved. Should this occur, Shares will not be able to be traded on the ASX until such time as the Company has recompiled with Chapters 1 and 2 of the Listing Rules and Shareholders may be prevented from trading their Shares until such time as a successful re-compliance is completed.</p> <p>As set out in Section 4.17, if the Company's Securities have not been reinstated by 28 October 2022, under ASX policy, ASX will seek to remove the Company from the Official List.</p>
<p>Dilution risk</p>	<p>The Company currently has 55,848,682 Shares and 40,250,000 Options on issue. Under the Acquisition and the Offer and in connection with those transactions, the Company proposes to issue:</p> <ul style="list-style-type: none"> (a) the Consideration Securities; (b) between 250,000,000 and 350,000,000 Public Offer Shares;

Risk Category	Risk
	<p>(c) an aggregate of 15,000,000 Pre-Raising Loan Conversion Shares (including up to 1,750,000 Public Offer Shares to Mr McIntyre and up to 2,500,000 Public Offer Shares to Mr Garner on conversion of their respective Pre-Raising Loan amounts to the aggregate value of \$85,000);</p> <p>(d) 9,000,000 IOS Shares;</p> <p>(e) 9,000,000 IOS Options (subject to and conditional upon the Company achieving the Maximum Subscription);</p> <p>(f) 19,000,000 Class A Performance Rights to current and proposed Directors;</p> <p>(g) 19,000,000 Class B Performance Rights to current and proposed Directors;</p> <p>(h) 5,000,000 Class C Performance Rights to Mr Avon McIntyre;</p> <p>(i) 1,604,200 Shares to Mr Po Chan in lieu of outstanding director fees;</p> <p>(j) 2,500,000 Options to Mr Paul Garner;</p> <p>(k) 1,250,000 Shares and 1,250,000 attaching Options on conversion of the Convertible Notes to Ohio Investments; and</p> <p>(l) 3,000,000 Class A and 3,000,000 Class B Performance Rights to Vestigo Pty Ltd.</p> <p>Following the issue of the abovementioned securities, the number of Shares on issue will increase from 55,848,682 Shares to:</p> <p>(a) 515,702,882 Shares, on an undiluted basis and 791,702,882 on a fully diluted basis, assuming Minimum Subscription; and</p> <p>(b) 615,702,882 Shares on an undiluted basis and 900,702,882 on a fully diluted basis, assuming Maximum Subscription.</p> <p>This means that immediately after Completion, each Share will represent a significantly lower proportion of ownership of the Company.</p>
<p>Restricted securities and liquidity risk</p>	<p>Upon the Company's readmission to the Official List, a majority of the Company's Shares will be subject to mandatory escrow in accordance with the Listing Rules. This will reduce liquidity in the market for the Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares is likely to have an adverse impact on the Share price.</p> <p>Following the end of any mandatory escrow periods, a significant number of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.</p>

Risk Category	Risk
Commodity price volatility and exchange rate risks	<p>If the Company achieves success leading to hydrogen and / or other co-existing subsurface gases (e.g. helium) production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>

7.3 Company Specific Risks

Risk Category	Risk
Exploration and Evaluation	<p>Potential investors should understand that hydrogen exploration and evaluation are high-risk undertakings. There can be no assurance that future exploration of the leases, or any other leases that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Company. The success of the Company will also depend upon the Company being able to maintain an interest in the leases and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of the claims comprising its projects.</p>
Exploration Costs	<p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be</p>

Risk Category	Risk
	realised in practice, which may materially and adversely impact the Company's viability.
Currently No Market	As the Company's Shares have been suspended from trading since 28 October 2020, there is currently no public market for Shares. There is no guarantee that an active trading market in the Company's Shares will develop or that that prices at which Shares trade will increase following Completion. The prices at which Shares trade may be above or below the price of the Public Offer and may fluctuate in response to several factors.
Drilling Risk	<p>The drilling activities under the JDA are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of equipment and compliance with governmental requirements. Hazards incidental to the exploration and development such as unusual or unexpected formations, gas properties, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company.</p> <p>Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. While drilling may yield some hydrogen there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.</p>
Government licences and approvals	<p>Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and site safety.</p> <p>Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.</p> <p>The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.</p>
Well Development	Possible future development of drilling operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable resource, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the

Risk Category	Risk
	<p>required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a well or wells will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<p>Foreign jurisdiction risk – US government regulation</p>	<p>The Company's operating activities will be subject to laws and regulations governing exploration of property, health and worker safety, employment standards, waste disposal, protection of the environment, land and water use, prospecting, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.</p> <p>While the Company understands that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company, its subsidiary or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.</p> <p>Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or other activities and could result in material fines, penalties or other liabilities.</p> <p>Adverse changes in US government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and exploration and production activities of the Company. It is possible that the current system of exploration and well permitting in the USA may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
<p>Ukraine/Russia Conflict</p>	<p>The current evolving conflict between Ukraine and Russia (Ukraine/Russia Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine/Russia Conflict on the performance of the Company remains unknown. The Company's Share price may be</p>

Risk Category	Risk
	<p>adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine/Russia Conflict. The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine/Russia Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving either Country, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine/Russia Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
Future acquisitions	<p>As part of its growth strategy, the Company may make further acquisitions of complementary businesses or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving exploration success and retaining key staff.</p>

7.4 Industry Specific Risks

Risk Category	Risk
Hydrogen Exploration and Evaluation Risk	<p>The future value of the Company may depend on its ability to find and develop natural hydrogen resources that are economically recoverable within the Projects.</p> <p>Natural hydrogen exploration is an emerging area of the natural resources industry and knowledge and understanding of the geological processes behind its occurrence is limited. There is a risk that exploration activities conducted on the Projects will not result in the discovery of hydrogen, and indications of hydrogen observed during such exploration activities may not result in the presence or absence of natural hydrogen at that location.</p> <p>The circumstances in which a discovered hydrogen resource becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the resource, such as size, depth, concentration, composition, development cost and proximity to infrastructure as well as key external factors such as hydrogen supply and demand.</p> <p>Hydrogen exploration, production and development involves activities and operations which may not generate a positive return on investment. This may arise from, but is not limited to; dry wells, and / or wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs.</p>

Risk Category	Risk
	<p>The outcome of any exploration program may be dependent on matters which include the host rock composition, the permeability of the host rock, the flow rate and the rate of any decrease in pressure as the gas flows to the surface. These matters cannot be known until the Company undertakes drilling and testing programs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.</p> <p>Hydrogen is a highly reactive gas and is able to combine with most other elements. Consequently, there is a risk that, under certain conditions, a chemical reaction may take place between hydrogen and other elements or compounds which may naturally occur on the Projects to form other gases and / or liquids (including methane and / or water), which may have an adverse effect on the value of the resource derived from the Projects.</p>
<p>Resource and Reserves and Exploration Targets</p>	<p>The parties to the JDA have identified a number of exploration targets at the Projects, based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the resource. Whilst the Company intends to undertake additional exploratory work at the Projects the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
<p>Grant of future authorisations to explore, develop and produce resources</p>	<p>If the Company identifies a potentially economically viable resource that it then intends to explore, develop and produce, it will, among other things, require various approvals, leases and permits before it will be able to conduct exploration, development and production activities at that location. There is no guarantee that the Company will be able to obtain all required approvals, leases and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
<p>Environmental</p>	<p>The operations and proposed activities of the Company are subject USA and regulations concerning the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment,</p>

Risk Category	Risk
	<p>particularly if advanced exploration or production development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Exploration and production operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of resource exploration, development and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or wildfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal by-products from exploration, development and production operations are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration and production activities.</p>
<p>Results of Studies</p>	<p>Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in relation to the Projects. These studies may include economic feasibility, legal feasibility, operational feasibility and scheduling feasibility, production facility concept development and design, front end engineering and design, and engineering, procurement and construction studies. The Company intends to complete such studies within parameters designed to determine the economic feasibility of the subject projects within certain limits. There can be no guarantee that any of these studies will confirm the economic viability of the subject projects or that the results of other studies undertaken by the Company will be consistent with the results of previous studies undertaken.</p> <p>Even if a study confirms the economic viability of a Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in a feasibility study (e.g., operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.</p>
<p>Climate risk</p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p>

Risk Category	Risk
	<p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>

7.5 General Risks

Risk Category	Risk
Additional requirements for capital	<p>The funds to be raised under the Offer (together with the existing cash reserves of the Company and Neutralis) are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.</p> <p>Following completion of the Public Offer, the Company may seek to raise further funds through equity or debt financing, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of its activities and the Company's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.</p>
Reliance on Key Personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire</p>

Risk Category	Risk
	<p>and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Economic	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p>
Agents and Contractors	<p>The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by an of the other service providers used (or to be used in the future) by the Company for any activity.</p>
Market conditions	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 4.17 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>

Risk Category	Risk
Competition Risk	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Government policy changes	<p>Adverse changes in government policies or legislation may affect ownership of leases, taxation, royalties, land access, labour relations, and exploration, development and production activities of the Company. It is possible that the current system of exploration and resource permitting in the United States may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with exploration and production is not always available and where available the costs can be prohibitive.</p>
Force Majeure	<p>The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>
COVID-19 and other pandemics	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the COVID outbreak, or any other future pandemics, on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 or any other future pandemics may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>

Risk Category	Risk
	<p>Pandemics may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects and may cause delays or cost increases. The effects of pandemics on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. The Directors will also closely monitor and consider the impact of future pandemics if and when they arise.</p>

7.6 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Directors and key personnel

At the time of Re-instatement, the Board of the Company will comprise:

(a) **Russell Brimage** – Proposed Non-Executive Chairman

Mr Brimage has over 40 years' experience in the upstream oil and gas industry, ranging from public listed oil & gas companies to the service industry – both onshore and offshore. He has managed all facets of the upstream oil and gas industry, through exploration to exploitation and has served in the capacity of Operations Manager and CEO on several ASX listed entities since 1997. Currently, he is a Non-Executive Director of Lion Energy (ASX: LIO).

The Board considers that Mr Brimage will not be an independent Director.

(b) **Avon McIntyre** - Chief Technical Officer and Executive Director

Mr McIntyre holds a PhD in Geology from Waikato University in New Zealand and has more than 20 years' experience in both minerals and oil and gas exploration. He has held roles with government, service and operating companies. He departed Shell in late 2021, following 13 years of international service to pursue natural hydrogen and helium exploration, a subject of professional and personal interest. Mr McIntyre has been providing consulting services to the Company since 1 October 2021.

Given Mr McIntyre's experience in the upstream energy business and natural hydrogen exploration he is well placed to take the Company forward.

The Board considers that Mr McIntyre is not an independent Director.

(c) **Paul Garner** – Non-Executive Director

Mr Garner has over 20 years' experience in the oil and gas industry having served on the boards of several public listed companies. Mr Garner's career highlights include the acquisition and development of a Gulf of Mexico discovery, High Island 24L, which produced 460 BCF of gas and 4 million barrels of oil. He was most recently a non-executive director at Global Energy Ventures Ltd, an ASX listed company in the business of natural gas and hydrogen. Prior to his involvement in the Oil & Gas industry, he spent several years in international business, property, and equity markets. Mr Garner brings to the Board an extensive knowledge of capital markets, upstream drilling operations and business development in the rapidly evolving new energies sector.

The Board considers that Mr Garner is an independent Director.

(d) **Po Chan** – Non-Executive Director

Mr Chan has previously served as a director of the Company from April 2015 to February 2017. He is a fellow of the Institute of Chartered Accountants in Australia and is a Director of Afanti Asset Management in Hong Kong. Mr Chan has experience in business consulting and investment banking in China and the Asia Pacific region. Mr Chan has

held roles as a Director at PwC in the Advisory division and as a Senior Manager at ANZ in its Project Finance division and has significant experience in transactions in China and Asia Pacific. He holds a Masters Degree in Commerce (specialised in Banking and Finance) from the University of New South Wales in Sydney and a Bachelor Degree in Commerce from the University of Sydney in Sydney.

The Board considers that Mr Chan is an independent Director.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's activities requires an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Projects.

Remuneration

Details of the Directors' remuneration for the previous two completed and the proposed current financial year (on an annualised basis) are set out in the table below:

Director	Proposed remuneration for the year ended 31 March 2023	Remuneration for the year ended 31 March 2022	Remuneration for year ending 31 March 2021
Directors			
Avon McIntyre ¹	\$180,000	\$17,250 ⁶	Nil
Paul Garner ²	\$60,000	\$43,750	Nil
Po Chan ³	\$60,000	\$128,383 ⁷	\$21,716
Russell Brimage ⁴	\$90,000	Nil	Nil
Murray D'Almeida ⁵	\$14,664	\$40,000	\$41,666

Notes:

1. Avon McIntyre was appointed to the Board on 24 February 2022. Mr McIntyre's proposed remuneration for the year ending 31 March 2023 is based on Mr McIntyre's current executive agreement, which is \$180,000 per annum, exclusive of superannuation.
2. Paul Garner was appointed to the Board on 10 September 2021. Mr Garner's proposed remuneration for the year ending 31 March 2023 is based on Mr Garner's current letter of appointment as a Non-Executive Director, which is \$60,000 per annum, inclusive of superannuation.
3. Po Chan was appointed to the Board on 27 January 2021. Mr Chan's proposed remuneration for the year ending 31 March 2023 is based on Mr Chan's current letter of appointment as a Non-Executive Director, which is \$60,000 per annum, inclusive of superannuation.
4. Russell Brimage will be appointed to the Board on the completion of the Acquisition and following Re-instatement. Mr Brimage proposed remuneration for the year ending 31 March 2023 is based on Mr Brimage's proposed letter of appointment as a Non-Executive Chairman, which provides for a salary of \$90,000 per annum.
5. Murray D'Almeida was appointed to the Board on 18 July 2017 and will step down from the Board on Completion.
6. Payment of these fees remain outstanding.

7. Of which \$32,084 remain unpaid. Subject to Resolution 16 being passed at the General Meeting, Mr Chan will receive Shares in lieu of these outstanding fees.

Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director.

As at the date of this Prospectus, the current and proposed Directors hold no Securities in the Company.

Details of the Directors' and proposed Directors' relevant interest in the securities of the Company on Completion (assuming Minimum Subscription) are set out in the table below:

Director	Shares¹	Options	Performance Rights	Proposed Relevant Interest Post Acquisition and Offers (%) Undiluted	Proposed Relevant Interest Post Acquisition and Offers (%) Fully Diluted
Russell Brimage ²	19,900,000 ³	19,900,000 ⁴	8,000,000 ⁵	3.86%	6.04%
Paul Garner	3,750,000 ⁶	3,750,000 ⁷	8,000,000 ⁸	0.73%	1.96%
Po Chan	1,604,200 ⁹	Nil	6,000,000 ¹⁰	0.31%	0.96%
Avon McIntyre	1,750,000 ¹¹	Nil	21,000,000 ¹²	0.34%	2.87%
Murray D'Almeida ¹³	Nil	Nil	Nil	Nil	Nil

Notes:

- Fully paid ordinary shares in the capital of the Company.
- Proposed to be appointed on Completion.
- Comprising 14,400,000 Consideration Shares held directly, and 5,500,000 Consideration Shares held indirectly through Pouvoir Pty Ltd <Brimage Super Fund A/C>, an entity of which Mr Brimage is a director and shareholder.
- Comprising 14,400,000 Consideration Options held directly, and 5,500,000 Consideration Options held indirectly through Pouvoir Pty Ltd <Brimage Super Fund A/C>, an entity of which Mr Brimage is a director and shareholder.
- Comprising 4,000,000 Class A Performance Rights and 4,000,000 Class B Performance Rights.
- Comprising 2,500,000 Public Offer Shares, 1,250,000 Shares proposed to be issued on conversion of the Convertible Notes for the value of \$25,000 to Ohio Investments (an entity controlled by Mr Garner).
- Comprising 2,500,000 Options issued for services and 1,250,000 attaching Options proposed to be issued on conversion of Convertible Notes for the value of \$25,000 to Ohio Investments (an entity controlled by Mr Garner) on the terms and conditions set out in Section 10.3.
- Comprising 4,000,000 Class A Performance Rights and 4,000,000 Class B Performance Rights.
- Comprising 1,604,200 Shares proposed to be issued in lieu of outstanding directors' fees for the period from 31 January 2021 to 31 December 2021.
- Comprising 3,000,000 Class A Performance Rights and 3,000,000 Class B Performance Rights.

For personal use only

11. Comprising 1,750,000 Public Offer Shares.
12. Comprising 8,000,000 Class A Performance Rights, 8,000,000 Class B Performance Rights and 5,000,000 Class C Performance Rights.
13. Mr D'Almeida intends to resign as a Director at Completion.

The Board advises that Mr Garner and Mr McIntyre intends to participate in the Offer and subscribe for the number of Offer Shares set out in the table above.

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$250,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting. The Company is seeking Shareholder approval to increase this remuneration cap to \$500,000 at the General Meeting (see Resolution 23 of the Notice of Meeting).

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

8.2 Interests in the Acquisition

As noted in Section 8.1, the Company proposes to appoint to the Board Mr Russell Brimage as a Non-Executive Chairman.

Mr Brimage is not currently a director of the Company and is proposed to be appointed on Completion.

Mr Brimage is one of the founding shareholders of Neutralysis and currently holds a total of 398 Neutralysis Shares indirectly, via the entity Pouvoir Pty Ltd <Brimage Super Fund A/C>, an entity of which Mr Brimage is a director and shareholder. Mr Brimage, nor any of his associates, currently hold or have a relevant interest in any Securities in the Company.

Other than as disclosed above and elsewhere in this Prospectus, none of the Company's existing Directors have any interest in the Acquisition.

8.3 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 9.

8.4 Corporate governance

(a) ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate

governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.hyterra.com.

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

- For personal use only
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
 - (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
 - (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
 - (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

Upon Completion, the Board will consist of four Directors (three non-executive Directors and one executive Director) of whom Messrs Brimage, Chan and Garner are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

For personal use only

9. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

9.1 Acquisition Agreements

The Company has entered into the Share Sale and Purchase Agreement and Minority Shareholder Agreements with the Neutralysis Shareholder to affect the Acquisition.

In consideration for the Acquisition, the Company has agreed to issue the Consideration Securities to the Neutralysis Shareholders, pro-rata according to their respective shareholdings in Neutralysis.

9.1.1 Share Sale and Purchase Agreement

The Company, Neutralysis and 8 key Neutralysis Shareholders have entered into the Share Sale and Purchase Agreement to affect the Acquisition. Refer to Section 5.2 for further information with respect to the Share Sale and Purchase Agreement and the Acquisition. The material terms and conditions of the Share Sale and Purchase Agreement are summarised below:

Vendors	<ul style="list-style-type: none">(a) Pouvoir Pty Ltd ATF Brimage Super Fund A/C;(b) Robert Francis Davies;(c) Brendan Egan;(d) Kenneth John Bull;(e) Ferdinand Azis ATF FC Blessing Family A/C;(f) KKSH Holdings Pty Ltd;(g) Ms Maya Pranoto & Mr Norman Ka-Meng Lip <Manor Ventures A/C>; and(h) Kyle Stuart Passmore, (together, the Vendors).
Conditions Precedent	Completion is conditional upon the satisfaction (or waiver by the Company) of the following conditions precedent on or before 31 December 2022: <ul style="list-style-type: none">(a) (Due Diligence): the Company and the Vendors confirming in writing to the other party that they are each satisfied with its due diligence inquiries on the other party's business, including its assets, operations, financial position and financial performance;(b) (Approvals): the Company and Neutralysis obtaining all necessary shareholder, statutory and regulatory approvals and/or waivers required to undertake the Acquisition and, as required by the Corporations Act, the Listing Rules or any other law, including shareholder approval pursuant to item 7 section 611 of the Corporations Act for the issue of the Consideration Securities and ASX Listing Rule 11.1.2;

	<p>(c) (Conditional approval): the ASX conditionally approving Re-instatement, on conditions satisfactory to the Company, acting reasonably;</p> <p>(d) (Public Offer): the Company raising the Minimum Subscription under the Public Offer;</p> <p>(e) (Extinguishment of Existing Company Loans): the Vendors taking all actions necessary to ensure that the Existing Company Loans have been extinguished in full (including any capitalisation of the Existing Company Loans into Neutralysis Shares) to the Company's satisfaction; and</p> <p>(f) (Minority Shareholder Sale Agreement): each other Neutralysis Shareholder (other than the Vendors) having executed a Minority Shareholder Sale Agreement.</p> <p>For the purposes of this summary, Existing Company Loans means all loans and borrowings between the Company and any third party.</p>
Re-composition of the Company's Board	<p>Subject to Shareholder approval, on Completion the Company's board will be re-composed such that Mr Murray D'Almeida will resign and Mr Russell Brimage will be appointed in his capacity as Non-Executive Chairman.</p>

The Share Sale and Purchase Agreement otherwise contains provisions considered standard for an agreement of its nature.

9.1.2 Minority Share Sale Agreement

The remaining 42 Neutralysis Shareholders (each, a **Minority Shareholder**) each have entered into a Minority Shareholder Sale Agreement with the Company to affect the Acquisition. Refer to Section 5.2 for further information with respect to the Minority Shareholder Sale Agreement and the Acquisition.

The material terms and conditions of the Minority Shareholder Sale Agreements are summarised below:

Condition Precedent	<p>Completion under each Minority Shareholder Sale Agreement is conditional on completion becoming unconditional under the Share Sale and Purchase Agreement (Condition Precedent).</p>
Settlement	<p>Settlement for the transfer of the minority shareholder's Neutralysis Shares (Settlement) will occur five (5) business days after satisfaction (or waiver) of the Conditions.</p> <p>At Settlement, Neutralysis must deliver to the Company:</p> <p>(a) a duly executed off-market transfer form for the Minority Shareholder's Shares in favour of the Company;</p> <p>(b) the Minority Shareholder's share certificates or holding statements in relation to the Minority Shareholder's Shares; and</p> <p>(c) any other documents reasonably required by the Company to complete the transfer; and</p> <p>the Company shall:</p>

	<ul style="list-style-type: none"> (a) issue the pro-rata Consideration Securities to the Minority Shareholder; (b) deliver to the Minority Shareholder a holding statement for the Consideration Shares and an option certificate for the Consideration Options; and (c) do all other things reasonably required to effectuate the transfer of the Minority Shareholder's Neutralysis Shares as required by the Company, including items contemplated under the Share Sale and Purchase Agreement.
--	--

The Minority Shareholder Sale Agreement otherwise contains provisions considered standard for an agreement of its nature.

