



HYTERRA

HyTerra Limited
ABN 68 116 829 675
ASX: HYT

WHITE HYDROGEN. A WORLD OF OPPORTUNITY.

ANNUAL REPORT

For the year ended 31 December 2024

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White hydrogen. A world of opportunity.

HyTerra Ltd (ASX:HYT) was the first ASX listed company with exposure to both hydrogen and helium in the United States. The company stands at the forefront of a groundbreaking energy revolution, harnessing the power of white, or naturally occurring, hydrogen and helium to pave the way for a sustainable future.

Corporate Directory

Board of Directors

Russell Brimage (Non-Executive Chairman)
Avon McIntyre (Executive Director & CTO)
Benjamin Mee (Executive Director)
Christine Nicolau (Non-Executive Director)

Company Secretary

Arron Canicais

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Securities Exchange Listing

ASX Limited (Australian Securities Exchange)
ASX Code: HYT

ABN

68 116 829 675

ACN

116 829 675

Chairman's Letter

As we reflect on the past year, I am pleased to report a period of extraordinary progress and momentum for HyTerra. Our commitment to unlocking the potential of naturally occurring (white) hydrogen has positioned us as a leader in its exploration. The December quarter was particularly transformational for the company, culminating in a landmark A\$21.9 million investment by Fortescue that sets the foundation for our future growth.

The global hydrogen market continues to evolve, with demand projected to grow from approx. 90 million tonnes (Mt) in 2020 to as much as approx. 580Mt by 2050. White hydrogen, with its subsurface origins and potential for low production costs, presents a compelling opportunity for industrial decarbonisation.

HyTerra is well-positioned to capitalise on this opportunity, particularly in the Mid-West USA, where existing infrastructure provides a direct pathway to commercialisation.

Fortescue's investment secured a 39.66% strategic interest in the company and is a testament to the quality of our geological portfolio, and the dedication of our team. The support from Fortescue not only enhances our financial position but also brings invaluable expertise to accelerate our commercialisation efforts. We extend our gratitude to our shareholders for their overwhelming support and welcome Fortescue as our cornerstone investor.

The Company's Nemaha Project in Kansas remains the focal point of our exploration activities. With the additional capital secured through the Fortescue investment, we have significantly increased the scale of our planned exploration program. This represents a significant step forward in our exploration and development efforts at Nemaha.

Over the past year, we have successfully expanded our lease holdings to more than 60,000 acres, reinforcing our commitment to maximising the geological potential of the region. Our data acquisition and resulting predictive models for white hydrogen and helium have proven highly effective, guiding our lease acquisitions and informing our upcoming drilling campaigns. The strategic expansion of our acreage portfolio, driven by our Kansas-based leasing team, has set the stage for an aggressive exploration program.



We have a very experienced team at the helm of HyTerra that has not only delivered significant value to various countries and the shareholders throughout their careers, but also hold safety, environment, and community as the key pillars for success. We are also very delighted to welcome Christine Nicolau from Fortescue to our Board, whose extensive corporate development experience will be instrumental in our current ventures and the growth strategy.

Looking ahead, we remain focused on executing our exploration strategy with precision and discipline. The upcoming drilling program represents years of research, robust geological underpinning, lease acquisitions, and stakeholder engagement at all levels. We are confident that our efforts will lead to success for HyTerra and the communities it operated within.

On behalf of the Board, I extend my sincere appreciation to our shareholders for their ongoing support. Your belief in our vision has been instrumental in driving our progress, and we look forward to sharing further milestones as we continue our journey to unlock the full potential of naturally occurring (white) hydrogen.

Yours faithfully,



Russell Brimage
Chairman, HyTerra Ltd

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Review of Operations

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Nemaha Project

Kansas, USA

Ownership | 100%

The company's flagship Nemaha Project in Kansas provides multiple potential access routes to an established, growing and maturing market for hydrogen. The company can pursue opportunities at pace in the USA because of the infrastructure, the evolved market, and a supportive regulatory set-up.

Nemaha's exploration leases have historic wells with multiple hydrogen and helium occurrences, some up to 92% hydrogen and 3% helium¹. The project can be connected via roads and pipelines to a long list of potential offtakers nearby including ammonia manufacturers and petrochemical plants, all heavy hydrogen users.

The project covers an area defined by the Mid-Continent Rift System to the west and the prominent Nemaha Ridge to the east, the highest structural feature in the region. Numerous historic hydrogen occurrences in this area are believed to originate from the iron-rich rocks within the rift.

Fortescue investment supports significant expansion of Nemaha exploration campaign

During the reporting period, the Company secured a strategic investment of A\$21.9M from Fortescue Future Industries Technologies Pty Ltd. The investment will fully-fund the initial exploration phase of the Nemaha Project including continued leasing, geophysical activities and an expanded drilling campaign targeting additional prospects in several identified geological play areas.

HyTerra expands lease position to over 60,000 acres

Throughout the year, HyTerra completed the acquisition of a significant number of exploration leases at Nemaha. The net exploration lease acreage increased from 9,607 to over 60,000 acres, an increase of approximately 525%. The company is continuing to lease high-priority and in-fill acreage across the area.

The leases acquired in May are in Wabaunsee County and within an area geologically contiguous with the Sue Duroche-2 well (2009). The leases are covered by the airborne geophysical survey acquired by HyTerra in 2023 and existing seismic data. The company's datasets link the new leases with the existing leases near the Sue Duroche-2 well and provide promising subsurface definition of the geology and the prospectivity of white hydrogen and helium.

The leases acquired in September 2024 provide an additional geological play to HyTerra's drilling portfolio, as they are situated above a major geological feature known as the Mid-Continent Rift. The Mid-Continent Rift is a ~1 billion-year-old failed tectonic rift containing significant quantities of iron-rich minerals. These minerals are considered to be ideal candidates for the generation of hydrogen when they interact and react with water in subsurface aquifers. Thus, the acreage is in a location close to the proposed zone of hydrogen generation. Additional prospectivity is inferred by structural lineaments marking the northern extent of the Mid-Continent Rift in Kansas, increasing the likelihood of trapping features in this area.

¹Guelard, J., Beaumont, V., Rouchon, V., Guyot, F., Pillot, D., Jezequel, D., et al., 2017. Natural H₂ in Kansas: deep or shallow origin? *Geochem. Geophys. Geosyst.* 18, 1841-1865. H₂ + He % reflects occurrences of published gas analyses recovered from the wellbore. Uncertainty remains on historic well operations, sampling techniques, and analyses. The values are considered up to a % of H₂ or He.

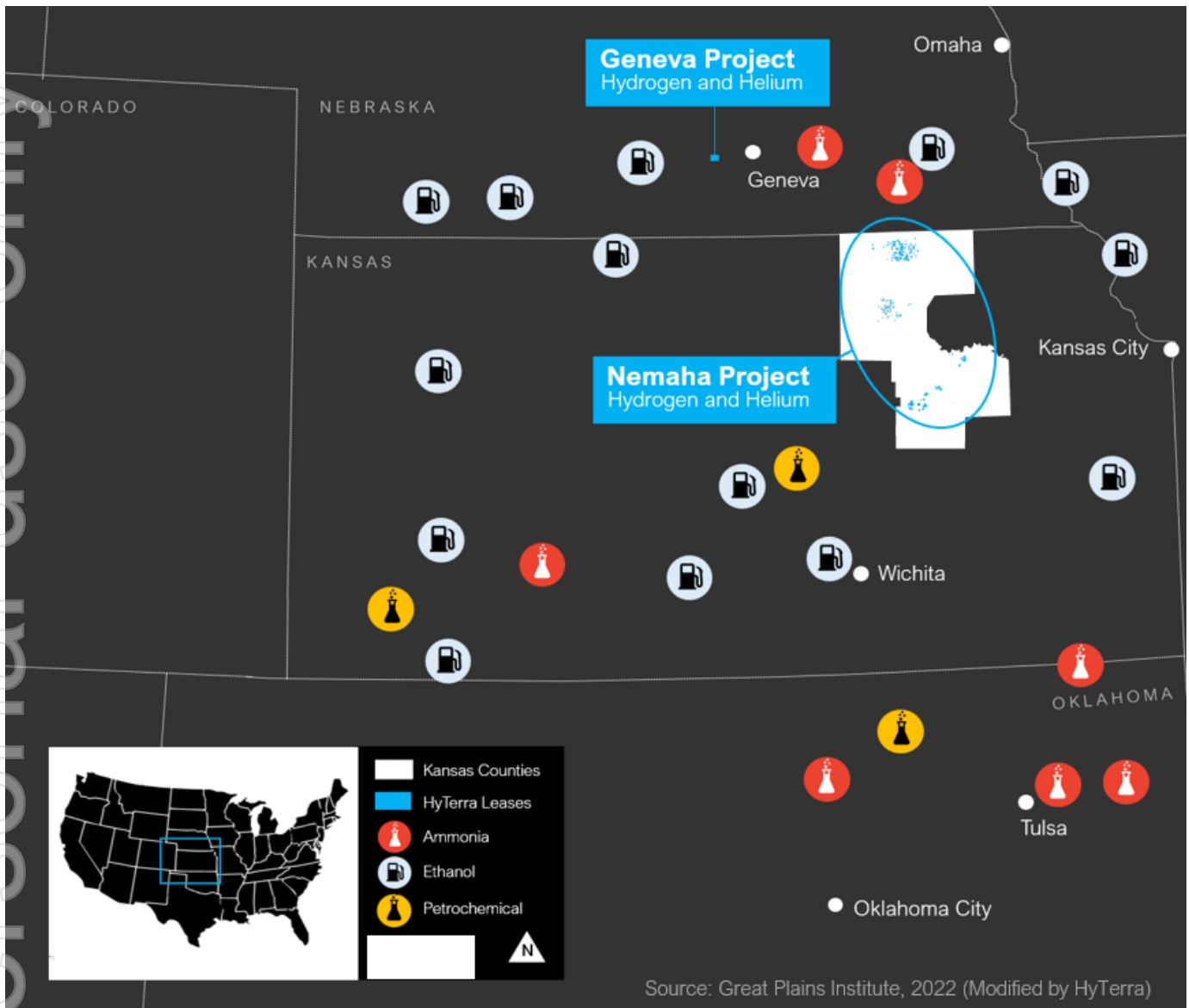


Figure 1. Located between Kansas City and Wichita in Kansas, USA, Nemaha lies at the centre of a major industrial and manufacturing hub.

The selection of the leasing area acquired in October 2024 is based on subsurface features identified in multiple reprocessed seismic lines. These features are related to both the Mid-Continent Rift and overlying sedimentary rocks which reveal drilling targets. This provides additional play diversity to support the expanded drilling program linked to the Fortescue subscription agreement.

Drilling permits approved for five wells

In July, HyTerra announced that its 100% owned and operated subsidiary HYT Operating LLC received Permits to Drill from the Kansas Corporation Commission for the Sue Duroche-3 and Blythe 13-20 wells. Following this in December, the Kansas Corporation Commission approved a further three well permits: Downey Ranch 13-31 in Wabaunsee County, Crome 1-28 in Marshall County and Larson 1-14 in Riley County. Each of these prospects are based on existing and recently purchased gravity, magnetic and seismic data.

The diversity of geological plays within HyTerra’s 100% owned and operated leases allowed it to rank several independent hydrogen and helium prospects for the company’s future exploration program with the highest ranked prospects to be drilled first.

Sue Duroche-3 well

The Sue Duroche-3 well location, a leading candidate for the upcoming drilling campaign, has been sited around 200m north of the historic Sue Duroche-2 well drilled in 2009. The proposed Sue-Duroche-3 well is located on the Zeandale High, a prominent structural feature on the crestal parts of the Nemaha Ridge. A 2D seismic survey acquired by the Kansas Geological Survey in 1997 provides an image of the geological structure and features of the Zeandale High. This seismic survey also geologically links the prospect to the recently acquired leases in Wabaunsee County.

Blythe 13-20 well

The Blythe 13-20 well location has been sited around 1,400m east of the historic Scott-1 well drilled in 1982, which reported up to 56% Hydrogen in historic analyses¹. The current well plan goes significantly deeper than the historic Scott-1 well. The proposed Blythe 13-20 well is situated approximately halfway between the Mid-Centiment Rift System and the crest of the Nemaha Ridge. The prospect is supported by interpretation of the Airborne Gravity Gradiometry and Magnetic survey acquired by HyTerra in 2023 which indicates the presence of a structural trap.

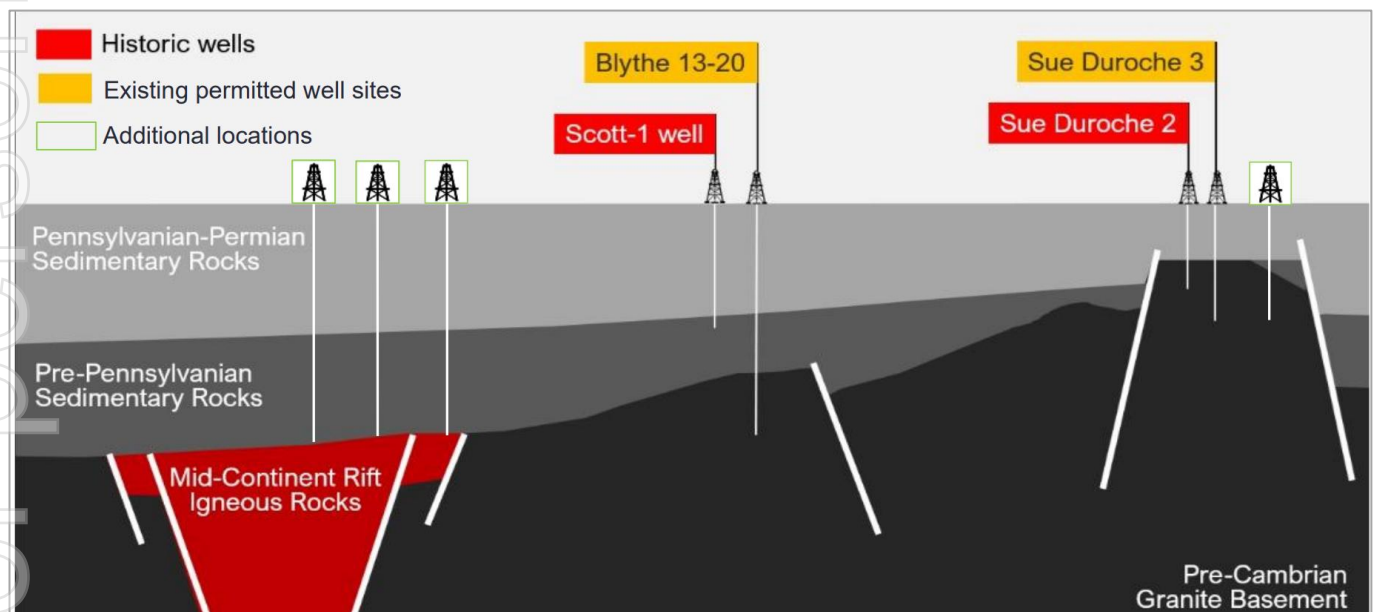


Figure 2. Cross-section of the hydrogen play fairway showing new acreage located above the Mid-Centiment Rift, with additional potential drilling locations being prepared both here and across the acreage portfolio.

