



## PURE HYDROGEN CORPORATION LIMITED - NOTICE OF 2021 ANNUAL GENERAL MEETING

Notice is given that the 2021 Annual General Meeting (**AGM**) of shareholders of Pure Hydrogen Corporation Limited (PH2 or the **Company**) will be held as a virtual meeting on Friday 10 December 2021 at 11:00 AM (Sydney time).

The Explanatory Notes attached to this Notice form part of this Notice of Meeting.

### ORDINARY BUSINESS

#### 1. Financial Report

To receive and consider the Financial Report of the Company and the consolidated entities, and the Reports of the Directors and Auditor thereon for the financial year ended 30 June 2021.

#### 2. Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That the Remuneration Report for the financial year ended 30 June 2021, as set out in the Directors’ Report section of the Annual Report, be adopted”.*

(Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.)

#### 3. Adoption of New Constitution

To consider and, if thought fit, to pass the following, as a **special resolution**:

*“That, pursuant to and in accordance with section 136 of the Corporations Act and for all other purposes, the Company adopt the Constitution tabled at the Meeting on the terms and conditions in the Explanatory Memorandum”.*

#### 4. Election of Ron Prefontaine as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That **Ron Prefontaine**, who in accordance with Article 12 of the Company’s Constitution holds office until the close of this AGM, and who is eligible and has consented to so act, be elected as a director of the Company”.*

#### 5. Election of Dang Lan Nguyen as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That **Dang Lan Nguyen**, who in accordance with Article 12 of the Company’s Constitution holds office until the close of this AGM, and who is eligible and has consented to so act, be elected as a director of the Company”.*



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## 6. Previous Issue of Shares

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That the issue of:*

*3,500,000 ordinary shares in the company on 27 April 2021*

*on the terms summarised in the Explanatory Notes accompanying this notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes.”*

## 7. Previous Issue of Shares

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That the issue of:*

*32,430,346 ordinary shares in the company on 30 March 2021*

*on the terms summarised in the Explanatory Notes accompanying this notice of meeting, be approved and ratified for the purposes of Listing Rule 7.4 of the ASX Listing Rules and for all other purposes.”*

## 8. Previous Issue of Options

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That the issue of:*

*16,215,145 options in the Company on 30 March 2021*

*on the terms summarised in the Explanatory Notes accompanying this notice of meeting, be approved and ratified for the purposes of Listing Rules 7.1 of the ASX Listing Rules and for all other purposes.”*

## 9. Authority to issue and allot Shares pursuant to Listing Rule 7.1A

To consider and, if thought fit, to pass the following as a **special resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval be given for the issue of such number of shares as is equal to up to 10% of the issued share capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in ASX Listing rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

## 10. Appointment of auditor

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That, in accordance with section 327B of the Corporations Act 2001 (Cth), AD Danieli Audit Pty Ltd be appointed as the Company’s auditor.”*



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**By Order of the Board**

Ron Hollands - Company Secretary  
8 November 2021



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## ELIGIBILITY TO VOTE

For the purpose of the Meeting, the Directors have determined that shares will be taken to be held by persons registered as shareholders of the Company as at **7:00 PM (Sydney time) on Wednesday, 8 December 2021**.

## PROXIES

Each shareholder who is entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote at the AGM on the shareholder's behalf. A proxy need not be a shareholder of the Company and may be either an individual or a body corporate. Where two proxies are appointed by a shareholder, the shareholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of the votes (disregarding fractions) on a poll.

***Direction to Chairman:*** *If the Chairman of the Meeting is appointed, or taken to be appointed, as proxy, the shareholder can direct the Chairman of the Meeting to vote for or against or to abstain from voting on a resolution, by marking the appropriate box opposite each resolution on the Proxy Form. However, if a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on the proposed resolutions set out in this Notice, then the Chairman intends to vote all available undirected proxies in favour of each of the proposed resolutions, (if a poll is called on the relevant resolution).*

## CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or the proxy of a shareholder may appoint an individual as its representative to exercise all or any of its powers that it could exercise at the Meeting. The representative should bring to the meeting original documentary evidence of his or her appointment, including any authority under which the appointment is signed.