9.1.3 Joint Development Agreement

Parties	Neutralysis Industries Pty Ltd (Neutralysis) Natural Hydrogen Energy LLC, a company incorporated in the United States (NH2E)
Summary of the Contract	Neutralysis and NH2E have entered into a joint venture agreement pursuant to which the parties have agreed to incorporate a joint venture company (JVCO) to carry out the development and exploration of Hydrogen and other products (Joint Venture Agreement).
Execution	1 April 2022
Term	The Joint Venture Agreement will remain in effect until the earliest of the following: <ul style="list-style-type: none"> (a) mutual agreement in writing; (b) the execution and effectiveness of the form company agreement and operating agreement for JVCO (JVCO LLCA) and the operating agreement; (c) termination by Neutralysis; or (d) at the non-defaulting party's sole election, during the pendency of a default period.
Development Plan	The parties agree to jointly develop the development assets which comprises of the following: <ul style="list-style-type: none"> (a) Initial Well: Hoarty NE3 well which has been drilled and cased by NH2E; (b) Leases: the leases for hydrogen owned by NH2E; and (c) Joint Surface Facilities: the surface facilities that are necessary or appropriate for the production of hydrogen from the Initial Well, <p>but excluding the existing intellectual property of NH2E (Excluded Assets), (together, the Development Assets) in accordance with the development plan and budget set out in the Joint Venture Agreement and any agreed upon modifications (Development Plan).</p>
Development Costs	All costs and expenses to be expended to progress and operate the Development Assets. Neutralysis shall contribute

	to the JVCO or Management Committee all Development Costs up until it earns its 51% ownership interest in the JVCO.
Management Committee and Decision Making	<p>The parties agree to form a management committee to direct and authorise the expenditure of the Development Costs and Development Assets in accordance with the Development Plan (Management Committee).</p> <p>The Management Committee is constituted by one member each from NH2E and Neutralysis.</p> <p>Decisions of the Management Committee must be unanimous, subject to Neutralysis having the deciding vote and power to control and direct expenditure of Development Costs.</p>
Operator	The Management Committee shall at all times during the term of this Agreement serve as operator of the Development Assets and direct expenditure of the Development Costs on the Development Assets.
Existing Contribution	The parties acknowledge that Neutralysis has contributed US\$1,671,042 towards the Development Costs, and to develop and progress the Development Assets (Existing Contribution).
Formation of JVCO	<p>Within 90 days of execution the parties agree to:</p> <ul style="list-style-type: none"> (a) form the JVCO in interests of the parties as per the earn-in at that time; (b) draft and complete the JVCO LLCA; and (c) draft and complete a licence agreement between JVCO and NH2E, granting JVCO and Neutralysis a non-exclusive license to use the Excluded Assets on the terms agreed in the Agreement.
Initial Interest and Earn-in on Execution	<p>At execution, and in consideration for the Existing Contribution, the beneficial ownership of the Development Assets are:</p> <ul style="list-style-type: none"> (a) NH2E = 90.94%; and (b) Neutralysis = 9.06%. <p>Since a cash call payment of US\$159,800 made by Neutralysis, the current beneficial ownership in the Development Assets are:</p> <ul style="list-style-type: none"> (a) NH2E= 89.97 %; and (b) Neutralysis = 10.03%. <p>Phase I: upon expenditure of a total of US\$5,000,000 (inclusive of the Existing Contribution) on Development Costs beneficial ownership of the Development Assets will be:</p> <ul style="list-style-type: none"> (a) NH2E= 70%; and (b) Neutralysis = 30%. <p>Phase II: upon expenditure of a total of US\$15,000,000 (inclusive of the Existing Contribution) on Development Costs beneficial ownership of the Development Assets will be:</p> <ul style="list-style-type: none"> (a) NH2E = 49%; and (b) Neutralysis = 51%. <p>Following the earning of the 51% interest above, each party is to contribute pro-rata to further Development Costs</p>

	otherwise the JVCO operating agreement will provide for dilution on non-contribution.
Phase I	<p>During Phase I, Neutralysis shall sole fund the sum of US\$5 million for the parties to jointly, through JVCO and the Management Committee undertake the following:</p> <ul style="list-style-type: none"> (a) the Initial Well being completed; (b) performing low testing of zones accessible from the Initial Well, and an analysis of the resulting test results and fluid samples shall have been conducted to identify optimal producing zones; (c) a commercialisation plan prepared regarding the marketing of the projected volumes of hydrogen and other products; (d) a design and preparation of necessary surface facilities for the production of hydrogen from the Initial Well (Joint Surface Facilities) and selection of a contractor to construct the Joint Surface Facilities; (e) the commission of the Joint Surface Facilities; and (f) production of hydrogen from the Initial Well and the first arm's length sale of the hydrogen to a third party, <p>(together, the Phase I Milestones)</p>
Phase II	<p>On completion of Phase I, Phase II shall commence in which Neutralysis to the extent not already completed, assign the Development Assets and all Development Costs and other costs, liabilities or obligations arising from or related to the ownership or operation of the Development Assets to JVCO and cause JVCO to execute the JVCO LLCA and the licence agreement which will govern the development of the assets. In exchange for the contribution of US\$15 million, Neutralysis will own 51% of JVCO.</p> <p>In the event Neutralysis only contributes part of the Phase II Commitment, Neutralysis' interest will increase proportionally to the amount contributed.</p>
Funding Post Phase II	After Phase II is completed, the Development Costs will be funded in proportion to each party's ownership interest.
Joint Development Operation	<p>At execution the operator is the Management Committee.</p> <p>During Phase I and Phase II, NH2E will serve as operator of the assets.</p> <p>At the conclusion of Phase II, the operator shall be determined by the Parties.</p> <p>If the Joint Venture Agreement is terminated, the terms of the JVCO LLC Agreement will set out the identity of the operator of the Development Assets and any procedure for replacing the operator upon the occurrence of specified events.</p>
Termination by Neutralysis	Neutralysis may terminate at any stage during Phase I or Phase II by giving notice to NH2E. Neutralysis shall not be entitled to any recovery of expenditures made under the Joint Venture Agreement but will be liable for all expenses Neutralysis committed to up to the date of Termination.

<p>Default and remedies</p>	<p>In the event that either party fails to pay its share of any costs and expenses pursuant to this Joint Venture Agreement, on or before the date such payment is due or either Party fails to perform any of its material obligations under the Agreement (Defaulting Party), then the other party (Non-Defaulting Party) may provide written notice to the Defaulting Party including a statement of the outstanding payment to be paid or the obligation to be performed.</p> <p>On receipt of the statement from the Non-Defaulting Party, the Defaulting Party will have 5 business days to pay any outstanding payment or 30 business days to perform any outstanding obligation (Curing Period) under the Joint Venture Agreement.</p> <p>If the Defaulting Party cures the applicable default on or prior to the expiration of the applicable date, the Non-Defaulting Party shall not be entitled to exercise any of the remedies set out within the Agreement, being:</p> <ul style="list-style-type: none"> (a) the right to proceeds of production; or (b) specific performance of an outstanding obligation.
<p>Reporting Requirement</p>	<p>The Management Committee shall provide the parties with access to the following data and reports within the time frames set out below:</p> <ul style="list-style-type: none"> (a) daily drilling, completion, production and flowback reports; (b) no less than within 15 days following the end of a quarter, a report reflecting the production volumes, proceeds and Development Costs for the preceding calendar quarter; and (c) copies of all material correspondence concerning the Development Assets received by the any of the parties from any governmental authority, along with any material correspondence concerning the Development Assets from any Party to any such governmental authority.
<p>Assignment</p>	<p>Neither party may assign any interest without the prior written consent of the other party.</p> <p>However, under the Joint Venture Agreement, NH2E acknowledges and agrees to the change in control of Neutralysis to cover its acquisition by the Company.</p> <p>Nonetheless, either party may assign to a wholly owned affiliate, but the assignment will not relieve the assigning party from any of its obligations under the Joint Venture Agreement.</p> <p>Furthermore, NH2E shall not assign any interest in the Development Assets to any third party without the prior consent of Neutralysis.</p>
<p>Confidentiality</p>	<p>The parties shall be bound by the terms of the confidentiality agreement between the parties dated 28 April 2020 (Confidentiality Agreement) incorporated into the Joint Venture Agreement.</p> <p>The terms of the Confidentiality Agreement shall remain in full force and effect for a period of five years following the</p>

	termination of this Joint Venture Agreement. Appropriate carve-outs are included to ensure Neutralysis can meet any continuous disclosure obligations.
Royalties and Production Proceeds	<p>JVCO receive and collect all revenue and proceeds attributable to hydrogen and other products produced from the Development Assets.</p> <p>JVCO shall cause all royalties, production payments, net profits interests and other burdens attributable to the production of hydrogen or any other products from the Development Assets to be paid to the owners in accordance with their beneficial ownership of the Development Assets.</p>

The JDA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.1.4 Disposal Agreement

The Company has entered into a share sale agreement with PRC-resident individual investor, Mr Yang Jie pursuant to which Mr Jie has agreed to acquire 100% of the fully paid ordinary shares in the capital of CFT, free from encumbrances (**Disposal Agreement**), the material terms and conditions of which are summarised below:

Disposal	The Company has agreed to sell, and Mr Yang Jie has agreed to buy, 100% of the fully paid ordinary shares in the capital of CFT, free from encumbrances (Disposal).
Consideration	The consideration for the Disposal is HK \$10,000 (AUD \$1).
Condition Precedent	Settlement of the Disposal is subject to the Company obtaining all necessary shareholder, statutory and regulatory approvals and/or waivers required to complete a re-compliance under Listing Rule 11.1.3. To the extent capable of being waived, this Condition Precedent may be waived by the Company in its discretion.
Settlement	Settlement of the Disposal Agreement will occur on that date which is 5 business days after the satisfaction or waiver of the Condition Precedent waiver of the last outstanding Conditions Precedent, or such other date as is agreed in writing.

The Disposal Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Capital raising agreements

9.2.1 IOS Mandate

The Company has signed a mandate letter to engage Indian Ocean Securities to act as lead manager to the Company in respect of the Public Offer (**IOS Mandate**). The material terms and conditions of which are summarised below:

Term	The IOS Mandate was initially executed on 10 June 2021 and was subsequently amended on 4 August 2022 and will
-------------	---

	continue for a minimum of 120 days and will continue until terminated in accordance with its terms set out below.
Services	IOS has been engaged to provide the following services for the duration of the Term: (a) provide investor relations; (b) undertake lead management role; (c) introduce the Company to investors; and (d) assist with necessary ASX re-listing processes and requirements, (together, the Services).
Fees	In consideration for the provision of the Services, the Company has agreed to pay/issue to IOS the following fees: (a) a lead manager's fee issue management fee of 1% of the gross proceeds raised under the Public Offer; (b) a capital raising fee of 5% on funds raised by Indian Ocean Securities from its own contacts, clients or wholesale investors and introductions from the Company, IOS or its affiliated groups, for equity or debt capital raisings facilities; (c) the IOS Shares; and (d) the IOS Options, (together, the Fees). All Fees payable are exclusive of GST.
Expenses	The Company agrees to reimburse IOS for any reasonable out of pocket and travel expenses incurred by IOS (including any applicable GST), incurred in connection with the Offer.
Termination	(a) either party may terminate the engagement by giving 30 days written notice to the other party; or (b) if either party fails to perform any material obligation under the engagement and does not remedy the failure within 14 days of a written demand, the other party may terminate the engagement.
Governing Law	Western Australia

The IOS Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.3 Financing Agreements

9.3.1 Convertible Note Deed

The Company has entered into an agreement with Ohio Investments Pty Ltd <ATF Ohio Investment Unit A/C> (**Ohio Investments**), an entity controlled by Company Director Mr Paul Garner (**Convertible Note Deed**). Under the Convertible Note Agreement, Ohio Investments subscribed for convertible notes with an aggregate face value of \$25,000 (**Convertible Notes**).

The material terms of the Convertible Note Agreement (as amended) and the Convertible Notes are summarised below:

Face Value of each Convertible Note	\$1.00
Number of Convertible Notes subscribed for	25,000
Principal Amount	\$25,000
Conversion	<p>The Convertible Notes shall be converted or otherwise redeemed (as the case may be) on the earlier of:</p> <p>(a) the earlier of:</p> <ul style="list-style-type: none"> (i) within 5 business days of: <ul style="list-style-type: none"> (A) obtaining conditional approval from ASX for the Company to be reinstated to trading and those conditions being to the reasonable satisfaction of the Company; and (B) raising the Minimum Subscription; or (ii) 31 December 2022; or <p>(b) no later than 3 Business Days after the date that the Company gives written notice to Ohio Investments that it has received approval from Shareholders in accordance with the clause below (Conversion Notice).</p>
Shareholder approval required for Conversion	<p>The conversion of the Convertible Notes is expressly subject to the Company obtaining Shareholder approval for the conversion in accordance with Listing Rule 10.11 and the Corporations Act. The Company is seeking this Shareholder approval at the General Meeting.</p>
Conversion Price	<p>Subject to the Convertible Notes converting in accordance with the clause above, the Shares will be issued at a deemed issue price of \$0.02. The Shares will have free attaching Options issued on the basis of 1 Option for each Share subscribed. The attaching Options will be issued on the terms set out in Section 10.3. The issue price of the Options will be nil on the basis that the Options are free attaching to the Shares.</p>
Interest	<p>The Convertible Notes do not accrue interest until the Maturity Date, at which date interest will accrue from the Maturity Date until either redemption to conversion at a rate at 10% per annum and payable on conversion or redemption.</p>
Events of Default	<p>The Convertible Note Deed includes various events of default which are considered standard for an agreement of its nature, including default where the Company fails to pay or repay any amount due and payable as and when required. If an event of default occurs which has not been remedied within the prescribed time, the Company will be required to redeem the outstanding Convertible Notes for their</p>

	face value within 10 Business Days of a demand by Ohio Investments.
Use of Funds	The proceeds of the Convertible Notes will be applied by the Company toward the costs and expenses to be incurred by the Company in undertaking a re-compliance in accordance with Chapter 11 of the Listing Rules and otherwise for general working capital.
Ordinary Shares Ranking	Shares issued on conversion of the Convertible Notes will be fully paid, will be unencumbered and will rank <i>pari passu</i> in all respects with the fully paid ordinary shares in the Company on issue.
Reconstruction	If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, then the number of Shares into which each Convertible Note is convertible will be adjusted in a manner consistent with the Corporations Act and, if applicable, the Listing Rules at the time of such reconstruction.
Voting rights and Participation Rights	Ohio Investments will be able to attend general meetings of the Company but is not entitled to vote prior to conversion of the Convertible Notes into Shares. Before conversion, Ohio Investments is not entitled to participate in rights issues, returns of capital, bonus issues or capital reconstructions of the Company.

9.3.2 Pre-Raising Loan Agreements – Includes Related Party Agreements

The Company has entered into Pre-Raising Loan Agreements to raise an aggregate of \$300,000 which will be applied towards general working capital purposes up until the Company's Securities are re-instated to Official Quotation. Refer to Section 4.6.2 for further information with respect to the Pre-Raising Loan.

Directors Mr McIntyre and Mr Garner each propose to enter into a Pre-Raising Loan Agreement with the Company for an amount of \$35,000 and \$50,000 respectively. These agreements will constitute related party agreements by virtue of Mr Garner and Mr McIntyre each being a Director of the Company. Refer to Section 8.1 for further details with respect to the interests of the Directors in the Company.

The material terms of the Pre-Raising Loan Agreements are summarised below:

Security	The Pre-Raising Loan amount is unsecured.
Maturity Date	The Pre-Raising Loan amount will mature on the date that the Company's Securities are re-instated to Official Quotation (Maturity Date).
Repayment	(a) At the Maturity Date In the event the Pre-Raising Loan amount has not been repaid in accordance with the terms of this Loan Agreement prior to the Maturity Date, the Borrower must repay to the Lenders all outstanding Loan amounts (Outstanding Monies) in cash on the Maturity Date.

	<p>(b) Conversion prior to Maturity Date</p> <p>The Borrower and the Lenders mutually agree that, prior to the Maturity Date, the Pre-Raising Loan amount will be converted into Shares, at a deemed issue price of \$0.02.</p> <p>(c) Immediately available funds</p> <p>All amounts payable to the Lenders under their respective Pre-Raising Loan Agreements must be paid in immediately available funds or by way of issued capital in the Borrower.</p>
Interest	<p>The Pre-Raising Loan amount attracts a fixed interest rate of 6% across a period of three (3) months.</p> <p>Interest is payable upfront and is required to be paid by cash to the Lender.</p>
Default	<p>If the Company fails to pay all of the Outstanding Monies by the Maturity Date, the Pre-Raising Loan amount will become immediately due and payable to the Lenders.</p>
Assignment	<p>None of the parties may assign any of the rights or obligations without the consent of the other parties.</p>

9.4 Agreements with Directors and Management

9.4.1 Executive Services Agreement – Avon McIntyre

The Company has entered into an executive services agreement with Avon McIntyre (**Executive**) which outlines the terms of the Executive's appointment as Chief Technical Officer of and Executive Director of the Company (**ESA**) on the following terms:

Role	<p>The Executive has been appointed by the Company to act as Chief Technical Officer and Executive Director.</p>
Term	<p>As varied on 1 July 2022, the appointment of the Executive took effect from 1 July 2022 and shall continue until 30 June 2024 unless terminated earlier in accordance with the Agreement.</p>
Base salary	<p>The Executive will receive a base salary of A\$180,000 per annum, less income tax. The Executive will be paid statutory superannuation contributions in accordance with applicable laws.</p> <p>The Base Salary will be reviewed by the Company on or about 1 January in each year.</p>
Performance Based Bonuses	<p>The Company will issue the Executive the following performance-based bonuses:</p> <p>(a) 8,000,000 Class A Performance Rights;</p> <p>(b) 8,000,000 Class B Performance Rights; and</p> <p>(c) 5,000,000 Class C Performance Rights.</p>
Additional work related benefits	<p>The Executive shall be provided with the following:</p> <p>(a) an office or suitable workstation in the Company's office, located in Perth; and</p>

	<p>(b) a car parking bay at the Company's office address or, if a car parking bay is not available, an undercover car parking allowance capped at \$300 per month, subject to the Executive providing to the Company receipts. The allowance will be paid monthly.</p>
<p>Expenses</p>	<p>The Company will pay or reimburse the Executive for all reasonable out-of-pocket expenses properly incurred by him in the provision of the services in accordance with the applicable rules and policies of the Company (such as air travel, mobile phone and email, computer and any other facilities agreed between the parties).</p> <p>The Company has also agreed to pay the cost of effecting and maintaining the Executive's necessary insurance policies and has agreed to pay for expenses incurred by the Executive in the event the Executive is required to relocate outside of Perth to conduct the services.</p>
<p>Termination by the Company</p>	<p>The Company may terminate the Agreement by giving the Executive 1 months prior notice if the Executive becomes incapacitated by severe illness or disability.</p> <p>The Company may terminate the contract immediately if the Executive commits a serious act of fraud, criminal behaviour, gross negligence, dishonesty, wilful disobedience, misconduct, breach of duty, becomes bankrupt or engages in other similar behaviours or activities.</p> <p>The Company may also terminate the contract immediately if the Executive materially breaches the terms of the Agreement or any of the Company's policies or procedures and does not remedy the breach within 14 days of receipt of notice in writing from the Company specifying the breach.</p> <p>The Company may terminate the Agreement for any reason (other than as described above) upon giving to the Executive not less than 3 months' prior written notice.</p>
<p>Termination by the Executive</p>	<p>The Executive may terminate the Agreement at any time upon giving not less than 3 months' prior written notice of termination to the Company.</p> <p>The Executive may terminate the Agreement immediately if the Company materially breaches the Agreement and does not remedy the breach within 14 days of receipt of notice in writing from the Executive specifying the breach.</p> <p>In the event of termination under this clause, the Company will pay to the Executive, within 14 days of the date of termination, an amount equivalent to the lesser of</p> <ul style="list-style-type: none"> (a) 3 months; and (b) the remaining duration of the Agreement; of the Base Salary, less income tax and statutory superannuation contributions, immediately prior to the date of termination. <p>The payment under this clause will be in addition to all other entitlements due to the Executive as at the date of termination.</p>

The ESA otherwise contains provisions considered standard for an agreement of its nature (including statutory leave provisions and confidentiality provisions).

9.4.2 Consultancy Services Agreement

On 1 July 2022, the Company entered into a technical consultancy agreement (**Consultancy Services Agreement** or **Agreement**) with Vestigo Pty Ltd (**Consultant**) under which Luke Velterop, the principal of the Consultant, shall provide technical consultancy services to the Company.

Mr Velterop has 10 years of international energy experience, having filled director, and management positions across the upstream and midstream sector in Australia, United States and Brazil.

The material terms and conditions of the Consultancy Services Agreement are as follows:

Term	The appointment of the Consultant took effect from 1 July 2022 and shall continue in accordance the terms set out in the Consultancy Services Agreement unless terminated earlier in accordance with its terms.
Services	<p>Through the Consultant, Mr Velterop has been engaged by the Company to provide consultancy services with respect to hydrogen technology and project development. Mr Velterop has been appointed as the Company's "Business Development Manager" in a consultancy capacity.</p> <p>The Consultant shall provide services or scopes of work as agreed by the Consultant and the Company's Director(s), in each case acting reasonably relative to the qualifications, skills, experience, and knowhow of the Consultant (together, the Services).</p>
Service Hours	The Consultant shall make himself available for 19 (nineteen) hours per week in the provision of the Services during the Term.
Fees	<p>In consideration for the Services provided the Consultant, the Company will pay/issue the Consultant the following fees:</p> <ul style="list-style-type: none">(a) pay \$7,500 per month (plus GST) while working from the Consultant's principal place of business. When applicable, partially fulfilled months are to be compensated on a pro-rata basis;(b) issue an aggregate of 6,000,000 Performance Rights comprising:<ul style="list-style-type: none">(i) 3,000,000 Class A Performance Rights; and(ii) 3,000,000 Class B Performance Rights.
Expenses	The Company will reimburse the Consultant for all reasonable and customary out-of-pocket expenses incurred and paid by the Consultant in the provision of the Services. The Consultant must obtain the prior written approval of a Company Director prior to incurring any out-of-pocket expenses which in aggregate would exceed A\$1000 in any month.
Termination	<p>The Company or the Consultant may, without cause or reason, terminate the Consultancy Services Agreement at any time upon 30 days written notice to the other party.</p> <p>A party (First Party) may terminate this Agreement by written notice to the other party, with immediate effect, if the other party commits a material breach of the terms of the</p>

Consultancy Services Agreement and fails to remedy such breach within 7 days of a prior written notice from the First Party to the other party demanding such breach be remedied.

Termination under the Consultancy Services Agreement is without prejudice to any rights or remedies of a party which arose prior to termination or which arise as a result of termination.

The Consultancy Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, intellectual property and confidentiality provisions).

9.4.3 Non-Executive Director Appointment Letters

Messrs Po Chan, Paul Garner and Russell Brimage have each entered into appointment letters with the Company to act in the capacities of Non-Executive Directors and Non-Executive Chairman respectively. These Directors will receive the remuneration set out in Section 8.1 on and from the date that the Company is re-admitted to the Official List of ASX.

In addition, the Company has agreed to issue the Non-Executive Directors Performance Rights, in the proportions set out in Section 10.5.3(a) and on the terms and conditions set out in Section 10.4, and otherwise in accordance with the Company's Employee Securities Incentive Scheme. A summary of the Company's Employee Securities Incentive Scheme is set out in Section 10.5.2.

9.5 Deeds of Indemnity, Insurance and Access

The Company has entered into a deed of indemnity, insurance and access with each of its officers. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10. ADDITIONAL INFORMATION

10.1 Litigation

On 17 May 2022, the Company received a cease-and-desist letter from Jones Walker on behalf of Fidelis New Energy, LLC and Hyterra, LLC (a Company domiciled in the United States) to cease the use of the Hyterra marks (**Cease-and-Desist Letter**). The Cease-and-Desist Letter states that the Hyterra LLC has filed for protection for 'HYTERRA' with the United States Patent and Trademark Office, in I.C. 40 for "clean hydrogen and clean ammonia production for use as energy, fuels, and feedstocks." The Company considers that the claimant has limited grounds to make the demands that are set out in the Cease-and-Desist Letter and as such, the Company is working towards reaching an amicable resolution.

Other than the Cease-and-Desist Letter, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for

each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a

contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Terms of Consideration Options, Director Options, IOS Options and Convertible Note Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.025 cents (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2025 (**Expiry Date**).

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and the Company shall comply with the Listing Rules with respect to the issue of resultant Shares and the issue of a statement of shareholding (**Exercise Date**)

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

If at any time the Options are quoted on the ASX then the Options are transferable at such time. If at any time the Options are not quoted on the ASX and they have been issued for less than 12 months, then the Options are not transferable at such time. If at any time the Options have been issued for 12 months or more, then the Options are transferrable at such time.

10.4 **Terms and Conditions of Performance Rights**

(a) **Milestones**

The Performance Rights shall convert to Shares upon the Company achieving the applicable Milestone for that Class of Rights, prior to the applicable expiry date of that Class of Rights.

The Milestones and Expiry Dates for each Class of Rights is set out in Section 10.5 below.

(b) **Notification to holder**

The Company shall notify the holder in writing when the Milestone has been satisfied.

(c) **Conversion**

Subject to paragraph (m), upon vesting, each Class A and Class C Performance Right will, within three (3) months from vesting, convert into one (1) Share.

Subject to paragraph (m), upon vesting, each Class B Performance Right will, immediately at vesting, convert into one (1) Share.