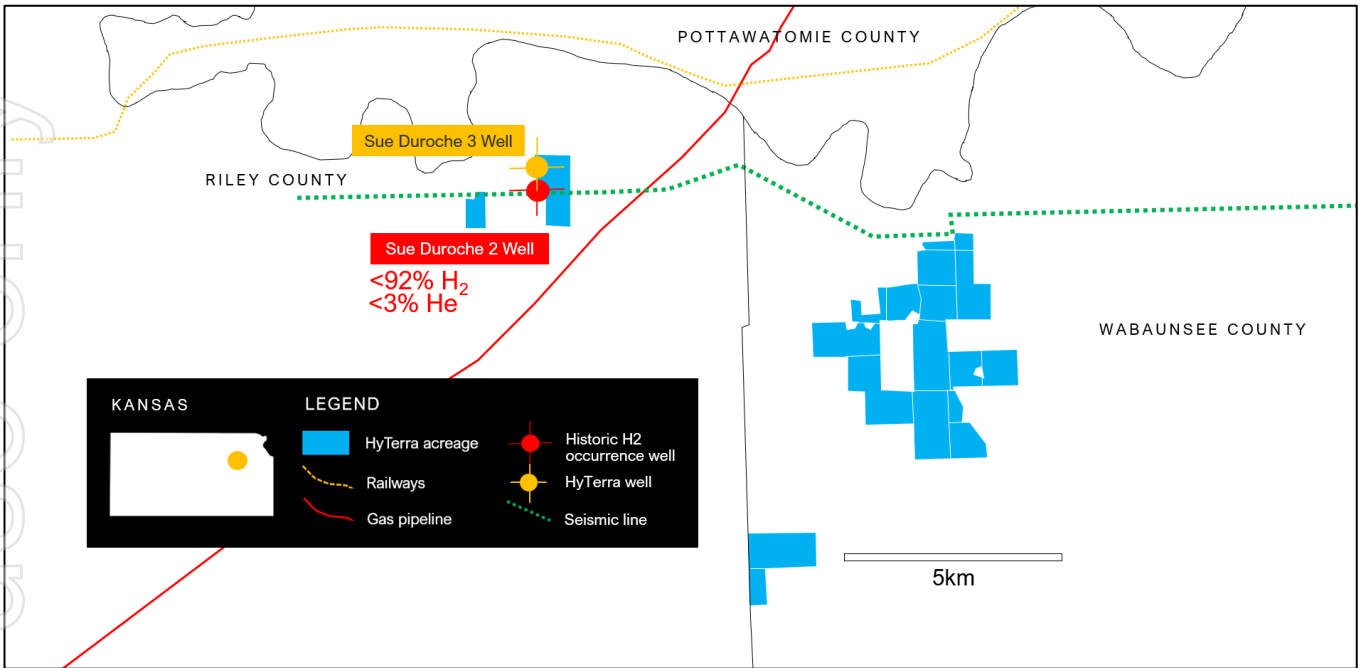


Figure 3. Sue Duroche-3 prospect is located around 200m north from the historic Sue Duroche-2 well. HyTerra lease holdings of >3450 acres are geologically contiguous to this prospect.

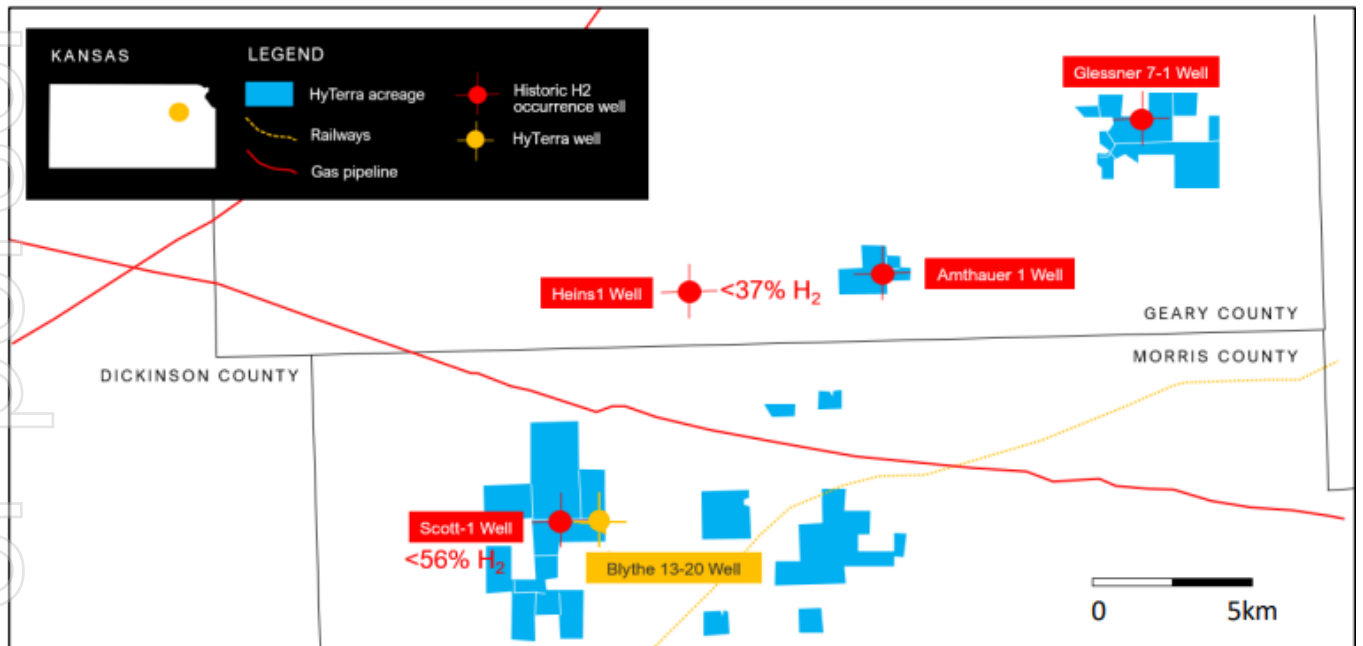


Figure 4. Blythe 13-20 prospect is located around 1,400m east from the historic Scott-1 well.

Drilling contract signed for the Nemaha Project

In late July, HyTerra announced that it had received drilling contracts from Murfin Drilling Company, Inc. to drill wells for HYT Operating LLC.

Founded nearly a century ago Murfin Drilling Company, Inc. is a 4th Generation family-owned business that has been drilling since 1926. Headquartered in Wichita, Kansas, Murfin Drilling Company, Inc. has a long history of being one of the leading drilling companies in the Midwest having drilled over 20,000 wells. They are a service industry leader with 17 active drilling rigs working in multiple states across the Mid-Continent region.

Rig 116 is a hydraulic telescoping super single drilling rig. Rig 116 incorporates a 220k lbs single mast with a 600HP hydraulic top-drive. For additional safety, the rig is fitted with a hydraulic pipe handling catwalk. For well control, the rig is supported by a 9" Regan Annular 3K PSI & Double Ram Preventer.

Drilling site earth works started on Nemaha Project well Blythe 13-20

In December, the drilling contractor advised that preparation of the drill site earthworks and access road had started at the Blythe 13-10 prospect location.

Subsequent to the end of the reporting period, blizzards, excessive snow and sub-zero temperatures resulted in delays to the drill site works.



Figure 5. Rig 116 (Photo courtesy of Murfin Drilling Company, Inc).

Updated Prospective Resource

On 23 July 2024, Sproule Incorporated (Sproule) delivered an updated Prospective Resource for only the additional acreage acquired in the previous quarter in Wabaunsee County, Kansas. The total lease position at the time of the Prospective Resources was 12,880 acres only. The Prospective Resources for the existing leases remain consistent with the Prospective Resource announced on 13th December 2023. The additional acreage is all located within the Zeandale Prospect area. The updated Prospective Resource is shown below:

PROJECT NEMAHA – PROSPECTIVE HYDROGEN + HELIUM RESOURCES*

Prospect	Reservoir	MMscf (P90)	MMscf (P50)	MMscf (P10)
Central Geary	All	3,747	8,246	19,962
Eastern Geary	All	10,634	22,981	56,904
Morris North	All	32,514	68,333	160,019
Zeandale	Lansing	2,114	5,935	14,772
Total	All	49,009	105,495	251,657

Table 1. Aggregated Net Recoverable Prospective Hydrogen Volumes.

Prospect	Reservoir	Kg (P90)	Kg (P50)	Kg (P10)
Central Geary	All	8,887,319	19,558,270	47,346,856
Eastern Geary	All	25,222,246	54,507,470	134,967,715
Morris North	All	77,118,309	162,075,581	379,540,959
Zeandale	Lansing	5,014,089	14,076,926	35,036,958
Total	All	116,241,963	250,218,247	596,892,488

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

Prospect	Reservoir	MMscf (P90)	MMscf (P50)	MMscf (P10)
Central Geary	Basement	3	37	134
Eastern Geary	Basement	8	93	312
Morris North	Basement	25	328	1,138
Zeandale	Basement	11	134	459
Total	Basement	47	592	2,043

Table 3. Net Recoverable Prospective Helium Volumes.

Cautionary Statement: The estimated quantities of natural hydrogen and helium that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal, and evaluation is required to determine the existence of a significant quantity of potentially recoverable natural hydrogen and helium. The Prospective Resource estimates are quoted on an unrisks basis and are aggregated arithmetically by category. Please refer to the ASX release dated 13 December 2023 and 30 June 2024 Quarterly Activities report for full details with respect to the Prospective Resource estimate and associated risking.

Geneva Project

Nebraska, USA

Joint Development | 16% working interest

HyTerra has a Joint Development and Earn-In Agreement (JDA) with Natural Hydrogen Energy LLC which has been actively exploring for natural hydrogen near the town of Geneva in Filmore County, Nebraska, where the JDA holds leases across 80 acres.

Neutralysis (a 100% owned subsidiary of the Company) and Natural Hydrogen Energy LLC (NH2E) are assessing options for future activities under the Joint Development and Earn-In Agreement (JDA). After the downhole pump failed during testing in 2023, activities ceased with Neutralysis pausing its earn-in to this project and maintaining a 16% interest. The joint development partners are reviewing key data and metrics to decide on flow testing operations and the work program going forward. Neutralysis has been informed by NH2E that it has appointed new management, and as a result Neutralysis anticipates the venture is better positioned to reach critical decision points. The outcomes will form part of a quality decision by Neutralysis on the viability of this venture.

Once a venture decision is taken, the Board of HyTerra will update the market accordingly.



Figure 6. Wildcat well specifically targeting white hydrogen (Hoarty NE3) in Geneva, Nebraska.

Corporate

Cash Position

At the end of the year (31 December 2024), cash at bank totalled A\$20.4 million and the company had on issue 1,626,958,893 Shares, 267,108,334 quoted Options, 465,000,074 unlisted Options at various prices and 58,000,000 unlisted Performance Rights.

Fortescue acquires a strategic interest in HyTerra

At the company EGM held on 5 December 2024, shareholders approved Fortescue Future Industries Technologies Pty Ltd (Fortescue) acquiring a strategic investment in HyTerra as announced on 29 August 2024. The Company received the subscription proceeds of A\$21.9M and issued 644,117,647 Shares and 322,058,824 unquoted Options to Fortescue.

The investment will fully-fund the initial exploration phase of the Nemaha Project including continued leasing, geophysical activities and an expanded drilling campaign targeting additional prospects in several identified geological play areas.

HyTerra – Fortescue Strategic Alliance Signed

HyTerra and Fortescue have executed a Strategic Alliance Agreement as previously announced on 29 August 2024 (SAA). The SAA provides a framework for the parties to work together through an equal representation steering committee to progress the Nemaha Project and explore the potential for additional white hydrogen projects globally.

No exclusivity rights are granted under the SAA by either party and the steering committee forms an advisory function only.

New appointments

On 18 July 2024, the company announced it had engaged the services of former Shell Chief Science Officer (CSO) and experienced geophysicist, Dr Dirk Smit as a Chief Geophysicist on a consulting basis.

Dr Smit has a PhD in Mathematical Physics, String Theory and over 30 years working geophysical and leadership roles for Shell.

He joined Shell's Geophysics R&D department in the Netherlands in 1992 and through his time there, held numerous positions, including Chief Geophysicist for Shell UK and Vice President Exploration and Upstream Technology. From 2015 as VP Research Strategy, his work shifted to "systems thinking and engineering" aspects of the energy transition to a net-zero emission system and became Shell's first CSO in 2019. In this role he advised Shell's Executive Committee and Board.

Ms Christine Nicolau was appointed to the HyTerra Board in December 2024 as the representative of Fortescue. Ms Nicolau is Group Manager Corporate Portfolio Management focusing on driving governance,

management and administration of Fortescue's interests via directorships across various Fortescue internal and external strategic growth subsidiaries spanning both Energy and Metals. In her previous role of Metals General Manager LATAM, Ms Nicolau coordinated Fortescue's minerals business in Latin America, including exploration and project development. Ms Nicolau has been with Fortescue since 2010 and during this time has held a range of management positions.

HyTerra appointed Mr Arron Canicais as Company Secretary and Chief Financial Officer on 17 June 2024.

Mr Canicais is an experienced finance professional who holds Company Secretary and Chief Financial Officer positions with public and private companies across several sectors. He is an associate of the Governance Institute of Australia and Chartered Accountants Australia and New Zealand.

Capital Raising

In March 2024, HyTerra announced it was undertaking a capital raising of approximately A\$6.1 million (before costs) through a placement to sophisticated and professional investors and a subsequent fully underwritten non-renounceable rights issue to eligible shareholders. On 6 May 2024, the company announced the results of the fully Underwritten Entitlement Offer.

