Pure Hydrogen

Pure Hydrogen Corporation Ltd
ABN: 27 160 885 343

ANNUAL REPORT 2024

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Highlights

OCTOBER 2023

Appointed The Honourable Adam Giles as Non-Executive Independent Chairman of the Board

NOVEMBER 2023

US$1.22m purchase order from North American dealership, Nutcher Hydrogen, for the delivery of two hydrogen fuel cell electric vehicles

APRIL 2024

Successful delivery of two EV70 mini-buses to Sapphire Coast Buslines in NSW, valued at over ~$700,000 including charging infrastructure

MAY 2024

Successfully produced both hydrogen and graphene powder from its commercial demonstration plant located in Brisbane, Queensland

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APRIL 2024

Signed a 5-year lease on a 4,000m^2 commercial site at Archerfield Airport for its first demonstration hydrogen micro-hub

APRIL 2024

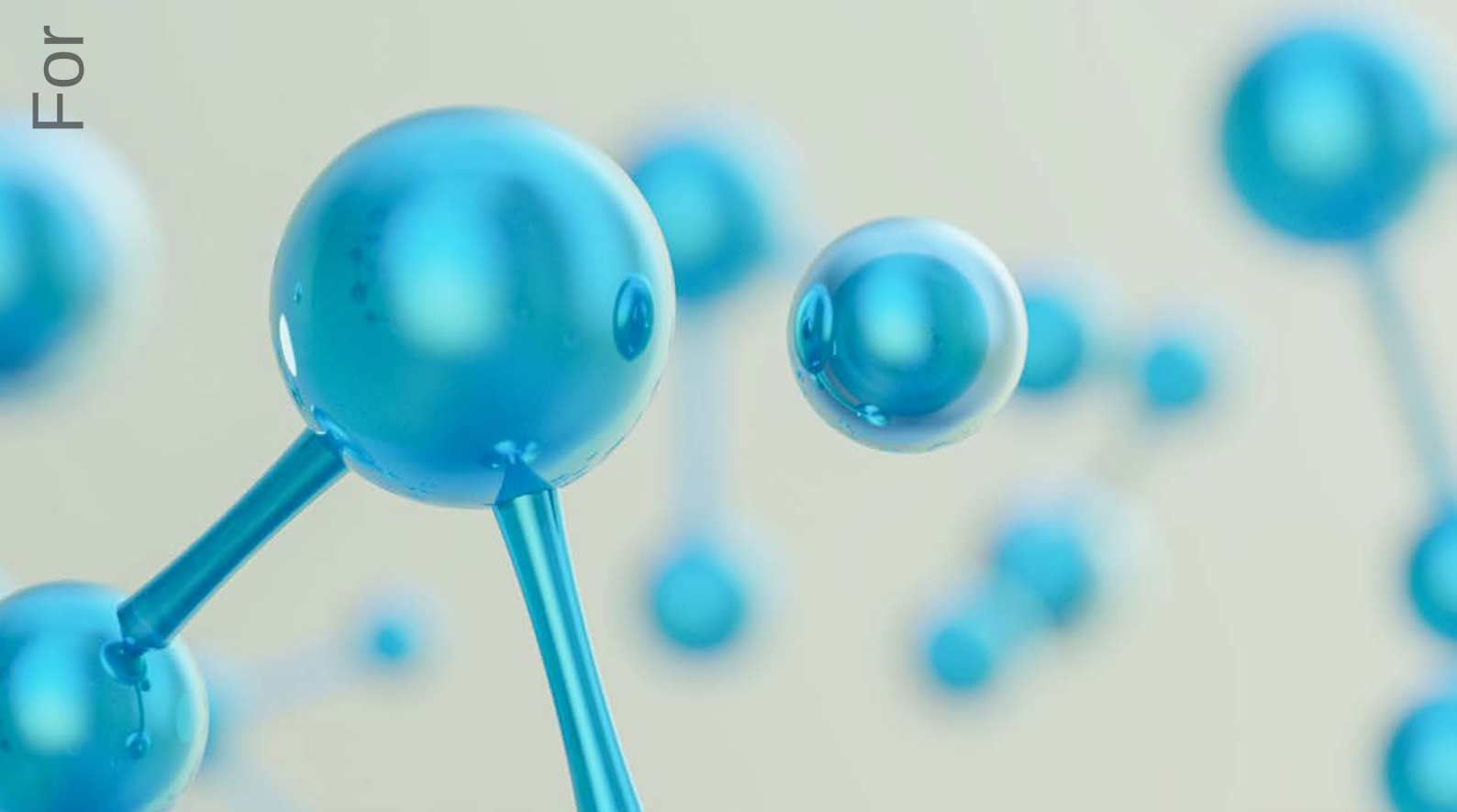
Sold a hydrogen fuel cell waste collection truck to Solo Resource Recovery