<sup>1</sup> For the full definition of 'closely related party', please refer to section 9 of the *Corporations Act 2001*.

## VOTING EXCLUSIONS

The Company will disregard any votes cast on the resolutions as follows:

### ITEM 2 REMUNERATION REPORT

A vote must not be cast (in any capacity) on **Item 2**, and the Company will disregard any votes cast on **Item 2**:

- by or on behalf of a KMP whose remuneration is included in the Remuneration Report; or
- by or on behalf of a closely related party<sup>1</sup> (such as close family members and any controlled companies) of a KMP whose remuneration is included in the Remuneration Report.

However, a person described above may cast a vote on **Item 2** if:

- the person does so as a proxy that specifies how the proxy is to vote (For, Against or Abstain) on **Item 2**; or
- the person is the Chairman of the Meeting and has been appointed as a proxy without being directed how to vote on **Item 2**, and the appointment expressly authorises the Chairman to exercise the proxy even though **Item 2** is connected directly or indirectly with the remuneration of a member of the KMP for the Company; and
- in either case, the vote is not cast on behalf of a person described above.

### ITEM 6 PREVIOUS ISSUE OF SHARES

Concerning Item 6, the company will disregard any votes cast on the resolution by a person who participated in the issue referred to in Resolution 1 and any of their associates.

However, the company need not disregard a vote if it is cast:



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- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## ITEM 7 PREVIOUS ISSUE OF SHARES

Concerning Item 7, the company will disregard any votes cast on the resolution by a person who participated in the issue referred to in Resolution 1 and any of their associates.

However, the company need not disregard a vote if it is cast:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf

of a beneficiary provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## ITEM 8 PREVIOUS ISSUE OF OPTIONS

The Company will disregard any votes cast on Item 8 by any person who may receive the relevant options that are the subject of this resolution and a person who obtains a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the +chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the

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beneficiary to the holder to vote in that way.

## ITEM 9 APPROVAL OF 10% PLACEMENT CAPACITY

The Company will disregard any votes cast in favour on Item 9 by any person who may participate in the issue of Equity Securities under this resolution and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities,

if the resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

There are no other voting exclusions concerning the resolutions put to shareholders.

## PROXY DEADLINE

Proxies must be received at least 48 hours before the time for holding the Meeting – that is, **by 11:00 AM**

**(Sydney time) on Wednesday 8 December 2021** as detailed on the Proxy Form for this meeting

## ANNUAL REPORT - ONLINE

Pure Hydrogen's Annual Report for the year ended 30 June 2021 is available on the Pure Hydrogen website at <http://www.purehydrogen.com.au>.

## QUESTIONS FROM SHAREHOLDERS

Shareholders are invited to register questions in advance of the AGM. If you would like further information on Pure Hydrogen or would like to ask a question of Pure Hydrogen or the Auditor at this AGM, you may submit your questions in writing to the Company. Shareholders may submit written questions to the auditor about their audit report or the conduct of the audit.

Written questions must be received no later than 5 business days before the Meeting day, that is prior to **5:00 PM (Sydney time) on Friday 3 December 2021**.

## EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders regarding the business to be transacted at the 2021 Annual General Meeting of shareholders. The Directors recommend shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions in question.

## ITEM 1 – CONSIDER FINANCIAL REPORT

A copy of the Pure Hydrogen Annual Report 2021 (**Annual Report**) can be found on the Company's website (<http://www.purehydrogen.com.au>).

During discussion of this item, there will be an opportunity for shareholders to ask questions about, or comment on, the Annual Report and the management and performance of the Company. Shareholders also can ask the auditor questions relevant to the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company, and the independence of the auditor in relation to the conduct of the audit.