The Company received valid applications for 108,063,723 New Shares, raising a total of \$1,945,148.06 (before costs) under the Offer. A total of 183,182,524 New shares were available under the shortfall (Shortfall Securities) and were subsequently issued on 14 May 2024, raising a total of \$3,297,285 (before costs).

Tenement Interests

Lease Area	Location	Net acres and interest at the beginning of the year	Net acres and interest at the end of the year
Nemaha Ridge	Riley, Kansas	341 acres 100%	6,240 acres 100%
Nemaha Ridge	Geary, Kansas	2,560 acres 100%	2,560 acres 100%
Nemaha Ridge	Morris, Kansas	6,665 acres 100%	6,860 acres 100%
Nemaha Ridge	Wabaunsee, Kansas	-	3,116 acres 100%
Nemaha Ridge	Marshall, Kansas	-	14,312 acres 100%
Nemaha Ridge	Clay, Kansas	-	7,490 acres 100%
Nemaha Ridge	Washington, Kansas	-	22,024 acres 100%

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

Agreement	Location	Working interest at the beginning of the year	Working interest at the end of the year
JDA with NH2E	Nebraska	16.03%	16.03%

Disclaimers

Disclaimer:

The Company is not aware of any new information or data that materially affects the information included in the ASX announcement dated 13 December 2023 and that all material assumptions and technical parameters underpinning the estimates in the same announcement continue to apply and have not materially changed.

Competent Person Statement Information

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

Qualified Petroleum Reserves and Resource Evaluators – Details

At the request of HyTerra Ltd, Sproule Incorporated (“Sproule”) an independent sub-surface consultancy based in Calgary, Canada, has conducted an independent Evaluation of the hydrogen and helium prospectivity in the Kansas counties of Riley, Geary and Morris. This evaluation is a geologic and engineering evaluation using technical and economic data supplied by the Company, and has been assessed with an effective date of November 1st 2023 and updated July 1st 2024 by Jeffrey B. Aldrich and Mark Stouffer. The evaluation contained in this report is prepared in accordance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management (PRMS) guidance and provides a review under a set of assumptions deemed most appropriate by a practitioner. These estimates are also in accordance with both the Australian Securities Exchange (ASX) rules (specifically Listing Rule 5 for Oil and Gas Companies). In August of 2022 the SPE published a statement on its website extending the PRMS principles to non-hydrocarbons such as hydrogen and helium and this evaluation follows that guidance.

Jeffrey B. Aldrich is a Senior Geoscientist in Sproule and is a Certified Petroleum Geologist, #6254, by the American Association of Petroleum Geologists (AAPG) and a Licensed Professional Geoscientist, #394; He is an active member of the AAPG and the Society of Petroleum Engineers (SPE). He has over thirty years as a practicing petroleum geologist/geophysicist and over twenty years of experience in oil and gas reserve evaluations. He is qualified in accordance with ASX listing rule 5.41.

Mark Stouffer is a registered Senior Petroleum Engineer with over 30 years of experience in reservoir and evaluation engineering in the US and internationally. He is a qualified reserves evaluator, as defined in SEC and SPE-PRMS. Mark has managed and participated in several complex reservoir projects in the U.S. Gulf of Mexico, Permian Basin, Green River Basin, DJ Basin, and internationally in Thailand and Hungary.

Directors Report

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DIRECTORS' REPORT

The Directors of HyTerra Ltd (“HYT”, “the Company” or “Group”) present their report, together with the financial statements on the consolidated entity consisting of HyTerra Ltd and its controlled entities (“the Group”) for the year ended 31 December 2024.

CURRENT DIRECTORS

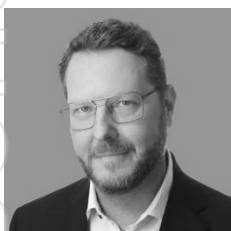
The names and particulars of the Company’s directors in office during the financial year and at the date of this report are as follows. The Directors held office for this entire year unless otherwise stated.



Mr Avon McIntyre | Executive Director and Chief Technical Officer (PhD)

Mr McIntyre (PhD; Waiakato University, NZ, 2002) is a geologist with over 20 years’ experience in both minerals and oil and gas exploration industries, with roles in government, service and operating companies. He worked for Shell Development Australia and Shell International in new ventures and new energies from 2008 to 2021, during which time he developed an interest in natural hydrogen occurrences. He has been providing consulting services on an exclusive basis to HYT since October 2021 through his company McIntyre Geological Services Pty Ltd before joining the board of directors of HYT in February 2022.

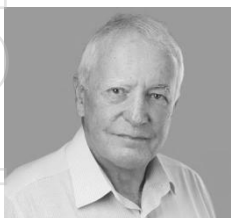
During the past three years, Mr McIntyre has not served as a Director of another ASX listed company.



Mr Benjamin Mee | Executive Director

Mr Mee (BSc Hons, University of Adelaide, Australia, 2001) has over 20 years’ of international oil and gas experience with a successful track record in project delivery from exploration through to production in various global locations. Most recently, he held the title of Manager Deepwater Africa Exploration for Shell, during which time significant petroleum discoveries were made in Namibia. In addition to his extensive geoscience knowledge and proven leadership, he was Group Portfolio Manager for Shell supporting the Executive Committee on corporate strategy and future portfolio development. Mr Mee’s decision to join HyTerra can be attributed to his career focus on developing solutions to mature complex energy resources and his passion for sustainable and affordable energy.

During the past three years, Mr Mee has not served as a Director of another ASX listed company.



Mr Russell Brimage | 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 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 Non-Executive Director of Lion Energy (ASX: LIO). The Board considers Mr Brimage to not be an independent Director due to his role as a vendor during the acquisition of Neutralysis Industries Pty Ltd, in the previous financial period.

During the past three years, Mr Brimage held the following directorship in other ASX listed companies:

- Non-Executive Director of Lion Energy (ASX: LIO) (current).

Directors' Report



Ms Christine Nicolau | Non-Executive Director

Ms Nicolau is Group Manager Corporate Portfolio Management focusing on driving governance, management and administration of Fortescue's interests via directorships across various Fortescue internal and external strategic growth subsidiaries spanning both Energy and Metals. In her previous role of Metals General Manager LATAM, Ms Nicolau coordinated Fortescue's minerals business in Latin America, including exploration and project development. Ms Nicolau has been with Fortescue since 2010 and during this time has held a range of management positions.

During the past three years, Ms Nicolau held the following directorship in other ASX listed companies:

- Non-Executive Director of Magmatic Resources Limited (ASX: MAG) (current).

COMPANY SECRETARY | Mr Arron Canicais

Mr Canicais is the founder of Explorer Corporate Pty Ltd, which specialises in corporate advice and compliance administration to public companies. Mr Canicais has been involved in financial reporting and corporate compliance for over 18 years. Mr Canicais is an associate member of the Institute of Chartered Accountants and Governance Institute of Australia. Mr Canicais is currently also Company Secretary and/ or CFO for various ASX listed and unlisted entities.

DIRECTORS' INTEREST IN THE COMPANY

The following table sets out each current Director's relevant interests in shares, options to acquire shares of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options	Listed Options	Performance Rights
Mr Avon McIntyre	7,000,000	12,000,000	-	16,000,000
Mr Benjamin Mee	4,193,081	25,600,000	-	-
Mr Russell Brimage	19,900,000	6,000,000	19,900,000	8,000,000
Ms Christine Nicolau	-	-	-	-
Total	31,093,081	43,600,000	19,900,000	24,000,000

Directors' Report

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was exploration for natural resources.

REVIEW AND RESULTS OF OPERATIONS

Nemaha Project, Kansas, USA

100% owned and operated

The Company's flagship Nemaha Project in Kansas provides direct access to an established, growing and maturing hydrogen market. The Company can pursue opportunities faster than in other countries because of the infrastructure, the evolved market, and a supportive regulatory set-up.

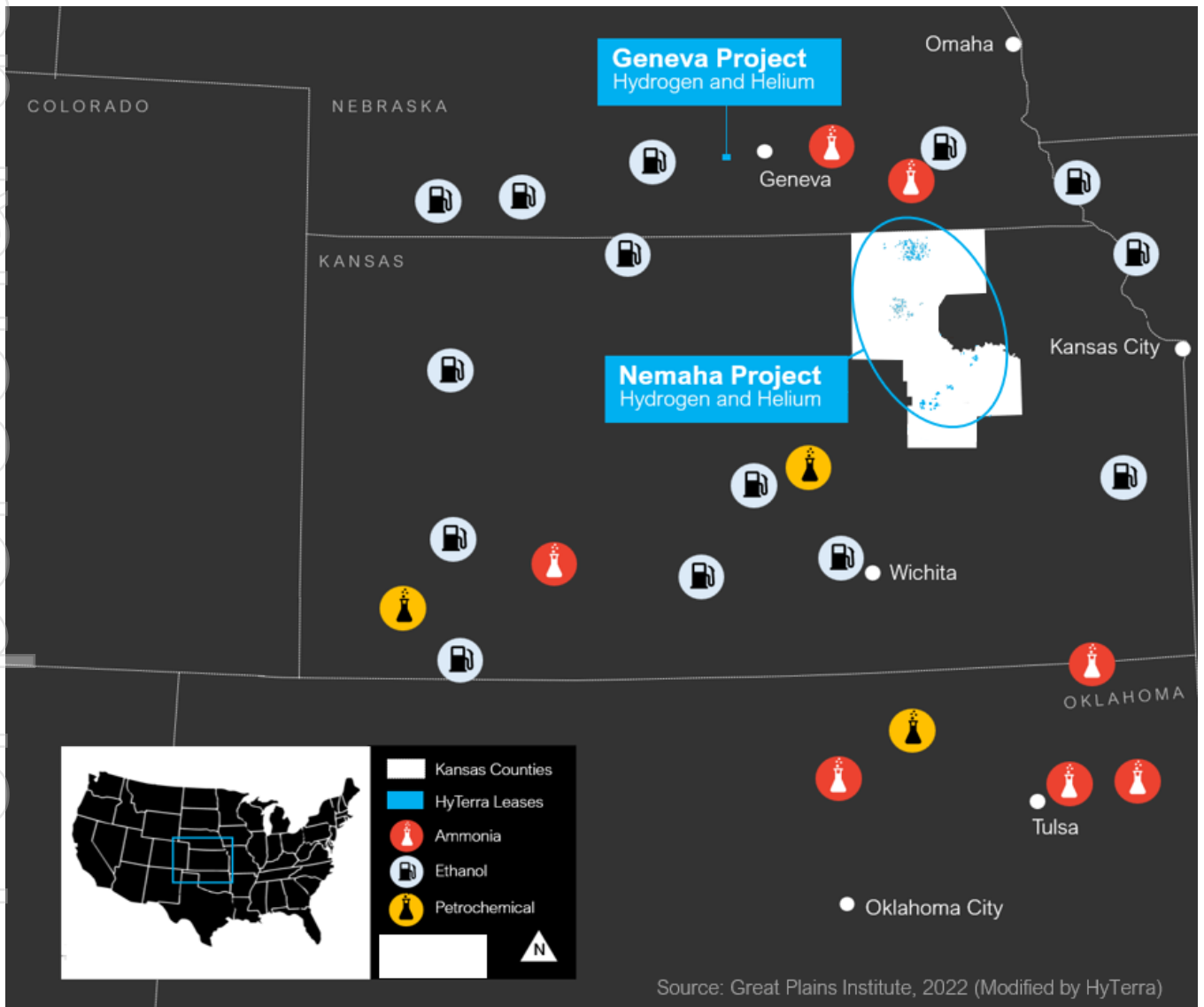


Figure 1. Located between Kansas City and Wichita in Kansas, USA, Nemaha lies at the centre of a major industrial and manufacturing hub.

Nemaha’s exploration leases have historic wells with multiple hydrogen and helium occurrences, some up to 92% hydrogen and 3% helium². The project can be connected via roads and pipelines to a long list of potential offtakers nearby including ethanol and ammonia manufacturers, and petrochemical plants, all heavy hydrogen users.

The Nemaha Project is located near the southern end of the Mid-Continent Rift System and next to the most prominent structural high in the region, the Nemaha Ridge. Multiple historic hydrogen occurrences in the region are widely considered to be sourced from the Rift’s underlying band of iron-rich rocks and migrate via faults to the crest of the ridge.

HyTerra expands lease position to over 60,000 acres

On 11 October 2024, HyTerra announced that it had acquired a further 13,000 acres of additional leases. This brought the Company’s total lease holdings to approximately 52,000 net acres. The Company continued leasing during the quarter within several priority areas of the project. An additional approximately 8,000 acres were acquired bringing the total lease position from 52,000 acres to over 60,000 acres. This position supports the upcoming significant exploration campaign.

Targeted leasing supported by geophysical data

The selection of the new leasing area acquired in October 2024 is based on subsurface features identified in multiple reprocessed seismic lines. These features are related to both the Mid-Continent Rift and overlying sedimentary rocks which reveal drilling targets. This provides additional play diversity to support the expanded drilling program linked to the Fortescue subscription agreement.

The project now covers an area defined by the Mid-Continent Rift System to the west and the prominent Nemaha Ridge to the east, the highest structural feature in the region.