JULY 2024

Sold a Taurus hydrogen fuel cell Prime Mover to Barwon Water

JULY 2024

Memorandum of Understanding signed with Vietnam Asean Hydrogen Club



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MANAGING DIRECTORS' REPORT

Dear Shareholders,

It's my pleasure to present the 2024 Annual Report for Pure Hydrogen, following an exciting year which leaves the Company strategically positioned as a leading supplier of zero-emissions vehicles and solutions, both domestically and abroad.

Operations during the financial year were highlighted by key advancements in the rollout of Pure's hydrogen and electric vehicle fleet, which has culminated in a strong sales pipeline across both domestic and international markets heading into FY25. Alongside the momentum in vehicle sales, Pure also consolidated its dual-purpose strategy to complement the growth of zero emission vehicles with a phased approach to hydrogen production and supply, which can be flexibly scaled up to meet demand.

Strategically, the Company's pipeline of zero emissions vehicle sales has been underpinned by a growing consensus that hydrogen is particularly valuable as a clean fuel source for the heavy vehicle industry. In that context, Pure Hydrogen – through its majority-owned subsidiary HDrive International – has had a busy twelve months bringing its fleet of hydrogen and electric-powered heavy vehicles to market, working closely with regulators to achieve vehicle approval in accordance with the highest standards of quality and safety.

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Managing Director's Report

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As a result of that process, the Company confirmed post balance-date that its Taurus truck – Australia's first hydrogen-powered prime mover – has been formally registered in Queensland following an extensive testing program. By establishing that hydrogen vehicles have a safe and viable pathway to market, these regulatory steps are a core part of Pure's commercialisation strategy. In turn, the Company's order book for HDrive vehicle now comprises multiple HFC prime movers and waste collection vehicles, together with electric buses. Importantly, these initial orders have the capacity to underpin a significant expansion in the Company's fleet rollout for heavy-vehicle customers, with follow-up orders once customers have established product-market fit.

Our growing domestic order book for hydrogen and electric vehicles is complemented by a targeted growth strategy in international markets through several Memorandums of Understanding (MOUs) with key distribution partners. As a result of the Company's hard work in FY24, Pure has now firmly established a first-mover advantage in the emerging hydrogen economy. This includes key intellectual property in the manufacture and production of zero emission vehicles, which leaves the company well positioned to capitalise as a supplier of choice for hydrogen vehicles in line with increased interest across the heavy vehicle industry, both through capital investment and customer demand.

Concurrently, Pure was busy in FY24 advancing the rollout of associated hydrogen production and refuelling infrastructure – the second core component as part of its dual-purpose strategy to spearhead the growth of Australia's hydrogen industry. Pure's strategy - based on a phased approach targeting domestic hydrogen supply hubs that can be scaled up in line with the growth of hydrogen vehicles – is in contrast to the planned mass-scale production hubs that have subsequently been wound back by large Australian energy and resources companies.

While the decisions not to proceed with major hydrogen development projects have grabbed headlines, Pure Hydrogen is firmly of the view that hydrogen infrastructure can be successfully established in Australia – as long as companies don't bite off more than they can chew in the early stages of the technology's development.

To that end, Pure advanced its targeted hydrogen production strategy during the period, culminating in several key updates during the June quarter including the announcement that Turquoise Group – in which Pure holds a strategic 40% investment stake - had successfully produced graphene powder and hydrogen as part of ongoing testing at its commercial demonstration plant located in Brisbane, Queensland. Pure also confirmed the commencement of a 5-year lease at Archerfield Airport, Queensland to develop its first green hydrogen demonstration micro-hub to serve commercial transport vehicles and the aviation sector – an initial step in connection with the Company's phased rollout strategy for refuelling and infrastructure.

More broadly, Pure's efforts to spearhead the growth of hydrogen solutions are taking place amid steadily increasing support from governments and key policymakers. Domestically, this was evidenced by the Australian government's $22.7bn funding commitment for the hydrogen sector in the 2024 federal budget. Those measures were in addition to existing policy support in major jurisdictions such as the US, where Pure has established a distribution footprint for the rollout of its zero emissions vehicle strategy.