(d) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(e) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(g) **Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(h) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(i) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **Change in Control**

Subject to sub-paragraph (m), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder.
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **Plan**

The Performance Rights were issued under and are subject to the terms and conditions of the Plan.

(q) **Amendments required by ASX**

Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Performance Rights granted under the Plan including giving any amendment retrospective effect.

10.5 Conversion of the Performance Rights

(a) **Milestones**

Subject to Section 10.4 sub-paragraph (m), a Performance Right will vest and be convertible into one (1) Share on the achievement of the following milestones:

(i) **Class A Performance Rights**

The Class A Performance Rights shall be subject to the following **Milestones** and shall have the following **Expiry Dates**:

Tranche	Milestones	Expiry Date
1	The completion of 30 days of well testing and recovery to surface of a gas sample with a concentration of at least 20% by volume hydrogen + helium from any well within the JDA.	30 June 2027
2	A well test being completed by a suitably qualified independent expert exceeding 10000 standard cubic feet per day for any well within the JDA.	30 June 2027

(ii) **Class B Performance Rights**

The Class B Performance Rights will:

- (A) vest and each be convertible into one (1) Share upon the Company's Share price equalling or becoming greater than a 30 day Volume Weighted Average Price (**VWAP**) of \$0.05 per Share, at any time subsequent to the date of the grant of that Class B Performance Right (**Milestone**); and
- (B) expire on 30 June 2027 (**Expiry Date**).

(iii) **Class C Performance Rights**

The Class C Performance Rights will:

- (A) vest and each be convertible into one (1) Share upon the holder serving 12 months of continuous service with the Company from the date that the holder commences employment with the Company as either a director, consultant or employee of the Company (**Milestone**); and
- (B) expire on 30 June 2027 (**Expiry Date**).

(b) **Delivery of Shares on conversion**

As soon as practicable after the valid conversion of a Performance Right by a holder in accordance with the Plan, the Company will:

- (i) issue, allocate or cause to be transferred to that holder the number of Shares to which the holder is entitled; and
- (ii) issue a substitute certificate for any remaining unconverted Performance Rights held by that Participant.

(c) **After Conversion**

The Shares issued on conversion of the Performance Rights will, as and from 5:00pm (WST) on the date of issue, rank equally with and confer rights

identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

10.5.2 Terms of Employee Securities Incentive Scheme

The Company has adopted an Employee Securities Incentive Plan (**Plan**) to allow eligible participants to be granted Performance Rights in the Company. The principle terms of the Performance Rights Plan are summarised below:

Eligibility	<p>Participants in the Plan may be:</p> <p>(a) an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an associated body corporate; and</p> <p>(b) has been determined by the Board to be eligible to participate in the Plan from time to time,</p> <p>who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options, Performance Rights and Shares (Securities) under the Plan (Eligible Participant).</p>
Invitation	<p>The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Participant any (or any combination) of the different types of Securities provided under the Plan.</p> <p>The terms and conditions of Securities offered or granted under the Plan to each Eligible Participant will be determined by the Board in its sole and absolute discretion.</p>
Convertible Security	<p>Each Option and/or Performance Right (Convertible Security) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
Vesting of a Convertible Security	<p>Any vesting conditions applicable to the grant of Convertible Securities will be described in the Invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied by the due date and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
Exercise of Convertible Securities and	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as</p>

<p>cashless exercise</p>	<p>directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the Invitation or vesting notice.</p> <p>The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p>Shares</p>	<p>The Board may from time to time make an invitation to an Eligible Participant to acquire Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share which may be nil. The Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.</p>
<p>Forfeiture</p>	<p>In respect of each offer of Securities, the Board may determine, criteria, requirements or conditions which if met (notwithstanding the satisfaction or waiver of any performance hurdles and vesting conditions) will result in the lapsing of Convertible Securities or a Participant surrendering Shares (Forfeiture Conditions).</p> <p>Where such Forfeiture Conditions are met, unless the Board in its sole discretion determines otherwise, all unvested and vested Convertible Securities will automatically lapse and all unvested and vested Shares will automatically be surrendered.</p> <p>In addition, where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breaches his or her duties to the Group, the Board may in its discretion deem all Securities to be forfeited.</p>
<p>Rights attaching to Shares</p>	<p>Any Shares allotted, issued or transferred by the Company to a Participant under the Plan (including on exercise or conversion of Convertible Securities) will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.</p>
<p>Disposal Restrictions</p>	<p>If the invitation provides that any Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant must not</p>

	transfer, encumber or otherwise dispose of, or have a security interest granted over that Share or take any action if to do so would contravene applicable laws.
Change of Control	If a change of control event occurs in relation to the Company, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Securities for Participants under the Plan and delivering Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).
Participation Rights	During the currency of any Convertible Securities and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Convertible Securities.
Leaver	<p>Where a Participant who holds Securities becomes a leaver, Securities will automatically be forfeited by the Participant unless the Board in its absolute discretion, resolves to allow the Participant to continue to hold the Securities after the Participant becomes a leaver due to:</p> <ul style="list-style-type: none"> (a) death or total and permanent disability; or (b) retirement or redundancy; or (c) the suffering of severe financial hardship; or (d) any other circumstances determined by mutual agreement of the Board and the Participant at any time (whether before or after the Invitation).
Reorganisation	<p>Subject to all applicable laws, following any variation to the issued capital of the Company arising from:</p> <ul style="list-style-type: none"> (a) a reduction, subdivision or consolidation of the issued capital of the Company; (b) a reorganisation of the issued capital of the Company; (c) a distribution of assets in specie; (d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or (e) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves, <p>the number of Securities to which each Participant holds under the Plan, and the exercise price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.</p>
Amendment of Plan	Subject to the following paragraph, the Listing Rules and the Company's constitution, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities that have been granted under the Plan and determine that any amendments

to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by the relevant Participant.

10.5.3 Guidance Note 19 Disclosure

- (a) The Performance Rights are proposed to be issued to the current and proposed Directors and Vestigo Pty Ltd (the **Consultant**) (or their respective nominee/s) as set out in the table below in order to incentivise these parties and are not ordinary course of business remuneration securities. The Performance Rights were issued for nil cash consideration.

Director/Consultant	Performance Rights			Total
	Class A	Class B	Class C	
Russell Brimage	4,000,000 ¹	4,000,000	-	8,000,000
Paul Garner	4,000,000 ¹	4,000,000	-	8,000,000
Po Chan	3,000,000 ²	3,000,000	-	6,000,000
Avon McIntyre	8,000,000 ³	8,000,000	5,000,000	21,000,000
Vestigo Pty Ltd	3,000,000 ²	3,000,000	-	6,000,000
Total	22,000,000	22,000,000	5,000,000	49,000,000

Notes:

1. Comprising 2,000,000 of each of Tranche 1 and Tranche 2 Class A Performance Rights.
2. Comprising 1,500,000 of each of Tranche 1 and Tranche 2 Class A Performance Rights.
3. Comprising 4,000,000 of each of Tranche 1 and Tranche 2 Class A Performance Rights.

- (b) The Company considers that each Director and the Consultant will play a key role in meeting the milestones attaching to the Performance Rights, as they will be responsible for:
- (i) developing and executing exploration and evaluation programs aimed at discovering and defining hydrogen estimates at the Projects;
 - (ii) establishing and implementing the business strategy for organic and inorganic growth of the Company;
 - (iii) seeking new opportunities that will fit into the Company's strategy and with the support of the Board, completing any transactions and integrating the new project into the Company's operations; and
 - (iv) progressing activities towards achieving the Company's objectives and vision and thereby realising the broader outcome of growth of value for shareholders.
- (c) In relation to the Class C Performance Rights which will be held by Mr McIntyre, the Company considers that linking his remuneration payable

to a milestone based on tenure rather than performance, such as a share price-based milestone, is more appropriate for these Performance to ensure Mr McIntyre's continuity of service.

In respect of the Class C Performance Rights which will be held by Mr McIntyre, it is noted that it currently proposed that the Company will pay Mr McIntyre \$180,000 per annum in director's fees, which is at the lower end of cash fees payable to a Chief Technical Officer and Executive Director on similar transactions in the market.

If the Company is not able to issue the proposed Class C Performance Rights to Mr McIntyre, these fees would likely increase to closer to the higher end of that range, given the following:

- (i) the experience and skillsets that Mr McIntyre brings to the Board;
- (ii) market conditions (including high demand for experienced and competent Chief Technical Officers and Executive Directors for listed companies due to the high number of initial public offerings in the renewable energy and climate tech sector);
- (iii) the additional risks associated with companies operating in foreign jurisdictions such as the USA (including potential requirements to travel to the USA for site visits to the projects under the JDA); and
- (iv) likely time commitments from Mr McIntyre as director of a newly re-listed hydrogen exploration company with offshore assets in a highly active space and a relatively small management team.

The Company is aware of a number of recent examples of companies issuing tenure-based Performance Rights (including Kuniko Limited – refer to Prospectus released on ASX on 20 August 2021). Further and as previously stated, the Company will seek shareholder approval for the issue of the Class C Performance Rights to Mr McIntyre.

In relation to the quantum of Performance Rights which will be held by each of the Directors and the Consultant, the Board considers this to be reasonable remuneration to attract directors, management and key employees with the right skills and experience to add value to the Company. The Company wishes to conserve its cash raised on listing for application to the Company's exploration budget and, accordingly, considers that equity-based incentives in the amounts set out above are appropriate and equitable. If the Directors and management listed above were to be paid only in cash, they would command significantly higher directors' fees/salaries than the Company wishes to pay at this stage of its development.

- (d) The current total proposed remuneration package (excluding the issue of the Performance Rights) for the Directors is set out in Section 8.1. The current total proposed remuneration package (excluding the issue of the Performance Rights) for the Consultant is \$90,000. The Consultant is to be paid \$7,500 plus GST, per month pursuant to his consultancy agreement with the Company.
- (e) The Directors and Consultant do not currently hold any Securities in the Company. Details of the Securities that the Directors will hold following completion of the Offers are set in Section 8.1. On completion of the

Offers, the Consultant will only hold the Performance Rights, in the proportions set out in paragraph (a),

- (f) the Company considers it necessary and appropriate to further remunerate and incentivise the Consultant to achieve the applicable performance milestones for the following reasons:
- (i) the issue of Performance Rights aligns with the interests of the Consultant and those of Shareholders by achieving growing the Company to meet the performance milestones;
 - (ii) the commercial goal of the issue of the Performance Rights is to reward achievement of the performance milestones, which will be a significant event for the Company;
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
 - (iv) the issue of the Performance Rights is linked to the success of the Company, and will provide an incentive for the Consultant to assist in the growth of the Company;
 - (v) the issue of the Performance Rights to the Consultant provides a performance incentive which allow key employees to share the rewards of the success of the Company;
 - (vi) upon achieving the performance milestones, the Consultant will have assisted the Company in its growth strategy; and
 - (vii) the issue of the Performance Rights to the Consultant will ensure that the Consultant is committed to the long-term and continual growth of the Company under the consultancy agreement,
- (g) the Company considers it necessary and appropriate to further remunerate and incentivise the Directors to achieve the applicable performance milestones for the following reasons:
- (i) the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Performance Rights to the Directors will align the interests of the Directors with those of shareholders;
 - (iii) there is an appropriate and demonstrable nexus between the milestones and the purpose for which the Performance Rights were issued (being the performance of management and the retention of the Directors). Accordingly, the vesting conditions are specifically linked to the performance of the Company with the intention of incentivising the initial management of the Company to achieve the respective milestones and the retention of the Directors;
 - (iv) the milestones are clearly articulated by reference to objective criteria which allows investors and analysts to readily understand and have reasonable certainty as to the circumstances in which the milestones will be taken to have been met;

- For personal use only
- (v) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - (h) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
 - (i) The number of Performance Rights which will be held by each of the Directors and Consultant has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Directors and Consultant; and
 - (iii) incentives to attract and retain the service of the Directors and Consultant who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.
 - (j) The Company considers that the number of Performance Rights and the number of Shares into which they will convert if the relevant milestones are achieved is appropriate and equitable as:
 - (i) the Performance Rights represent a small proportion of the Company's issued capital upon completion of the Public Offer, representing approximately 6.19% in aggregate of the Company's issued capital on completion of the Public Offer (on a fully diluted basis and on the assumption that the Minimum Subscription is raised);
 - (ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (1 for 1) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;
 - (iii) there is an appropriate link between the milestones and the purpose for which the Performance Rights are being issued; and
 - (iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of the Company's business.

A summary of the material terms and conditions of the Performance Rights is set out in Section 10.4 and a summary the material terms and conditions of the Employee Incentive Securities Scheme is set out in Section 10.5.2.

10.6 ASX waivers and confirmations obtained

The Company has sought, and ASX has granted the following waivers and confirmations:

(a) Listing Rule 1.1 (Condition 12) and Listing Rule 2.1 (Condition 2)

ASX Listing Rule 1.1 (Condition 12) provides that if an entity has options on issue the exercise price for each underlying security must be at least 20 cents in cash. ASX Listing Rule 2.1 (Condition 2) provides that the issue price or sale price of all the securities for which an entity seeks quotation (except options) must be at least 20 cents in cash.

The Company was granted a waiver from the requirements of Listing Rule 2.1 (Condition 2) and 1.1 (Condition 12) to enable the Company to issue Shares and Options under the Public Offer below \$0.20.

(b) Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of equity securities, or agreement to issue equity securities, to a related party of the Company.

Listing Rule 10.13 sets out the requirements for Shareholder approval under Listing Rule 10.11. In particular, Listing Rule 10.13.5 provides that the notice of meeting must (inter alia) state the date by which the entity will issue the securities and that the securities must be issued no later than 1 month after the date of the meeting or such later date as may be permitted by any ASX waiver or modification of the Listing Rules.

The Company has received a waiver from the requirements of Listing Rule 10.13.5 (in respect of Resolutions 16 to 20 at the General Meeting) to allow the Company to issue the following securities to related parties no later than the date of issue of the Public Offer Shares:

- (i) 1,604,200 Shares to Mr Po Chan in lieu of outstanding director's fees (the subject of Resolution 16 at the General Meeting);
- (ii) 1,250,000 Shares and 1,250,000 attaching Options to Ohio Investments (an entity controlled by Mr Garner) (the subject of Resolution 17 at the General Meeting);
- (iii) 2,500,000 Options to Mr Garner (the subject of Resolution 18 at the General Meeting);
- (iv) up to 2,500,000 Public Offer Shares to Mr Garner (or his nominee) on conversion of a Pre-Raising Loan amount for the value of \$50,000 (the subject of Resolution 19 at the General Meeting); and
- (v) up to 1,750,000 Public Offer Shares to Mr Avon McIntyre (or his nominee) on conversion of a Pre-Raising Loan amount for the value of \$35,000 (the subject of Resolution 20 at the General Meeting),

(together, the **Related Party Securities**).

ASX granted the waiver from Listing Rule 10.13.5, on the following conditions:

- (i) the Related Party Securities are issued by no later than the date that the Public Offer Shares are issued, which must be no later than 3 months after the date of the General Meeting;
- (ii) the Related Party Securities are issued pursuant to the relevant terms and conditions set out in the Notice of Meeting;
- (iii) the circumstances of the Company, as determined by the ASX, have not materially changed since the Shareholders approved the issue of the Related Party Securities; and
- (iv) the terms of the waiver are clearly disclosed in the Notice of Meeting and in this Prospectus.

(c) **Listing Rule 6.1**

The Company has received confirmation that the terms of the 49,000,000 Performance Rights proposed to be issued to the current and proposed Directors (or their respective nominee/s) and consultant, Vestigo Pty Ltd (or its nominee/s) are appropriate and equitable pursuant to Listing Rule 6.1.

ASX granted the waiver from Listing Rule 6.1, on the following conditions:

- (i) the terms of this waiver are disclosed to the market and, along with the terms and conditions of the Performance Rights, are clearly disclosed in the Notice of Meeting and the Prospectus; and
- (ii) the Shareholders approve the issue of the Performance Rights in conjunction with the approval obtained under Listing Rule 11.1.2 for the Acquisition. These approvals will be sought at the General Meeting.

10.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or

- (b) for services provided in connection with:
- (i) the formation or promotion of the Company; or
 - (ii) the Offers.

10.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

RISC Advisory Pty Ltd has acted as Independent Technical Specialist and has prepared the Independent Technical Specialist Report which is included in Annexure A. The Company estimates it will pay RISC a total of \$55,205 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RISC has not received fees from the Company for any other services.

HLB Mann Judd (WA Partnership) Mann Judd (WA Partnership) has acted as Investigating Accountant and auditor and has prepared the Independent Limited Assurance Report which is included in Annexure C. The Company estimates it will pay HLB Mann Judd (WA Partnership) a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd (WA Partnership) has received \$73,287.50 in fees from the Company for audit services.

Indian Ocean Securities Pty Ltd will receive those fees set out in Section 4.5 following the successful completion of the Public Offer for its services as lead manager to the Public Offer. Further details in respect to the IOS Mandate are summarised in Section 9.2.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Indian Ocean Securities Pty Ltd has received an aggregate of \$61,985 from the Company for lead manager services provided in respect of the Pre-Raising Loan Conversion Offer and the Convertible Note raises.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Public Offer. The Company estimates it will pay Steinepreis Paganin \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$124,956.51 from the Company for any other services.

Robertson & Williams has acted as the US legal advisers to the Company in relation to the Public Offer and has prepared the US Solicitor's Report on Title which is included in Annexure B. The Company estimates it will pay Robertson & Williams US\$12,062.25 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Robertson & Williams has not received fees from the Company for any other services.

10.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any persons named in the Prospectus with their consent as proposed Director, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RISC Advisory Pty Ltd has given its written consent to being named as Independent Technical Specialist in this Prospectus, the inclusion of the Independent Technical Specialist Report in Annexure A in the form and context in which the report is included.

HLB Mann Judd (WA Partnership) has given its written consent to being named as Investigating Accountant and auditor of the Company in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure C in the form and context in which the information and report is included. HLB Mann Judd (WA Partnership) has also consents to the inclusion of the audited financial information of the Company contained in Section 6 and the Independent Limited Assurance Report in the form and context in which it appears.

Stantons International Audit And Consulting Pty Ltd has given its written consent for the inclusion of the audited financial information of Neutralysis contained in Section 6 and the Independent Limited Assurance Report in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offers in this Prospectus.

Robertson & Williams has given its written consent to being named as the US legal advisers to the Company in relation to the Offers in this Prospectus and to the inclusion of the US Solicitor's Report on Title in Annexure B in the form and context in which the report is included.

Indian Ocean Securities Pty Ltd has given its written consent to being named as the lead manager to the Company in this Prospectus.

10.10 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$630,944 for Minimum Subscription or \$753,194 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	3,206	3,206
ASX fees	84,738	86,988
IOS Fees	318,000	438,000
Legal Fees	100,000	100,000
Independent Technical Specialist Fees	35,000	35,000
Investigating Accountant's Fees	15,000	15,000
Auditor's Fees	55,000	55,000
Printing and Distribution	10,000	10,000
Miscellaneous	10,000	10,000
TOTAL	630,944	753,194

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Paul Garner
Non-Executive Director
For and on behalf of
HyTerra Ltd

For personal use only

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ and **A\$** means an Australian dollar.

Acquisition means the Company's proposed acquisition of 100% of the issued share capital in Neutralysis.

Application Form means the application form attached to or accompanying this Prospectus relating to the Public Offer or the Secondary Offers (as applicable).

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means HyTerra Ltd (ACN 116 829 675).

Completion means the completion of the Acquisition on the terms set out in the Acquisition Agreements.

Conditions has the meaning set out in Section 4.7.

Constitution means the constitution of the Company.

Corporations Act means *the Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

General Meeting means the general meeting of Shareholders convened to be held on 10 October 2022.

Indian Ocean Securities means Indian Ocean Securities Pty Ltd (ACN 621 321 891).

IOS Mandate means the agreement with the Lead Manager summarised in Section 9.2.1

JORC Code has the meaning given in the Important Notice Section.

Maximum Subscription means the maximum amount to be raised under the Public Offer, being \$7,000,000

Minimum Subscription means the minimum amount to be raised under the Public Offer, being \$5,000,000

Neutralysis means Neutralysis Industries Pty Ltd (ACN 156 261 791).

Notice of Meeting means the Company's notice of General Meeting dated 8 September 2022 and released on the Company's ASX announcement platform on 9 September 2022.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Ohio Investments means Ohio Investments Pty Ltd <ATF Ohio Investment Unit A/C>, an entity controlled by Company Director Mr Paul Garner.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a performance right convertible into a Share.

Prospectus means this prospectus.

Re-instatement means the re-instatement of the Shares to the Official List.

Recommendations has the meaning set out in Section 8.4.

Section means a Section of this Prospectus.

Secondary Offers means the offers of Securities that are defined in Section 4.6.

Securities means Shares, Options and Performance Rights (as applicable).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

US means United States of America.

US\$ means US dollars.

WST means Western Standard Time as observed in Perth, Western Australia.

For personal use only

For personal use only



decisions with confidence

Independent Technical Specialist Report

Certain assets of HyTerra Ltd and Neutralysis Industries Pty Ltd

For Stantons Corporate Finance Ltd
on behalf of HyTerra Ltd

September 2022

For personal use only

Paul Garner
Director
HyTerra Ltd
Unit 24, 589 Stirling Highway
Cottesloe, Perth, 6011
Western Australia

James Turnbull
Authorised Representative
Stantons Corporate Finance Pty Ltd
40 Kings Park Road,
West Perth, Perth, 6872
Western Australia

7 September 2022

Dear Sirs,

Independent Technical Specialist Report – HyTerra Ltd.

HyTerra Ltd ('HyTerra') has engaged Stantons Corporate Finance Ltd ('Stantons') to prepare an Independent Expert Report ('IER') for inclusion within a Notice of Meeting to be provided to the shareholders of the company. The shareholders are being asked to approve a proposed transaction of the acquisition of Neutralysis Industries Pty Ltd ('NIPL').

Stantons has engaged RISC Advisory Pty Ltd ('RISC') to provide an Independent Technical Specialist Report ('ITSR'). As per the instruction letter received from Stantons dated 8 March 2022, RISC was to provide a market valuation of:

- HyTerra's existing legacy assets consisting of an 80% interest in the Aolong project located in China,
- HyTerra's potential acquisition of Guanzhou Bofu Investment Co. Ltd., where HyTerra has a Memorandum of Understanding to acquire Guanzhou Bofu Investment Co. Ltd.; and
- NIPL's interest in a Joint Venture Agreement with Natural Hydrogen Energy LLC ('NH2E') comprising exploration and exploitation leases in the United States of America.

RISC has completed our independent technical assessment and valuation and our work is documented in this Independent Technical Specialist Report ('ITSR').

Independence

RISC confirms that it is independent of HyTerra, NIPL and NH2E and that RISC is unaware of any circumstance which may compromise that independence.

Consent

RISC has consented to this report, in the form and context in which it appears, being included, in its entirety, in the Notice of Meeting.