## ITEM 2 – REMUNERATION REPORT

The Board submits the Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution as required by the Corporations Act ('Act').

Although the vote on this resolution does not bind the Directors or the Company, the Board respects the views of its shareholders and will take the outcome of the vote into account when considering remuneration policy in the future.

Because of amendments to the Act generally known as the "two strikes rule," shareholders should note that the results of the vote on this item may impact the conduct of next year's AGM.

The Directors encourage shareholders to apply the same level of diligence in relation to this resolution as they do with the binding resolutions.

### Directors' recommendation:

**The Directors unanimously recommend that shareholders vote in favour of Item 2.**

## ITEM 3 – ADOPTION OF NEW CONSTITUTION

Item 3 seeks Shareholder approval for the adoption of the New Constitution in accordance with section 136 of the Corporations Act. The Company became an Australian registered company on 28 June 2021, having previously been a Canadian registered company, registered as an Australian registered Body.

A copy of the Constitution will be sent to any Shareholder on request and will also be available on the Company's website and lodged as with the ASX should this resolution be passed. If item 3 is passed, the New Constitution will be effective from the close of the Meeting.

Item 3 is a special resolution requiring approval of at least 75% of members eligible to vote. The Chairperson intends to exercise all available proxies in favour of Item 3.

## ITEM 4 – ELECTION OF DIRECTOR: RON PREFONTAINE

Pursuant to Article 12 of the Company's Constitution, Mr Ron Prefontaine retires by rotation as a Director of the Company. A summary of Mr Prefontaine's qualifications and experience is outlined below.

### Ron Prefontaine (Non-Executive Chairman)

*B. Sc (University of British Columbia Vancouver, Canada)*

Ron Prefontaine has over 40 years of experience in the oil and gas industry and is the Chairman of Pure Energy Board of Directors. Between 2001 and 2011 he was an Executive and Managing Director of two successful Australian Securities Exchange listed companies, Arrow Energy and Bow Energy. Arrow Energy was taken over in 2010 for \$3.5 billion and Bow Energy in late 2011 for \$550 million.

His strengths are asset growth recognition and the management of corporate growth. In 2009, Ron received a lifetime achievement award in recognition to his services to the Australian petroleum industry.

Ron is a member of the Audit and Risk and Remuneration and Nomination Committees.

Ron has a direct and indirect interest in 16,840,285 ordinary class shares in the Company.

### Directors' recommendation:

**The Directors (excluding Mr Prefontaine) unanimously recommend that shareholders vote in favour of Item 4.**

## ITEM 5 – ELECTION OF DIRECTOR: DAN LAN NGUYEN

Pursuant to Article 12 of the Company's Constitution, Mr Ron Prefontaine retires as a Director of the Company. A summary of Mr Nguyen's qualifications and experience is outlined below.

### Mr Dang Lan Nguyen (Non – Executive Director)

*B.Sc. (Baku, Azerbaijan)*

*M.Sc. - Geology (University of New England)*

Member of the Petroleum Exploration Society of Australia; the American Association of Petroleum Geologists and the Society of Petroleum Engineers



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Lan is a professional petroleum geologist and engineer with over 25 years' experience in petroleum exploration, development and production in Australia and internationally including 15 years at Mosaic Oil NL, transforming Mosaic to a successful company as Managing Director with growing production revenues, petroleum reserves/resources and profitability. Lan is credited with the discovery and development of many oil and gas fields in the Surat-Bowen Basins through his innovative introduction of various exploration, drilling and completion technologies to Australia.

Lan was a co-founder of Real Energy Corporation Limited and is currently a principal/director of Tanvinh Resources Pty Ltd and Latradanick Holdings Pty Limited, which provide services to energy and resources companies in Australia and the Asia-Pacific region.

Lan is Chair of the Audit and Risk and Remuneration and Nomination Committees.

Lan has a direct and indirect interest in 7,623,393 ordinary shares in the company.