With disciplined execution of our stated growth strategy amid a policy environment remains broadly supportive of innovative clean energy solutions, Pure now has a unique opportunity to scale up vehicle sales and unlock significant value for our shareholders. The Company remains well-positioned to pursue its growth targets, and will continue to assess opportunities to generate cashflow from its existing asset base, which still includes strategic natural gas assets. As always, we'd like to thank our shareholders for their ongoing support, and we look forward to providing plenty of exciting updates into the 2025 financial year and beyond.

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Company Overview

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Pure Hydrogen is a clean energy-focused company seeking to become the leader in the development of Zero Emissions vehicles and Energy Projects. It has plans to supply hydrogen fuel as a domestically sourced clean fuel in Australia and other countries. Coupled with its controlling shareholding of HDrive offering an expanding line of zero emissions, Pure Hydrogen has a number of solutions that can allow transition to Zero Emissions for commercial customers.

Pure Hydrogen is advancing its zero-emissions vehicle strategy through its majority investment in HDrive International, a leading global provider of hydrogen and electric vehicles. The Company is also committed to building out associated hydrogen infrastructure through the development of low-cost micro-hubs which can be scaled up flexibly to meet demand alongside the growth of the broader hydrogen industry.

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.

Pure Hydrogen remains committed in delivering hydrogen solutions covering all aspects of the market – from production to end-use and has established a strong competitive position in a rapidly growing green hydrogen market, driven by the decarbonisation 'mega-trend'.

Concurrently, the Company maintains a strategic interest in the development of natural gas projects in Botswana, through its investment in Botala Energy Ltd (ASX: BTE) – an energy company listed on the Australian Securities Exchange.

Pure Hydrogen is uniquely positioned and has a clear strategy to facilitate and support nascent demand for zero-carbon commercial vehicle fleet objectives in a market that is now gaining traction among large industrial companies both domestically and internationally.

The Taurus hydrogen-powered Prime Mover

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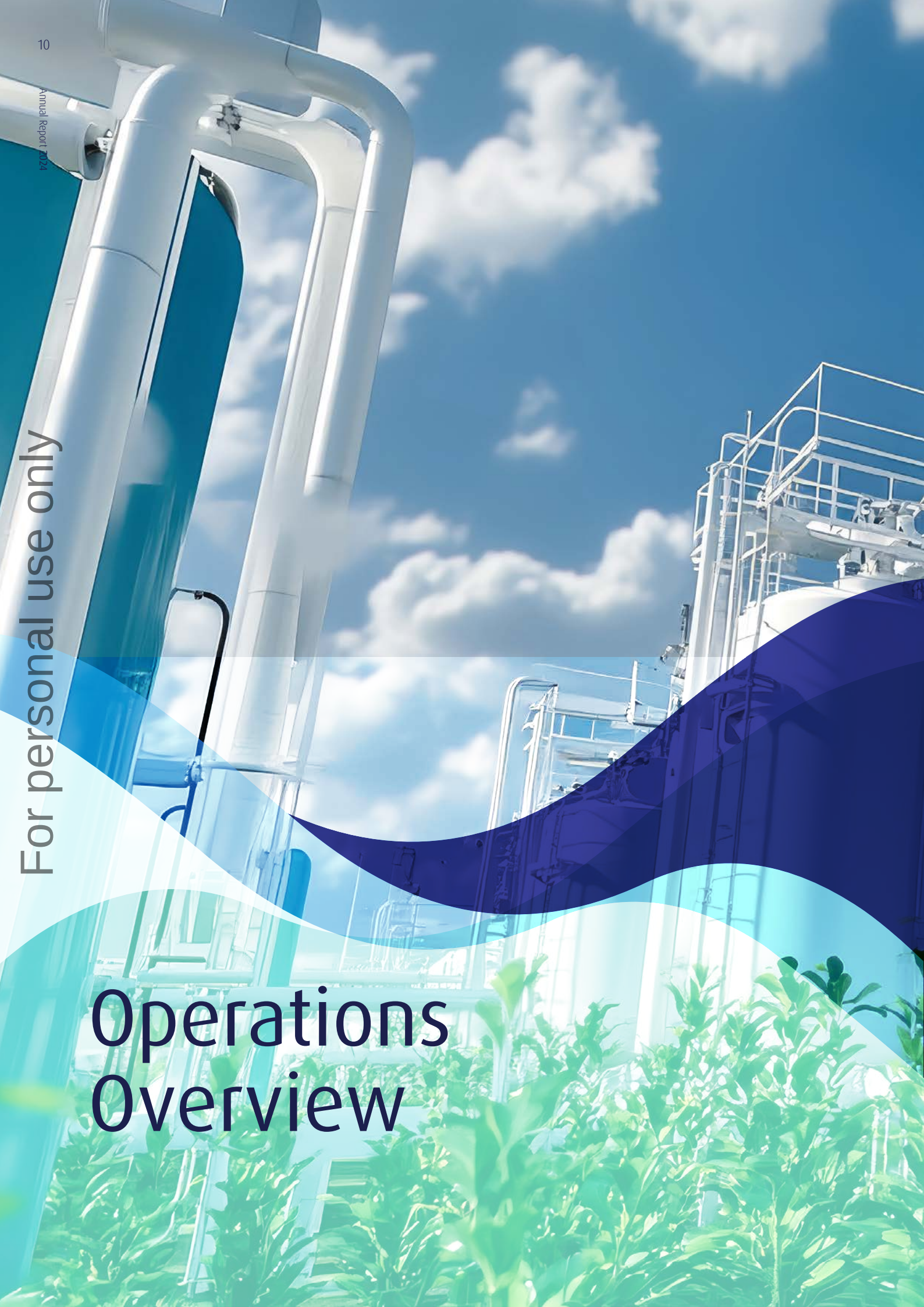

