

March 2023 Quarterly Report

HIGHLIGHTS

- ◆ Further advancement of Pure Hydrogen's Moreton Bay Hydrogen Hub, including execution of several agreements relating to the development and construction of biomass waste-to-hydrogen plant.
- ◆ Preparing planning and approvals for Moreton Bay during the quarter, following the procurement of a designated 21ha land area in Bracalba, South-East QLD.
- ◆ H2X Global, in which Pure Hydrogen holds a strategic 24% investment interest, confirmed receipt of a maiden \$2.0 million payment for the sale of hydrogen-powered commercial vehicles in Sweden.
- ◆ Post quarter-end, Pure announced that drilling at Botala Energy's Serowe 7 well confirmed presence of gas in the 35m of coal intersected in 3 seams, with flow testing to progress. Serowe 3 well tested showing a steady increase in bubbling gas.
- ◆ Also post quarter-end, Pure confirmed that Australia's first Hydrogen Fuel Cell Prime Mover, the 'Taurus', will be launched at the Brisbane Truck Show in May 2023.
- ◆ A co-development project led by Pure Hydrogen with input from global food & beverage conglomerate PepsiCo, the Taurus demonstration marks the next step in Pure's go-to market commercialisation for hydrogen-powered vehicles.
- ◆ Company remains well-funded, with cash of \$13.4 million as at 31 March 2023.

Pure Hydrogen Corporation Limited ASX: PH2

Pure Hydrogen is a clean energy focused company seeking to become the leader in the development of Hydrogen and Energy Projects through the use of cutting-edge technology. It plans to supply hydrogen fuel to Australian customers and regional Asia Pacific markets, through the production and wholesale purchase of Green, Emerald and Turquoise Hydrogen.

Strategically, Pure Hydrogen will also prioritise incubation for early-stage companies or projects within the clean energy sector, with the aim of realising profits from those investments..

Concurrently, the Company is developing natural gas projects directly in Australia and Botswana.

Pure Hydrogen has Independently Certified Contingent Methane Gas Resources in its three gas projects, net to the company of 326 BCF of 1C, 622 BCF of 2C and 1,130 BCF of 3C.

Directors

Ron Prefontaine – Non-Exec Chairman
Scott Brown – Managing Director
Lan Nguyen – Non-Executive Director

Corporate Office

119 Willoughby Road
Crows Nest NSW 2065
Tel: + 61 2 9955 4008
www.purehydrogen.com.au
admin@purehydrogen.com.au

Pure Hydrogen Corporation Limited (ASX: PH2 and “Pure Hydrogen” or “The Company”) is pleased to provide this Activities Report to shareholders for the quarter ended 31 March 2023 (Q3FY2023). During the period, the Company continued to advance its Moreton Bay Hydrogen Project and build on its strategy to spearhead the sale and distribution of Hydrogen Fuel Cell Trucks and Buses and facilitate long-term demand for Hydrogen vehicles in Australia.

Subject to Approvals, it is intended that construction at Moreton Bay will commence in 2023 and the plant will be operational and revenue-generating in 2024.



Image: Aerial drone footage of the hydrogen fuel celled ‘Taurus’ Prime Mover truck

Pure Hydrogen overview

Pure Hydrogen is a clean-energy focused company that is developing a portfolio of hydrogen and energy projects using cutting-edge technology processes. Its objective is to become a leading supplier of hydrogen fuel and hydrogen-fuelled products to customers in Australia and regional Asia-Pacific markets through the production of Green, Emerald and Turquoise Hydrogen.

Concurrently, the Company is developing natural gas projects directly in Australia and Botswana, and through the strategic investment it holds in a Botswana focussed energy company listed on the Australian Securities Exchange.

During the quarter and up to the date of this report, Pure Hydrogen has the following updates and initiated several initiatives including:

Moreton Bay Hydrogen Hub

Pure Hydrogen has an option to acquire 21ha of land in Bracalba, South East QLD as a site for Emerald Hydrogen manufacturing and distribution facilities. The Moreton Bay Hydrogen Hub will serve customers across the SE region of Queensland from the Sunshine Coast to the Gold Coast.

The initial targeted output of the hub will be 1,000 tonnes of Clean Hydrogen per year. Pure Hydrogen will manage distribution and take 100% of the planned output to sell to end-user customers. As announced previously, the plant will deploy technology which produces hydrogen from conversion of woody biomass that would otherwise be burnt or dumped in a landfill. The Hub will be powered by renewable energy via a solar array on site.

During the quarter, Pure Hydrogen confirmed it has executed various agreements related to the construction and development of the hub and has prepared documents for approvals or construction. Renewable Plus is the chosen technology partner for the development of the biomass to hydrogen plant.

The agreement provides construction funding for what marks the start of Pure's long-term strategy to build a network of hydrogen hubs serving major customer markets on the east coast of Australia.