**Directors' recommendation:**  
**Each of the Directors (excluding Mr Nguyen) recommends that shareholders vote in favour of Item 5.**

## ITEM 6 PREVIOUS ISSUE OF SHARES

The ASX Listing Rules restrict the number of equity securities a listed company may issue in any 12 months without the approval of shareholders to 15% of the number of equity securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of shares in the Company made on 30 March 2021 for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides that, where a company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval to the previous issue of shares in this resolution is to ensure that the previous issue of shares made on 30 March 2021, does not reduce the Company's placement capacity under Listing Rule 7.1 ie: the company's 15% placement capacity to issue further equity securities.

If this resolution is not passed, the company will have reduced capacity until 30 March 2022, to issue securities under its Listing Rule 7.1 placement capacity.

As announced 22 March 2021, the company issued of 32,430,346 ordinary fully paid shares at a price of \$0.29 per share to sophisticated and institutional investors (these types of investors were targeted as the most effective and efficient means of raising capital) pursuant to Section 708 of the Corporations Act without a disclosure document. 12 parties assisted the company with this capital raising, namely: Bell Potter Securities, Xcel Capital, Mark Wallace, Morgans, Claymore Capital, Evolution Capital Advisors, Filmrim, 180 Markets, BCP Equities, Nathan Young, Robert Annells and Sequoia Wealth Management.

In conjunction with the shares issued under Item 6, the funds raised from this issue (\$9,404,800) before costs will be used for Hydrogen Projects, Pilot Well Flow Testing and working capital purposes.

No related parties to the Company or their associates received any shares in the issue.

All shares issued have the same rights as existing ordinary shares in the company.

Item 6 seeks shareholder ratification pursuant to Listing Rule 7.4 for this issue of shares.

The directors believe that it is important for, and in the best interests of, the company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

**Directors' recommendation:**  
**The Directors unanimously recommend that shareholders vote in favour of Item 6 and intend to**





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**vote all shares over which they exercise control in favour thereof.**

## **ITEM 7 PREVIOUS ISSUE OF SHARES**

The ASX Listing Rules restrict the number of equity securities a listed company may issue in any 12 months without the approval of shareholders to 15% of the number of equity securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of shares in the Company made on 27 April 2021 for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides that, where a company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval to the previous issue of shares in this resolution is to ensure that the previous issue of shares made on 27 April 2021, does not reduce the Company's placement capacity under Listing Rule 7.1 ie: the company's 15% placement capacity to issue further equity securities.

If this resolution is not passed, the company will have reduced capacity until 27 April 2022, to issue securities under its Listing Rule 7.1 placement capacity.

As announced, the company issued 3,500,000 ordinary fully paid shares following the exercise of 2,500,000 options (exercise price \$0.07 per option) and 1,000,000 options ((exercise price \$0.12 per option). These parties were option holders who sought to exercise options and are classified as sophisticated investors.

In conjunction with the shares issued under Item 7, the funds raised from this issue (\$295,000) will be used for Hydrogen Projects, Pilot Well Flow Testing and working capital purposes.

No related parties to the Company or their associates received any shares in the issue.

All shares issued have the same rights as existing ordinary shares in the company.

Item 7 seeks shareholder ratification pursuant to Listing Rule 7.4 for this issue of shares.

The directors believe that it is important for, and in the best interests of, the company to have the ability to issue the maximum number of shares under Listing Rule 7.1 as it enables the company to move quickly and efficiently to undertake fund raising/issue capital when necessary.

### **Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of Item 7 and intend to vote all shares over which they exercise control in favour thereof.**

## **ITEM 8 PREVIOUS ISSUE OF OPTIONS**

The ASX Listing Rules restrict the number of equity securities a listed company may issue in any 12 months without the approval of shareholders to 15% of the number of equity securities on issue at the start of the period, subject to certain adjustments and permitted exceptions.

This resolution seeks shareholder approval to the previous issue of Options in the Company made on 30 March 2021 for the purposes of Listing Rule 7.4.