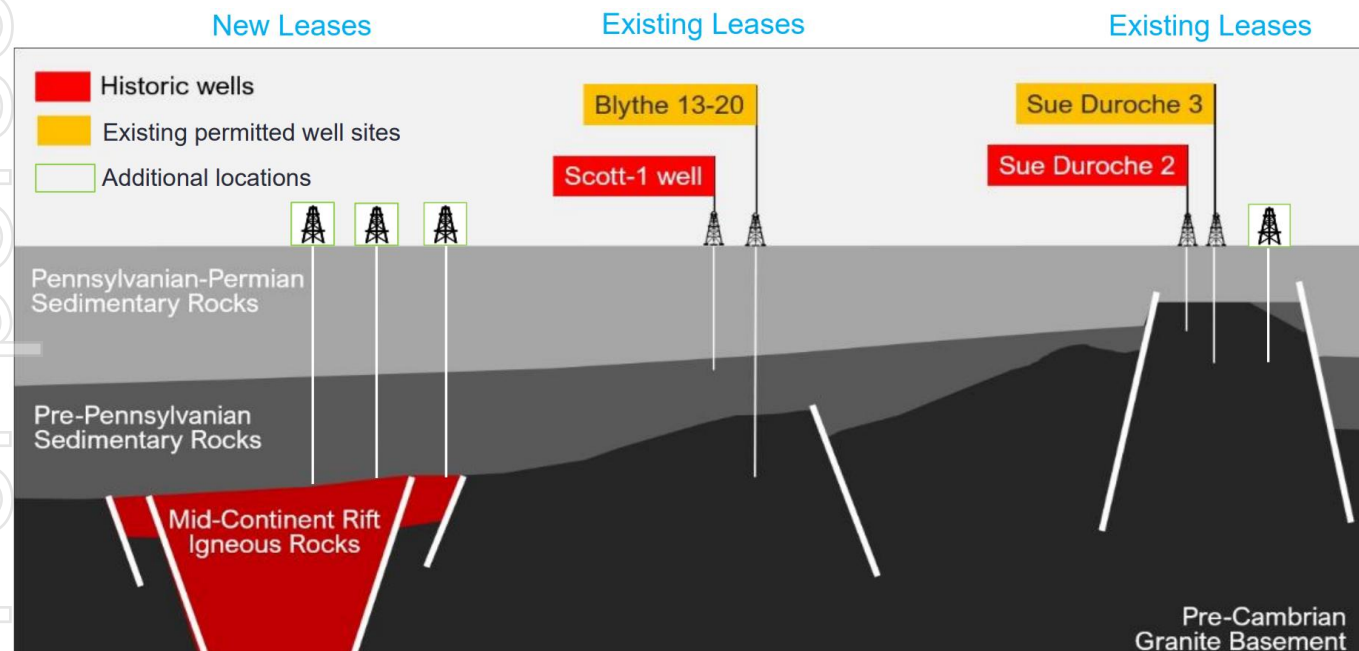


Figure 2. Cross-section of the hydrogen play fairway showing new acreage located above the Mid-Continent Rift, with additional potential drilling locations being prepared both here and across the acreage portfolio.

²H₂ + He % reflects occurrences of published gas analyses recovered from the wellbore. Uncertainty remains on historic well operations, sampling techniques, and analyses. The values are considered up to a % of H₂ or He.

Updated Prospective Resource

On 23 July 2024, Sproule Incorporated (Sproule) delivered an updated Prospective Resource for only the additional acreage acquired in the previous quarter in Wabaunsee County, Kansas. The total lease position at the time of the Prospective Resources is 12,880 acres only. The Prospective Resources for the existing leases remain consistent with the Prospective Resource announced on 13th December 2023. The additional acreage is all located within the Zeandale Prospect area. The updated Prospective Resource is shown below:

PROJECT NEMAHA – PROSPECTIVE HYDROGEN + HELIUM RESOURCES*

Table 1: Aggregated Net Recoverable Prospective Hydrogen Volumes

Prospect	Reservoir	MMscf (P90)	MMscf (P50)	MMscf (P10)
Central Geary	All	3,747	8,246	19,962
Eastern Geary	All	10,634	22,981	56,904
Morris North	All	32,514	68,333	160,019
Zeandale	Lansing	2,114	5,935	14,772
Total	All	49,009	105,495	251,657

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

Prospect	Reservoir	Kg (P90)	Kg (P50)	Kg (P10)
Central Geary	All	8,887,319	19,558,270	47,346,856
Eastern Geary	All	25,222,246	54,507,470	134,967,715
Morris North	All	77,118,309	162,075,581	379,540,959
Zeandale	Lansing	5,014,089	14,076,926	35,036,958
Total	All	116,241,963	250,218,247	596,892,488

Table 3: Net Recoverable Prospective Helium Volumes

Prospect	Reservoir	MMscf (P90)	MMscf (P50)	MMscf (P10)
Central Geary	Basement	3	37	134
Eastern Geary	Basement	8	93	312
Morris North	Basement	25	328	1,138
Zeandale	Basement	11	134	459
Total	Basement	47	592	2,043

Cautionary Statement: The estimated quantities of natural hydrogen and helium that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal, and evaluation is required to determine the existence of a significant quantity of potentially recoverable natural hydrogen and helium. The Prospective Resource estimates are quoted on an unrisks basis and are aggregated arithmetically by category. Please refer to the ASX release dated 13 December 2023 and June 30th Quarterly Activities report for full details with respect to the Prospective Resource estimate and associated risk.

Geneva Project, Nebraska, USA

Joint Development | 16% working interest

HyTerra has a Joint Development and Earn-In Agreement (JDA) with Natural Hydrogen Energy LLC which has been actively exploring for natural hydrogen near the town of Geneva in Filmore County, Nebraska, where the JDA holds leases across 80 acres.

Neutralysis (a 100% owned subsidiary of the Company) and Natural Hydrogen Energy LLC (NH2E) are assessing options for future activities under the Joint Development and Earn-In Agreement (JDA). After the downhole pump failed during testing in 2023, activities ceased with Neutralysis pausing its earn-in to this project and maintaining a 16% interest. The joint development partners are reviewing key data and metrics to decide on flow testing operations and the work program going forward. Neutralysis has been informed by NH2E that it has appointed new management, and as a result Neutralysis anticipates the venture is better positioned to reach critical decision points. The outcomes will form part of a quality decision by Neutralysis on the viability of this venture.

Once a venture decision is taken, the Board of HyTerra will update the market accordingly.

Disclaimer: The Company is not aware of any new information or data that materially affects the information included in the ASX announcement dated 13 December 2023 and that all material assumptions and technical parameters underpinning the estimates in the same announcement continue to apply and have not materially changed.

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

Directors' Report

CORPORATE

Board of Directors

On 6 December 2024, the Company appointed Christine Nicolau as Non-Executive Director.

Annual General Meeting

The Company held its Annual General Meeting on 24 May 2024. All resolutions were carried by way of a poll.

Capital Raising Performance Rights and Options

On 8 April 2024, the Company completed a Placement to raise up to \$878,400 (before costs) via the issue of 48,800,000 fully paid ordinary shares at an issue price of \$0.018 per share.

The Company appointed RM Corporate Finance Pty Ltd ("RM Corporate") as the Lead Manager for the Placement. In consideration for their services in connection with the Placement, the Company agreed to pay RM Corporate:

- A cash fee equal to 6% of the total gross proceeds raised under the Placement; and
- 24,000,000 options (exercisable at \$0.04 per option, on or before 30 November 2027). The options were issued on 28 May 2024 as approved by shareholders at the Annual General Meeting ("AGM") held on 24 May 2024.

In conjunction with the Placement, the Company completed a pro-rata non-renounceable rights issue of four (4) shares for every nine (9) existing shares held by eligible shareholders at an issue price of \$0.018 each raising approximately \$5.24 million (before costs).

The Company entered into an underwriting agreement with the Underwriter, RM Corporate Finance Pty Ltd, to act as the underwriter to the Rights Issue ("Underwriting Agreement"). The material terms and conditions of the Underwriting Agreement are as follows:

- the Underwriter agreed to fully underwrite the Rights Issue of up to \$5.24 million (being the total amount to be raised under the Rights Issue);
- in consideration for its services the Underwriter (or its nominee) received:
 - a \$314,545 cash fee (comprising a 1% management fee and a 5% lodgement fee);
 - 1,666,666 fully paid ordinary shares, issued on 28 May 2024 as approved by shareholders at the AGM held on 24 May 2024;
 - 72,000,000 Options (each exercisable at 4 cents each on or before 30 November 2027) (Underwriter Options), issued on 28 May 2024 as approved at the AGM held on 24 May 2024;
 - the Underwriter had the ability to appoint sub-underwriters to sub-underwrite the Rights Issue. The Underwriter was responsible for any fees payable to any sub-underwriters or other parties involved in the Rights Issue introduced by the Underwriter; and
- The Underwriter entered into a sub-underwriting agreement with Director, Mr Benjamin Mee, to sub-underwrite the Rights Issue up to the value of A\$120,000 (being 6,666,666 New Shares). Mr Benjamin Mee will receive a 4% sub-underwriting fee on the amount sub-underwritten and 600,000 Underwriter Options).
- The rights issue offer closed on 29 April 2024 and the Company received valid applications for 108,063,723 New Shares, raising a total of \$1,945,147 (before costs). A total of 183,182,524 New Shares were available under the shortfall and were subsequently issued on 14 May 2024 raising a total of \$3,297,285 (before costs).

On 1 July 2024, the Company issued 1,000,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

Directors' Report

On 9 July 2024, the Company issued 2,000,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

On 17 July 2024, the Company issued 2,000,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

On 13 August 2024, the Company issued 400,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

On 23 August 2024, the Company issued 761,373 fully paid ordinary shares to RM Corporate as consideration for services provided as approved at the AGM held on 24 May 2024.

On 6 December 2024, the Company issued and allotted 644,117,647 fully paid ordinary shares in HyTerra at \$0.034 per share; and 322,058,824 free-attaching options exercisable at \$0.051 per option, with an expiry date of 6 December 2027 to Fortescue Future Industries Technologies Pty Ltd ("Fortescue"), a wholly owned subsidiary of Fortescue Ltd, raising A\$21.9 million which gave Fortescue a 39.66% interest in HyTerra.

Financial Performance

The financial results of the Group for the year ended 31 December 2024 and year ended 31 December 2023 are:

	31-Dec-24	31-Dec-23
	\$	\$
Cash and cash equivalents	20,429,127	793,406
Net assets	36,314,112	9,671,432
Revenue and other income	95,185	27,974
Net loss after tax	(2,915,146)	(1,860,489)

DIVIDENDS

No dividend is recommended in respect of the current financial year (2023: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs during the financial year other than those included in this Directors' Report.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, except for:

On 24 January 2025, the Company issued 1,000,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

On 10 February 2025, the Company issued 2,000,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

On 21 February 2025, the Company issued 2,000,000 fully paid ordinary shares on the conversion of options at an exercisable price of \$0.025 per option.

Directors' Report

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group continues to evaluate new projects complementary with the business model of finding and developing projects with the potential to add shareholder value.

Except as disclosed herein, disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

DISCLOSURE OF BUSINESS STRATEGIES AND PROSPECTS – MATERIAL BUSINESS RISKS

The material business risks faced by the Group that are likely to have an effect on the financial prospects of the Group are disclosed below and how the Group manages these risks include:

Hydrogen exploration and evaluation risk:

The future value of the Group may depend on its ability to find and develop natural hydrogen resources that are economically recoverable within the Group's existing and future projects.

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.

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.

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. 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 Group 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.

Directors' Report

Geological, technological, and operational risk on leases held:

The leases of the Group, as it progresses through exploration, appraisal, development and possible production activities, may be adversely affected by a range of geological, technological and operational factors, including: (i) geological and reservoir conditions; (ii) limitations on activities due to seasonal or adverse weather patterns; (iii) alterations to program and budgets; (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities; (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events; (vi) industrial action, disputation or disruptions; (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations; (viii) shortages or unavailability of manpower or appropriately skilled manpower; (ix) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment (noting that the Group's exploration and development activities are dependent on the availability of drilling rigs and related equipment in the area of its leases); (x) prevention or restriction of access by reason of inability to obtain consents or approvals; or (xi) loss of or damage to private property, personal injury or death, or environmental damage; or (xii) landholder issues.

Hydrogen is a highly reactive gas and can 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.

The historic drilling results referred to by the Group regarding hydrogen and helium gas occurrences have been obtained by the Group from publicly available reports (i.e. gas analyses recovered from the wellbore). The Group cannot verify these historic results and they may be inaccurate or incorrect in certain respects. Therefore, there remains high uncertainty about how the historic well operations were executed, the sampling techniques used, and subsequent analyses undertaken.

The occurrence of any of these geological, technological, and operational risks could result in substantial financial losses to the Group in a number of different ways. Whilst the Directors will endeavour to anticipate, identify and manage the risks inherent in the activities of the business, with the aim of eliminating, avoiding and mitigating the impact of such, no assurance can be given that the Directors will be successful in these endeavours. Therefore, there can be no assurance that exploration of the leases, or any other leases that may be acquired in the future, will result in the discovery of an economic resource. There is a risk that the Group may complete its drilling program in accordance with its work plan without any complications, and still not discover any hydrogen or helium, or still not discover hydrogen or helium in sufficient quantities for commercial operations.

Furthermore, success of the Group will also depend upon the Group being able to maintain access to its leases and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to diminution in the value of the assets base of the Group, a reduction in the cash reserves of the Group and possible loss of leases.

The exploration costs of the Group 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 uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability.

Directors' Report

Resource, reserves and exploration target risks:

The Group is engaged in hydrogen and helium exploration, appraisal and development which is inherently highly speculative and involves a significant degree of risk, as outlined under 'Geological, technological and operational risks' category above.

Estimating Prospective Resources, Contingent Resources and Reserves is subject to significant assumptions and uncertainties associated with technical data and the interpretation of that data, the application of technology to access and recover the resources, future commodity prices and future development and operating costs, including being able to deal with the unique properties of hydrogen and helium in recovery from the subsurface, transporting, and processing.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited (e.g. commercial flow rates). There can be no guarantee that the Group will successfully be able to convert Prospective Resources into Contingent Resources, and if the Group is successfully able to convert Prospective Resources into Contingent Resources, there is no guarantee that the Group will successfully be able to convert Contingent Resources into Reserves. Further, if the Group does convert Contingent Resources into Reserves, there is no guarantee that the Group will be able to produce the volume of hydrogen or helium that it estimates as Reserves. Estimates may change significantly or become more uncertain or have changed geologic risk or have changed development risk when new information becomes available throughout the life of a project.

Reduction in Prospective Resources, Contingent Resources and Reserves estimates may have a material adverse effect on the viability of a project or the business of the Group generally.

The Group and parties to the JDA (defined below) has 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 Group 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.

Authorisations to explore, develop and produce resources:

If the Group identifies a potentially economically viable discovery that it then intends develop, it will, among other things, require various approvals, leases and permits for that location to develop any discovery (e.g. consent from relevant regulatory bodies, landowners). There is no guarantee that the Group will be able to obtain all required approvals, leases and permits. To the extent that required authorisations are not obtained or are delayed, the Group's operational and financial performance may be materially adversely affected.

Joint Venture Risk:

The Group is subject to the risk that changes in the status of any of the Group's joint ventures may adversely affect the operations and performance of the Group. The Group's wholly owned subsidiary Neutralysis Industries Pty Ltd (Neutralysis), currently holds a 16% beneficial interest in a joint development and earn-in agreement (JDA) with Natural Hydrogen Energy LLC (NH2E).