Operations Overview

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Operational highlights in relation to Pure Hydrogen, and its partners for which Pure Hydrogen has taken a strategic investment, for FY24 and up until the date of this report were as follows:

Vehicle Sales Pipeline Momentum Building

During the period, Pure Hydrogen continued to secure additional vehicle sales to a diverse customer base within the Australian market. Momentum has been underpinned by strong growth for two key vehicle models: the Taurus Prime Mover, currently on trial with PepsiCo and Barwon Water, as well as strong demand for hydrogen-powered waste disposal trucks to high-profile waste management companies including Solo Resource Recovery and JJ Richards.

With the zero emission targets driving decision-makers and the short-comings of battery electric vehicles for industrial use, Pure Hydrogen is strongly positioned to take significant market share over the coming years in Australia and similarly in key overseas markets such as California in the US, where subsidies for the development of hydrogen vehicles are some of the highest in the world.

Current orders for vehicles as at 30 September 2024 (this list is subject to change without notice):

Key Clients	Description	Fleet Size	Initial Order	Status	Potential Follow On
PEPSICO	Trialling HCF prime mover at manufacturing site in Brisbane	>15K	1 Prime Mover	Trial Commenced	10 Trucks
NSW Transport for NSW, sapphirecoast BUSLINES	Delivered 2 BEV mini-buses	200	2 Mini-buses	2 Delivered	16 Buses
VIETNAM ASEAN Hydrogen Club	Sales agreement for the supply of 5 buses in Ho Chi Minh City	N/A	3 Mini-buses, 2 Coaches, 1 Electrolyser, 1 Refueller	In build[2]	10 Buses
JJ'S Waste & Recycling	Developing HCF Side-Left RCV truck and supplying Emerald hydrogen	2000	1 Refuse Truck	Under Assessment[1]	25 Trucks
Solo Resource Recovery	Sales agreement to supply a HCF powered waste collection truck	700	3 Refuse Trucks	2 Assembled, 1 in build[2]	83 Trucks
Nutcher H²	Supplying HFCEVs in California	Distributor	1 Prime Mover, 1 Refuse Truck	In build[2]	50 Trucks
Barwon Water	Sold a Taurus HFC Prime Mover	N/A	1 Prime Mover	In build[2]	10 Trucks
Riverview International Trucks LLC	MOU to negotiate the distribution and supply of HFC EV and BEV into California	Distributor	-	Awaiting certification[3]	100 Trucks
AG ARMS GROUP	MOU for the supply of battery electric and HFC electric commercial vehicles	Distributor	-	Awaiting certification[3]	100 Trucks
ETHERO TRUCK + ENERGY	MOU for the supply of FCEV and BEV into the US market	Distributor	-	Awaiting certification[3]	100 Trucks
Others	-	140	3 Vehicles	Awaiting initial deposit	20 Vehicles

1. Under assessment by Australian National Heavy Vehicle regulator
2. In build: the process of commencing building a vehicle
3. Awaiting certification on a particular component of the vehicle in compliance with regulation

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OPERATIONS OVERVIEW

Waste Collection Trucks

Pure Hydrogen's hydrogen fuel cell (HFC) waste collection trucks are expected to have a range of about 300 kilometres depending on the configuration, before needing to refuel. The trucks emit zero CO2 gas emissions from the tailpipe under operating conditions, resulting in better air quality for the communities. Additionally, these vehicles require less maintenance and are quiet, reducing noise by over 70%.

The following partnerships demonstrate the Company's growing presence in the waste management sector in Australia.