Table of contents

1. Executive summary.....	5
2. Terms of reference and basis of assessment	7
2.1. Terms of reference	7
2.2. Basis of assessment	7
2.3. Valuation	8
2.3.1. Sunk costs and work program	8
2.3.2. Farm-in promotion factors	8
2.3.3. Comparable transaction metrics	9
2.3.4. Expected monetary value	9
3. Introduction.....	10
3.1. HyTerra Ltd asset overview	10
3.2. Neutralysis Industries Pty Ltd asset overview	12
4. HyTerra Ltd assets	16
4.1. Aolong Joint Venture	16
4.1.1. Work program	16
4.1.2. Geological setting	16
4.1.3. Well results and data	16
4.1.4. Overlapping tenure.....	17
4.1.5. Resources.....	17
4.1.6. Subsequent events	17
4.2. Guangzhou Bofu Investment Co. Ltd acquisition	18
5. Neutralysis Industries Pty Ltd assets	19
5.1. Tenure.....	19
5.2. Work program, commitments, and sunk costs	19
5.3. Geological setting	21
5.4. Data	22
5.4.1. Hoarty NE-3 well.....	22
6. Resources	28
6.1. In-place resource estimates	28
6.1.1. Prospective areas	28
6.1.2. Volumetric parameters.....	29
6.1.3. Gas composition	30
6.1.4. Gas in-place estimate Nebraska northwest	31
6.1.5. Gas in-place estimate other regions.....	31
6.2. Reservoir development plan	32
6.3. Discovery test	33
6.4. Geological risk.....	33
7. Valuation	34
7.1. HyTerra Ltd assets	34
7.1.1. Valuation assumptions and summary	34

7.2.	Neutralysis Industries Pty Ltd assets	35
7.2.1.	Valuation assumptions and summary	35
7.2.2.	Valuation alternatives	38
8.	Declarations.....	40
8.1.	Terms of engagement.....	40
8.2.	Qualifications.....	40
8.3.	Standard	40
8.4.	Limitations	41
8.5.	Independence.....	41
8.6.	Copyright	41
8.7.	Consent.....	41
9.	List of terms	42

For personal use only

List of figures

Figure 3-1: Aolong project location map	10
Figure 3-2: Aolong project locations	11
Figure 3-3: NH2E asset location map	12
Figure 3-4: NH2E asset location map – Nebraska northwest and Nebraska southeast	13
Figure 3-5: NH2E asset location map – South Carolina west and South Carolina east	14
Figure 5-1: Hoarty NE-3 hydrogen gas profiles from gas detection equipment in the mud agitators (at left), and manual gas sampling of bubbles in the mud (at right)	23
Figure 5-2: Hoarty NE-3 basement petrophysical analysis (HyTerra)	26

List of tables

Table 1-1: Valuation of HyTerra assets (net HyTerra)	6
Table 1-2: Valuation of NIPL assets (net NIPL)	6
Table 3-1: Summary of key terms, NH2E leases	14
Table 5-1: NH2E lease summary	20
Table 5-2: JDA work program summary	21
Table 5-3: Hoarty NE-3 isotube analyses, collected prior to swabbing operations	24
Table 5-4: Hoarty NE-3 petrophysical analysis sums and averages (HyTerra)	27
Table 6-1: JDA lease area tabulation and prospective areas	28
Table 6-2: Nebraska northwest region Zone 1 volumetric input parameters (RISC)	29
Table 6-3: Nebraska northwest region Zone 4 volumetric input parameters (RISC)	29
Table 6-4: Gas composition volumetric input parameters (RISC)	30
Table 6-5: Nebraska northwest raw gas in-place estimate (gross project)	31
Table 6-6: Nebraska northwest gross hydrogen gas in-place estimate (gross project)	31
Table 6-7: Nebraska northwest hydrogen gas in-place and resource density (gross project)	32
Table 6-8: Hydrogen gas in-place estimate using resource density from Nebraska northwest region (gross project)	32
Table 6-9: JDA gross hydrogen gas in-place estimates	33
Table 7-1: Aolong joint venture valuation summary	34
Table 7-2: NIPL valuation summary	35
Table 7-3: NIPL valuation analysis	37
Table 7-4: GlobalData \$/acre transaction metrics analysis	38
Table 7-5: Alternative valuation using \$/acre metrics	39

1. Executive summary

HyTerra Ltd ('HyTerra'), formerly known as Triple Energy Ltd ('Triple'), which is currently suspended on the Australian Securities Exchange ('ASX') has proposed the acquisition of Neutralysis Industries Pty Ltd ('NIPL'), a private gas exploration company registered in Australia. Shareholder approval is required for this transaction. As part of the transaction, HyTerra will re-list.

NIPL has a 10.03% beneficial interest in a joint venture agreement with Natural Hydrogen energy LLC ('NH2E'), a private company registered in the United States of America and domiciled in Denver, Colorado.

The NIPL – NH2E joint venture has agreed a joint development and earn-in agreement ('JDA') for the exploration and exploitation of natural hydrogen gas on certain leases located in the states of Nebraska and South Carolina in the United States of America. Pursuant to the JDA, NIPL may acquire up to a 30% beneficial interest in the joint venture by funding US\$5,000,000 on an agreed Phase 1 work program, and a further 21% beneficial interest by funding a further US\$15,000,000 of work program.

The JDA includes twenty-one leases acquired by NH2E in Nebraska and South Carolina over features in the landscape which are postulated to be surface expressions of natural hydrogen seepage from the subsurface and, specifically, basement rocks where it is believed that natural hydrogen gas is generated. The JDA also contemplates the acquisition of additional leases as part of the NIPL funded work program.

NH2E drilled the Hoarty NE-3 well in 2018-2019 within a lease cluster over one such feature in Nebraska to test for the presence of natural hydrogen gas in the subsurface. The well penetrated approximately 1,000 m of sedimentary section and was drilled to a total depth of 11,287 ft (3,440 m) in basement rocks. Natural hydrogen gas was detected at potentially significant concentrations whilst drilling. Two zones of elevated hydrogen gas concentration associated with matrix and fracture porosity have been identified on wireline logs within the basement section.

Following a period where the well was shut-in, swabbing operations were undertaken and the swabbed gas was flared. However, gas samples failed to confirm the presence of substantial concentrations of natural hydrogen. Pursuant to the JDA, the joint venture plan to undertake a comprehensive testing program of the well to confirm (or otherwise) the presence of commercial quantities of hydrogen.

RISC has reviewed the available data and analyses and has undertaken a hydrogen gas in-place evaluation of the JDA leases. RISC has been unable to estimate prospective resources due to the relative immaturity of the natural hydrogen gas play and uncertainties associated with exploitation and anticipated rates of recovery.

RISC has also reviewed the legacy assets of HyTerra, comprising the Aolong joint venture with Heilongjiang LongMay Coal Mining Group ('LongMay'). HyTerra acquired its interest in Aolong with the acquisition of CFT Heilongjiang ('CFT') in 2012. Three wells were drilled by the Aolong joint venture for the exploration of coal bed methane ('CBM') over the period 2013 – 2015 in certain coal mining licenses in the Jixi - Hegang Coal Basin of the Heilongjiang Province, Peoples Republic of China. The wells failed to delineate a potentially commercial CBM resource and no exploration activities have been undertaken since this time.

In addition, HyTerra announced in 2018 that it had negotiated a memorandum of understanding ('MOU') to acquire Guanzhou Bofu Investment Co. Ltd. a company which has the right to derive income from the Xin 214 Project consisting of certain oil licenses in Songyuan City, Jilin Province in the, People's Republic of China. RISC has been advised that due-diligence was not completed on this proposed acquisition and that the acquisition terms were not agreed by the interested parties.

RISC has determined that the fair market valuation of HyTerra’s net interest in the Aolong joint venture to be between AU\$-0.5 million and AU\$0 million with a best estimate of AU\$0 million (Table 1-1). RISC has been advised that HyTerra has entered into a contract for the sale of its interests in Aolong, the terms of which are undisclosed. Should the sale complete the valuation (liability) will consequently be affected. However, it is assumed that there is some risk on the transaction not being completed and the valuation (liability) will still rest with HyTerra.

RISC has determined that the fair market valuation of NIPL’s net beneficial interest in the NH2E JDA to be between AU\$-7.0 million and AU\$38.9 million with a best estimate of AU\$4.9 million (Table 1-2).

RISC has ascribed no value to the Guanzhou Bofu Investment Co. Ltd. acquisition MOU.

Table 1-1: Valuation of HyTerra assets (net HyTerra)

	Valuation (AU\$ million)		
	Low	Best	High
Net HyTerra	-0.5	0	0

Table 1-2: Valuation of NIPL assets (net NIPL)

	Valuation (AU\$ million)		
	Low	Best	High
Net NIPL	-7.0	4.9	38.9

For personal use only

2. Terms of reference and basis of assessment

2.1. Terms of reference

This Independent Technical Specialist Report ('ITSR') was prepared in response to an instruction letter from Stantons Corporate Finance Pty Ltd ('Stantons') received by RISC dated 8 March 2022. Stantons was engaged by HyTerra to prepare an Independent Expert Report ('IER') for inclusion in a Notice of Meeting regarding the proposed acquisition of NIPL by HyTerra.

RISC was requested to prepare a fair market valuation of:

- HyTerra's interest in the Aolong Project Joint Venture in Heilongjiang Province, Peoples Republic of China ('PRC');
- HyTerra's Memorandum of Understanding ('MOU') to indirectly or directly acquire Guanzhou Bofu Investment Co. Ltd.; and
- NIPL's interest in a joint development and earn-in agreement with Natural Hydrogen Energy LLC ('NH2E') for certain leases in Nebraska and South Carolina, USA, including consideration of any rights, earn in requirements, royalties, and free carried interests on the project.

As per the instruction from Stantons, our ITSR is compliant with the Australian Securities and Investments Commission ('ASIC') Regulatory Guides 111 and 112 and includes consent for the report to be included in a Notice of Meeting and for RISC to be named as technical specialist/expert in accordance with ASX listing rule 5.41.

2.2. Basis of assessment

The data and information used in the preparation of this report were provided by HyTerra and supplemented with public domain information.

Information and data provided by HyTerra:

- Joint development and earn-in agreement executed by NH2E and NIPL, inclusive of details on proposed forward work program;
- Information and technical data regarding the Hoarty NE-3 well drilled by NH2E in Nebraska;
- Petrophysical evaluation of the Hoarty NE-3 well commissioned by HyTerra;
- Lease information including certified documentation; and
- A concise summary of Aolong Joint Venture prepared by HyTerra.

RISC has relied upon the information provided and has undertaken the evaluation on the basis of a review and audit of existing interpretations and assessments as supplied, making adjustments that in our judgment were necessary.

RISC has reviewed the resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System ('PRMS')¹.

The evaluation date of this report is 1 July 2022.

¹ Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG) and approved by the Board of the SPE in March 2007. The PRMS was subsequently updated in June 2018.

Details of the findings of our review and the resource estimation process are presented in this report. Unless otherwise stated, all resources presented in this report are gross (100%) quantities.

RISC has not conducted a site visit and does not consider one necessary.

2.3. Valuation

The valuation is based on the principles of the VALMIN Code² and the concept of “market value” (‘Value’).

The VALMIN Code defines Value as the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction wherein the parties each acted knowledgeably, prudently and without compulsion. For the purposes of this report, we have applied these definitions to petroleum properties.

A range of oil and gas industry accepted practices in relation to petroleum properties has been considered to determine Value, which are described below.

2.3.1. Sunk costs and work program

The sunk costs and warranted costs of a future work program may also be used to estimate Value. The work program valuation relies on the assumption that, unless there is evidence to the contrary, the permit is worth what a company will spend on it. This method is relevant for permits in the early stages of exploration and for expenditure which is firmly committed as part of a venture budget or as agreed with the regulator as a condition of holding the permit.

There may need to be an adjustment for risk and the time value of money. Likewise, expenditures that are long-dated may be excluded or discounted and only meaningful exploration work program expenditures may be retained.

Should the work program improve the perception of prospectivity then an uplift of these expenditures may be warranted (multiple of exploration expenditure method).

Results as the work program progresses, will alter the perceived value. Therefore, the original work program agreed may no longer represent today’s Value.

2.3.2. Farm-in promotion factors

An estimate of Value can be based on an estimation of the share of future costs likely to be borne by a reasonable farminee under prevailing market conditions. A premium or promotion factor may be paid by the farminee. The promotion factor is defined as the ratio of the proportion of the activity being paid for and the amount of equity being earned.

The nominal permit value is defined as the amount spent by the farminee divided by the interest earned. The premium value for the permit is the difference between the nominal value and the equity share of the

² The VALMIN Code sets out requirements for the technical assessment and valuation of mineral assets and securities for independent expert reports, it provides guidance for petroleum assets and securities. The VALMIN Committee is a joint committee of The Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists. The committee was established to develop and maintain the "Australasian Code for Public Reporting of technical assessments and valuations of mineral assets", commonly known as the VALMIN Code. The VALMIN Code was first published in 1995, with subsequent editions published in 1997, 2005 and 2015

cost of the activity divided by the equity interest being earned. This reflects the amount that a farminee is willing to pay to acquire that interest from the farmor.

The premium or promotion factor will be dependent upon the perceived prospectivity of the property, competition and general market conditions. The premium value is equivalent to the farminee paying the farmor a cash amount in return for the acquisition of the interest in the permit and is the fair market value.

Farm-in transactions may have several stages. For example, a farminee may acquire an initial interest by committing to a future cost in the first stage of the transaction but has an option to acquire an additional interest or interests in return to committing to funding a further work program or programs.

Farm-in agreements can also include re-imbursement of past costs and bonus payments once certain milestones are achieved, for example declaration of commerciality, or achieving threshold reserves volumes. Depending on their conditionality, such future payments may contribute to Value. However, they may need to be adjusted for the time value of money and probability of occurring.

2.3.3. Comparable transaction metrics

An estimate of the Value of petroleum properties can be obtained using recent comparable transactions. Such transactions may provide relevant metrics such as Value per unit of reserves, contingent or prospective resources and price paid per unit area of the permit/license or % interest. The VALMIN Code advises Value must also take into account risk and premium or discount relating to market, strategic or other considerations.

2.3.4. Expected monetary value

Expected monetary value ('EMV') is the risked net present value ('NPV') of a prospect or project. EMV is calculated as the success case(s) NPV times the probability of success and development less the NPV of failure cases multiplied by the probability of failure. The NPV may be estimated using discounted cash flow ('DCF') methods. The EMV method provides a representative estimate of Value in areas with a statistically significant number of mature prospects or projects within proven commercial hydrocarbon provinces where the chance of success and volumes can be assessed with a reasonable degree of predictability. EMV is appropriate to discovered hydrocarbons where development details and costs are mature. As such RISC does not consider EMV is appropriate for this situation.

The EMV valuation can also be used as a relative measure for ranking exploration prospects within a portfolio to make drilling decisions, assessing commercial potential and to demonstrate the commercial attractiveness of a permit, which may influence a buyer or seller.

3. Introduction

3.1. HyTerra Ltd asset overview

HyTerra (formerly known as Triple Energy Limited ('Triple')) announced on 5 October 2012 the acquisition of CFT Heilongjiang ('CFT'), a company incorporated in Hong Kong³. CFT was a shareholder of and held an 80% profit interest in Heilongjiang Aolong Energy Co. Ltd ('Aolong'), an incorporated joint venture company established with Heilongjiang LongMay Coal Mining Group ('LongMay') under the laws of the Peoples Republic of China ('PRC').

Aolong was formed by LongMay and CFT with the objective of de-gassing coals via the establishment of coal bed methane ('CBM') gas production in the vicinity of LongMay's coal mining operations in the Jixi - Hegang Coal Basin of the Heilongjiang Province (Figure 3-1).

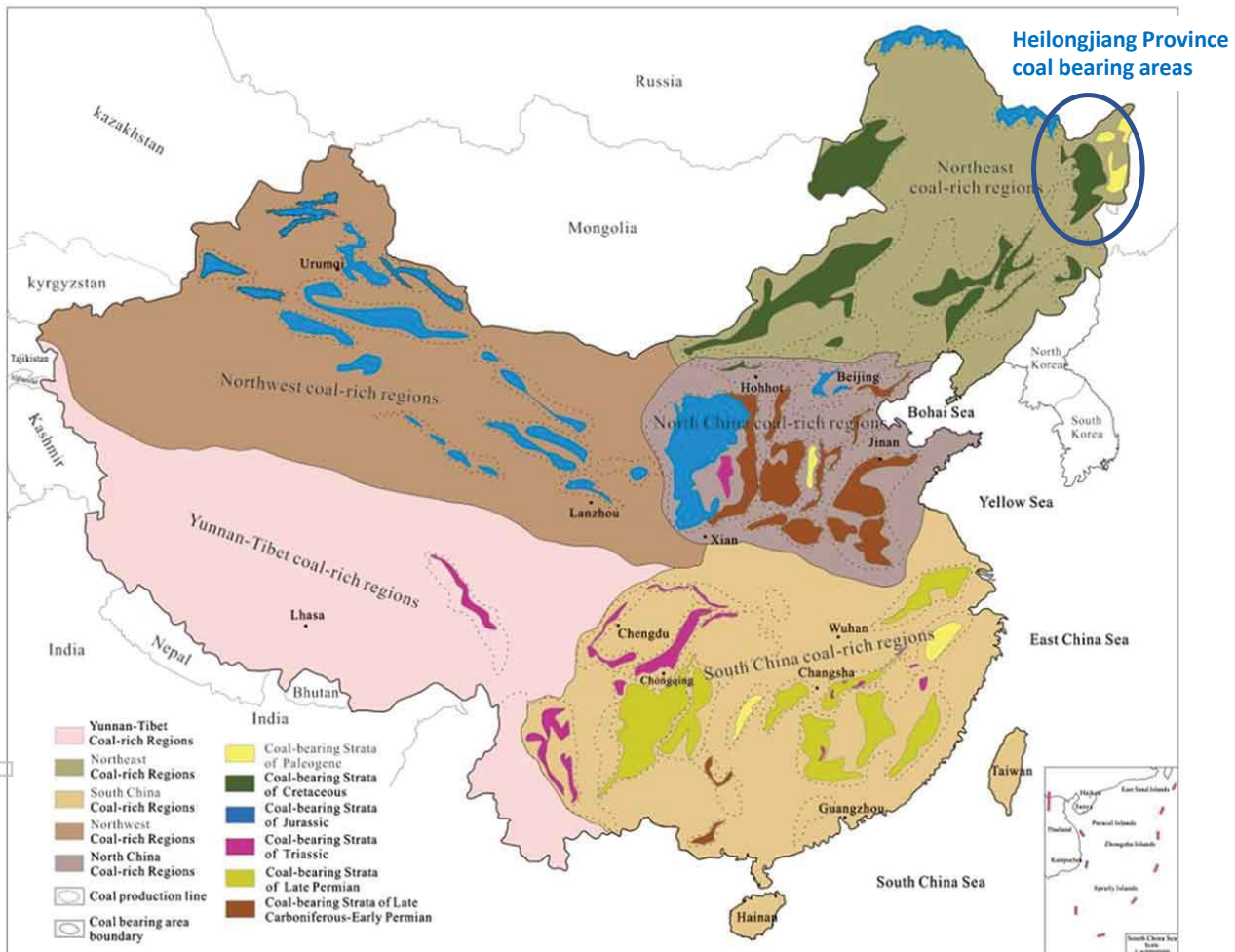


Figure 3-1: Aolong project location map⁴

³ Triple Energy Ltd ASX release dated 5 October 2012

⁴ Modified from Zengxue Li, Dongdong Wang, Dawei Lv, Ying Li, Haiyan Liu, Pingli Wang, Ying Liu, Jianqiang Liu & Dandan Li (2018) The geologic settings of Chinese coal deposits, International Geology Review, 60:5-6, 548-578.

The Aolong project included gas extraction rights over the Hegang mine area, Shuan Ya Shan mines, Qi Tai He mines and Ji Xi mines (Figure 3-2).

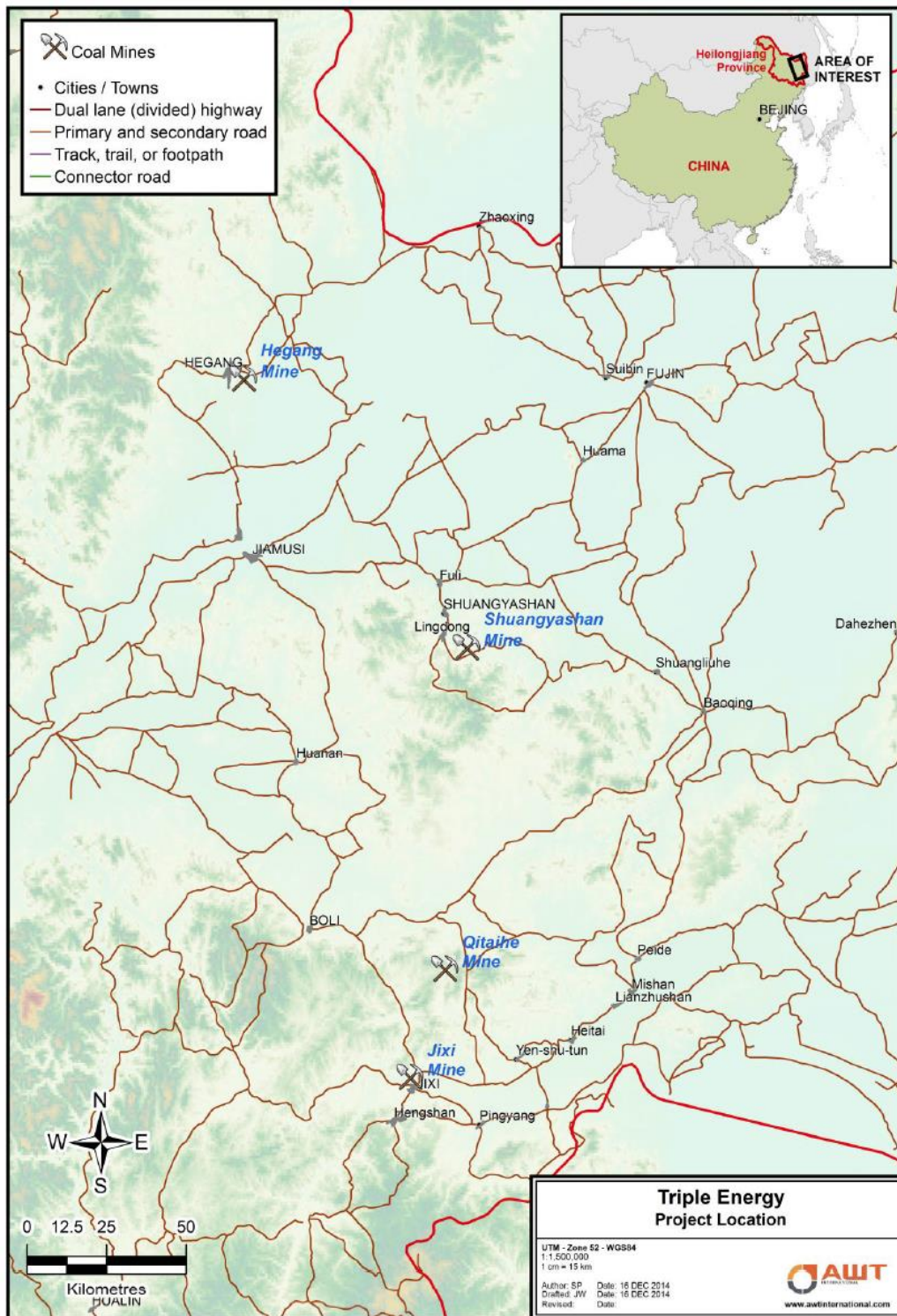


Figure 3-2: Aolong project locations⁵

⁵ Source: Valuation of Triple Energy Ltd 80% Interest in the Acreage Held by the Aolong JV, by AWT (2015) included in the Notice of General Meeting, ASX release 19 March 2015.

Three CBM wells were drilled over the period 2013-2015. The wells failed to define a CBM resource and there has been no exploration activity undertaken since this time.

HyTerra announced in 2018 that it had negotiated a memorandum of understanding ('MOU') to acquire Guanzhou Bofu Investment Co. Ltd. a company which had the right to derive income from the Xin 214 Project consisting of certain oil licenses in Songyuan City, Jilin Province in the, PRC. RISC has been advised that due-diligence was not completed on this proposed acquisition and that the acquisition terms were not agreed by the parties.

3.2. Neutralysis Industries Pty Ltd asset overview

Neutralysis Industries Pty Ltd ('NIPL') a private company registered in Australia has a 10.03% beneficial interest in a joint development and earn-in agreement ('JDA') with Natural Hydrogen Energy LLC ('NH2E'), a company domiciled in Denver, Colorado, USA.

Originally executed in April 2021 and subsequently updated April 2022, the JDA describes the funding arrangements and work program activities to be undertaken on certain exploration leases owned by NH2E for NIPL to acquire beneficial interest in the JDA in a phased manner. NIPL has the right to earn a beneficial interest of up to 51% in the JDA. The JDA specifies that a joint venture company is to be established upon the satisfaction of certain conditions precedent to reflect the beneficial interest as earned by NIPL.