Hydrogen vehicle strategy

Unveils the first Hydrogen Fuel Cell Prime Mover Truck

Post quarter-end, Pure announced that Australia's first Hydrogen Fuel Cell Prime Mover, the 'Taurus' will be unveiled at the Brisbane Truck Show on 18 May 2023. Pure Hydrogen has exclusive distribution rights for the Prime Mover in Australia and intends to leverage the practical and commercial use-case for the Taurus to build interest and demand for hydrogen vehicles in Australia.

Following the Brisbane Truck Show, the Taurus Prime Mover will be trialled with PepsiCo in alignment with the agreed development timeline set out by the parties in accordance with the initial Term Sheet (*refer ASX Announcement 30 September 2022*). A video of the 'Taurus' Prime Mover Truck can be viewed at: www.purehydrogen.com.au/videos

The Taurus is an Australian designed, 220kW 6 x 4 Prime Mover with a hydrogen refuelling point and state-of-the-art features including a low-voltage power storage system and luxurious cabin interiors. Future designs will include Prime Movers Trucks that can handle B-Double loads of up to 70 tonnes.



Image: Mr Clint Butler, National Sales Manager of Pure Hydrogen pointing out some of the features of the hydrogen fuel celled 'Taurus' Prime Mover truck

H2X Global

Sweden-based company Renova AB completed a ~A\$2m tranche payment to Pure Hydrogen's investee company, H2X Global. The Q1 payment marked the first phase in the delivery by H2X of hydrogen-powered commercial trucks to the city of Gothenburg, Sweden.

The contract is for two eighteen tonne garbage back loader units, one 3.5 tonne tail lift light commercial truck and two Warrego Pick-Ups, which are currently being homologated in the Netherlands. An additional 3.5 tonne tail lift light commercial vehicle is also planned.

The ~A\$2m payment forms part of a larger contract awarded to H2X in 2022, which confirmed there is demand for H2X's industry-leading technology in the European market. H2X won the contract via a public tender for the supply of five vehicle classes in the 3.5, 5 and 18 tonne categories.

Turquoise Hydrogen Technology

Pure Hydrogen is partnering with French plasma technology company Plenasys, and both organisations are continuing the collaboration to develop the Plenasys HYPLASMA system which decomposes methane into Hydrogen gas and solid Carbon products.

Pure Hydrogen will use the HYPLASMA system in its demonstration prototype to target high-value solid Carbon products including Graphene products. The aim is to produce both low-priced Hydrogen to advance the Hydrogen economy and produce low-priced bulk Graphene to establish the Graphene economy. When powered with renewable electricity or fuel cells using some of the Hydrogen it manufactures, the process will be no emissions.



Image: AC Plasma Torch

The HYPLASMA system is being designed and built in France. Initial limited capacity testing being carried out in France refining operating parameters and software upgrades to ensure system reliability and stable operation indicate the HYPLASMA system is working as designed. Full factory acceptance testing is on schedule with the HYPLASMA system expected to arrive in Brisbane in early July 2023.

The design and key components for Pure Hydrogen’s methane demonstration and value add carbon optimisation prototype will be ready to complete and assemble the prototype in Pure Hydrogen’s facilities in Brisbane. The commissioning and commencement of the full testing and prototype tuning programme is planned to commence in October 2023.

Pure Hydrogen Managing Director, Scott Brown, said:

“The March quarter marked another important period of development for Pure Hydrogen across its project suite. The Company is moving forward with its strategy to advance construction and development at the site, which aims to set the benchmark for biomass waste-to-hydrogen production and establish a framework to expand into further developments in the years ahead. In addition, the forthcoming Taurus demonstration at the Brisbane Truck Show is the latest exciting step in our broader development strategy for hydrogen-powered vehicles in Australia. The live demonstration marks the culmination of a successful six-month co-development period, with no delays to the stated production timeline.”

“With the first rollout of the Taurus now complete, we look forward to presenting in Brisbane and pursuing commercial discussions with potential customers. As well as our discussions with PepsiCo, interest from other parties has been most encouraging. A key part of Pure Hydrogen’s strategy is to provide hydrogen solutions to potential customers bringing both the devices and the hydrogen needed to power them to our customers. The Taurus marks an important step in this strategy.”

Pure Hydrogen Gas Projects

In addition to its hydrogen business, Pure Hydrogen has three significant gas-based energy projects which represent significant value for shareholders. Pure Hydrogen has a net total 12.4 TCF of Prospective Gas Resources, 1,038 BCF of 3C and 548 BCF of 2C Contingent Gas Resources across its asset suite in Queensland and Botswana.