> Pure Hydrogen waste truck deployment locations across Australia

JJ's Waste & Recycling

Pure Hydrogen and waste management business JJ's Waste & Recycling partnered in March 2022 to develop Australia's first HFC Side-Lift RCV Truck.

During the period, Pure carried out detailed performance and testing programs for the vehicle, which has now passed all ADR tests and awaits final Federal Government approval before entering a 12-month trial. JJ's Waste has over 2,000 trucks in its fleet and if the trial is successful, there is potential for further hydrogen fuelled trucks to be transitioned into the Company's fleet to reduce their carbon footprint.

Solo Resource Recovery

In August 2023, Pure Hydrogen partnered with Solo Resource Recovery to launch a 6-month trial of a HFC powered waste collection truck, which is slated to service Solo's municipal contracts, including its engagement with Tweed Shire Council in northern New South Wales. The agreement also outlines the potential for an additional supply of HFC waste collection trucks, contingent upon conditions precedent and a successful trial. This vehicle is nearing the end of its build stage, with testing to begin soon.

Under a second sales agreement, Pure Hydrogen sold a rear-loading HFC Waste Collection Truck during the financial year that will be deployed in Adelaide, South Australia for the City of West Torrens Council. The side-loader vehicle is in the final build stage in accordance with strict ADR requirements, with testing scheduled to commence shortly with several councils on the east coast.

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> Mr Clint Butler, National Sales Manager, Mr Scott Brown Managing Director, Cr Lana Formoso, the Mayor of City of Greater Dandenong and Mr Ben Kiddle CEO of HDrive International in front of HDrive HFC Garbage Truck

OPERATIONS OVERVIEW

Prime Movers

Pure Hydrogen first partnered with global food and beverage company PepsiCo in September 2022 (refer to ASX Announcement 30 September 2022), to trial the Hydrogen Fuel Cell 6x4 Prime Mover while also delivering refuelling along with maintenance and repair services.

Following the debut launch of the Taurus in 2023, which was attended by Queensland Energy Minister Mick de Brenni, the development of the vehicle has been undertaken amid ongoing support for hydrogen solutions by the Queensland government, which recently featured the Taurus as part of a hydrogen awareness campaign in print and television media.

During the 2024 financial year, Pure carried out extensive safety testing of the Taurus in accordance with Australian Design Rules. As the first hydrogen-fuelled Prime Mover in Australia, the vehicle testing program took 12 months, including extensive engagement with regulators to successfully complete the homologation and road approval process. Having navigated the approvals process as a first-mover in the hydrogen industry, Pure hopes to have established a more streamlined pathway to market for future hydrogen vehicles.

The registration of the Taurus Prime Mover was subsequently approved post balance-date on 9 August 2024. The trial commenced on 20 September 2024 and will run for approximately six months. At the completion of the trial, PepsiCo will assess the commercial use-case with the potential to order further hydrogen powered vehicles.

Pure sales pipeline for the Taurus truck was further strengthened post balance-date, when the Company announced a purchase order from Barwon Water - a prominent infrastructure provider for water services across south-west Victoria.

Buses

Transport for NSW

In February 2024, Pure Hydrogen's majority-owned subsidiary, HDrive International secured a binding order from Wilba Transport on behalf of the NSW government for the delivery of a battery-electric (BEV) EV70 minibus. The order is part of an ongoing initiative by the NSW government to expand delivery of on-demand transport solutions in regional New South Wales jurisdictions.

The EV70 is compliant with Australian Design Rules (ADR) and incorporates a low-floor design with a seating capacity of 18. It has a driving range of up to 300km on a single charge with a short recharge time of 45 minutes and is equipped with DDA-compliant wheelchair accessibility.

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Sapphire Coast Buslines

During the period, HDrive International successfully delivered two EV70 electric mini-buses to Sapphire Coast Buslines in New South Wales. Delivery was completed within the stated timeline set out in the initial supply deal, with full regulatory clearance in accordance with comprehensive Australian Design Rules (ADR).

These mini-buses are configured to carry 18 passengers, have a range of 300km and feature a low floor design to improve accessibility and provide efficiencies including reduced stop times.

Vietnam ASEAN Hydrogen Club

Post balance-date, Pure Hydrogen entered into two separate agreements with the Vietnam ASEAN Hydrogen Club (VAHC), a domestic policy group dedicated to the advancement of hydrogen solutions as part of the Vietnam government's stated carbon reduction strategy. Under the terms of the sales contract, Pure Hydrogen will deliver three HFC70 minibuses and two HFC120C coaches along with associated refuelling hydrogen infrastructure.