Directors' Report

The financial performance of the Group is subject to its various counterparties performing their obligations under the JDA. If one of its counterparties (including NH2E) fails to perform their contractual obligations under the operating agreement, it may result in loss of earnings, termination of other related contracts, disputes and/or litigation of which could impact on the Group's financial performance. Disputes could also lead to extensive delays in the Group's proposed development activities.

Furthermore, the Group is not the registered owner of the leases within the JDA with NH2E, and therefore the Group's ability to achieve its business objectives 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. The failure of NH2E or any future joint venture partner to comply with these obligations may result in the Group losing its interest in those leases which may have a material adverse effect on the Group's operations and performance, value of the Company's Shares, termination of other related contracts, and may lead to disputes and/or litigation.

There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Group is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Group.

Commodity price volatility and exchange rate risk:

If the Group achieves success leading to hydrogen and/or other co-existing subsurface gas (e.g. helium) production, the revenue it will derive through the sale of product exposes the potential income of the Group to commodity price and exchange rate risks. These commodity prices fluctuate and are affected by many factors beyond the control of the Group. Such factors include supply and demand fluctuations for production, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices and the operations of the Group are generally denominated in United States dollars, whereas the income from capital raising of the Group are and will be taken into account in Australian currency, exposing the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Environmental risk:

The operations and proposed activities of the Group are subject to a country's regulations concerning the environment. As with most exploration projects and development operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or production development proceeds. These 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 a Group's activities. Also, events such as unpredictable weather or wildfires may impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Approvals are required for access, land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration or development activities.

It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, despite its best efforts, the Group's operations may cause harm to the environment due to an unexpected occurrence or occurrences. Depending on the circumstances, the Group may suffer reputational damage, may have an obligation to remediate the damage and may also have its leases suspended or revoked, all of which may have a material adverse effect on the viability of a project or the business of the Group generally.

Directors' Report

Government policy and compliance risk:

The Group's businesses are affected by government policy. Reviews by foreign investment committees or 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 Group. 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 Group's properties without adequate compensation.

Climate Risk:

There are several climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:

- (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 Group 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 Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, 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 Group operates.

Directors' Report

Additional funding requirements:

The funds to be raised under the Offers (together with the existing cash reserves of the Group) are considered sufficient to meet the immediate objectives of the Group. Additional funding may be required in the event costs exceed the Group'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 Group may incur. If such events occur, additional funding will be required.

Following completion of the Offers, the Group may seek to raise further funds through equity or debt financing, licensing arrangements, or other means. Failure to obtain sufficient financing for the Group's activities may result in delay and indefinite postponement of its activities and the Group'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 Group and might involve substantial dilution to Shareholders.

Reliance on key personnel:

The responsibility of overseeing the day-to-day operations and the strategic management of the Group 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 Group if one or more of these employees cease their employment.

The Group's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire 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 Group's business.

Agents and contractors:

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 Group in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Group for any activity.

Competition risk:

The industry in which the Group will be involved is subject to domestic and global competition. Although the Group will undertake all reasonable due diligence in its business decisions and operations, the Group 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 Group's projects and business.

Insurance:

The Group intends to insure its operations in accordance with industry practice. However, in certain circumstances the Group'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 Group.

Insurance of all risks associated with exploration and production is not always available and where available the costs can be prohibitive.

Directors' Report

Limited operating history risk:

The Company was transformed from a suspended ASX oil and gas explorer to an entity exploring for natural hydrogen in late 2022 and since that time, it has incurred operating losses only. This means that investors will not have a long-term performance history or track record to use to assess the ability of the Group to achieve its objectives. Accordingly, there is a risk that the Group's investment objectives will not be achieved.

Litigation risks:

The Group is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Group's operations, financial performance and financial position. The Group is not currently engaged in any litigation.

Results of studies:

Subject to the results of exploration and testing programs to be undertaken, the Group may progressively undertake a number of studies in relation to the Group's 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 Group 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 Group will be consistent with the results of previous studies undertaken.

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 Group to complete a study may be dependent on the Group's ability to raise further funds to complete the study if required.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Director	Number Eligible to Attend	Number Attended
Mr Avon McIntyre	8	8
Mr Russell Brimage	8	8
Mr Benjamin Mee	8	8
Ms Christine Nicolau (appointed 6 December 2024)	-	-

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Group, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

Directors' Report

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2024 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Group during or since the end of the financial period were:

Mr Avon McIntyre	Executive Director and Chief Technical Officer
Mr Benjamin Mee	Executive Director
Mr Russell Brimage	Non-Executive Chairman
Ms Christine Nicolau	Non-Executive Director (appointed 6 December 2024)

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Voting and comments made at the Company's 2023 Annual General Meeting
- I Loans with KMP
- J Other Transactions with KMP

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors, and at present there are no other persons employed by the Group in an executive capacity.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

Directors' Report

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than \$500,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Group and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive Directors is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Group policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Group has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

Directors' Report

C Remuneration and Performance

The following table shows the gross revenue, losses, loss per share ("EPS") of the Group for the financial periods ended 31 December 2024 and 31 December 2023.

	31-Dec-24	31-Dec-23
Revenue and other income (\$)	95,185	27,974
Net loss after tax (\$)	(2,915,146)	(1,860,489)
EPS (cents)	(0.27)	(0.33)

Relationship between Remuneration and Group Performance

Given the current phase of the Group's development, the Board does not consider earnings during the current financial period when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- a) Fixed Remuneration – base salary
- b) Variable Short-Term Incentives
- c) Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this period. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to KMP annually, subject to the requisite Board and shareholder approvals where applicable. There were no cash bonus payments paid to Directors during the year.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options and performance rights are issued at the Board's discretion subject to shareholder approvals where applicable. Unlisted options and performance rights issued to Directors during the year are detailed in Table 5 and 6 below.

Other than the options disclosed in section D of the Remuneration Report, there have been no other options and performance rights issued to employees at the date of this financial report.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Table 1 – Remuneration of KMP of the Group for the year ended 31 December 2024 is set out below:

Directors' Report

	Short-term Employee Benefits			Post-Employment	Share-Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Performance Rights / Options ⁽ⁱⁱ⁾	
	\$	\$	\$	\$	\$	
31 December 2024						
Current Directors						
Mr Avon McIntyre	193,140	-	-	21,728	146,905	361,773
Mr Benjamin Mee	274,999	-	-	-	172,740	447,739
Mr Russell Brimage	90,000	-	-	-	73,453	163,453
Ms Christine Nicolau ⁽ⁱ⁾	-	-	-	-	-	-
Total	558,139	-	-	21,728	393,098	972,965

- (i) Ms Nicolau was appointed at Non-Executive Director on 6 December 2024.
(ii) Share-based payments are the options and performance rights expended over the vesting period (refer to Note 16 for further details).

Table 2 – Remuneration of KMP of the Group for the period ended 31 December 2023 is set out below:

	Short-term Employee Benefits			Post-Employment	Share-Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Performance Rights / Options ^(iv)	
	\$	\$	\$	\$	\$	
31 December 2023						
Current Directors						
Mr Avon McIntyre	193,140	-	-	22,418	81,371	296,929
Mr Benjamin Mee ⁽ⁱ⁾	193,263	-	-	-	80,434	273,697
Mr Russell Brimage	90,000	-	-	-	40,685	130,685
Former Directors						
Mr Paul Garner ⁽ⁱⁱ⁾	25,000	-	-	-	33,343	58,343
Mr Po Siu Chan ⁽ⁱⁱⁱ⁾	10,000	-	-	-	-	10,000
Total	511,403	-	-	22,418	235,833	769,654

- (i) Mr Mee was appointed at Executive Director on 18 April 2023.
(ii) Mr Garner resigned on 31 May 2023.
(iii) Mr Chan resigned on 17 February 2023.
(iv) Share-based payments are the options and performance rights expended over the vesting period (refer to Note 16 for further details).

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Directors' Report

Table 3 – Relative proportion of fixed vs variable remuneration expense

Name	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2024	2023	2024	2023	2024	2023
Current Directors						
Mr Avon McIntyre	59%	76%	-	-	41%	24%
Mr Benjamin Mee	61%	71%	-	-	39%	29%
Mr Russell Brimage	55%	69%	-	-	45%	31%
Ms Christine Nicolau	-	-	-	-	-	-

Table 4 – Shareholdings of KMP (direct and indirect holdings) for the year ended 31 December 2024 is set out below:

31 Dec 2024	Balance at 1/01/2024	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 31/12/2024
Current Directors					
Mr Avon McIntyre	6,750,000	-	-	250,000 ¹	7,000,000
Mr Benjamin Mee	-	-	-	4,193,081 ¹	4,193,081
Mr Russell Brimage	19,900,000	-	-	-	19,900,000
Ms Christine Nicolau	-	-	-	-	-
Total	26,650,000	-	-	4,443,081	31,093,081

¹ Participation in the Rights Issue that occurred in May 2024.

Table 5 – Option holdings of KMP (direct and indirect holdings) for the year ended 31 December 2024 is set out below:

31 Dec 2024	Balance at 1/01/2024	Granted as Remuneration	Expired	Net Change – Other	Balance at 31/12/2024	Vested & Exercisable
Current Directors						
Mr Avon McIntyre	12,000,000	-	-	-	12,000,000	4,000,000
Mr Benjamin Mee	25,000,000	-	-	600,000	25,600,000	10,600,000
Mr Russell Brimage	25,900,000	-	-	-	25,900,000	2,000,000
Ms Christine Nicolau	-	-	-	-	-	-
Total	62,900,000	-	-	600,000	63,500,000	16,600,000

Table 6 – Performance Rights of KMP (direct and indirect holdings) for the year ended 31 December 2024 is set out below:

31 Dec 2024	Balance at 1/01/2024	Granted as Remuneration	Expired	Net Change – Other	Balance at 31/12/2024	Vested & Exercisable
Current Directors						
Mr Avon McIntyre	16,000,000	-	-	-	16,000,000	4,000,000
Mr Benjamin Mee	-	-	-	-	-	-
Mr Russell Brimage	8,000,000	-	-	-	8,000,000	-
Ms Christine Nicolau	-	-	-	-	-	-
Total	24,000,000	-	-	-	24,000,000	4,000,000

Directors' Report

E Contractual Arrangements

- ❖ **Avon McIntyre – Executive Director and Chief Technical Officer**
 - Contract: Commenced February 2022.
 - Remuneration: \$193,140 per annum plus statutory superannuation and equity-based incentive rights subject to annual review and guaranteed CPI increase.
 - Notice Period: 6 months' notice during its initial 12 months and thereafter on 3 months' notice.
 - Term: No fixed term.
- ❖ **Benjamin Mee – Executive Director**
 - Contract: Commenced on 18 April 2023.
 - Remuneration: \$275,000 per annum.
 - Notice Period: 3 months' notice.
 - Term: No fixed term.
- ❖ **Russell Brimage – Non-Executive Chairman**
 - Contract: Commenced on 21 November 2022.
 - Director's Fee: \$90,000 and equity-based incentive rights subject to annual review.
 - Term: See Note 1 below for details pertaining to re-appointment and termination.

Note 1: The term of each Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at the meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

F Share-based Compensation

The Group rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Options

The Company issued 600,000 underwriter options expiring 30 November 2027 with an exercise price of \$0.04 to Mr Mee as approved at the Annual General Meeting ("AGM") held on 24 May 2024.

In the prior year the Company issued 5,000,000 zero exercise price options expiring 30 May 2028 to Mr Mee as approved at the Annual General Meeting ("AGM") held on 30 May 2023.

As approved at the General Meeting held on 25 October 2023, the Company issued 38,000,000 zero exercise price options ("ZEPOs") to Directors. The options expire on 25 October 2026. The incentive options were issued to Directors to motivate and reward performance in their roles as Directors.

Director	Number of Options Granted	Grant Date	Fair Value per Option at Grant Date	Exercise Price	Vested date and exercisable date	Expiry Date
Mr Avon McIntyre						
Unlisted Options	12,000,000	25/10/2023	\$0.02	Nil	25/10/2026	25/10/2026
Mr Benjamin Mee						
Unlisted Options	5,000,000	30/05/2023	\$0.019	Nil	30/05/2024	30/05/2028
Unlisted Options	20,000,000	25/10/2023	\$0.02	Nil	25/10/2026	25/10/2026
Mr Russell Brimage						
Unlisted Options	6,000,000	25/10/2023	\$0.02	Nil	25/10/2026	25/10/2026

Directors' Report

At the date of this report, the unissued ordinary shares of the Company under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Shares

Short and Long-term Incentives

No short or long-term incentive-based shares were issued as remuneration to Directors during the current financial year.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year (2023: Nil).

H Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 99.87% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

I Loans with KMP

There were no loans during the year ended 31 December 2024 (2023: Nil).

J Other Transactions with KMP

During the year technical support services were provided to the Company, by a related party of Avon McIntyre. All fees paid for these services were at market rates and a normal arm's length basis. Total fees paid during the period were \$9,817 (2023: \$Nil).

Mee Family Holdings Pty Ltd ATF Mee Family Trust A/C, an entity controlled by Mr Benjamin Mee, acted as a sub-underwriter for the Rights Issue to the value of \$120,000 that occurred in May 2024. He received a 4% underwriting fee and 600,000 options for providing the underwriting.

There were no other transactions with KMP during the year ended 31 December 2024.

The following director fees are outstanding to related parties as at 31 December 2024 and are included within Trade and Other Payables (current):

	2024 \$	2023 \$
Director fees payable to Pouvoir Pty Ltd, an entity related to Mr Russell Brimage	15,000	15,000
Director fees payable to Meetime Pty Ltd, an entity related to Mr Benjamin Mee	25,208	-
	40,208	15,000

End of Audited Remuneration Report.

Directors' Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL REGULATIONS

The Group is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF HLB MANN JUDD

There are no officers of the Company who are former partners of HLB Mann Judd.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 31 December 2024 has been received and included within these financial statements.