NH2E has acquired leases in Nebraska and South Carolina for the exploration of natural hydrogen (Figure 3-3, Figure 3-4 and Figure 3-5) which are assigned to the JDA.

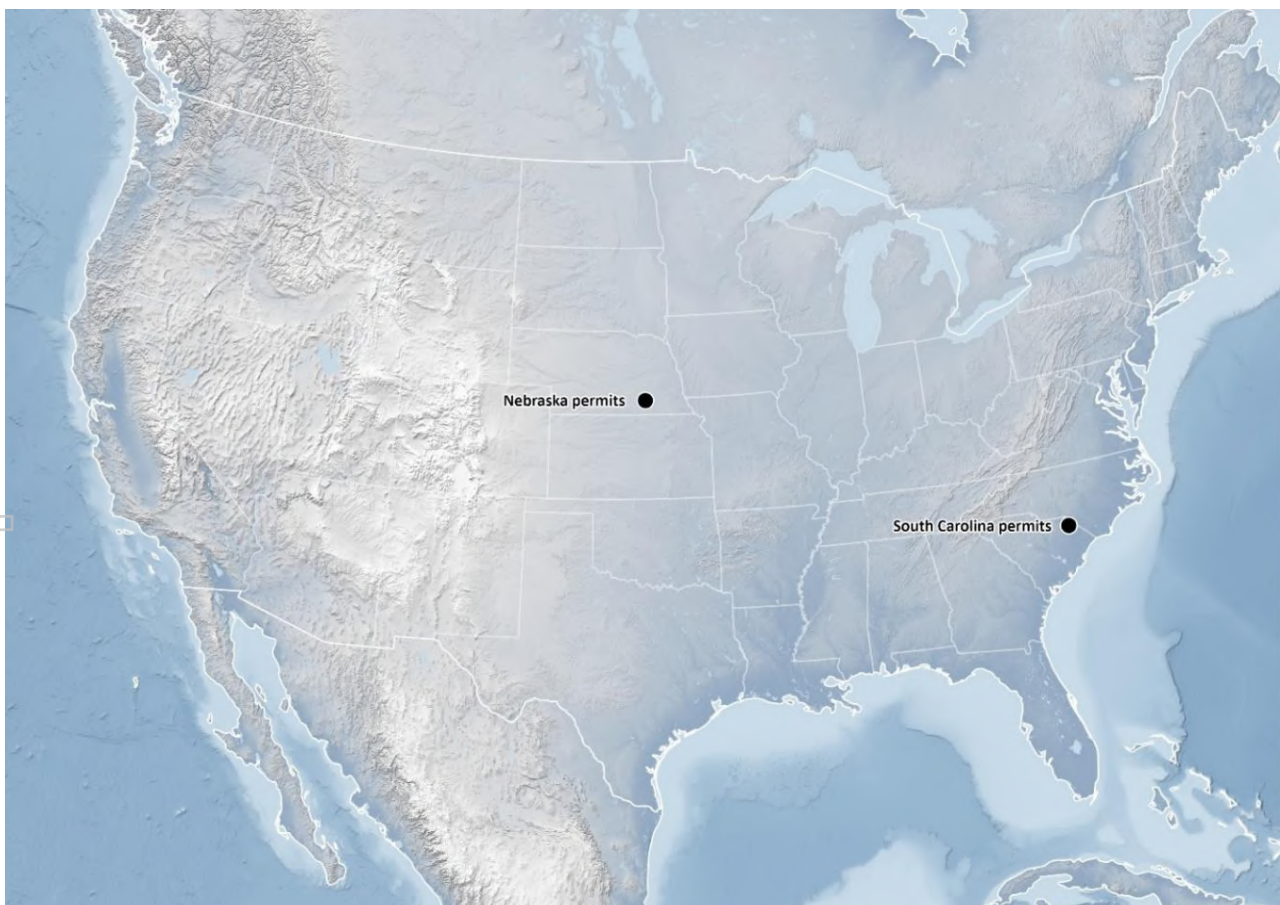


Figure 3-3: NH2E asset location map

These leases are situated over features in the landscape, known as ‘bays’ (or ‘Carolina Bays’) and referred to as ‘fairy circles’ in Australia, which are characterised by a depressed ground level and raised outer rim. It is postulated that these features are surface expressions of hydrogen seepage from the subsurface^{6 7}. The NH2E lease areas are situated over identified bays as seen in Figure 3-4 and Figure 3-5.

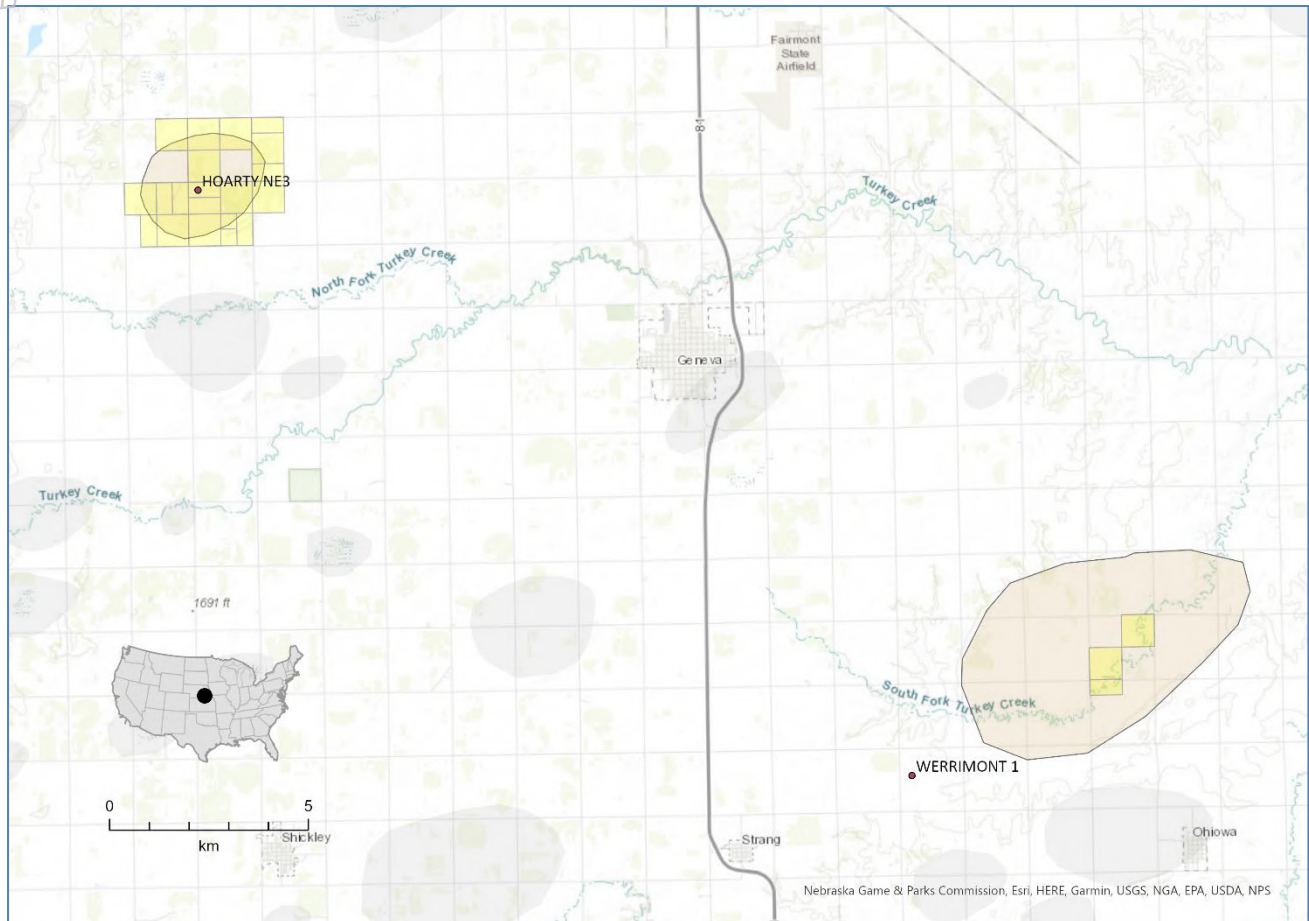


Figure 3-4: NH2E asset location map – Nebraska northwest and Nebraska southeast

As cited in the scientific literature, geochemical studies, soil sampling and analysis appear to support the theory of such features being the site of hydrogen seeps from the subsurface.

In total NH2E have acquired twenty-one (21) leases totalling 3,891 acres (15.7 km²) in Nebraska and South Carolina to explore for the presence of natural hydrogen gas in the subsurface. Key terms of the NH2E and JDA leases are summarised in Table 3-1.

⁶ Zgonnik, V. (2020), The occurrence and geoscience of natural hydrogen: A comprehensive review. Earth Science Reviews, 1031(40)

⁷ Frery, E., Langhi, L., Maison, M. and Moretti, I. (2021), Natural hydrogen seeps identified in the North Perth Basin, Western Australia. International Journal of Hydrogen Energy, August 2021.

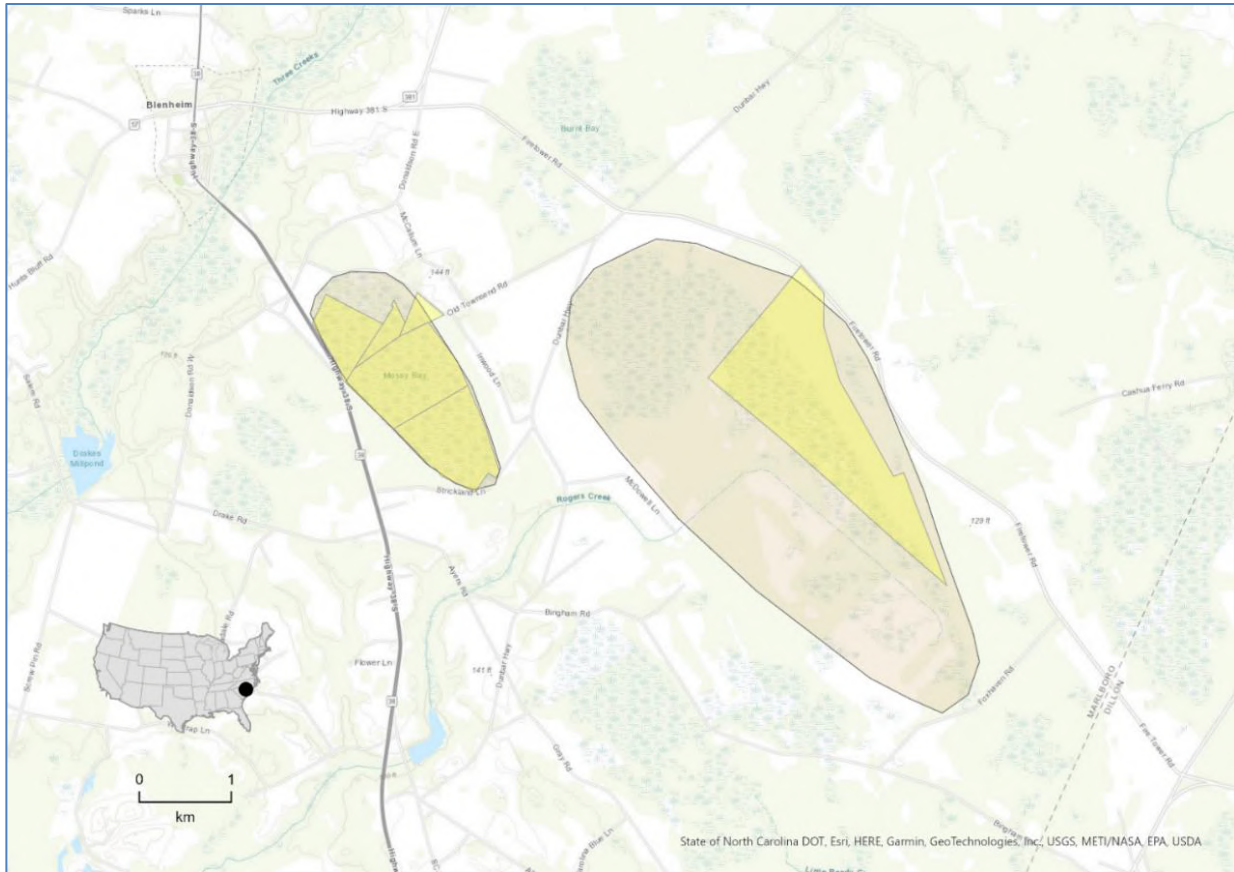


Figure 3-5: NH2E asset location map – South Carolina west and South Carolina east

Table 3-1: Summary of key terms, NH2E leases

Initial term	Up to 6-years in Nebraska, 10-years in South Carolina
Commencement date	Various
Signature bonus	Nil
Training, Administration & Local Development fees	Nil
Bonus Fees	US\$48,000 ⁸
Royalty	Nebraska - 12.5% overriding royalty South Carolina – 16.7% overriding royalty
Taxes	United States of America
Minimum work program commitments	Nil ⁹

⁸ Bonus fees are one off payments upon leasing the mineral rights. South Carolina leases do not attract bonus fees.

⁹ Leases do not have an associated work program. JDA specifies work program commitment.

For personal use only

NH2E drilled the Hoarty NE-3 well in the Nebraska northwest T7N-R4W cluster of leases (Figure 3-4). Drilled over the period November 2018 to February 2019, the well was drilled to a total depth of 11,287 ft (3,440 m) in Pre-Cambrian basement metasediments.

The well intersected several zones in the basement metasediments where elevated hydrogen gas was detected. Conventional wireline logging was conducted, a slotted liner installed in the borehole and the well was suspended for a future testing campaign.

Swabbing operations were conducted in June 2021 and gas was recovered and flared at rates up to 43,400 cf/day. The flare was observed to burn with a transparent flame suggesting high concentrations of hydrogen, however gas samples failed to confirm high levels of hydrogen and are considered unrepresentative by NH2E.

For personal use only

4. HyTerra Ltd assets

4.1. Aolong Joint Venture

The Aolong joint venture was established by LongMay and CFT in 2011 to treat, extract, produce and utilise CBM in the coal mining co-operation areas of LongMay. Aolong had an exclusive option to access an area of up to 2,700 km² for CBM exploitation.

Aolong is an incorporated joint venture under the terms of a Sino-Foreign Contractual Joint Ventures Contract ('CJV Contract') laws of the Peoples Republic of China. Under the terms of the agreement, CFT (subsequently acquired by HyTerra (Triple)) was entitled to 80% profit share of any established CBM production.

RISC has not been provided the CJV Contract nor a summary of the terms and provisions of the agreement.

RISC notes that HyTerra nor the Aolong joint venture held or were directly awarded any licenses or tenements directly. RISC understands that joint venture activities were to be undertaken within coal mining licenses held by LongMay, with the co-operation of LongMay.

4.1.1. Work program

The initial work program and business plan included the drilling and testing of 2 -3 wells in the Hegang mining cooperation area.

In total, three wells were drilled over the period 2013 – 2015:

- Xian Xian-1 drilled and tested in 2013,
- Niaoshan-1 was drilled in 2015, and
- Yixin-1 which was drilled immediately following Niaoshan-1.

No firm CBM related work program commitment was in place for the Aolong joint venture project areas and that CBM activities within the cooperation areas were discretionary activities. RISC also understands that no substantive activities have been undertaken since this period of time.

4.1.2. Geological setting

The Jixi - Hegang Basin is a Mesozoic fault bounded coal bearing basin. The western boundary of the basin is formed by the Qinhei Mountains and the south-eastern boundary is defined by the major Yilan – YiTong fault. The Hegang coal fields trend in a north – south direction in a monoclinical structure that dips to the east.

The coal bearing strata are within the Early Cretaceous aged Jixi Group, consisting of intercalating marine and non-marine deposits.⁵

4.1.3. Well results and data

RISC anticipates that in the Aolong joint venture cooperation areas, consisting of coal fields and mining operations, there would exist a significant coal seam database consisting of depth structure, coal seam thickness, coal density and potentially gas content. No such database has been made available to RISC to review.

The Xian Xian-1 well intersected 63.4 m of gross coal seams with a reported 37 m of 'gassy' coal seams. Two DST's were conducted and the results are unknown.

The Niashan-1 well failed reportedly due to fault seal issues. The Yixin-1 well result was inconclusive and a proposed fracture stimulation and testing program for the well was not conducted due to the potential risk of communication with a nearby water bore being used for irrigation purposes.

RISC is unaware of any pre-existing permeability, gas content, gas saturation or gas composition data, or any such data obtained from the drilling campaign.

4.1.4. Overlapping tenure

RISC notes that the exploration, appraisal and exploitation of CBM within the Aolong joint venture cooperation areas was to be undertaken in close proximity to established and ongoing surface coal mining operations. RISC understands that the CBM activities were also to be undertaken and governed by the coal mining licenses where no CBM exploration, appraisal and exploitation licenses or tenure were to be granted.

In such a situation, it would be expected that an access and coordination agreement between the coal mining and CBM entities would be agreed that would govern each parties rights to land access and undertaking activities.

RISC is not aware of any such formal coordination agreement between the parties undertaking coal mining and CBM activities.

4.1.5. Resources

A gas in-place assessment was undertaken by AWT in 2010, updated in 2012, and included in a HyTerra (Triple) notice of meeting on 19 November 2012¹⁰. RISC is not aware of any prospective resource assessments being undertaken, nor publicly released. However, a valuation of the project was undertaken by AWT was included in supporting documentation of a HyTerra (Triple) notice of meeting in March 2015¹¹.

RISC has not undertaken an independent gas in-place assessment or resource assessment of the Aolong joint venture project.

4.1.6. Subsequent events

4.1.6.1. CBM exploration activities

Following the poor results of the wells drilled and the inability to undertake stimulation activities in Yixin-1, no further substantive CBM activities have been undertaken within the Aolong joint venture areas.

RISC has not been made aware of the current status of the joint venture.

4.1.6.2. Sino-Foreign Contractual Joint Venture contract laws

Aolong is an incorporated joint venture under the terms of Sino-Foreign Contractual Joint Ventures Contract ('CJV Contract') laws of the Peoples Republic of China prior to 1 January 2020. RISC has been advised that the Sino-Foreign Contractual Joint Ventures law was repealed on 1 January 2020, preventing the establishment of new incorporated joint ventures.

¹⁰ Triple Energy Ltd ASX release dated 19 November 2012

¹¹ Triple Energy Ltd ASX release dated 19 March 2015.

Sino-Foreign joint ventures established under the pre-existing Sino-Foreign Contractual Joint Ventures laws were extended a transition period of 5-years to amend their articles of incorporation to ensure compliance with the new foreign investment laws.

RISC is not aware if this has been undertaken by the Aolong Joint Venture nor of any real or perceived impact or risk to the rights of the Aolong Joint Venture and its parties.

4.1.6.3. Sale of Aolong joint venture interest

RISC has been advised by HyTerra that it has entered into a contract for the disposal or sale of its interest in the Aolong joint venture. RISC is not aware of the terms of such a sale nor the timing of completion of the transaction.

4.2. Guangzhou Bofu Investment Co. Ltd acquisition

HyTerra (Triple) announced on 11 September 2018 that it had signed a non-binding Memorandum of Understanding ('MoU') in relation to the potential acquisition of Guangzhou Bofu Investment Co. Ltd ('GBIC') which intended to acquire an 80% interest in Songyuan Petroleum Development Co. Ltd. ('SPDC')¹². SPDC had the right to derive income from the development of four oil blocks in Songyuan City, Jilin Province in the PRC¹³.

RISC has been advised that due diligence was not completed and that terms for an acquisition were not agreed. RISC is not aware whether GBIC acquired any interest in SPDC or whether the MoU has been terminated or is still in-force, but we assume it has lapsed.

¹² Triple Energy Ltd ASX release dated 11 September 2018.

¹³ Collectively referred to as the Xin 214 Project.

5. Neutralysis Industries Pty Ltd assets

Neutralysis Industries Pty Ltd Limited ('NIPL') and Natural Hydrogen Energy LLC ('NH2E') formed a joint venture and executed a joint development and earn-in agreement ('JDA') on 8 April 2021, and subsequently amended 1 April 2022. Pursuant to the JDA, NIPL could earn a beneficial interest in the JDA in return for fully funding a work program associated with the leases as specified in the JDA (refer Table 5-1). To date NIPL has earned a 10.03% beneficial interest.

The JDA and the funding arrangement also contemplate the acquisition of additional leases for the purposes of hydrogen exploration and exploitation.

NIPL has the right to earn a beneficial interest of up to 51% in the JDA. The JDA specifies that a joint venture company is to be established upon satisfaction of conditions precedent to reflect the beneficial interest earned by NIPL.

In total NH2E have acquired twenty-one (21) leases totalling 3,891 acres (15.7 km²) in Nebraska and South Carolina to explore for the presence of natural hydrogen gas in the subsurface. The leases are grouped as Nebraska northwest, Nebraska southeast, South Carolina west and South Carolina east (Table 5-1). Refer also Figure 3-4 and Figure 3-5.

5.1. Tenure

RISC has been provided documentation regarding title over select mineral rights leases held by NH2E and a copy of the notarized certification of due diligence and lease examination by Katherine Morganstern of Top Notch Land Services Inc. of Kimball, Nebraska regarding the terms, obligations and standing of the mineral leases of NH2E. RISC is reasonably satisfied that NH2E is the beneficial owner of the mineral leases as included in the JDA and shown in Table 5-1.

5.2. Work program, commitments, and sunk costs

The JDA specifies a work program to be conducted by the parties and funded by NIPL, this is summarised in Table 5-2. A provision of Phase 1 in the JDA work program is for an interim payments of US\$1,511,242 to earn an initial beneficial interest of 9.06% in the JDA.

RISC has been advised that a further US\$159,800 of work program has been fully funded by NIPL since the execution of the JDA and that the parties have agreed that the beneficial interest now stands at 10.03%. RISC has been provided evidence of this mutual agreement and is satisfied that NIPL has earned this additional equity.

The planned work program expenditure of the JDA consists of:

- An initial Phase 1 program of US\$5 million which NIPL is fully funding in order to earn a 30% beneficial interest in the JDA.
- A Phase 2 program of US\$15 million, for which NIPL can earn a further 21% if it fully funds the second phase.

The total work program is US\$20 million which, if fully funded by NIPL will gain NIPL a 51% beneficial interest in the JDA (or joint venture company). NH2E will remain operator of the joint venture unless jointly agreed that operatorship can transfer to NIPL.

Table 5-1: NH2E lease summary

Legal Description	Total Leased Acres	Effective Date	Expiration Date	Primary Term Years
Nebraska northwest				
T7N-R4W Sec 23: NE4	160	10/03/2022	10/03/2025	3
T7N-R4W Sec 23: N2NW	80	8/03/2016	8/03/2022	6
T7N-R4W Sec 23: E2SE, SWSE	120	7/05/2018	7/05/2023	5
T7N-R4W Sec 23: S2NW	80	10/08/2018	10/08/2023	5
T7N-R4W Sec 23: NWSE	40	10/08/2018	10/08/2023	5
T7N-R4W Sec 14: SW4	160	10/08/2018	10/08/2023	5
T7N-R4W Sec 22: NW4, E2SW4, SE4	400	18/09/2018	18/09/2023	5
T7N-R4W Sec 13: S2SW4	80	18/09/2018	18/09/2023	5
T7N-R4W Sec 14: NW	160	18/09/2018	18/09/2023	5
T7N-R4W Sec 14: NE4	160	18/09/2018	18/09/2023	5
T7N-R4W Sec 13: S2NW4, N2SW4	80	18/09/2018	18/09/2023	5
T7N-R4W Sec 24: NW4	160	18/09/2018	18/09/2023	5
T7N-R4W Sec 22: E2NE	80	7/11/2018	7/11/2023	5
T7N-R4W Sec 22: W2NE4	80	7/11/2018	7/11/2023	5
T7N-R4W Sec 23: SW4	160	8/11/2018	8/11/2023	5
T7N-R4W Sec 15: NE4	160	8/11/2018	8/11/2023	5
T7N-R4W Sec 13: S2NW4, N2SW4	80	12/11/2018	12/11/2023	5
T7N-R4W Sec 13: N2NW	80	15/11/2018	15/11/2023	5
Nebraska southeast				
T6N-R1W Sec 30: NE & SW Sec 31: N2NW	400	15/08/2018	15/08/2023	5
South Carolina east				
TMS #6-001-01-008 Tract 3 on plat entitled "Survey of Property for Myrtle Beach Farms" in Cabinet A, Plat Slide 167, Page 2	654.24	1/04/2014	1/04/2024	10
South Carolina west				
Property Tax ID # 059-00-02-020; 059-00-02-021; 059-00-02-022; 059-00-02-026;059-00-02-028.	517	1/04/2014	1/04/2024	10
Notes to the table:				
<ol style="list-style-type: none"> 1. T7N-R4W Sec 23: NE4 was recently renewed with an effective date of 10 March 2022. 2. T7N-R4W Sec 23: N2NW containing the Hoarty NE-3 well has been suspended under shut-in royalty terms. 				