Listing Rule 7.4 provides that, where a company's shareholders ratify a previous issue of securities made without approval under Listing Rule 7.1 (provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval.

The purpose of seeking shareholder approval to the previous issue of Options in this resolution is to ensure that the previous issue of Options made on 30 March 2021, does not reduce the Company's placement capacity under Listing Rule 7.1 ie: the company's 15% placement capacity to issue further equity securities.

If this resolution is not passed, the company will have reduced capacity until 30 March 2022, to issue securities under its Listing Rule 7.1 placement capacity.

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As announced 22 March 2021, the company issued one (1) Option ("Option") for every two (2) New Shares issued on 30 March 2021 which are the subject of Item 6 of this Meeting. The total number of Options issued was 16,215,145 (exercise price \$0.45) with \$nil consideration being paid to acquire the Options. No funds were raised from this issue of these Options. Per Item 6, sophisticated and institutional investors (these types of investors were targeted as the most effective and efficient means of raising capital) have been issued with the Options that are the subject of this resolution. Should Option holders exercise Options, any funds raised will be used for Exploration and/or working capital purposes. Refer Item 6 above for the details of parties who assisted the company with the associated capital raising.

Approval by shareholders is required in order to comply with ASX Listing Rule 7.1.

The terms of the Options are as follows:

- (a) each Option entitles the holder to subscribe for one Share upon payment of \$0.45 (**Exercise Price**);
- (b) the Options are exercisable on or before 30 March 2023 at any time;
- (c) the Options will expire on 30 March 2023. Options not exercised on the expiry date will automatically lapse;
- (d) the Options may be exercised by notice in writing to the Company ie: Not all Options need to be exercised at the one time but must be exercised on or before 30 March 2023;
- (e) holders of Options will be permitted to participate in new issues of securities only following the prior exercise of the Option, in which case the record date must be at least seven (7) Business Days, or such lesser number of days as is permitted under the ASX Listing Rules, after announcement

<sup>2</sup> An eligible entity means an entity which is not included in the S&P/ASX300 Index and which has a market capitalisation of \$300

of any new issue, to allow exercise of the Options;

- (f) together with the appropriate monies for the exercise;
- (g) Shares issued on the exercise of the Options will be issued after receipt of a properly executed "Form of Exercise of Options" and
- (h) Shares issued pursuant to the exercise of an Option will rank equally with the then issued Shares of the Company and the resulting shares will be quoted on ASX Official List.
- (i) An Option does not confer the right to a change in Exercise Price or a change in the number of Shares over which the Option can be exercised; and
- (j) in the event of any reconstruction (including consolidation, subdivision, reduction or returns) of the issued capital of the Company, the number of Options or Exercise Price or both shall be reconstructed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) It is intended to request that all the Options be quoted on ASX Official List from the issue date thereof.
- (l) The Options are transferable.

## ITEM 9 – APPROVAL OF 10% PLACEMENT CAPACITY

Item 9 is a special resolution.

ASX Listing Rule 7.1A provides eligible companies (which includes the Company<sup>2</sup>) the ability to raise an additional 10% of issued capital by way of placements over a 12 month period. This is in addition to a company's ability to issue up to 15% of its issued capital in a 12 month period without Shareholder

million or less. Pure Hydrogen Corporation Limited is an eligible entity for these purposes.



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approval. The number of Shares which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

$$(A \times D) - E$$

where

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17) ;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with the approval of Shareholders under

Listing Rule 7.1 or Listing Rule 7.4;

- less the number of fully paid ordinary shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of shares issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.4.

The Directors are seeking approval to have the additional capacity to issue a number of shares representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A. (“**10% placement facility**”).

If Item 9 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Item 9 may include for use as working capital and/or corporate growth opportunities.

The shares must be issued at an issue price that is at least 75% of the Volume Weighted Average Price for the Company’s equity securities over the 15 trading days on which trades in that class were recorded immediately before:

a. the date on which the price at which the equity securities are to be issued or agreed; or

b. if the equity securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the equity securities are issued.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) upon issue of any shares.