Directors' Report

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options or performance rights were outstanding:

- 45,008,334 HYTO quoted options expiring 31 October 2025, exercisable at \$0.03 per option,
- 219,100,000 HYTOA quoted options expiring 30 June 2026, exercisable at \$0.025 per option,
- 5,000,000 unlisted options expiring 30 May 2028, nil exercise price,
- 42,000,000 unlisted options expiring 25 October 2026, nil exercise price,
- 95,941,250 unlisted options expiring 30 November 2027, exercisable at \$0.04 per option,
- 322,058,824 unlisted options expiring 6 December 2027, exercisable at \$0.051 per option,
- 44,000,000 performance rights expiring 30 June 2027, and
- 14,000,000 performance rights expiring 6 September 2027.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares issued during the year ended 31 December 2024 and up to the date of this report on the exercise of options.

NON-AUDIT SERVICES

There were no non-audit services provided by the Company's auditors in the current financial year.

This report is signed in accordance with a resolution of Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Avon McIntyre
Executive Director and Chief Technical Officer
28 March 2025



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of HyTerra Limited for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'David Healy'.

Perth, Western Australia
28 March 2025

D B Healy
Partner

hlb.com.au

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A Western Australian Partnership

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue from continuing operations			
Other income	4	95,185	27,974
Expenses			
Administrative expenses	5(a)	(992,372)	(629,521)
Advertising and marketing		(133,182)	(49,508)
Compliance and regulatory expenses		(108,644)	(80,130)
Depreciation expense		(43,963)	(31,881)
Employee benefit expenses	5(b)	(867,096)	(725,511)
Finance costs		(3,631)	(1,550)
Occupancy expenses		(17,976)	(34,361)
Share-based payments	16	(831,101)	(315,562)
Other expenses		(12,366)	(20,439)
Loss from continuing operations before income tax		(2,915,146)	(1,860,489)
Income tax expense	6	-	-
Loss from continuing operations after income tax		(2,915,146)	(1,860,489)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		520,668	(64,636)
Other comprehensive loss for the year, net of tax		520,668	(64,636)
Total comprehensive loss attributable to the members of HyTerra Ltd		(2,394,478)	(1,925,125)
Loss per share for the year attributable to the members HyTerra Ltd:			
Basic loss per share (cents)	7	(0.27)	(0.33)
Diluted loss per share (cents)	7	(0.27)	(0.33)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

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Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	20,429,127	793,406
Trade and other receivables	9	108,943	65,161
Total current assets		20,538,070	858,567
Non-current assets			
Property, plant and equipment		-	4,646
Capitalised exploration and evaluation assets	10	16,232,011	9,032,372
Right-of-use assets		54,469	6,935
Total non-current assets		16,286,480	9,043,953
Total assets		36,824,550	9,902,520
LIABILITIES			
Current liabilities			
Trade and other payables	11	386,895	182,667
Lease liability	12	43,647	9,173
Provisions	13	64,415	39,248
Total current liabilities		494,957	231,088
Non-current liabilities			
Lease liability	12	15,481	-
Total non-current liabilities		15,481	-
Total liabilities		510,438	231,088
Net assets		36,314,112	9,671,432
EQUITY			
Contributed equity	14	74,634,198	47,975,878
Reserves	15	6,621,105	3,721,599
Accumulated losses		(44,941,191)	(42,026,045)
Total equity		36,314,112	9,671,432

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

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Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2024

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 January 2024	47,975,878	3,721,599	(42,026,045)	9,671,432
Loss for the year	-	-	(2,915,146)	(2,915,146)
Exchange differences on translation of foreign operations	-	520,668	-	520,668
Total comprehensive loss for the year after tax	-	520,668	(2,915,146)	(2,394,478)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares	28,681,181	-	-	28,681,181
Share issue costs	(475,124)	-	-	(475,124)
Share-based payments - share issue costs	(1,547,737)	1,547,737	-	-
Share-based payments	-	831,101	-	831,101
At 31 December 2024	74,634,198	6,621,105	(44,941,191)	36,314,112
	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total \$
At 1 January 2023	47,225,113	3,320,673	(40,165,556)	10,380,230
Loss for the year	-	-	(1,860,489)	(1,860,489)
Exchange differences on translation of foreign operations	-	(64,636)	-	(64,636)
Total comprehensive loss for the year after tax	-	(64,636)	(1,860,489)	(1,925,125)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares	916,000	-	-	916,000
Share issue costs	(208,834)	150,000	-	(58,834)
Share issue costs (reversal)	43,599	-	-	43,599
Share-based payments	-	315,562	-	315,562
At 31 December 2023	47,975,878	3,721,599	(42,026,045)	9,671,432

The Consolidated Statement of Changes in Equity should be read
in conjunction with the notes to the financial statements.

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Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,992,287)	(1,707,725)
Interest and other finance costs paid		(3,631)	(1,550)
Interest received		95,185	27,974
Net cash used in operating activities	8	(1,900,733)	(1,681,301)
Cash flows from investing activities			
Payments made for exploration and evaluation		(6,572,761)	(2,935,422)
Payments for property, plant and equipment		-	(7,147)
Net cash used in investing activities		(6,572,761)	(2,942,569)
Cash flows from financing activities			
Proceeds from the issue of shares		28,020,832	916,000
Proceeds from the exercise of options		203,100	-
Share issue costs		(77,876)	(58,834)
Repayment of convertible notes		-	(5,156)
Repayment of lease liabilities		(36,896)	(26,252)
Net cash from financing activities		28,109,160	825,758
Net increase/ (decrease) in cash and cash equivalents		19,635,666	(3,798,112)
Cash and cash equivalents at the beginning of the year		793,406	4,604,762
Effect of exchange rate fluctuations on cash held		55	(13,244)
Cash and cash equivalents at the end of the year	8	20,429,127	793,406

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

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Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Reporting Entity

HyTerra Ltd (referred to as “Company” or “parent entity”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Consolidated Entity” or the “Group”).

(b) Basis of Preparation

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 22.

New and revised Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Australian Accounting Standards or Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted for the annual reporting period ended 31 December 2024. The Group has not assessed the impact of these new or amended Accounting Standards and Interpretations.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of HyTerra Ltd ('Company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. HyTerra Ltd and its subsidiaries together are referred to in this financial report as the consolidated entity or Group.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(e) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(f) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Exploration and evaluation expenditure

Exploration and evaluation expenditure has been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the existence of any impairment indicators and in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees or suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black and Scholes, Binomial or Hoadley ES02 model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Notes to the Consolidated Financial Statements

NOTE 3 SEGMENT INFORMATION

HyTerra Ltd operates predominantly in one segment, being the exploration of natural hydrogen in the United States of America.

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

The revenues and results of this segment are those of the Group as a whole and are set out in the Consolidation Statement of Profit or Loss and Other Comprehensive Income and the assets and liabilities of the Group as a whole are set out in the Consolidated Statement of Financial Position.

NOTE 4 REVENUE AND OTHER INCOME

	2024	2023
	\$	\$
Interest income	95,185	27,974
	95,185	27,974

Accounting Policy

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTE 5 EXPENSES

	2024	2023
	\$	\$
(a) Administrative and corporate expenses		
Accounting and audit fees	69,177	34,865
Consultancy and professional fees	488,613	309,610
Travel and accommodation expenses	100,881	46,687
Legal fees	150,976	110,536
General and administrative expenses	182,725	127,823
	992,372	629,521
(b) Employee benefits expense		
Wages & Salaries	793,609	650,383
Superannuation	48,320	35,880
Annual leave expense	25,167	39,248
	867,096	725,511

Notes to the Consolidated Financial Statements

NOTE 6 INCOME TAX

	2024	2023
	\$	\$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(2,394,478)	(1,860,489)
Prima facie tax benefit on loss before income tax at 25% (2023: 30%)	(598,620)	(558,147)
Non-deductible expenses	(28,391)	12,570
Current year losses for which no deferred tax asset was recognised	627,011	545,577
Income tax expense	-	-
(c) Unrecognised temporary differences		
Accruals and other creditors	-	-
Share-based payments	831,101	465,562
Unrecognised deferred tax assets relating to the above temporary differences	831,101	465,562

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 31 December 2024 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time.

The benefit for tax losses will only be obtained if:

- (i) The Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) There are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

Accounting Policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Notes to the Consolidated Financial Statements

NOTE 6 INCOME TAX (CONTINUED)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTE 7 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024	2023
	\$	\$
Net loss for the period	(2,915,146)	(1,860,489)
Weighted average number of ordinary shares for basic and diluted loss	1,078,101,151	567,756,581

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position. The convertible notes issued during the previous period were not dilutive, so the calculation excludes the impact of the shares potentially issuable. Consequently, the dilutive earnings per share is equivalent to the basic earnings per share.

Continuing operations

- Basic and diluted loss per share (cents)	(0.27)	(0.33)
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Notes to the Consolidated Financial Statements

NOTE 7 LOSS PER SHARE (CONTINUED)

Accounting Policy

Basic earnings/ (loss) per share

Basic earnings per share are calculated by dividing:

- The profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings/ (loss) per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 8 CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash at bank and in hand	20,429,127	793,406
	20,429,127	793,406

(a) Reconciliation of net loss after tax to net cash outflows from operations

Loss for the financial period	(2,915,146)	(1,860,489)
<i>Adjustments for:</i>		
Share-based payments (including shares issued to Corporate Advisor)	891,101	315,562
Depreciation	43,963	31,881
Exploration written off transferred to Investing activities	1,703	-
<i>Changes in assets and liabilities</i>		
Trade and other receivables	(43,837)	(57,824)
Trade and other payables	121,483	(110,431)
Net cash used in operating activities	(1,900,733)	(1,681,301)

(b) Non-cash investing and financing activities

22,069,411 shares with a fair value of \$397,249 and 96,000,000 options with a fair value of \$1,547,737 were issued to the Underwriter and lead manager, RM Corporate Finance Pty Ltd, of the placement and Rights Issue as share issue costs.

There were no non-cash investing activities during the period.

Accounting Policy

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

Notes to the Consolidated Financial Statements

NOTE 9 TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
GST receivable	51,242	34,568
Other deposits and receivables	57,701	30,593
	108,943	65,161

Allowance for expected credit losses

The Group did not recognise any loss in the profit or loss in respect of the expected credit losses for the year ended 31 December 2024 and 31 December 2023, due to the nature of the receivables.

Accounting Policy

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

	2024	2023
	\$	\$
Carrying amount of exploration and evaluation expenditure	16,232,011	9,032,372
At the beginning of the year	9,032,372	5,950,778
Additions capitalised during the year	6,736,238	3,081,594
Impact of foreign exchange	463,401	-
At the end of the year	16,232,011	9,032,372

The ultimate recoupment of the value of exploration and evaluation expenditure is dependent on the successful development and commercial exploration, or alternatively, sale of the exploration and evaluation asset.

Notes to the Consolidated Financial Statements

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Accounting Policy

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

NOTE 11 TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade payables ⁽ⁱ⁾	304,114	129,153
Accrued expenses	58,230	35,000
Other payables	24,551	18,514
	386,895	182,667

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Accounting Policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 12 LEASE LIABILITY

	2024	2023
	\$	\$
Current lease liability	43,647	9,173
Non-current lease liability	15,481	-
	59,128	9,173
Movement in lease liability:	2024	2023
	\$	\$
Opening balance	9,173	35,425
Additions during the year	86,851	-
Repayments from cashflows	(40,527)	(27,802)
Interest expense	3,631	1,550
Closing balance	59,128	9,173

Notes to the Consolidated Financial Statements

NOTE 12 LEASE LIABILITY (CONTINUED)

Accounting Policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 13 PROVISIONS

	2024 \$	2023 \$
Annual leave entitlements	64,415	39,248
	64,415	39,248

Accounting Policy

Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 14 CONTRIBUTED EQUITY

(a) Issued and fully paid

	2024		2023	
	No.	\$	No.	\$
Ordinary shares	1,626,958,893	74,634,198	606,502,882	47,975,878

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the Consolidated Financial Statements

(b) Movement reconciliation

	Date	Number	Issue Price	\$
At 1 January 2023		555,702,882		47,225,113
Vesting of performance rights - Avon McIntyre	22/02/2023	5,000,000	-	-
Placement	30/10/2023	45,800,000	\$0.02	916,000
Share issue costs		-	-	(208,834)
Share issue costs (reversal)		-	-	43,599
At 31 December 2023		606,502,882		47,975,878
Placement	8/04/2024	48,800,000	0.018	878,400
Rights Offer - Shortfall shares	6/05/2024	108,063,723	0.018	1,945,147
Rights Offer - Shortfall shares	14/05/2024	183,182,524	0.018	3,297,285
Part consideration to the Underwriter of the Rights Offer	28/05/2024	1,666,666	0.018	30,000
Consideration shares issued to Lead Manager and Underwriter for the Placement and Rights Offer	28/05/2024	20,402,745	0.018	367,249
Consideration shares issued to Corporate Advisor	28/05/2024	486,770	0.016	8,000
Consideration shares issued to Corporate Advisor	23/08/2024	761,373	0.026	20,000
Option conversion	Various dates	7,983,750	0.025	203,100
Conversion of performance rights	6/11/2024	4,000,000	-	-
Placement - Fortescue	6/12/2024	644,117,647	0.034	21,900,000
Consideration shares issued to Corporate Advisor for services	11/12/2024	990,813	0.032	32,000
Share issue costs		-	-	(2,055,861)
At 31 December 2024		1,626,958,893		74,634,198

Accounting Policy

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

NOTE 15 RESERVES

	2024 \$	2023 \$
Share-based payments	6,116,584	3,737,746
Foreign currency translation reserve	456,032	(64,636)
Convertible note reserve	48,489	48,489
	6,621,105	3,721,599
Movement reconciliation		
Share-based payments reserve		
Balance at the beginning of the year	3,737,746	3,272,184
Equity settled share-based payment transactions (Note 16)	2,378,838	465,562
Balance at the end of the year	6,116,584	3,737,746
Foreign currency translation reserve		
Balance at the beginning of the year	(64,636)	-
Exchange differences on translation of foreign operations	520,668	(64,636)
Balance at the end of the year	456,032	(64,636)
Convertible note reserve		
Balance at the beginning of the year	48,489	48,489
Balance at the end of the year	48,489	48,489

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Convertible note reserve

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 the convertible note reserve, net of transaction costs.