For personal use only

Table 5-2: JDA work program summary

Description	Estimated Cost (US\$)
Phase 1	
Testing the Initial Well for production. Extended testing if required.	\$300,000 (up to \$200,000 for extended testing)
Pilot gas separation unit	\$2,100,000
Acquiring additional mineral rights leases	\$250,000
Studies, operating costs including contingency	\$950,000
2D seismic acquisition and exploratory drilling	\$1,200,000
Total Phase 1	\$5,000,000
Phase 2	
Acquiring additional mineral rights leases	\$2,200,000
Studies, operating costs including contingency	\$1,800,000
2D seismic acquisition and exploratory drilling	\$9,000,000
Gas treatment plant	\$2,000,000
Total Phase 2	\$15,000,000

The aim of Phase 1 of the work program is to undertake a comprehensive test the Hoarty NE-3 well and establish pilot hydrogen gas production. RISC has not been provided details of the proposed test program.

RISC has not been provided any specific details regarding the remainder of the work program to be undertaken and cannot comment on the reasonableness of the activities.

5.3. Geological setting

The Nebraska northwest and southeast regions are located within the Salina Basin, a mid-continent basin in eastern Nebraska and Kansas. Sediments of Cambrian to Quaternary age are reported, however sediments of Ordovician to Pennsylvanian (Upper Carboniferous) age including Mississippian age (Lower Carboniferous) dominate. The Salina Basin overlies basement terranes of metasediments and crystalline rocks of Pre-Cambrian age¹⁴.

The South Carolina west and east regions are associated with bays which are extensively mapped on the Atlantic coastal plain from Florida to Jersey.¹⁵ The JDA leases are located on the Atlantic coastal plain with a thin Cretaceous to Pliocene sedimentary section comprising the western edge of the Blake – Bahamas Basin.

¹⁴ Premsky, S. (1985) Federal Lands Assessment Project: Salina Basin Province (Phase 1), USGS open file report 87-450F

¹⁵ South Carolina Geological Survey. <https://www.dnr.sc.gov/geology/carolina-bays.html>

Underlying the sediment cover of the South Carolina regions lies the Appalachian Piedmont terrain comprising complex Neoproterozoic to early Paleozoic aged rocks.¹⁶

The nature and origin of natural hydrogen gas is vigorously debated in scientific literature. The NH2E hydrogen exploration play is based on the theory that hydrogen gas is generated and sourced from within the Earth's crust, is present in matrix and fracture porosity of predominantly basement rocks, and seepage to the surface is evidenced by features at surface.

Natural hydrogen gas is reported in Kansas to the south of the Nebraska leases in several wells drilled into basement.¹⁷

5.4. Data

No depth to basement, soil geochemistry analysis or other geological descriptions have been made available to RISC to review for the Nebraska or South Carolina leases. RISC is not aware of any seismic data or any other data such as geochemical studies or soil sampling pertinent to the evaluation of the Nebraska and South Carolina leases or the exploration of natural hydrogen.

The primary data available is that associated with the Hoarty NE-3 well drilled by NH2E in 2018/19 in the Nebraska northwest lease region.

5.4.1. Hoarty NE-3 well

NH2E drilled the Hoarty NE-3 well in the Nebraska northwest T7N-R4W cluster of leases (Figure 3-4) to test for the presence of natural hydrogen gas in basement rocks. Drilled over the period November 2018 to February 2019, the well was drilled to a total depth of 11,287 ft (3,440 m) in basement metasediments. This is the deepest well in Nebraska.

The well intersected approximately 3,478 ft (1,060 m) of sediments of up to Mississippian age (Lower Carboniferous) before drilling a further 7,800 ft (2,377 m) in basement rocks. A mudlog, daily drilling reports, a geochemical gas analysis report, wireline logs and petrophysical analyses are available for the well.

5.4.1.1. Hydrogen analysis

As detailed in the geochemical gas analysis report, specialised hydrogen gas detection equipment was used alongside traditional mudlogging gas detection equipment whilst drilling the well. In addition, manual sampling of gas from the mud flow line was also undertaken.

Hydrogen concentrations in the well are shown in Figure 5-1. The concentration difference between the two measurements is speculated by NH2E to represent atmospheric contamination. Hydrogen gas was detected via manual sampling in excess of 30% concentration below 10,000 ft (3,050 m).

Swabbing operations were conducted in June 2021 to reduce the hydraulic head in the well. Gas that had been swabbed into the wellbore and recovered to surface was flared. The flare burnt with a transparent flame, interpreted to verify that hydrogen gas was predominant in the gas stream. However, RISC is not

¹⁶ Hibbard, J., Stoddard, E., Secor, D. and Dennis, A. (2002). The Carolina Zone: overview of Neoproterozoic to Early Paleozoic per-Gondwanan terranes along the eastern flank of the southern Appalachians. *Earth Science Reviews*, 57, pp299-339.

¹⁷ Guelard, J., Beaumont, V., Rouchon, V., Guyot, F., Pillot, D., Jezequel, D., Ader, M., Newell K. D. and Deville, E. (2017) Natural H₂ in Kansas: Deep or shallow origin?. *Geochemistry, Geophysics, Geosystems* (18), pp1841-1865.

aware of any gas sampling or analysis to verify a substantial hydrogen concentration. Flared gas was depressurised from the wellhead annulus and does not constitute a formal flow test.

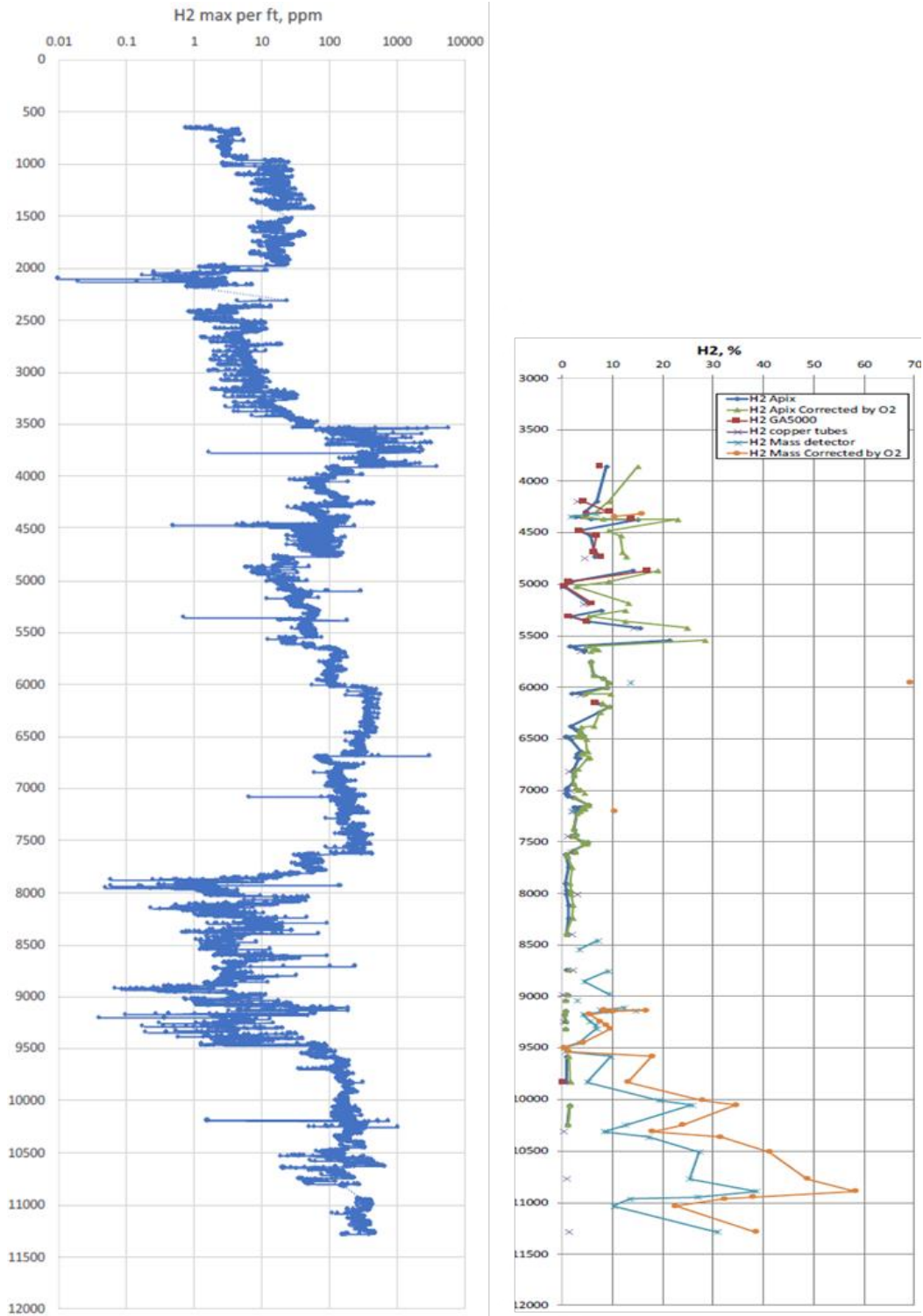


Figure 5-1: Hoarty NE-3 hydrogen gas profiles from gas detection equipment in the mud agitators (at left), and manual gas sampling of bubbles in the mud (at right)

For personal use only

During the swabbing operations, isotube gas samples were taken from the wellhead and casing annulus and analysed (Table 5-3). Hydrogen concentrations in these samples are low and markedly different to the hydrogen concentrations measured whilst drilling. NH2E postulate this is due to microbiological conversion of hydrogen in the borehole and atmospheric contamination since the well was suspended.

It is RISC's opinion that the manual hydrogen sampling undertaken whilst drilling is a more representative measurement of natural hydrogen gas in the well. However, RISC cannot verify the measurement and analysis and therefore considerable uncertainty in the hydrogen gas concentration in the well remains.

Table 5-3: Hoarty NE-3 isotube analyses, collected prior to swabbing operations

Sample #	796998	796999	797000	797001	797002	797003
Component	Chemical mol. %					
Carbon Monoxide	-	-	-	-	-	-
Helium	1.02	0.879	1.58	7.59	7.31	-
Hydrogen	0.178	0.304	0.0503		0.0183	0.17
Argon	0.388	0.464	0.167	0.34	0.408	1.24
Oxygen	2.61	2.22	1.39	0.11	1.44	0.036
Nitrogen	90.66	91.2	23.89	62.2	63.52	98.55
Carbon Dioxide	0.024	0.012	-	0.007	-	-
Methane	5.11	4.91	72.91	29.71	27.26	0.0029
Ethane	0.0048	0.0045	0.008	0.0396	0.0345	0.0003
Ethylene	0.0002	0.0002	0.0002	0.0002	0.0002	0.0004
Propane	0.0007	0.0008	0.0015	0.0048	0.0043	0.0001
Propylene	0.0002	0.0003	0.003	0.0012	0.0011	0.0003
Iso-butane			0.0001	0.0001		-
N-butane	0.0001	0.0002	0.0004	0.0007	0.0001	-
Iso-pentane	0.0004	-	-	-	-	-
N-pentane	-	-	0.0001	-	-	-
Hexanes	0.0005	0.0006	0.0012	0.0002	0.0001	0.0003
Total	100.0	100.0	100.0	100.0	100.0	100.0

RISC notes the presence of helium gas in the isotube samples (Table 5-3). NH2E and NIPL have not presented any evaluation plan to investigate further.

Notwithstanding the uncertainties regarding the hydrogen concentrations, in RISC's opinion helium at these concentrations could potentially be commercially attractive and further evaluation is warranted.

For personal use only

5.4.1.2. Petrophysical analysis

Petrophysical analysis of the well was undertaken by NH2E and has been provided to RISC. An independent petrophysical evaluation was also undertaken by Upstream Digital Solutions on the basement section for HyTerra. This analysis is more comprehensive and identified two zones of interest with elevated hydrogen gas associated with matrix and fracture porosity (Figure 5-2). The petrophysical analysis sums and averages, including calculated minima and maxima is shown in Table 5-4.

RISC has relied upon this analysis for parametrisation of volumetric inputs for estimation of gas in-place (refer Section 6).

This analysis has identified two zones of elevated hydrogen gas associated with matrix and fracture porosity, Zone 1 and Zone 4. Matrix porosity is low but significant fracture porosity has been estimated.

For personal use only

For personal use only

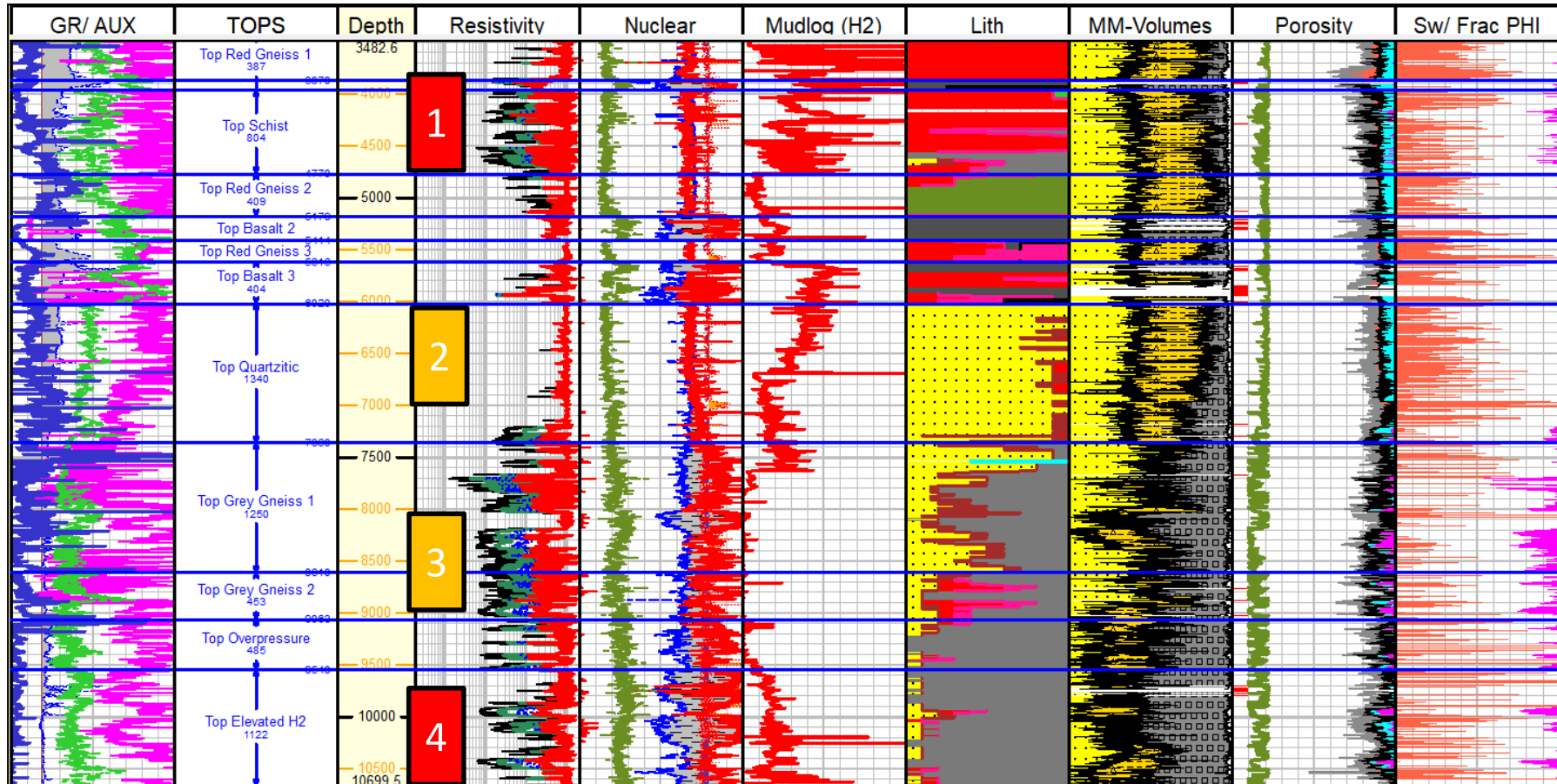


Figure 5-2: Hoarty NE-3 basement petrophysical analysis (HyTerra)

Table 5-4: Hoarty NE-3 petrophysical analysis sums and averages (HyTerra)

Interval	Top (ft)	Base (ft)	Net (ft)	Cutoff PHIT >= 0.01 & Swt <= 0.7													
				Matrix porosity					Fracture porosity				Sw Ave (%)	Sw Std Dev. (%)	Sw P90 (%)	Sw P50 (%)	Sw P10 (%)
				Ave (%)	Std Dev. (%)	P90 (%)	P50 (%)	P10 (%)	Ave (%)	Std Dev. (%)	Min (%)	Max (%)					
TOP RED GNEISS 1	3482.7	3870	301	4.60%	1.43%	3.14%	4.13%	6.69%	0.00%	0.02%	0.00%	0.29%	42.70%	12.50%	62.13%	44.98%	30.32%
TOP BASALT 1	3870	3966	10	6.20%	0.73%	5.17%	6.22%	7.09%	0.00%	0.03%	0.00%	0.15%	55.40%	9.88%	66.90%	57.12%	40.10%
TOP SCHIST (Zone 1)	3966	4770	408	3.80%	0.77%	2.94%	3.67%	4.85%	0.10%	0.27%	0.00%	1.92%	51.70%	13.55%	67.20%	55.36%	35.66%
TOP RED GNEISS 2	4770	5179	189	3.30%	0.54%	2.80%	3.17%	4.08%	0.00%	0.01%	0.00%	0.23%	56.20%	10.42%	67.89%	59.31%	43.76%
TOP BASALT 2	5179	5414	108	4.30%	1.16%	2.86%	4.35%	5.72%	0.00%	0.01%	0.00%	0.13%	40.10%	18.54%	64.22%	43.75%	9.60%
TOP RED GNEISS 3	5414	5616	149	3.30%	0.52%	2.64%	3.25%	3.97%	0.00%	0.00%	0.00%	0.00%	47.30%	16.00%	65.25%	50.95%	25.11%
TOP BASALT 3	5616	6020	164	4.00%	1.04%	2.67%	4.06%	5.28%	0.00%	0.01%	0.00%	0.12%	44.20%	15.47%	62.23%	46.33%	24.57%
TOP QUARTZITIC	6020	7360	769	3.00%	0.66%	2.18%	3.00%	3.85%	0.00%	0.05%	0.00%	0.76%	45.90%	18.88%	65.95%	50.20%	15.14%
TOP GREY GNEISS 1	7360	8610	301	2.90%	1.09%	1.69%	2.80%	4.42%	0.30%	0.63%	0.00%	3.33%	43.40%	21.54%	66.48%	46.19%	1.38%
TOP GREY GNEISS 2	8610	9063	110	4.30%	1.67%	1.82%	4.69%	6.36%	0.70%	0.70%	0.00%	2.39%	54.60%	16.65%	67.62%	54.81%	33.03%
TOP OVERPRESSURE	9063	9548	153	2.60%	1.07%	1.28%	2.42%	3.97%	0.10%	0.27%	0.00%	1.52%	38.40%	24.91%	64.31%	38.00%	0.42%
TOP ELEVATED H2 (Zone 4)	9548	10670	406	3.10%	1.37%	1.56%	2.49%	4.82%	0.10%	0.36%	0.00%	2.48%	40.00%	22.76%	64.66%	41.46%	0.66%

For personal use only

6. Resources

RISC has not been provided any resource assessment to audit in the preparation of this ITSR for the Aolong joint venture project nor for the leases included in the NH2E -NIPL JDA.

In the absence of any technical data RISC has not undertaken an independent resource assessment of the Aolong joint venture project. However, for the NH2E -NIPL JDA assets RISC has conducted an independent gas in-place assessment based on the data provided which is detailed as follows.

6.1. In-place resource estimates

RISC has estimated the gas in-place for the Nebraska northwest region using prospective areas as defined below and parameters evaluated by RISC which are based on the Hoarty NE-3 petrophysical analysis in addition to our evaluation of hydrogen gas content.

RISC have assessed the in-place gas resource as a continuous resource play and that the prospective interval is gas saturated over the prospective areas with hydrogen gas being a proportion of that gas.

In the absence of subsurface information for the Nebraska southeast, South Carolina west and east regions, RISC has calculated a resource density range from the Nebraska northwest region gas in-place estimate to apply to these other JDA regions to estimate the gas in-place.

In RISC's opinion this approach is reasonable but cautions that significant uncertainty exists in these prospective regions.

6.1.1. Prospective areas

RISC independently verified the lease areas as provided by NIPL and the calculated the net area of the leases within the mapped bays (prospective area). These areas are presented in Table 6-1. RISC notes that these areas include lease T7N-R4W Sec 23: NE4 which has been renewed and lease T7N-R4W Sec 23: N2NW containing the Hoarty NE-3 well location which has been suspended as permitted by the lease agreement with shut-in royalties.

Table 6-1: JDA lease area tabulation and prospective areas

Region	Permitted area		Permitted area within bay (prospective area)	
	Area (km ²)	Area (acres)	Area (km ²)	Area (acres)
Nebraska Northwest	9.40	2,320.0	4.74	1,171.3
Nebraska Southeast	1.60	400.0	1.65	407.7
South Carolina West	2.29	565.9	2.23	551.0
South Carolina East	2.82	696.8	2.76	682.0

The permitted lease area in some instances extends outside of the bay and the leased area within the bay is defined as the prospective area and is that used in the gas in-place resource estimation.

6.1.2. Volumetric parameters

Volumetric input parameters for the Nebraska northwest region based on the Hoarty NE-3 petrophysical analysis and used by RISC are shown in Table 6-2 for Zone 1 and Table 6-3 for Zone 4.

RISC has applied a +/- 20% factor to the thickness and net to gross as defined in the well to define the P90 to P10 range for these parameters. The gas expansion factor was estimated based on the pressure and temperature as observed in the well and adjusted for the gas composition (refer Section 6.1.3).

Table 6-2: Nebraska northwest region Zone 1 volumetric input parameters (RISC)

Name	Unit	Shape	P90	P50	P10
Area	Acres	Single	1,171.3		
Thickness	ft	Normal	643.2	804.0	964.8
Net to Gross (matrix)	%	Normal	40.8	51.0	61.2
Porosity (matrix)	%	Beta	2.9	3.7	4.9
Sw (matrix)	%	Beta	35.7	55.4	67.2
Net to Gross (fracture)	%	Single	100		
Porosity (fracture)	%	Beta	0.1	0.3	1.9
Sw (fracture)	%	Beta	35.7	55.4	67.2
GEF (1/Bg)	Scf/cf	Normal	108	106	104
Notes to the table:					
1. Probabilistic methods have been used.					

Table 6-3: Nebraska northwest region Zone 4 volumetric input parameters (RISC)

Name	Unit	Shape	P90	P50	P10
Area	Acres	Single	1,171.3		
Thickness	ft	Normal	896.8	1,121.0	1,345.2
Net to Gross (matrix)	%	Normal	28.8	36.0	43.2
Porosity (matrix)	%	Beta	1.6	2.5	4.8
Sw (matrix)	%	Beta	0.7	41.5	64.7
Net to Gross (fracture)	%	Single	100		
Porosity (fracture)	%	Beta	0.1	0.4	2.5
Sw (fracture)	%	Beta	0.7	41.5	64.7
GEF (1/Bg)	Scf/cf	Normal	259	253	239
Notes to the table:					
1. Probabilistic methods have been used.					