The Company’s allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement facility

under Listing Rule 7.1A. The identity of the allottees of Shares will be determined on a case by case basis having regard to factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- the effect of the issue of the shares on the control of the Company;
- the financial situation of the Company;
- advice from corporate, financial, and broking advisors; and
- the potential benefits an allottee could provide to the Company as a strategic investor (if applicable).

The allottees under the 10% placement facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If Shareholder approval is granted for Item 9 and the company issues equity securities under its 10% placement facility, there is a risk that the market price for the equity securities may be significantly lower on the issue date than on the date on which approval is given to this Item 9 and the shares may be issued at a

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discount to the market price for those equity securities on the issue date.

The table on page 12 is provided to illustrate the potential dilution of existing Shareholders based on the current market price of shares and the current number of shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this notice:

- two examples where variable "A" has increased, by 50% and 100%.

Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase because of issues of shares that do not require approval (for example, a prorata entitlement issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

If Shareholder approval is granted for Item 9, then that approval will expire on the earlier of:

- i. the time and date of the entity's next annual general meeting; or
- ii. the date that is 12 months after the date of the AGM where the approval is obtained; and
- iii. the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

The approval under Item 9 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.



## Listing Rule 7.3A.6 (a) and (b) information

Share issue – 31 December 2020	3,000,000	3,000,000 CDI's issued to professional and sophisticated investors at \$0.08 per CDI. Total funds raised of \$0.24 million in cash before costs. Placement will be used for ongoing testing and field work and working capital.  The Company issued the shares under Listing Rule 7.1A with subsequent ratification for issue by shareholders on 5 February 2021.
Option issue – 30 March 2021	16,215,145	Issued on a '0.5 for 1' to subscribers of the above 32,430,346 CDI's issued to professional and sophisticated investors. No consideration paid and have an exercise price of AUD0.45 and expiry of 30 March 2023.  The Company issued the options under Listing Rule 7.1A.
Total	19,215,145 (15.6% of total issued capital and option – 30 November 2020)	Total issued capital and options – 30 November 2020: 122,950,731

## Potential Dilution

Variable A in LR7.1A.2		Dilution		
		\$0.105 – 50% decrease in issue price	\$0.21 – issue price	\$0.42 – 100% increase in issue price
Current variable A – 312,876,096 ordinary class shares	10% voting dilution	31,287,610	31,287,610	31,287,610
	Funds raised (AUD)	3,285,199	6,726,836	13,140,796
50% increase in variable A – 469,314,144 ordinary class shares	10% voting dilution	46,931,414	46,931,414	46,931,414
	Funds raised (AUD)	4,927,799	9,855,597	19,711,194
100% increase in variable A – 625,752,192 ordinary class shares	10% voting dilution	62,575,219	62,575,219	62,575,219
	Funds raised (AUD)	6,570,398	13,140,796	26,281,592

The table has been prepared on the following assumptions:

- The company issues the maximum number of shares available under LR7.1A;
- No shares are issued on the conversion of options before the date of issue of the shares;
- The table shows only the effect of shares under LR7.1A and does not factor in the company's ability to issue up to 15% of its issued capital under LR7.1.

The issue price is assumed to be \$0.21 per ordinary share (\$0.21 per ordinary share was the closing price of the shares on the ASX on 7 October 2021).



**Pure Hydrogen**

**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of item 9.**

**ITEM 10 – APPOINTMENT OF AUDITOR**

A D Danieli Audit Pty Ltd (ADD) was appointed by the Directors on 12 July 2021 to fill a casual vacancy after the resignation of the previous auditor. Shareholder approval is sought at the AGM to appoint ADD to continue in its current role as auditor.

ADD have consented to act as auditor of the Company.

**Directors' recommendation:**

**The Directors unanimously recommend that shareholders vote in favour of Item 10.**

**Pure Hydrogen Corporation Limited**

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