Serowe Gas Project

Post quarter-end, ASX-listed Botala Energy Limited (ASX: BTE) provided an update on flow testing at its Serowe-7 and Serowe-3 gas wells in Botswana. Pure Hydrogen has a 30% free carried interest in the Serowe Gas Project together with a 19.99% interest in Botala Energy Limited, the operator and owner of 70% interest in the Serowe Project.

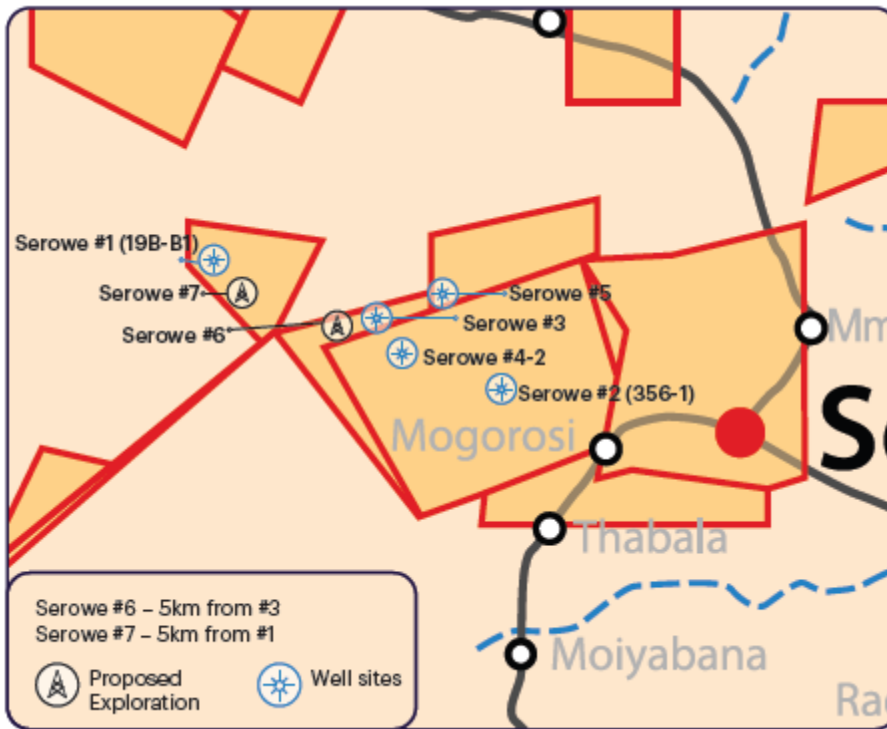
NMR logging on the Serowe-7 well confirmed the presence of gas in the 35m of coal intersected in three seams. A decision was subsequently taken to progress to flow-testing. Flow testing at the Serowe-3 well is showing a steady increase in bubbling of gas, while pumping water rates stabilised as anticipated.



Image : Evaporation pond next to Serowe 3 well

Also, during the quarter, the Company secured Local Asset Status and Accreditation from the Botswana Investment and Trade Centre (BITC), providing increased access to capital markets and local investment partners. In addition, Botala has made significant advances in its ambition to develop renewable energy projects within Botswana.

The second flow-test at the Serowe-7 well is a significant step towards proving commercial flows within Botala's tenement holding of ~420,000 hectares.



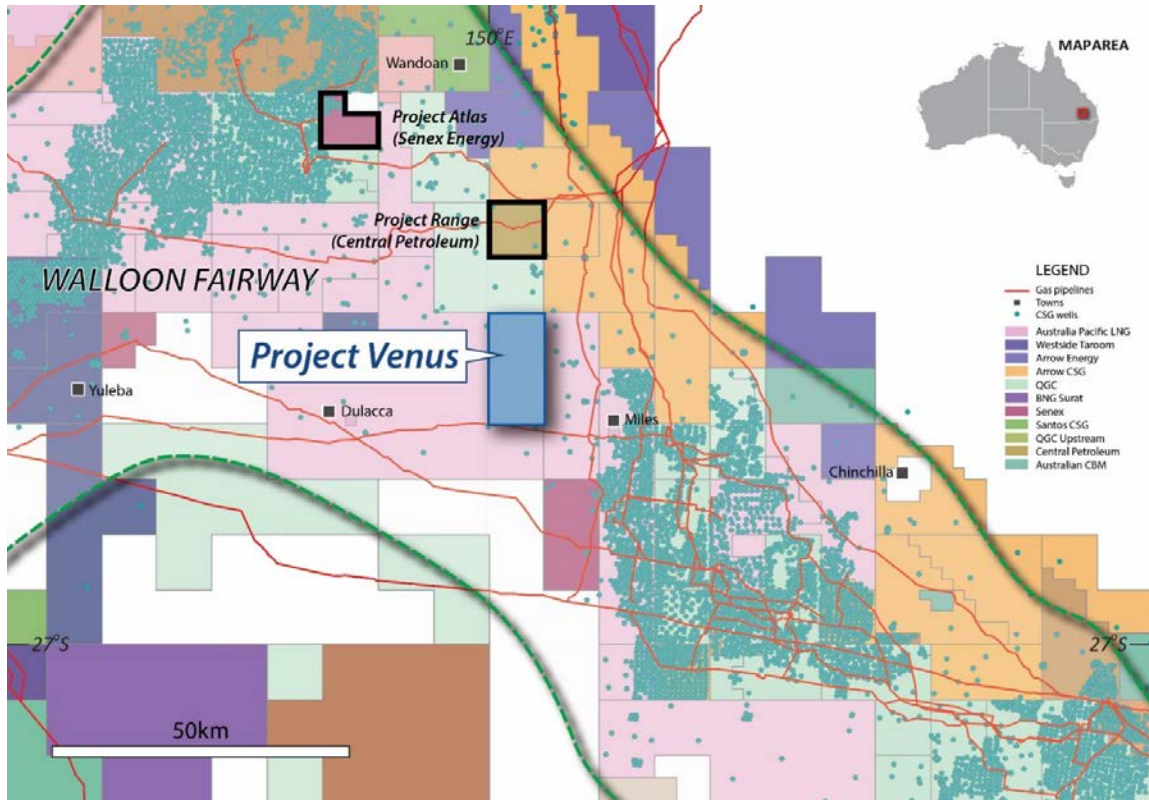
Map of the Serowe Gas Project and well locations