For personal use only

The matrix porosity is evaluated to be less than 5% (P10) in both zones. However, the fracture porosity is evaluated to be up to 1.9% (P10) for Zone 1 and 2.5% (P10) for Zone2. It is expected that reservoir of this nature will predominantly rely upon fracture porosity for deliverability and matrix porosity for gas in-place 'storage'.

6.1.3. Gas composition

Although some gas samples were captured during the Hoarty NE-3 drilling program the samples are considered to be contaminated, and the compositional analytical results are ambiguous.

During well swabbing operations gas evacuated from the annulus of the well burned with a clear flame in direct sunlight which is indicative of a hydrogen flame. Isotube gas samples collected prior to swabbing were contaminated by air and possibly altered due to microbial activity within the well, corrections for contamination have been used where possible.

Manual sampling of gas bubbles evolving from the mud in the mud returns line whilst drilling has yielded the highest measured hydrogen gas concentrations (refer Figure 5-1) but these too were contaminated by air.

A wide range of gas composition has therefore been adopted by RISC to address the compositional uncertainty which is confined by the available data.

There is a substantial difference between the pressure and temperature of Zones 1 and 4. Zone 1 is estimated to be at 1,400 psia and 96 °F, Zone 4 is estimated to be 4,075 psia and 149 °F. This combined with the variation in hydrogen estimates (P50 estimate of 8% for Zone 1 and 12% for Zone 4) results in Zone 4 being estimated as compositionally superior with respect to hydrogen.

The estimated gas compositions are shown in Table 6-4 and the estimated formation factors in Table 6-2 and Table 6-3..

Table 6-4: Gas composition volumetric input parameters (RISC)

Zone		Hydrogen (H ₂)	Methane (CH ₄)	Nitrogen (N ₂)
Zone 1	Low (%)	4.0	20.9	75.1
	Best (%)	8.0	18.9	73.1
	High (%)	12.0	15.0	73.0
Zone 4	Low (%)	4.0	20.9	75.1
	Best (%)	12.0	15.0	73.0
	High (%)	33.8	4.1	62.1

Notwithstanding the uncertainties regarding the analysis of hydrogen content, RISC notes that helium gas of up to 7.6% concentration was measured in the isotube samples (refer Table 5-3).

For personal use only

6.1.4. Gas in-place estimate Nebraska northwest

RISC has undertaken a probabilistic assessment of total raw gas in-place for the Nebraska northwest region. The estimated gross raw gas in-place for which is shown below in Table 6-5.

Table 6-5: Nebraska northwest raw gas in-place estimate (gross project)

Gross raw GIIP (Bcf)	P90	P50	P10
Zone 1	27.7	44	70.3
Zone 4	59.7	114.0	214.0
Arithmetic summation	87.4	158.0	284.3
Notes to the table:			
<ol style="list-style-type: none"> 1. Probabilistic methods have been used. 2. Raw gas in-place estimate includes gases as presented in Table 6-4. 			

The gross hydrogen gas in-place (net of other gases as per Table 6-4) has also been estimated by probabilistic methods and is shown below in Table 6-6. In the derivation of this estimate gases other than hydrogen were considered as inerts.

Table 6-6: Nebraska northwest gross hydrogen gas in-place estimate (gross project)

Gross hydrogen GIIP (Bcf)	P90	P50	P10
Zone 1	1.5	3.4	6.5
Zone 4	4.1	16.9	47.8
Arithmetic summation	5.6	20.3	54.3
Notes to the table:			
<ol style="list-style-type: none"> 1. Probabilistic methods have been used. 2. Hydrogen gas in-place estimate net of gases as presented in Table 6-4. 			

6.1.5. Gas in-place estimate other regions

RISC has estimated the gross raw gas and gross hydrogen gas (net of other gases) for the Nebraska northwest region. This estimate is based on the data and analyses of the recently drilled Hoarty NE-3 well. A resource density range has consequently been calculated for natural hydrogen gas based on this estimate range and the prospective area and this is presented in Table 6-7. A resource density range for natural hydrogen gas for the Nebraska northwest region has been calculated to be between 0.005 Bcf/acre (P90) and 0.05 Bcf/acre (P10).

For personal use only

Table 6-7: Nebraska northwest hydrogen gas in-place and resource density (gross project)

Region	Hydrogen GIIP (Bcf)			Hydrogen Bcf/acre		
	P90	P50	P10	P90	P50	P10
Nebraska northwest	5.6	20.3	54.3	0.005	0.02	0.05

RISC has applied this hydrogen gas in-place resource density range to estimate the hydrogen gas in-place for the Nebraska southeast, South Carolina west and South Carolina east areas of the JDA (Table 6-8).

Table 6-8: Hydrogen gas in-place estimate using resource density from Nebraska northwest region (gross project)

Region	Area (ac)	Hydrogen GIIP (Bcf)		
		P90	P50	P10
Nebraska southeast	407.7	2.0	7.1	18.9
South Carolina west	551.0	2.6	9.5	25.5
South Carolina east	682.0	3.3	11.8	31.6

The Nebraska southeast region is 25 km to the southeast of the Hoarty NE-3 well and associated leases in the Nebraska northwest region. RISC has reviewed the available regional basement geological information including gravity data publicly available from the United States Geological Survey ('USGS') and finds it reasonable to extrapolate the resource density estimate to the Nebraska southeast region.

However, given the uncertainties in the subsurface for the South Carolina west and east regions it is highly speculative to apply this resource density to these regions. In the absence of any data RISC has not applied any discount factor to the resource density as applied to the South Carolina regions. The gross hydrogen gas in-place estimate for all regions is presented in Table 6-9.

6.2. Reservoir development plan

RISC has not been provided a conceptual plan to develop and produce gas from the assets nor to process and extract the hydrogen from the well stream. In the absence of a development concept RISC is unable to estimate recoverable resources for the NIPL assets.

Factors to consider in the formulation of a development concept include reservoir performance, well count, artificial stimulation, well deliverability and surface processing equipment. An appraisal campaign with appropriate testing and sampling will address these issues.

RISC notes that the USA has a well-developed articulated network of natural gas pipelines infrastructure. It is reasonable to assume that any produced hydrogen gas could be evacuated via this network. Hydrogen gas can be introduced to existing natural gas infrastructure up to approximately 10% by volume.

For personal use only

Table 6-9: JDA gross hydrogen gas in-place estimates

Region	Hydrogen GIIP (Bcf)		
	P90	P50	P10
Nebraska northwest	5.6	20.3	54.3
Nebraska southeast	2.0	7.1	18.9
South Carolina west	2.6	9.5	25.5
South Carolina east	3.3	11.8	31.6
Arithmetic sum	13.5	48.7	130.4
Notes to the table:			
1. Probabilistic methods have been used.			
2. Raw gas in-place estimate			

In RISC opinion, the NIPL assets are currently immature and require further exploration and appraisal before an estimate of recovery and therefore resources can be made.

6.3. Discovery test

In RISC opinion, the Hoarty NE-3 well has not proven an accumulation of natural hydrogen gas. There remains significant uncertainty in the hydrogen gas concentrations and producibility has not yet been demonstrated.

6.4. Geological risk

NH2E and NIPL have not provided an estimate of geological risk for a natural hydrogen exploration play in any of the JDA lease areas.

The petroleum industry concepts of geological play risk and prospect specific risk however can be applied in this instance. For the Nebraska northwest region, as tested by the Hoarty NE-3 well, the natural hydrogen gas exploration play has been tested and appears to be present. However, the concentration of natural hydrogen gas in the subsurface has some significant uncertainty. RISC therefore assess the geological play risk at 70% for this region.

For the Nebraska southeast area an extension of this play (25 km to the southeast) is required and therefore consequently becomes riskier. For the South Carolina regions the play has not been shown to be present and is therefore considered high risk.

For a prospect specific risk of the Nebraska northwest region, as tested by the Hoarty NE-3 well, RISC estimate the chance of recovering natural hydrogen on a production test at 40%. This is based on the natural hydrogen gas as measured whilst drilling and the chance of establishing a commercially productive reservoir interval in the well. The resultant geological risk of the Nebraska northwest region is assessed at 28% (70% x 40%).

RISC cannot assign a geological risk to the Nebraska southeast or South Carolina regions.

For personal use only

7. Valuation

RISC has considered oil and gas industry accepted practices to determine Value, including comparable transactions, farm-in promotion factors, sunk costs / work program and EMV. Please refer to Section 2.3 for a description of the valuation approaches.

Alternative valuation approaches have been investigated to support the valuation and these are presented and discussed herein.

7.1. HyTerra Ltd assets

RISC has assessed a fair market value of HyTerra's net interest in the Aolong joint venture to be between - AU\$0.5 million and AU\$0 million with a best estimate of AU\$0 million (Table 7-1).

Table 7-1: Aolong joint venture valuation summary

	Valuation (AU\$ million)		
	Low	Best	High
Aolong joint venture 100% project	0	0	0
Net HyTerra	-0.5	0	0
Valuation rationale	Potential liabilities for past drilling cost reconciliation	Prospectivity of the joint venture project area, work program and incorporated joint venture contract revision.	
Notes to the table: <ol style="list-style-type: none"> Net HyTerra low estimate assumes that HyTerra is liable for claim of AU\$0.5 million in past drilling costs. Best and high estimates reflect the prospectivity of the project areas, the current status of the project with no work program post-2015 and the likelihood of revised Sino-Foreign articles of incorporation being agreed between the joint venture parties. Conversion rate of AU\$1.4 to US\$1 used. 			

7.1.1. Valuation assumptions and summary

RISC has considered the following in its estimation of Value:

- Sunk costs (capitalised exploration expenditure) as advised to RISC are AU\$8.175 million net to HyTerra.
- HyTerra has advised that the incorporated joint venture has not undertaken any work program since the completion of the drilling of Yixin-1 in 2015.
- RISC understands that there are currently no plans to undertake any future work program in the project area.
- HyTerra have advised RISC that they plan to write-down the full asset value.
- HyTerra have advised RISC that an outstanding claim of AU\$0.5 million associated with the prior drilling costs. RISC understands that this claim has been disputed, but HyTerra recognise the claim as a potential liability.

7.2. Neutralysis Industries Pty Ltd assets

RISC has assessed a fair market value of NIPL's net interest in the NH2E JDA to be between AU-\$7.0 million and AU\$38.9 million with a best estimate of AU\$4.9 million (Table 7-2).

Table 7-2: NIPL valuation summary

	Valuation (AU\$ million)		
	Low	Best	High
NH2E JDA 100% Project	-11.7	16.3	76.3
Net NIPL	-7.0	4.9	38.9
Valuation rationale	Sunk costs	Farm-in promote (Joint Venture terms)	\$/acre
Notes to the table:			
<ol style="list-style-type: none"> 1. Costs are in US\$. Conversion rate of AU\$1.4 to US\$1 used. 2. Net NIPL for the low and best estimate of Value determined based on an earned 30% beneficial interest at the completion of Phase 1. For the high estimate, 51% beneficial interest at the completion of Phase 2 is applied. 			

7.2.1. Valuation assumptions and summary

RISC has considered the following in its estimation of Value:

- Sunk costs incurred by NH2E for the drilling of the Hoarty NE-3 well amount to US\$3,362,000. These costs are past expenditures incurred by NH2E alone and NIPL is not considered to be contributing towards these costs as part of the JDA. As such, these costs are not considered by RISC in the determination of Value.
- NIPL sunk costs to date (contributions towards Phase 1 of the JDA) as advised to RISC are the amount of US\$1,671,042 comprising funding of the 2021 swabbing operations of the Hoarty NE-3 well, the purchase of gas detection equipment and general expenses.
- The JDA specified work program to be funded by NIPL for Phase 1 is US\$5 million and US\$15 million for Phase 2, to a total of US\$20 million.
- The JDA describes the establishment of a joint venture company to reflect the beneficial ownership of each party during the earn-in. The NIPL beneficial interest in the joint venture company at the end of Phase 1 will be 30%, and 51% at the end of Phase 2.
- RISC have assumed that Phase 1 of the JDA work program and its funding is a firm obligation borne by NIPL and non-negotiable.
- It is assumed by RISC in the low and best estimate of Value that NIPL elect to seek to defer or renegotiate the JDA terms at the end of Phase 1 and remain at the earned 30% beneficial interest level ('stand-still').
- Transaction metrics of 384 petroleum transactions within the GlobalData intelligence database of asset transactions in the USA since 1/1/2017 have been analysed in the determination of high case valuation.
- Natural hydrogen gas content, deliverability and recovery is largely unconstrained.
- The range in the valuation is reflective of the availability of data and that the technical data and its evaluation is in the early stages of exploration.

The valuation method and analysis are detailed in Table 7-3. The projects sunk costs and the JDA's agreed work program and expenditure (to be funded by NIPL) provide a direct method for determining Value (appraised value method or cost method, and joint venture terms or farmin method). RISC has used the obligated firm Phase 1 costs for determining the low estimate of Value, the JDA Phase 1 work program for the best estimate and for the high estimate of Value, a nominal value per acre has been adopted (comparable or benchmark method), as described below.

The low estimate of Value was determined based on the assumption that the Phase 1 work program, specifically the well testing, fails to demonstrate recoverable natural hydrogen gas from the Hoarty NE-3 well. In effect the obligated Phase 1 expenditures borne by NIPL effectively downgrade the prospectivity of the assets. No discount or uplift has been applied as these costs. It is assumed that the JDA is terminated or that the parties agree to 'stand-still' with NIPL retaining a 30% beneficial interest. Net NIPL Value reflects the firm obligated Phase 1 costs as funded by NIPL 100%.

The best estimate of Value is based on the JDA work program at the completion of Phase 1 of the NIPL earn-in. It is assumed that the Phase 1 work program has yielded inconclusive but encouraging results and intrinsic project Value has been created. The implied 'farm-in promote factor' for Phase 1 is 3.3:1 where NIPL funds 100% of the Phase 1 work program (US\$5 million) to earn a 30% beneficial interest. RISC assume that at the completion of Phase 1 NIPL would seek to defer Phase 2 activities or renegotiate the terms of the JDA. At this point in time, the new joint venture company established under the JDA would reflect the 30% beneficial interest earned by NIPL.

RISC cannot provide an estimate of the chance of these low or best estimate outcomes. Therefore, no risking, uplift or discount has been applied in the valuation.

In the determination of a high estimate of Value, RISC has analysed transaction metrics of 384 petroleum transactions of assets in the USA since 1/1/2017 within the GlobalData intelligence database, extracted on 8/3/2022. The transactions include all petroleum prospective and productive regions of the onshore basins of the USA. Of these transactions, 69 have \$/acre metrics which were analysed by RISC (Table 7-4).

The transactions as extracted from GlobalData contain only two transactions in Nebraska and no transactions in South Carolina. The transactions in Nebraska do not have a \$/acre metric and are of inconsequential value. RISC do not consider these as comparable transactions in this instance.

As shown in Table 7-4, there is a significant range in \$/acre metrics. This is reflective of the relative prospectivity, productivity and commercial terms of the various transactions. Within the analysis one transaction with a metric of US\$83,750/acre has skewed the analysis and has been selectively removed in some of the analysis. Transactions on shale assets, being a resource play, has been analysed as a potential proxy for a natural hydrogen gas play.

High case or P10 US\$/acre metrics for all transactions can be seen to range from US\$13,797 to US\$19,280 per acre. For the states of Kansas and Wyoming a P10 range of US\$707 to US\$27,902 per acre is evident.

For the determination of a high estimate of Value, RISC has adopted a US\$14,000/acre metric which is supported by the analysis, including the shale gas transactions alone (US\$14,285/acre).

Table 7-3: NIPL valuation analysis

Valuation Method & Analysis	Factor or Cost	
	US\$	AU\$
Low Estimate – Undiscounted sunk costs		
Hoarty NE-3 drilling costs net NH2E (undiscounted)	US\$3.4 million	AU\$4.8 million
Phase 1 costs to date net NIPL (undiscounted)	US\$1.7 million	AU\$2.4 million
Project gross sunk costs to date (undiscounted)	US\$5.1 million	AU\$7.2 million
Phase 1 work program net NIPL (undiscounted)	US\$5.0 million	AU\$7.0 million
Valuation net NIPL	US-\$5.0 million	AU-\$7.0 million
Best Estimate – Phase 1 of JDA		
Transaction costs/expenditure (Phase 1)	US\$5.0 million	AU\$7.0 million
Equity share of Phase 1 work program (30% equity)	US\$1.5 million	AU\$2.1 million
Farm-in promote factor (implied)	3.3 : 1	
Farm-in premium (net NIPL)	US\$3.5 million	AU\$4.9 million
Project value (gross)	US\$11.7 million	AU\$16.3 million
Valuation net NIPL (30 %)	US\$3.5 million	AU\$4.9 million
High Estimate – \$/acre		
Total leased acres included in JDA	3,891 acres	
Comparable transactions analysis \$/acre (P90)	US\$311	AU\$435
Comparable transactions analysis \$/acre (P50)	US\$2,446	AU\$3,424
Comparable transactions analysis \$/acre (P10)	US\$14,751	AU\$20,651
\$/acre selected for high case valuation	US\$14,000	AU\$19,600
Project value (gross)	US\$54.5 million	AU\$76.3 million
Valuation net NIPL (51 %)	US\$27.8 million	AU\$38.9 million
Notes to the table:		
<ol style="list-style-type: none"> Costs are in US\$. Conversion rate of AU\$1.4 to US\$1 used. Low estimate assumes that well testing is inconclusive or fails to demonstrate recoverable natural hydrogen gas. Project gross costs to date includes drilling costs plus Phase 1 expenditure to date. Past costs associated with the drilling of the Hoarty NE-3 well are not considered in the valuation. Gross and net Value reflects NIPL obligated funding for Phase 1 only, excluding sunk well costs. Best estimate assumes that the JDA parties agree to pause the JDA or 'stand-still' at the completion of Phase 1 expenditure and NIPL earn-in. High estimate based on transaction analysis from 384 petroleum transactions on assets located in the USA, 69 of which have \$/acre metric as reported in GlobalData transaction database (extracted 8 March 2022). Refer to text for more information. 		

For personal use only

Table 7-4: GlobalData \$/acre transaction metrics analysis

Transactions (with US\$/acre metric)	US\$/acre		
	P90	P50	P10
All states, all transactions (n=69)	316	2,585	18,808
All states excluding largest transaction (n=68)	311	2,446	14,751
All states excluding 5 largest, 5 smallest transactions (n=58)	350	2,585	13,797
All states, shale transactions only (n=33)	353	3,009	19,280
All states, shale transactions only, excluding largest transaction (n=32)	344	2,797	14,285
Kansas only (n=7)	82	371	707
Wyoming (n=21)	333	2,616	27,902
Notes to the table:			
1. GlobalData onshore USA petroleum transactions since 1/1/2017 as extracted on 8/3/2022			

7.2.2. Valuation alternatives

RISC is not aware of any natural hydrogen gas play related transactions globally that could be used in this instance as a comparable transaction, nor of any publicly listed hydrogen exploration and production companies for market capitalisation benchmarking.

Using \$/acre metrics for the basis of a valuation alternative is shown below in Table 7-5. The low case estimate of Value on this basis is not directly comparable to the valuation as presented in Table 7-2 as the \$/acre basis assumes that the acreage would have some intrinsic Value which has yet to be demonstrated.

However, for a best estimate of Value using a \$/acre metric approximates the best estimate of Value using the joint venture terms (or farmin) method used in our valuation. For comparison, the NH2E – NIPL JDA at the completion of Phase 1 would amount to US\$2,998/acre (gross) whereas RISC has determined that a best estimate metric of US\$3,000/acre is reasonable based on the analysis of the aforementioned GlobalData transactional database.

For personal use only

Table 7-5: Alternative valuation using \$/acre metrics

	Value		
	Low	Best	High
\$/acre	US\$300 (AU\$420)	US\$3,000 (AU\$4,200)	US\$14,000 (AU\$19,600)
Acres	3,891		
Gross valuation	US\$1.2 million (AU\$1.6 million)	US\$11.7 million (AU\$16.3 million)	US\$54.5 million (AU\$76.3 million)
Valuation net NIPL	US\$0.4 million (AU\$0.5 million)	US\$3.5 million (AU\$4.9 million)	US\$27.8 million (AU\$38.9 million)
Notes to the table:			
<ol style="list-style-type: none"> 1. Conversion rate of AU\$1.4 to US\$1 used. 2. Net NIPL calculation assumes 30% beneficial interest in the low and best case, and 51% in the high case. 			

For personal use only

8. Declarations

8.1. Terms of engagement

This report, any advice, opinions or other deliverables are provided pursuant to the Engagement Contract agreed to and executed by the Client and RISC.

8.2. Qualifications

RISC is an independent oil and gas advisory firm. All of the RISC staff engaged in this assignment are professionally qualified engineers, geoscientists or analysts, each with many years of relevant experience and most have in excess of 20 years.

RISC was founded in 1994 to provide independent advice to companies associated with the oil and gas industry. Today the company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. We have completed over 2,000 assignments in 70+ countries for nearly 500 clients. Our services cover the entire range of the oil and gas business lifecycle and include:

- Oil and gas asset valuations, expert advice to banks for debt or equity finance;
- Exploration/portfolio management;
- Field development studies and operations planning;
- Reserves assessment and certification, peer reviews;
- Gas market advice;
- Independent Expert/Expert Witness;
- Strategy and corporate planning.

The preparation of this report has been managed by Mr Adam Craig who is an employee of RISC. Mr Craig is a highly experienced Geoscientist and Manager, with over 30 years' experience in the upstream oil & gas sector working for small and mid-size independents, as well as NOC related entities. He is a member and Certified Practising Geologist (#6446) of the AAPG. Adam is also a member of PESA (2021-22 WA Branch President) and a Fellow of the Geological Society. He holds BSc in Geology from Curtin University, Western Australia and is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX listing rules.

8.3. Standard

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

This Report has been prepared in accordance with the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

8.4. Limitations

The assessment of petroleum assets is subject to uncertainty because it involves judgments on many variables that cannot be precisely assessed, including reserves/resources, future oil and gas production rates, the costs associated with producing these volumes, access to product markets, product prices and the potential impact of fiscal/regulatory changes.

The statements and opinions attributable to RISC are given in good faith and in the belief that such statements are neither false nor misleading. While every effort has been made to verify data and resolve apparent inconsistencies, neither RISC nor its servants accept any liability, except any liability which cannot be excluded by law, for its accuracy, nor do we warrant that our enquiries have revealed all of the matters, which an extensive examination may disclose. In particular, we have not independently verified property title, encumbrances or regulations that apply to these assets.

Our review was carried out only for the purpose referred to above and may not have relevance in other contexts.

8.5. Independence

RISC makes the following disclosures:

- RISC is independent with respect to HyTerra and confirms that there is no conflict of interest with any party involved in the assignment.
- Under the terms of engagement between RISC and HyTerra, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in HyTerra or in any of the properties described herein.

8.6. Copyright

This document is protected by copyright laws. Any unauthorised reproduction or distribution of the document or any portion of it may entitle a claim for damages. Neither the whole nor any part of this report nor any reference to it may be included in or attached to any prospectus, document, circular, resolution, letter or statement without the prior consent of RISC.

8.7. Consent

RISC has consented to this report, in the form and context in which it appears, being included, in its entirety, in the Notice of Meeting. Neither the whole nor any part of this report nor any reference to it may be included or attached to any other document, circular, resolution, letter or statement without the prior consent of RISC.

9. List of terms

The following lists, along with a brief definition, abbreviated terms that are commonly used in the oil and gas industry and which may be used in this report.