Pure Hydrogen anticipates that the total revenue for both agreements with VAHC will be approximately AUD$9.4m (subject to prevailing exchange rates at the relevant times).

> Design Image of the Barwon Water Taurus Prime Mover

> Managing Director of Sapphire Coast Buslines Jamie Klemm, National Sales Manager of HDrive International Kevin Fielding, Member for Bega Dr Michael Holland, and APAC Contracts & Aftersales Manager of HDrive International Dhresh Latchan, respectively during handover

OPERATIONS OVERVIEW

Strategic MOUs

During the period and post balance-date, Pure Hydrogen complemented its growing sales pipeline by entering into a series of MOUs (Memorandum of Understanding) with strategic partners in international markets. A summary of these activities is set out below:

State Government of Piauí in Brazil

In March 2024, Pure Hydrogen entered into an MOU with the State Government of Piauí in Brazil to assist in the development of hydrogen solutions as part of the State's clean energy transition. The MOU sets out the framework for Pure Hydrogen to leverage its expertise in the manufacturing and design of hydrogen fuel cell vehicles (HFCV), alongside appropriate hydrogen infrastructure solutions.

The MOU is set for an initial term of two years, and forms part of policymakers' stated strategy to establish Piauí as a green hydrogen hub in the Brazilian economy. The wide-ranging MOU will facilitate collaboration between the parties for the development and rollout of several HFCV's that are currently manufactured by Pure Hydrogen, and is the first of its kind for Pure Hydrogen in the South American market.

Riverview International Trucks

On 5 July 2024, Pure Hydrogen announced it had signed an MOU with Riverview International Trucks to distribute and sell its Taurus Prime Mover, HFC Garbage Trucks and Box Trucks to the US market through Riverview's established operations in California. The MOU sets out a framework for the supply of vehicles subject to Riverview carrying out due diligence and compliance testing. Founded in 1981 and family owned, Riverview has operations in Redding and West Sacramento with a team of over 90 staff and specialises in heavy commercial vehicles – the core target market for Pure Hydrogen's fleet.

ARMS Group Holding (United Arab Emirates)

Also in July, Pure Hydrogen entered an MOU with ARMS Group to distribute and sell its Taurus Prime Mover, Hydrogen Fuel Cell (HFC) Garbage Trucks and Box Trucks to the UAE market through ARMS Group established operations in the region. ARMS Group controls and manages, a well-diversified group of companies based in Dubai, United Arab Emirates, and stands as a beacon of innovation and excellence in the region.

Under the terms of the MOU, Pure Hydrogen expects to begin supplying its battery electric ('BEV') and hydrogen fuel cell electric commercial vehicles commencing in CY2025 subject to ARMS Group being satisfied with its due diligence on the vehicles, the equipment being compliant for operation in UAE and definitive agreements between the parties being agreed upon prior.

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Drive Days & Shows

During the period, Pure Hydrogen and HDrive International hosted multiple Drive Days with investor presentations and live demonstration of vehicles in the company's fleet, including Australia's first hydrogen fuel cell waste collection truck and prime mover. The Drive Days were well attended and attracted strong interest from investors as well as representatives of multiple heavy vehicle industries, including government agencies.

Most recently, HDrive hosted a successful Drive Day in Melbourne, showcasing the launch of its EV70 fully electric 7.5m minibus - the first of its kind in this category to be DDA compliant in Australia. The event brought together industry professionals, local businesses, and transport enthusiasts.

The zero emissions EV70 mini-buses have a range of 300km powered by a 127kWh CATL battery system. Configured to carry 18 passengers, they feature a low floor design improving accessibility and efficiencies including reduced stop times during the pickup and drop off of customers requiring mobility access including wheelchairs up to 350kg.

Pure Hydrogen and HDrive International also exhibited at the National Bus and Coach Show held on Tuesday 17 and Wednesday 18 September 2024 at the Brisbane Convention & Exhibition Centre. The event offered a large array of products and services, featuring the latest trends in the zero-emissions, energy and infrastructure space. The show was an excellent opportunity to show case the Company's latest range of passenger vehicles and network with peers.

> The EV70 electric Mini-bus

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Financing

Subsequent to balance date, Pure Hydrogen partnered with Dolphin Corporate Investments for an At-The-Market subscription facility, which provides Pure Hydrogen with access to $3 million in standby capital over a period of three years.

Hydrogen manufacturing technology

During the period, Pure Hydrogen also advanced its domestic hydrogen production footprint through the Turquoise Group, in which it holds a strategic 40% stake which is non-dilutable for a 3.5 year term.