Project Venus Surat Basin Walloon CSG:

Project Venus, permit ATP2051 is 100% owed by Pure Hydrogen. Project Venus contains high quality and very prospective acreage covering 154km² within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure including gas pipelines. There is significant coal in this permit and the Company believes it can turn these into significant gas resources.

Pure Hydrogen's Project Venus is located within the proven Walloon CSG Fairway and immediately adjacent to gas pipeline infrastructure in the Surat Basin. It offers relatively low risk and a lot of value with its 130PJ of 2C Contingent Gas Resources and 536 PJ of Prospective Gas Resources.

During the quarter the company advanced plans to drill Venus 2 as a horizontal well and is currently looking to contract a drilling rig.



The independent review of the data for Project Venus (ATP2051) has the following Contingent Gas Resources:

Project Venus	Contingent Resources PJ		
	1C	2C	3C
Walloon Subgroup			
Upper Junandah Coal Measures	87.7	130.3	157.9

Tenement schedule at end of quarter:

Permit	PH2 ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP2051P	100	Surat Basin, Southern Queensland
Serowe CSG	30 ¹	Botswana
ATP1194P	100 ²	Cooper Basin, South West Queensland

1. Subject to completion of farm out
2. Subject to agreement to sell the permit

Corporate

As at 31 December 2022, Pure Hydrogen held \$13.4 million cash at bank and no debt. During the quarter the Company spent \$634,000 on operating expenses including \$103,000 on directors' fees and related

party consulting remuneration. The total number of ordinary fully paid shares on issue was 355,162,139 and the company had over 12,000 shareholders as at the date of this report.

During the quarter the Company announced the appointment of Mr Brendan Evans as Chief Financial Officer. Brendan is a Chartered Accountant with over 20 years' experience across a diverse range of commercial finance and management roles. Brendan has worked extensively in Australia and the United Kingdom for a number of large organisations principally within the oil and gas, mining and engineering sectors.

For further information, please contact:

Mr Scott Brown

Managing Director

Telephone +61 (0) 2 9955 4008 or admin@purehydrogen.com.au

Or visit our website at www.purehydrogen.com.au

On our website you can register for email alerts.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pure Hydrogen Corporation Limited

ABN

27 160 885 343

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(1)	(9)
(d) staff costs	(307)	(866)
(e) administration and corporate costs	(193)	(673)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	60	161
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and R & D tax incentives	-	5,970
1.8 Other – costs in relation to R & D tax incentive	(95)	(255)
1.9 Net cash from / (used in) operating activities	(536)	4,328
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(182)	(555)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) exploration & evaluation	(49)	(68)
(e) investments	(461)	(1,077)
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (deposit received for sales of a tenement)	-	-
2.6 Net cash from / (used in) investing activities	(692)	(1,700)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	(17)	1,252
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(17)	1,252

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,657	9,532
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(536)	4,328
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(692)	(1,700)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	1,252
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,412	13,412

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	393	867
5.2	Call deposits	13,019	13,790
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,412	14,657

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	103
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

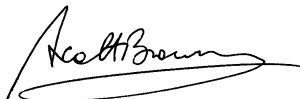
7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(536)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(49)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(585)
8.4 Cash and cash equivalents at quarter end (item 4.6)	13,412
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	13,412
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	22.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 28/04/2023

Director/~~Company secretary~~

Print name: Scott Brown

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".