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS

	2024 \$	2023 \$
Unlisted options issued	-	19,925
Options issued to Directors	-	112,251
Options issued to Lead Manager and Underwriter	1,547,737	150,000
Performance rights issued to Staff	301,167	-
Amortisation of options issued in the prior year to Directors	293,068	-
Amortisation of options issued in the prior year to Staff	53,480	-
Amortisation of performance rights issued in the prior year	183,386	183,386
	2,378,838	465,562
<i>Reconciliation:</i>		
Recognised as share-based payment expenses in the Statement of Profit or Loss and Other Comprehensive Income	831,101	315,562
Recognised as share issue costs in equity	1,547,737	150,000
	2,378,838	465,562

(a) Unlisted Options

Set out below is a summary of unlisted options granted as share-based payments:

2024						
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Balance at the end of the year
14-09-2022	30-06-2025	\$0.025	32,150,000	-	(7,900,000)	24,250,000
30-05-2023	30-05-2028	\$0.000	5,000,000	-	-	5,000,000
25-10-2023	25-10-2026	\$0.000	44,000,000	-	(4,000,000)	40,000,000
25-10-2023	30-05-2028	\$0.000	2,000,000	-	-	2,000,000
24-05-2024	30-11-2027	\$0.040	-	96,000,000 ⁽ⁱ⁾	(58,750)	95,941,250
06-12-2024	06-12-2027	\$0.051	-	322,058,824 ⁽ⁱⁱ⁾	-	322,058,824
			83,150,000	418,058,824	(11,958,750)	489,250,074
Weighted average exercise price			\$0.010			

(i) On 28 May 2024, the Company issued 96,000,000 unlisted options with an exercise price of \$0.04, expiring 30 November 2027, to the Lead Manager and Underwriter of the Entitlement Issue. The options issued were approved at the AGM on 24 May 2024.

The options issued 28 May 2024, have been valued using the Black Scholes valuation model. The model and assumptions are shown in the table below:

Black Scholes Valuation Model	
	Unlisted Options
Grant Date	24/05/2024
Expiry Date	30/11/2027
Strike (Exercise) Price	\$0.040
Underlying Share Price (at date of issue)	\$0.031
Risk-free Rate (at date of issue)	3.98%
Volatility	85%
Number of Options Issued	96,000,000
Dividend Yield	0%
Fair value per option	\$0.0161
Total Fair Value of Options	\$1,547,737

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS (CONTINUED)

(ii) On 6 December 2024, the Company issued 322,058,824 free attaching unlisted options with an exercise price of \$0.051, expiring 6 December 2027, to Fortescue as part of the private placement. The options issued were approved at the EGM on 5 December 2024.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.68 years.

(b) Listed Options

Set out below is a summary of listed options granted during the year:

2024							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30-10-2023	31-10-2025	\$0.030	30,533,334	-	-	-	30,533,334
30-10-2023	31-10-2025	\$0.030	15,000,000	-	-	-	15,000,000
21-11-2023	30-06-2025	\$0.025	197,350,000	-	(25,000)	-	197,325,000
			242,883,334	-	(25,000)	-	242,858,334

(i) On 30 October 2023, 30,533,334 options were issued. These options are free attaching options to the Placement shares issued on a 2:3 basis.

(ii) On 30 October 2023, the Company issued 15,000,000 options to Indian Ocean Securities Pty Ltd ("IOS") who acted as Lead Manager and broker for the Placement completed in October 2023. The options were deemed to have a value of \$0.01 per option.

(iii) On 21 November 2023, the Company applied for the quotation of 197,350,000 options.

(c) Performance Rights

Set out below is a summary of performance rights granted during the year as share-based payments:

2024							
Tranche	Grant Date	Expiry date	Balance at the start of the year	Granted	Vested during the year	Cancelled/ Other	Balance at the end of the year
A	10-10-2022	30-06-2027	22,000,000	-	-	-	22,000,000
B	10-10-2022	30-06-2027	22,000,000	-	-	-	22,000,000
C	10-10-2022	30-06-2027	-	-	-	-	-
D	06-09-2024	06-09-2027	-	500,000	-	-	500,000
E	06-09-2024	06-09-2027	-	9,000,000	-	-	9,000,000
F	06-09-2024	06-09-2027	-	500,000	-	-	500,000
G	06-09-2024	06-09-2027	-	4,000,000	-	-	4,000,000
			44,000,000	14,000,000	-	-	58,000,000

Performance rights issued in the period.

Four classes of Performance Rights were issued as follows:

500,000 Class D Performance Rights with an expiry date of 6 September 2027, will vest upon the holder serving 12 months of continuous service with the Company following the issue date.

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS (CONTINUED)

9,000,000 Class E Performance Rights

- Tranche 1:
3,000,000 Performance Rights with an expiry date of 6 September 2027, vest upon an independent analysis of a gas sample recovered to the surface in a well operated by HyTerra, with a composition of greater than 50% combined volume of hydrogen and helium and less than 20% combined volume of methane and carbon dioxide and Surya being engaged under this Agreement for a minimum of 6 months.
- Tranche 2:
3,000,000 Performance Rights with an expiry date of 6 September 2027, vest upon the classification of a contingent resource certified by a qualified independent party for a hydrogen, helium or any other gas, liquid, metallic or precious commodity within any project operated by HyTerra and Surya being engaged under this Agreement for a minimum of 12 months.
- Tranche 3:
3,000,000 Performance Rights with an expiry date of 6 September 2027, vest upon the classification of a contingent reserve certified by a qualified independent party for a hydrogen, helium or any other gas, liquid, metallic or precious commodity within any project operated by HyTerra and Surya being engaged under this Agreement for a minimum of 24 months.

500,000 Class F Performance Rights with an expiry date of 6 September 2027, will upon an independent analysis of a gas sample recovered to the surface in a well operated by the Company, with a composition of greater than 50% combined volume of hydrogen and helium and less than 20% combined volume of methane and carbon dioxide.

4,000,000 Class E Performance Rights

- Tranche 1:
2,000,000 Performance Rights with an expiry date of 6 September 2027, vest upon the Company reaching a lease holding of equal to or more than 20,000 net mineral acres across the Nemaha Ridge project area in Kansas, USA.
- Tranche 2:
2,000,000 Performance Rights with an expiry date of 6 September 2027, vest upon the Company reaching a lease holding of equal to or more than 50,000 net mineral acres across the Nemaha Ridge project area in Kansas, USA.

The total value of the 14,000,000 performance rights issued at grant date is \$546,000 and will be recognised over the vesting period of the rights. Performance Rights were valued based on the share price at grant date.

Accounting Policy

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Notes to the Consolidated Financial Statements

NOTE 16 SHARE-BASED PAYMENTS (CONTINUED)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Hoadley ESO2 valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Notes to the Consolidated Financial Statements

NOTE 17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2024 \$	2023 \$
Financial Assets		
Cash and cash equivalents	20,429,127	793,406
Trade and other receivables	108,943	65,161
	20,538,070	858,567

	2024 \$	2023 \$
Financial Liabilities		
Trade and other payables	386,895	182,667
Lease liabilities	43,647	9,173
	430,542	191,840

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk sensitivity analysis

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2024 \$	2023 \$
FX sensitivity		
US dollars	1,390,212	57,668

Notes to the Consolidated Financial Statements

NOTE 17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2024		2023	
	Weighted average interest rate ⁽ⁱ⁾ %	Balance \$	Weighted average interest rate ⁽ⁱ⁾ %	Balance %
Cash and cash equivalents	2.90%	20,429,127	1.13%	793,406

(i) This interest rate represents the average interest rate for the year.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year/period, using the observed range of historical rates for the preceding two-year period.

At 31 December 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

Judgements of reasonably possible movements:	Loss higher/(lower)	
	2024 \$	2023 \$
+ 1.0% (100 basis points)	204,291	7,934
- 1.0% (100 basis points)	(204,291)	(7,934)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the financial position and notes to the financial statements. The Group does not hold any collateral.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

Notes to the Consolidated Financial Statements

NOTE 17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the contractual maturities of financial liabilities:

	1 year or less \$	1-5 years \$	> 5 years \$	Total \$
2024				
Trade and other payables	386,895	-	-	386,895
Lease liabilities	59,128	-	-	59,128
	446,023	-	-	446,023
2023				
Trade and other payables	182,667	-	-	182,667
Lease liabilities	9,173	-	-	9,173
	191,840	-	-	191,840

(d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Group's development there are no formal targets set for return on capital. The Group is not subject to externally imposed capital requirements. The net equity of the Group is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

Accounting Policy

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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Notes to the Consolidated Financial Statements

NOTE 17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTE 18 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2024 \$	2023 \$
Short-term benefits	558,139	511,403
Post-employment benefits	21,728	22,418
Share-based payments	393,098	235,833
	972,965	769,654

Information regarding individual Directors compensation and equity instruments disclosures is provided in the Remuneration Report section of the Directors' Report.

(b) Transactions with related parties

During the year technical support services were provided to the Company, by a related party of Avon McIntyre. All fees paid for these services were at market rates and a normal arm's length basis. Total fees paid during the period were \$9,817 (2023: \$Nil).

Mee Family Holdings Pty Ltd ATF Mee Family Trust A/C, an entity controlled by Mr Benjamin Mee, acted as a sub-underwriter for the Rights Issue to the value of \$120,000 that occurred in May 2024. He received a 4% underwriting fee and 600,000 options for providing the underwriting.

There were no transactions with related parties during the year ended 31 December 2023.

(c) Amounts payable to/ (receivable from) related parties

The following director fees are outstanding to related parties as at 31 December 2024 and are included within Trade and Other Payables (current):

	2024 \$	2023 \$
<i>Trade and other payables to related parties:</i>		
Director fees payable to Pouvoir Pty Ltd, an entity related to Mr Russell Brimage	16,500	16,500
Director fees payable to Meetime Pty Ltd, an entity related to Mr Benjamin Mee	25,208	-

(d) Loans with related parties

There were no loans during the year ended 31 December 2024 (2023: Nil).

There were no other transactions with related parties during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

NOTE 19 COMMITMENTS

(a) Capital Expenditure Commitments

As at balance date, the Group had no outstanding future commitments under equipment purchase contracts not otherwise accounted for as liabilities (2023: Nil).

(b) Tenement Commitments

As at 31 December 2024, the Group does not have work program commitments on any of its lease holdings (2023: Nil).

NOTE 20 CONTINGENT LIABILITIES

Contingent liabilities

There are no contingent assets at 31 December 2024 (2023: Nil).

Contingent assets

There are no contingent assets at 31 December 2024 (2023: Nil).

NOTE 21 AUDITOR'S REMUNERATION

	2024	2023
	\$	\$
Amounts received or due and receivable by HLB Mann Judd for:		
Audit and review of the financial reports	52,884	35,592
	52,884	35,592

NOTE 21 INVESTMENT IN CONTROLLED ENTITIES

		Country of Incorporation	Ownership interest	
	Principal Activities	n	2024	2023
			%	%
Neutralysis Industries Pty Ltd	Hydrogen investment	Australia	100%	100%
HYT USA LLC ¹	Oil & gas exploration	USA	100%	100%
HYT Operating LLC ²	Oil & gas exploration	USA	100%	100%
HYT SEA Pty Ltd ³	Oil & gas exploration	Australia	100%	100%

1. HYT USA LLC was incorporated in 22 November 2022.
2. HYT Operating LLC was incorporated in 22 November 2022. HYT Operating holds the Group's Kansas lease holdings.
3. HYT SEA Pty Ltd was incorporated on 15 November 2023. Currently, the Company is dormant.

Notes to the Consolidated Financial Statements

NOTE 22 PARENT ENTITY

	2023 \$	2023 \$
Assets		
Current assets	19,123,606	800,876
Non-current assets	17,060,088	9,042,871
Total assets	36,183,694	9,843,747
Liabilities		
Current liabilities	330,615	187,315
Non-current liabilities	-	-
Total liabilities	330,615	187,315
Equity		
Contributed equity	74,634,198	47,975,878
Reserves	6,165,073	3,786,235
Accumulated losses	(44,946,192)	(42,105,681)
Total equity	35,853,079	9,656,432
Loss for the year	(2,840,511)	(1,277,155)
Total comprehensive loss	(2,840,511)	(1,277,155)

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023,

Capital commitments - Property, plant and equipment

The parent entity has a lease liability of \$59,128 (2023: \$9,173) for the lease of the Company's corporate office, other than this there are no other capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

Lease commitments

The parent entity had no lease commitments as at 31 December 2024 and 31 December 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

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Notes to the Consolidated Financial Statements

NOTE 23 EVENTS AFTER THE REPORTING DATE

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, except for:

On 24 January 2025 the Company issued and allotted 1,000,000 ordinary shares upon the conversion of 1,000,000 HYTOA quoted options raising \$25,000 (before costs).

On 10 February 2025 the Company issued and allotted 1,000,000 ordinary shares upon the conversion of 1,000,000 HYTOA quoted options raising \$25,000 (before costs).

On 21 February 2025 the Company issued and allotted 1,000,000 ordinary shares upon the conversion of 1,000,000 HYTOA quoted options raising \$25,000 (before costs).

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Consolidated Entity Disclosure Statement

	Country of Incorporation	Country of residency for tax purposes	Type of entity	Ownership interest	
				2024	2023
				%	%
HyTerra Limited	Australia	Australia	Body corporate		
Neutralysis Industries Pty Ltd	Australia	Australia	Body corporate	100%	100%
HYT USA LLC	USA	USA	Body corporate	100%	100%
HYT Operating LLC	USA	USA	Body corporate	100%	100%
HYT SEA Pty Ltd	Australia	Australia	Body corporate	100%	100%

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Directors' Declaration

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1(b) to the financial statements.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- d) The Consolidated Entity Disclosure Statement on page 70 is true and correct as at 31 December 2024.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:



Avon McIntyre
Executive Director and Chief Technical Officer

28 March 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of HyTerra Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of HyTerra Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of capitalised exploration and evaluation assets	
Refer to Note 10	
<p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises exploration and evaluation expenditure and as at 31 December 2024 had a deferred exploration and evaluation expenditure balance of 16,232,011.</p> <p>Capitalised exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved significant audit effort and communication with those charged with governance.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> – Obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; – Considered management's assessment of potential indicators of impairment, in addition to making our own assessment; – Obtained evidence that the Group has current rights to tenure of its areas of interest; – Considered the nature and extent of planned ongoing activities with reference to the forecast exploration expenditure for FY25; – Substantiated a sample of expenditure by agreeing to supporting documentation; and – Examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

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- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of HyTerra Ltd for the year ended 31 December 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 March 2025



D B Healy
Partner

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Corporate Governance Statement

The Board of Directors of HyTerra Ltd is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at <https://hyterra.com/corporate-governance/>.