In May 2024, Pure Hydrogen announced that Turquoise Group (TG) confirmed it had successfully produced graphene powder and hydrogen as part of ongoing testing at its commercial demonstration plant located in Brisbane, Queensland, following the completion of construction and commissioning works in the previous quarter. The preliminary testing was carried out using natural gas (methane) as feedstock. Turquoise Group's commercial demonstration plant has been commissioned and refined to target continuous high quality graphene production through a methane plasma pyrolysis process.

The process splits methane gas (CH4) into solid graphene powder (C) and hydrogen gas (H2) components. The results marked a key development milestone in the development of TG's commercial demonstration plant and indicates its potential as a sustainable technology capable of producing bulk-quantities – up to 100's of kilograms per day from one unit – of high-quality graphene powder.

The milestone paves the way for a technology capable of producing low-cost zero-emission hydrogen, as the expected revenue from graphene sales ensures the commercial threshold for the system can be easily reached.

Hydrogen Infrastructure

Alongside its growing sales pipeline of hydrogen vehicles, Pure Hydrogen also prioritised the development of its hydrogen micro-hub strategy in the 2024 financial year – a flexible approach to hydrogen infrastructure that can be scaled up gradually alongside the growth of its hydrogen vehicle suite.

In April 2024, Pure Hydrogen made key advancements on its first demonstration hydrogen micro-hub with confirmation it had signed a lease on a 4,000m2 commercial site at Archerfield Airport, located approximately 11km from the Brisbane CBD with the site being secured for the production and supply of green hydrogen to vehicle and aviation customers.

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The agreement marks Pure Hydrogen's first step in developing a number of 'CAPEX light' micro-hubs in proximity to key markets that can produce green hydrogen using green electricity sourced from the grid. Since signing the lease, Pure Hydrogen has placed an order for a state-of-the-art electrolyser which will be combined with compression and storage facilities to manufacture and sell green hydrogen. Pure Hydrogen plans to build similar expandable hydrogen manufacturing and micro hubs at other strategic locations with the target to create hydrogen highways as required for our customers to conveniently fill their hydrogen devices. This decentralised approach to hydrogen distribution will minimise costly hydrogen transport.

Planning works are underway for the Archerfield micro-hub to be developed in stages. Stage 1 is based on initial capacity of 1,000m2 with an anticipated output of 420kg of green hydrogen fuel per day and most of the key items have been ordered and we are awaiting various regulatory approval, which are outside of the company's control. The Company is targeting that the micro plant will be operational in FY25. Scale-up will occur in future stages based on growing demand, with Pure targeting selected markets in commercial transport and the aviation industry.

Board Changes

In October 2023, Pure Hydrogen announced changes to its Board with the appointment of The Honourable Adam Giles, former Chief Minister of The Northern Territory, as Non-Executive Independent Chairman. The appointment followed the decision by Ron Prefontaine, who held the position since March 2021, to stand down as Chairman but remain as a Non-Executive Director.

Mr Giles first joined the Board of Pure Hydrogen in May 2023, and his extensive professional background in government and policy roles made him a strong candidate to guide the direction of the Company's strategy at Board level, including direct engagement with regulators and policymakers at the state and federal government level.

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In April 2024, Pure Hydrogen entered into a binding agreement to sell its direct 30% interest in the Serowe CBM project in Botswana to the project's operator and 70% owner, Botala Energy Ltd (ASX: BTE). In consideration for the sale, Botala agreed to issue Pure Hydrogen 14.5 million fully paid ordinary shares issued over two tranches, plus a milestone payment of $750,000 contingent on reserve certifications.

Pure Hydrogen and Botala will continue to advance its 50:50 Joint Venture Botswana H2, a renewable energy business targeting 50MW power generation from hydrogen, solar and other green energy projects being pursued

Pure Hydrogen remains a supportive and committed shareholder in Botala, and will explore opportunities to bring its hydrogen-focused technologies and partnerships to develop hydrogen infrastructure in the Botswana market.

Gas Projects

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Tenements

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Pure Hydrogen's tenement holdings at end of 30 June 2024

Project	PH2 Ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP2051P	100	Surat Basin, Southern Queensland
ATP1194P	100[1]	Cooper Basin, South West Queensland
Total		

1. Subject to agreement to sell the permit.

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Project Venus

Surat Basin Walloon CSG

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Features of Project Venus – Queensland