Term	Definition
1P	Equivalent to Proved reserves or Proved in-place quantities, depending on the context.
1Q	1st Quarter
2P	The sum of Proved and Probable reserves or in-place quantities, depending on the context.
2Q	2nd Quarter
2D	Two Dimensional
3D	Three Dimensional
4D	Four Dimensional – time lapsed 3D in relation to seismic
3P	The sum of Proved, Probable and Possible Reserves or in-place quantities, depending on the context.
3Q	3rd Quarter
4Q	4th Quarter
AFE	Authority for Expenditure
Bbl	US Barrel
BBL/D	US Barrels per day
BCF	Billion (10 ⁹) cubic feet
BCM	Billion (10 ⁹) cubic metres
BFPD	Barrels of fluid per day
BOPD	Barrels of oil per day
BTU	British Thermal Units
BOEPD	US barrels of oil equivalent per day
BWPD	Barrels of water per day
°C	Degrees Celsius
Capex	Capital expenditure
CAPM	Capital asset pricing model
CGR	Condensate Gas Ratio – usually expressed as bbl/MMscf
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources as defined in the SPE-PRMS.
CO ₂	Carbon dioxide
CP	Centipoise (measure of viscosity)
CPI	Consumer Price Index
DEG	Degrees
DHI	Direct hydrocarbon indicator
Discount Rate	The interest rate used to discount future cash flows into a dollars of a reference date
DST	Drill stem test
E&P	Exploration and Production
EG	Gas expansion factor. Gas volume at standard (surface) conditions/gas volume at reservoir conditions (pressure and temperature)
EIA	US Energy Information Administration

Term	Definition
EMV	Expected Monetary Value
EOR	Enhanced Oil Recovery
ESMA	European Securities and Markets Authority
ESP	Electric submersible pump
EUR	Economic ultimate recovery
Expectation	The mean of a probability distribution
F	Degrees Fahrenheit
FDP	Field Development Plan
FEED	Front End Engineering and design
FID	Final investment decision
FM	Formation
FPSO	Floating Production Storage and offtake unit
FWL	Free Water Level
FVF	Formation volume factor
GIIP	Gas Initially In Place
GJ	Giga (10 ⁹) joules
GOC	Gas-oil contact
GOR	Gas oil ratio
GRV	Gross rock volume
GSA	Gas sales agreement
GTL	Gas To Liquid(s)
GWC	Gas water contact
H ₂ S	Hydrogen sulphide
HHV	Higher heating value
ID	Internal diameter
IRR	Internal Rate of Return is the discount rate that results in the NPV being equal to zero.
JV(P)	Joint Venture (Partners)
Kh	Horizontal permeability
km ²	Square kilometres
K _{rw}	Relative permeability to water
K _v	Vertical permeability
kPa	Kilo (thousand) Pascals (measurement of pressure)
Mstb/d	Thousand Stock tank barrels per day
LIBOR	London inter-bank offered rate
LNG	Liquefied Natural Gas
LTBR	Long-Term Bond Rate
m	Metres
MDT	Modular dynamic (formation) tester
mD	Millidarcies (permeability)
MJ	Mega (10 ⁶) Joules
MMbbl	Million US barrels
MMscf(d)	Million standard cubic feet (per day)

Term	Definition
MMstb	Million US stock tank barrels
MOD	Money of the Day (nominal dollars) as opposed to money in real terms
MOU	Memorandum of Understanding
Mscf	Thousand standard cubic feet
Mstb	Thousand US stock tank barrels
MPa	Mega (10^6) pascal (measurement of pressure)
mss	Metres subsea
MSV	Mean Success Volume
mTVDss	Metres true vertical depth subsea
MW	Megawatt
NPV	Net Present Value (of a series of cash flows)
NTG	Net to Gross (ratio)
ODT	Oil down to
OGIP	Original Gas In Place
OOIP	Original Oil in Place
Opex	Operating expenditure
OWC	Oil-water contact
P90, P50, P10	90%, 50% & 10% probabilities respectively that the stated quantities will be equalled or exceeded. The P90, P50 and P10 quantities correspond to the Proved (1P), Proved + Probable (2P) and Proved + Probable + Possible (3P) confidence levels respectively.
PBU	Pressure build-up
PJ	Peta (10^{15}) Joules
POS	Probability of Success
Possible Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.
Probable Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations as defined in the SPE-PRMS.
Proved Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Often referred to as 1P, also as "Proven".
PSC	Production Sharing Contract
PSDM	Pre-stack depth migration
PSTM	Pre-stack time migration

Term	Definition
psia	Pounds per square inch pressure absolute
p.u.	Porosity unit e.g. porosity of 20% +/- 2 p.u. equals a porosity range of 18% to 22%
PVT	Pressure, volume & temperature
QA/QC	Quality Assurance/ Control
rb/stb	Reservoir barrels per stock tank barrel under standard conditions
RFT	Repeat Formation Test
Real Terms (RT)	Real Terms (in the reference date dollars) as opposed to Nominal Terms of Money of the Day
Reserves	RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.
RT	Measured from Rotary Table or Real Terms, depending on context
SC	Service Contract
scf	Standard cubic feet (measured at 60 degrees F and 14.7 psia)
Sg	Gas saturation
Sgr	Residual gas saturation
SRD	Seismic reference datum lake level
SPE	Society of Petroleum Engineers
SPE-PRMS	Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.
s.u.	Fluid saturation unit. e.g. saturation of 80% +/- 10 s.u. equals a saturation range of 70% to 90%
stb	Stock tank barrels
STOIIP	Stock Tank Oil Initially In Place
Sw	Water saturation
TCM	Technical committee meeting
Tcf	Trillion (10 ¹²) cubic feet
TJ	Tera (10 ¹²) Joules
TLP	Tension Leg Platform
TRSSV	Tubing retrievable subsurface safety valve
TVD	True vertical depth
US\$	United States dollar
US\$ million	Million United States dollars
WACC	Weighted average cost of capital
WHFP	Well Head Flowing Pressure
Working interest	A company's equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms.
WPC	World Petroleum Council
WTI	West Texas Intermediate Crude Oil

For personal use only

August 3, 2022

HyTerra Ltd
Unit 9, 335 Hay Street
Subiaco, Western Australia, AU

Re: Title Report and Summary Regarding Mineral Assets of Natural Hydrogen, LLC. ("NH2")

Natural Hydrogen, LLC ("NH2") has requested a review of NH2's title to certain of their assets. This memorandum sets out the mineral interests held by NH2, along with a general background regarding the development of natural gas rights in Nebraska and South Carolina. The title report portion of this memorandum identifies the specific properties reviewed and the underlying mineral interests, outlines the nature and scope of the examination and summarizes the material issues, qualifications and comments arising from the review.

NH2 instructed us to undertake a title review of their lease files covering interests in Fillmore County, Nebraska and Marlboro County, South Carolina. Twenty-two lease files were reviewed, which the company has advised is all of their leases ("Reviewed Property Interests"). One of the leases was found to have expired and it is not included in this report.

Instruments Reviewed

In connection with our review of the title, we reviewed the following materials:

1. An electronic copy of the lease files maintained by NH2. A description of the general contents of those files is discussed below.
2. We also did a cursory check of the on-line records maintained by the County Clerk's Office of Fillmore County, Nebraska to determine if there was anything filed from the effective date of the ownership report contained in the files through a recent date of April 25, 2022. That review did not find anything filed of record which would adversely affect NH2's leasehold interest.

NH2 Leasehold Ownership

NH2 holds a number of mineral rights leases covering lands in Nebraska and South Carolina. In each case, based solely on our review of the materials provided, NH2 owns the working interest

For personal use only

in the leases as shown on the attached schedule titled "NH2 Mineral Leases." For each lease the following information is provided: Name of Lessor; Location of Lease by Section, Township, Range and County; Total Net Mineral Acres Covered by the Lease; Expiration of the Primary Term of the Lease; Renewal Term, if any; and any title requirements or notes relating to the Lease.

The ownership reports relied upon contain various "Curative Notes" which include: Affidavit of Possession, Corporate Resolution, Certification of Trust, subordination of mortgage. These are the normal type of curative action found in such reports and which are typically not undertaken or cured until an exploration company is preparing for the drilling of a well.

Comments:

1. Lease files. We were provided an electronic copy of the lease files maintained by NH2. Each of those files were reviewed. The files generally contain the following:

A copy of the signed Mineral Rights Lease.

A copy of the recorded Memorandum of Mineral Rights Lease.

A Lease Purchase Report identifying a summary of the lease provisions and terms of the purchase of the lease.

A copy of an Ownership Report identifying the surface and mineral owners for the tract of land; the percentage ownership of each owner; and "Curative Notes" which identify any title issues or requirements. Those Ownership Reports were based on a review of the records of the County Clerk of Fillmore County, Nebraska and generally covered a time period from the patent of the land to a date in August, 2018.

A copy of the deed, estate decree or other title document which on its face purports to transfer title into the lessor.

An invoice or copy of payment draft or check showing the amount paid for the lease.

Exception: The file for the leases located in South Carolina only contained a copy of the signed lease. There was no ownership report and the leases do not appear to have been filed in the county clerk's office in Marlboro County. Other than the face of the lease, there is no information concerning the ownership or number of net acres covered by the lease. I was unable to find any useful online records for the county clerk of Marlboro County, South Carolina and so no online update was undertaken for those leases.

2. The Title Requirements and Notes were primarily taken from the Ownership Reports contained in the files. They were modified as necessary by our review of the online materials.

3. Matters Not Considered: We did not review any files or documents, or otherwise make any investigations, pertaining to the following:

a. The interest of any NH2 assets other than the Reviewed Property Interests;

b. The ownership of any tangibles, equipment, facilities or related machinery, including any pipelines, batteries, gas plants or compressors;

c. Any agreements pertaining to the construction, ownership and operation of facilities and tangible equipment or the transportation, processing, compression, disposal and marketing of substances pertaining to the Reviewed Property Interests;

d. Any tax matters or taxes assessed by applicable government authorities;

e. Any environmental matters respecting the Reviewed Property Interests, including compliance with relevant environmental, health and safety laws; or

f. Any well data or production records during the primary term or extension thereof, the existence or production capability of any well on the leased lands. We have assumed that a lease is valid and subsisting following the primary term. We did not track shut-in payments for any lease.

4. The undersigned is not licenced to practice law in the State of Nebraska or the State of South Carolina. This is not an attorney's title opinion, but merely a report based on the limited review of certain documents as stated herein. This report is as of the date stated, without the obligation to supplement or update.

5. **Validly Executed Documentation:** We have assumed that the persons who executed the leases and other documents had the authority and capacity to do so and that the signatures on all such original documents are genuine.

6. This report provides a description and summary of our examination of NH2's title in respect of the Reviewed Property Interests. This report is rendered solely with respect to the laws of the State of Nebraska, South Carolina and the laws of the USA applicable therein and we provide no report concerning any other laws. Our report is based on legislation, regulations and rulings in effect on the date hereof. This report is delivered exclusively for inclusion in the Prospectus and is not to be used for any other purpose or quoted or referred to in any public document without our prior written consent.

Brief Overview of Ownership of Land and Mineral Rights in United States of America

Land in the USA is held by either federal, state or local governments, or privately by individuals including corporate entities. Land ownership may include surface rights, mineral rights, or both. Those rights are distinct from one another, and in many cases, particularly in areas of active or past exploration of minerals, the minerals rights may have been severed, or separately owned, from the surface rights.

The law for the development of petroleum or hydrocarbons is generally well developed in the United States. Since there are few wells drilled expressly for the development of natural hydrogen, there is little law concerning the development of that resource. However, it is believed that in most instances the law of oil and gas would be applicable. It is believed that hydrogen would be classified as a natural gas and as a mineral in most cases. It is believed that under most legal

August 3, 2022

Page 4

authority that natural hydrogen would be governed by the statutory and case law related to the exploration and development of oil and gas, except in those cases where the definitions are limited to hydrocarbons.

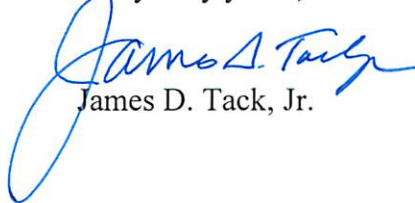
Virtually all mineral development undertaken in the United States is done by taking a lease from the mineral owner, whether it be a governmental or private entity. By signing a lease the mineral owner (the lessor) grants the right to explore for and produce the minerals to an exploration company (the lessee) in exchange for, among other things, a royalty retained by the Lessor.

The lessor is considered to own a working interest, which is a right to explore for and produce those minerals. The working interest owner is responsible for the cost of exploration and production of the minerals. The mineral owner's share or royalty is a cost free interest and is generally expressed as a percentage of the production.

The lease, or a memorandum of the lease, is filed of record in the county clerk's office (sometimes designated the register of deed's office) in the county where the property is located. The filing of record gives the owner certain protections against persons who may subsequently claim title to that interest.

All states with oil and gas production have certain regulatory schemes to promote the development and conservation of the natural resources and to protect the correlative rights of oil and gas owners. Those statutes provide for the orderly development of the resources by regulating the spacing and density of wells among other things. Those statutes may also provide for the pooling of two or more leases or tracts of land for the joint development of a tract. Pooling can also be accomplished by voluntary contractual arrangements.

Very truly yours,



James D. Tack, Jr.

JDT:

For personal use only

NH2E MINERAL LEASES

#	Lessor I	Lessee	Section	Twnshp	Range	County	State	Total Leased Acres	Title Requirements and Notes	Expiration Date	Renewal Term
2	ABR Farms, LLC	Natural Hydrogen Energy, LLC	23	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Marketable record title act to be filed of record. 2. Evidence of shut-in payment. 3. This DRILLSITE LEASE is perpetuated beyond the Primary Term by completion of well. Well currently shut-in.	Shut-in	0
3	Richard Hoary & DeBorah Hoary, h&w	Natural Hydrogen Energy, LLC	23	7N	4W	Fillmore	Nebraska	120	1. Affidavit of Possession	5/1/2023	5
4	Elizabeth Maria Blanka, a single woman	Natural Hydrogen Energy, LLC	23	7N	4W	Fillmore	Nebraska	40	1. Affidavit of Possession	8/10/2023	5
5	James P. Fitzgerald and Dianne F. Fitzgerald, h&w	Natural Hydrogen Energy, LLC	23	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession	8/10/2023	5
6	John A. Griess and Christine K. Griess, h&w	Natural Hydrogen Energy, LLC	14	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession	8/10/2023	5
7	Dorothy Stych, a widow	Natural Hydrogen Energy, LLC	30,31	6N	1N	Fillmore	Nebraska	400	1. Affidavit of Possession. 2. A Ratification of Mineral Rights Lease was signed August 15, 2018 and recorded at the Fillmore County Register of Deeds Office July 1, 2021.	8/15/2023	5
8	Bryan D. Griess, a single man	Natural Hydrogen Energy, LLC	13	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession	9/18/2023	5
9	Dale T. Richards, widower	Natural Hydrogen Energy, LLC	13	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession	9/18/2023	5
10	Darrel L. Hughes, Trustee	Natural Hydrogen Energy, LLC	24	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession 2. Certificate of Trust	9/18/2023	5
11	Mary B. Fessler, a married woman	Natural Hydrogen Energy, LLC	22	7N	4W	Fillmore	Nebraska	400	1. Affidavit of Possession	9/18/2023	5
12	Miriam Kimbrough aka Miriam J. Kimbrough, nuns	Natural Hydrogen Energy, LLC	14	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession 2. Certificate of Trust	9/18/2023	5

NH2E MINERAL LEASES

#	Lessor 1	Lessee	Section	Twtnshp	Range	County	State	Total Leased Acres	Title Requirements and Notes	Expiration Date	Renewal Term
13	Nich Co.	Natural Hydrogen Energy, LLC	14	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession 2. Corporate Resolution	9/18/2023	5
14	Mark J. Kimbrough and Teina M. Kimbrough, h&w	Natural Hydrogen Energy, LLC	22	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession 2. Subordination of dated 12/11/2017, 217/20, Kimbrough to York State Bank \$624,000.	11/7/2023	5
15	Mark J. Kimbrough and Teina M. Kimbrough, h&w	Natural Hydrogen Energy, LLC	22	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession	11/7/2023	5
16	RGJ Farms, LLC	Natural Hydrogen Energy, LLC	15	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession 2. Corporate Resolution	11/8/2023	5
17	RGJ Farms, LLC	Natural Hydrogen Energy, LLC	23	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession 2. Corporate Resolution	11/8/2023	5
18	Belinda K. Nuss, a married woman	Natural Hydrogen Energy, LLC	13	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession	11/12/2023	5
19	Paul Mark Workentine, a married man	Natural Hydrogen Energy, LLC	13	7N	4W	Fillmore	Nebraska	80	1. Affidavit of Possession. 2. The title documents show the interest maybe subject to a Life Estate in favor of Bertha Workentine. It is likely that she is deceased. She received this in 1971 when her husband died.	11/15/2023	5
20	Indian Land Farm XIV, LLC	Natural Hydrogen Energy, Ltd				Marlboro	S. Carolina	Not verified	1. No title report. Not able to determine Leased Acres. 2. No recording information.	4/1/2024	0
21	Indian Land Farm XIV, LLC	Natural Hydrogen Energy, Ltd				Marlboro	S. Carolina	Not verified	1. No title report. Not able to determine Leased Acres. 2. No recording information.	4/1/2024	0
22	ABR Farms, LLC	Natural Hydrogen Energy, LLC	23	7N	4W	Fillmore	Nebraska	160	1. Affidavit of Possession. 2. Corporate Resolution. 3. Old lease expired 1/6/2021. File contains a copy of new lease dated 3/10/22 for 3 years signed by Jennifer A. Hoarty, member of ABR, but not Joseph E. Hoarty, member of ABR Farms, LLC. File does contain copy of cancelled check for new lease. No Memorandum of lease filed of record. 4. Prior to the date of the New lease, ABR signed a Trust Deed to Farm Credit Services of America, FLCA, instrument dated April 7, 2020, recorded Book 228, Page 121 covering NE/4 and securing \$750,000. Need mortgage subordination.	3/10/2025	0

For personal use only

12 September 2022

The Board of Directors
Hyterra Ltd
Suite 9
331-335 Hay Street
SUBIACO WA 6008

Dear Board Members

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION OF HYTERRA LTD (FORMERLY TRIPLE ENERGY LIMITED)

Introduction

This Independent Limited Assurance Report (“Report”) has been prepared for inclusion in a re-compliance prospectus to be dated on or around 12 September 2022 (“Prospectus”) and issued by Hyterra Ltd (“Hyterra” or the “Company”) in relation to the re-admission to the Australian Securities Exchange (“ASX”) following a change in nature and scale of the Company’s activities.

This Prospectus is seeking to raise a minimum of \$5,000,000 and a maximum of \$7,000,000 (before costs) via the issue of Shares at an issue price of \$0.02 per Share under the Public Offer.

This Prospectus also contains the Secondary Offers detailed in Section 4.6 of the Prospectus (together with the Public Offer, the Offers).

The Public Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.7 of the Prospectus. No Securities will be issued pursuant to this Prospectus until those Conditions are met.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of Hyterra. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Public Offer, nor the risks associated with accepting the Public Offer. HLB Mann Judd (“HLB”) has not been requested to consider the prospects for Hyterra, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so. HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Public Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report. Further declarations are set out in Section 7 of this Report.

Structure of Report

This Report has been divided into the following sections:

1. Scope of Report;
2. Directors’ Responsibility;
3. Our Responsibility;
4. Conclusions;
5. Restriction on Use;
6. Liability; and
7. Declarations.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

For personal use only

1. Scope of Report

You have requested HLB to perform a limited assurance engagement and to report on the Financial Information as set out in Section 6 of the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in Section 6 of the Prospectus, comprises:

- the audited consolidated historical Statement of Financial Position as at 31 March 2020 and audited historical Statement of Profit or Loss and Statement of Cash Flows of the Group for the year then ended.
- the audited consolidated historical Statement of Financial Position as at 31 March 2021 and reviewed historical Statement of Profit or Loss and Statement of Cash Flows of the Group for the year then ended.
- the audited historical Statement of Financial Position as at 31 March 2022 and audited historical Statement of Profit or Loss and Statement of Cash Flows of the Company for the year then ended.

Pro Forma Financial Information

The Pro Forma Financial Information, as set out in Section 6 of the Prospectus, comprises:

- the pro forma consolidated Statement of Financial Position of the Company as at 31 March 2022 and supporting notes which include the pro forma adjustments.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events or transactions to which the pro forma adjustments relate, as if those transactions or events had occurred as at 31 March 2021. Due to its nature, the Pro Forma Financial Information does not represent the Group's actual or prospective financial position, financial performance or cash flows.

The Historical Financial Information and the Pro Forma Financial Information are presented in an abbreviated form insofar as they do not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the *Corporations Act 2001*.

References to "the Group" relate to the Company and its previously held legal subsidiary CFT Heilongjiang (HK) Ltd (CFT), which held the Group's legal interest in Heilongjiang Aolong Energy Co. Ltd. During the year ended 31 March 2021 the financial statements were been prepared based on a determination by the Directors that the Company lost effective control over its legal subsidiary CFT.

This Report has been prepared for inclusion in the Prospectus. HLB disclaims any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purpose other than the purposes for which it was prepared. This Report should be read in conjunction with the Prospectus.

2. Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the post reporting date transactions and pro forma adjustments set out in Section 6.3.5 and section 6.3.6 of the Prospectus and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement.

3. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and evidence we have obtained. Our engagement was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Standards on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information* and included such enquiries and procedures which we considered necessary for the purposes of this Report. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

The procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the Financial Information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed; and
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report.

4. Conclusions

Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Company as set out in Section 6 of the Prospectus does not present fairly:

- a) the audited consolidated historical Statement of Financial Position as at 31 March 2020 and audited historical Statement of Profit or Loss and Statement of Cash Flows of the Group for the year then ended;
- b) the audited consolidated historical Statement of Financial Position as at 31 March 2021 and audited historical Statement of Profit or Loss and Statement of Cash Flows of the Group for the period then ended;
- c) the audited historical Statement of Financial Position as at 31 March 2022 and audited historical Statement of Profit or Loss and Statement of Cash Flows of the Company for the year then ended;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Pro Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information of the Company as set out in Section 6 of the Prospectus does not present fairly the Pro Forma Statement of Financial Position of the Group as at 31 March 2022, which incorporates which incorporates the post reporting date transactions and pro forma adjustments, as set out in Section 6.3.5 and Section 6.3.6 of the Prospectus.

Restriction on Use

Without modifying our conclusion, we draw attention to Section 6 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

5. Liability

The liability of HLB is limited to the inclusion of this Report in the Prospectus. HLB makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the Prospectus.

6. Declarations

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the Financial Information, which is estimated to be \$15,000 plus GST;
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report;
- c) Neither HLB, nor any of its employees or associated persons has any interest in Hyterra or the promotion of the Company or any of its subsidiaries;
- d) HLB Mann Judd has been appointed as the Company's auditors;
- e) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus; and
- f) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully

HLB Mann Judd
Chartered Accountants



D I Buckley
Partner

SCHEDULE 1 – REFERENCES

Boreham, C. J., Edwards, D. S., Czado, K., Rollet, N., Wang, L., van der Wielen, S., Champion, D., Blewett, R., Feitz, A., Henson, P. A., *Hydrogen in Australian natural gas: occurrences, sources and resources*. The APPEA Journal 2021, 61, 193-191, 2021.

Briere, D., Jerzykiewicz, T., Sliwinski, W., *On generating a geological model for hydrogen gas in the southern Taoudeni Megabasin (Bourakebougou area, Mali)*. Search and Discovery article #42041. AAPG International Conference and Exhibition, Barcelona, 2017.

Prinzhofer, A., Cisse, C. S. T., Diallo, A. B., *Discovery of a large accumulation of natural hydrogen in Bourakebougou (Mali)*. International Journal of Hydrogen Energy 44, 2018.

Stalker, L., Talukder, A., Strand, J., Josh, M., Faiz, M., *Gold (hydrogen) rush: risks and uncertainties in exploring for naturally occurring hydrogen*. The APPEA Journal 2022, 61 (1), 361-380, 2022.

Zgonnik, V., *The occurrence and geoscience of natural hydrogen: A comprehensive review*. Earth-Science Reviews 203, 2020.

For personal use only