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ASX Additional Information

The shareholder information set out below was applicable as at 17 March 2025 except where otherwise stated.

1. Quoted Securities

Ordinary shares

The Company's issued capital comprised of 606,502,882 fully paid shares held by 1,882 holders. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll of every holder is entitled to one vote per share held.

Distribution of holders of equity securities and marketable parcel

Fully paid ordinary shares	Holders	Total Units	% issued
1-1,000	364	79,064	0.00%
1,001 – 5,000	104	265,917	0.02%
5,001 – 10,000	45	374,530	0.02%
10,001 – 100,000	659	29,260,463	1.80%
Over 100,001	710	1,599,978,919	98.16%
	1,882	1,629,958,893	100.00%

There are 621 shareholders with less than a marketable parcel of \$500 based on a share price of \$0.033 for a total of 2,101,231 shares.

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ASX Additional Information

Top 20 Shareholders

Position	Holder Name	Holding	% IC
1	FORTESCUE FUTURE INDUSTRIES TECHNOLOGIES PTY LTD	644,117,647	39.52%
2	CITICORP NOMINEES PTY LIMITED	38,956,574	2.39%
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	38,946,764	2.39%
4	SUNSHORE HOLDINGS PTY LTD	35,388,889	2.17%
5	AS GULL HOLDINGS PTY LTD <A S GULL HOLDINGS A/C>	31,915,921	1.96%
6	MR ADRIAN STEPHEN PAUL & MRS NOELENE FAYE PAUL <ZME SUPERANNUATION FUND A/C>	28,527,778	1.75%
7	POUVOIR PTY LTD <BRIMAGE SUPER FUND A/C>	19,900,000	1.22%
8	JUNEDAY PTY LTD	19,305,556	1.18%
9	CINTRA HOLDINGS PTY LTD <THE CINTRA A/C>	17,305,879	1.06%
10	MR PING HUNG LAU	14,561,112	0.89%
11	MR AHMAD FUAD BIN MD ALI	14,055,555	0.86%
12	TIMRIKI PTY LTD <TIMRIKI A/C>	13,748,207	0.84%
13	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	12,312,541	0.76%
14	DRAPER DARRA PTY LTD	10,500,000	0.64%
15	MR BRENDAN BARTHOLEMUEW EGAN	10,290,456	0.63%
16	LJM CAPITAL CORPORATION PTY LTD	10,200,000	0.63%
17	MELVIN PEEBLES PTY LTD <NERD FAMILY SUPER FUND A/C>	10,000,000	0.61%
17	MOUTIER PTY LTD	10,000,000	0.61%
17	MR MICHAEL MARNEWICK	10,000,000	0.61%
17	MR STEFAN GEORGE TODOROSKI	10,000,000	0.61%
18	MR KULI SUBRAMANIAM KULENDRAN	8,500,000	0.52%
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	7,631,740	0.47%
20	BNP PARIBAS NOMS PTY LTD	7,623,750	0.47%
	Total	1,023,788,369	62.81%
	Total issued capital - selected security class(es)	1,629,958,893	100.00%

Substantial shareholders

The Company has the following substantial shareholder as at 17 March 2025:

	Number of Ordinary Shares	% of Ordinary Shares
FORTESCUE FUTURE INDUSTRIES TECHNOLOGIES PTY LTD	644,117,647	39.52%

ASX Additional Information

Options

The Company has two classes of Listed Options, as follows.

1. 45,008,334 HYTO listed options held by 91 holders with an exercise price of \$0.03 and are exercisable on or before 31 October 2025. Share options carry no voting rights
2. 219,100,000 HYTOA listed options held by 121 holders with an exercise price of \$0.025 and are exercisable on or before 30 June 2025. Share options carry no voting rights.

Distribution of holders of HYTO - LISTED OPTIONS @ \$0.03 EXP 31/10/2025

HYTO - Listed Options	Holders	Total Units	% issued
1-1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	1	7,143	0.02%
10,001 – 100,000	53	1,902,333	4.23%
Over 100,001	37	43,098,858	95.76%
	91	45,008,334	100.00%

Top 20 Optionholders – HYTO

Position	Holder Name	Holding	% IC
1	JUNEDAY PTY LTD	4,166,667	9.26%
2	MR STEFAN GEORGE TODOROSKI	3,833,333	8.52%
3	MR ANTHONY KUR	3,700,000	8.22%
4	MR FRANCESCO LUCIO MOLINO <SMILE LIKE YOU MEAN IT A/C>	3,600,000	8.00%
5	COLOSSEUM SECURITIES PTY LTD <THE GIGLIA FAMILY A/C>	3,100,000	6.89%
6	JUNEDAY PTY LTD	2,375,000	5.28%
7	MR ADRIAN STEPHEN PAUL & MRS NOELENE FAYE PAUL <ZME SUPERANNUATION FUND A/C>	2,306,190	5.12%
8	LJM CAPITAL CORPORATION PTY LTD	2,000,000	4.44%
9	MR PING HUNG LAU	1,833,333	4.07%
10	SPECTRUM METALLURGICAL CONSULTANTS PTY LTD <THE CHADWICK SUPER FUND A/C>	1,666,667	3.70%
11	PASS RIVER PTY LTD <PASS RIVER SUPERFUND A/C>	1,600,000	3.55%
12	MR SIMON JAMES BLATCH	1,400,000	3.11%
13	MISS KUTHUMI ELIZANNE MALINA SIROIS	1,300,000	2.89%
14	MR ROBERT DUNCAN MILLAR	1,150,000	2.56%
15	GEOSAN (WA) PTY LTD <GEOSAN SUPER FUND A/C>	833,333	1.85%
16	MR PAUL JOSEPH MASSARA	750,000	1.67%
17	MR RICHARD CHARLES GRIGG	666,667	1.48%
17	CAMREB INVESTMENTS PTY LTD <CAMREB INVESTMENT A/C>	666,667	1.48%
18	DONKEY TRADING PTY LTD	534,999	1.19%
19	MS ANGELA MARGARET DAY	525,000	1.17%
20	MR NORMAN KA-MENG LIP & MS MAYA PRANOTO <MANOR VENTURES A/C>	500,000	1.11%
20	MR KULI SUBRAMANIAM KULENDRAN	500,000	1.11%
20	COSANN PTY LTD	500,000	1.11%
20	MR DAVID SAMUAEL NOUR	500,000	1.11%
	Total	40,007,856	88.89%
	Total issued capital - selected security class(es)	45,008,334	100.00%

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Distribution of holders of HYTOA - LISTED OPTIONS @ \$0.025 EXP 30/06/2025

HYTOA - Listed Options	Holders	Total Units	% issued
1-1,000	1	5	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	15	968,461	0.44%
Over 100,001	105	218,131,534	99.56%
	121	219,100,000	100.00%

Top 20 Optionholders -HYTOA

Position	Holder Name	Holding	% IC
1	ROBERT FRANCIS DAVIES	19,900,000	9.08%
1	POUVOIR PTY LTD <BRIMAGE SUPER FUND A/C>	19,900,000	9.08%
2	MR RICHARD CHARLES GRIGG	11,000,000	5.02%
3	SUNSHORE HOLDINGS PTY LTD	10,000,000	4.56%
4	MS MAYA PRANOTO & MR NORMAN KA-MENG LIP <MANOR VENTURES A/C>	9,000,000	4.11%
5	MR BRENDAN BARTHOLEMEW EGAN	8,150,000	3.72%
6	BLUEMAC PTY LTD <CMAC A/C>	8,000,000	3.65%
7	MR ADRIAN STEPHEN PAUL & MRS NOELENE FAYE PAUL <ZME SUPERANNUATION FUND A/C>	7,500,000	3.42%
7	JUNEDAY PTY LTD	7,500,000	3.42%
8	LAU PING HUNG	6,500,000	2.97%
9	KENNETH BULL	5,750,000	2.62%
10	MR KYLE STUART PASSMORE	5,000,000	2.28%
10	AHMAD FUAD ALI	5,000,000	2.28%
10	ALLGREEN HOLDINGS PTY LTD	5,000,000	2.28%
11	LJM CAPITAL CORPORATION PTY LTD	3,550,000	1.62%
12	KMC AUTOMATION PTY LTD	3,500,000	1.60%
13	NYG PTY LTD <JNH LAW FUND A/C>	3,019,000	1.38%
14	MR ANTHONY KUR	2,800,000	1.28%
15	PING HUNG LAU	2,500,000	1.14%
15	TIMRIKI PTY LTD <TIMRIKI A/C>	2,500,000	1.14%
15	TECHNITEMP AUSTRALIA PTY LTD	2,500,000	1.14%
15	PINVESTMENT PTY LTD <THE NEULING FAMILY A/C>	2,500,000	1.14%
15	MR STEFAN GEORGE TODOROSKI	2,500,000	1.14%
15	CINTRA HOLDINGS PTY LTD <THE CINTRA A/C>	2,500,000	1.14%
15	MS SHARON LEE COLBRAN	2,500,000	1.14%
15	MR LAWRENCE PAUL DAVIS	2,500,000	1.14%
15	MR QIANG LONG CHRISTOPHER NG	2,500,000	1.14%
15	MRS SUSAN PASSMORE	2,500,000	1.14%
16	MBM INVESTMENTS PTY LTD <BRETT MCKEON FAMILY A/C>	2,300,000	1.05%
17	MR ROWAN PHILIP MCDONALD	2,250,000	1.03%
18	COLOSSEUM SECURITIES PTY LTD <THE GIGLIA FAMILY A/C>	2,000,000	0.91%
19	MR JOHN THEODORE COUFOS	1,500,000	0.68%
19	THE KEY COMPANY PTY LTD	1,500,000	0.68%
19	JOTOME SUPER PTY LTD <JOTOME SUPER FUND A/C>	1,500,000	0.68%

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Position	Holder Name	Holding	% IC
19	MR MATTHEW BUTTEL	1,500,000	0.68%
19	MR JAMES MICHAEL HUNT	1,500,000	0.68%
20	CRUSADE HOLDINGS PTY LTD <ROBERT NARDI FAMILY A/C>	1,300,000	0.59%
	Total	181,419,000	82.80%
	Total issued capital - selected security class(es)	219,100,000	100.00%

2. Unquoted Securities as at 15 March 2025

Category	Number of Equity instruments	Number of Holders
Options exercisable at \$Nil each on or before 30 May 2028	5,000,000	1
Options exercisable at \$Nil each on or before 25 October 2026	42,000,000	4
Options exercisable at \$0.04 each on or before 30 November 2027	95,941,250	20
Options exercisable at \$0.051 each on or before 6 December 2027	322,058,824	1
Performance Rights	58,000,000	9

All unquoted securities carry no voting rights.

Distribution of option holders exercisable at \$Nil each on or before 30 May 2028:

	Holdings	Total Units	% issued
1-1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
Over 100,001	1	5,000,000	100.00%
	1	5,000,000	100.00%

Option holders with more than 20% of the class of options:

	Number of Ordinary Shares	% of Ordinary Shares
MEE FAMILY HOLDINGS PTY LTD <MEE FAMILY A/C>	5,000,000	100%

Distribution of option holders exercisable at \$Nil each on or before 25 October 2026:

	Holdings	Total Units	% issued
1-1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
Over 100,001	4	42,000,000	100.00%
	4	42,000,000	100.00%

Option holders with more than 20% of the class of options:

	Number of Ordinary Shares	% of Ordinary Shares
MEE FAMILY HOLDINGS PTY LTD <MEE FAMILY A/C>	20,000,000	47.62%
AVON MCINTYRE	12,000,000	28.57%

ASX Additional Information

Distribution of option holders exercisable at \$0.04 each on or before 30 November 2027:

	Holders	Total Units	% issued
1-1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	1	100,000	0.10%
Over 100,001	19	95,841,250	99.90%
	20	95,941,250	100.00%

Option holders with more than 20% of the class of options:

	Number of Ordinary Shares	% of Ordinary Shares
BT GLOBAL HOLDINGS PTY LTD <BT UNIT A/C>	23,335,779	24.32%
HEVEL PTY LTD <COLOURFUL A/C>	21,699,798	22.62%
MR MITCHELL BEN JONES <BOTTLED SUNSHINE A/C>	21,205,673	22.10%

Distribution of option holders exercisable at \$0.051 each on or before 6 December 2027:

	Holders	Total Units	% issued
1-1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
Over 100,001	1	322,058,824	100.00%
	1	322,058,824	100.00%

Option holders with more than 20% of the class of options:

	Number of Ordinary Shares	% of Ordinary Shares
FORTESCUE FUTURE INDUSTRIES TECHNOLOGIES PTY LTD	322,058,824	100.00%

Distribution of Performance Rights:

	Holders	Total Units	% issued
1-1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
Over 100,001	9	58,000,000	100.00%
	9	58,000,000	100.00%

Option holders with more than 20% of the class of options:

	Number of Ordinary Shares	% of Ordinary Shares
AVON MCINTYRE	16,000,000	27.59%

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3. Number and class of restricted securities

The following securities issued are subject to restrictions pursuant to ASX Listing rules:

- 54,000,000 Performance Rights with various vesting conditions and expiry dates.

4. On-market buy back

There is currently no on-market buy back program for any of the Company's securities.

5. Use of funds

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of reinstatement to quotation in a way consistent with its business objectives. The business objective is primarily hydrogen gas exploration and development.

6. Company secretary, registered and principal administrative office and share registry

The Company Secretary is Mr Arron Canicais.

The Company's principal and registered office is Unit 6, 335 Hay Street, Subiaco, WA 6008, telephone number 08 6478 7730.

The Company's share register is maintained by Automic Limited, Level 5, 126-130 Phillip Street, Sydney NSW 2000, telephone number 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

7. Tenement Schedule

a. Farm-in Agreement

Agreement	Project	Location	Holder	Working interest
JDA with NH2E	Project Geneva	Nebraska & South Carolina, USA	NH2E	16.03%

b. Lease Holdings

Lease Area	Location	Net acres	Interest
Nemaha Ridge	Riley, Kansas	6,240 acres	100%
Nemaha Ridge	Geary, Kansas	2,560 acres	100%
Nemaha Ridge	Morris, Kansas	6,860 acres	100%
Nemaha Ridge	Wabaunsee, Kansas	3,116 acres	100%
Nemaha Ridge	Marshall, Kansas	14,312 acres	100%
Nemaha Ridge	Clay, Kansas	7,490 acres	100%
Nemaha Ridge	Washington, Kansas	22,024 acres	100%