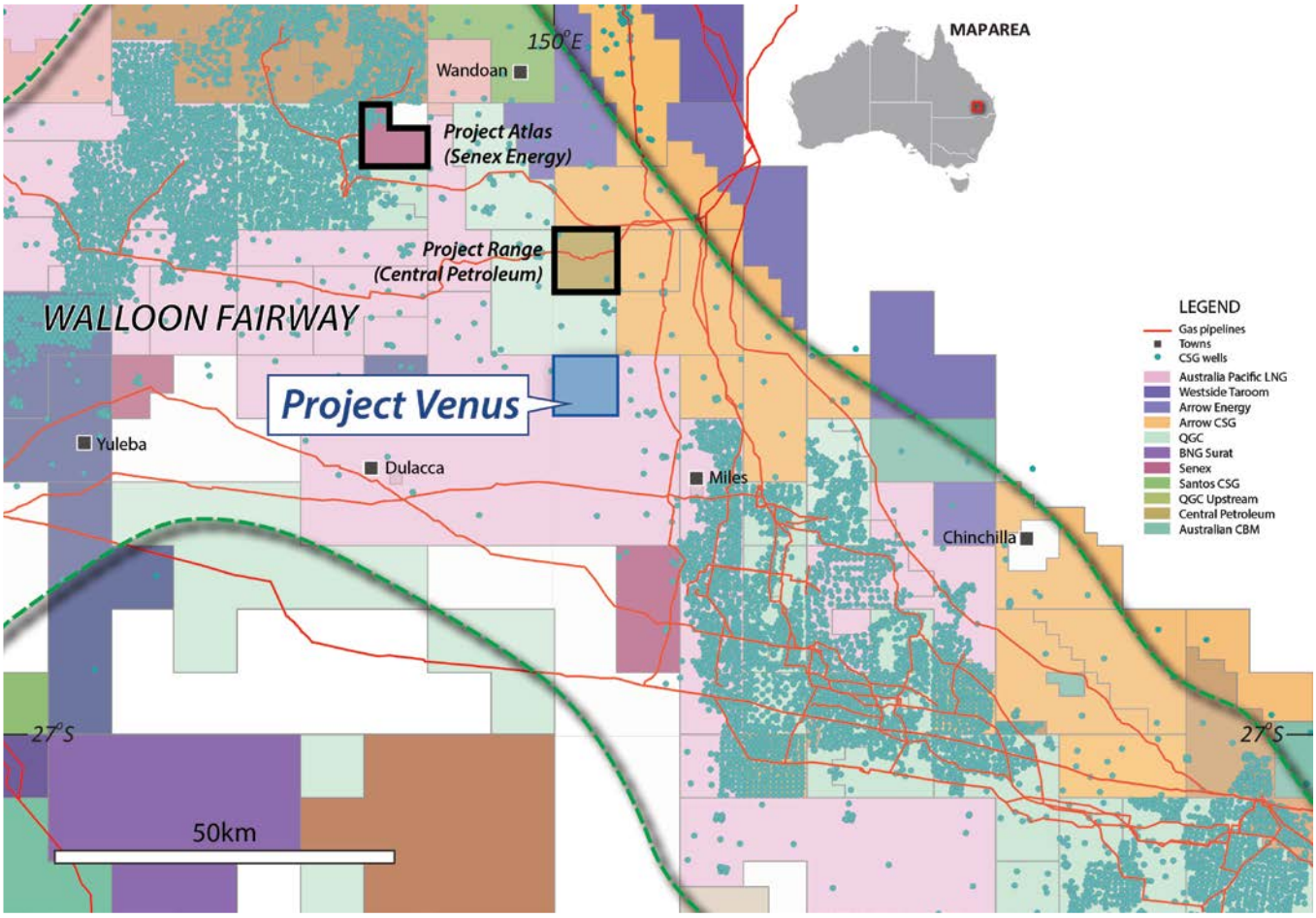
Project Venus, ATP2051 is a 100% owned by Pure Hydrogen. Project Venus contains high quality and very prospective acreage covering 154km^2 within the main Walloon Coal Seam Gas Fairway, and close to gas infrastructure including gas pipelines. There is significant coal in this permit and the Company believes it can turn these into significant gas resources. The Project Venus Contingent Resources are currently classified as Technology Under Development.

Proving commercial gas flows at Venus 1 could convert the recently certified 130 PJ of 2C gas resources to 2P gas reserves. Converting contingent gas resources to gas reserves would sufficiently underpin a sizeable gas sales contract to justify development of the Venus CSG field and connection to the nearby gas pipeline infrastructure.

The independent review of the Contingent Gas Resources was completed by Sproule International (refer ASX announcement: 4 May 2021). Further upside potential for the Project Venus is the Prospective Gas Resources with Best Estimate Case of over 560 PJ and High Estimate Case of over 675 PJ (refer ASX announcement on 12 December 2019).

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



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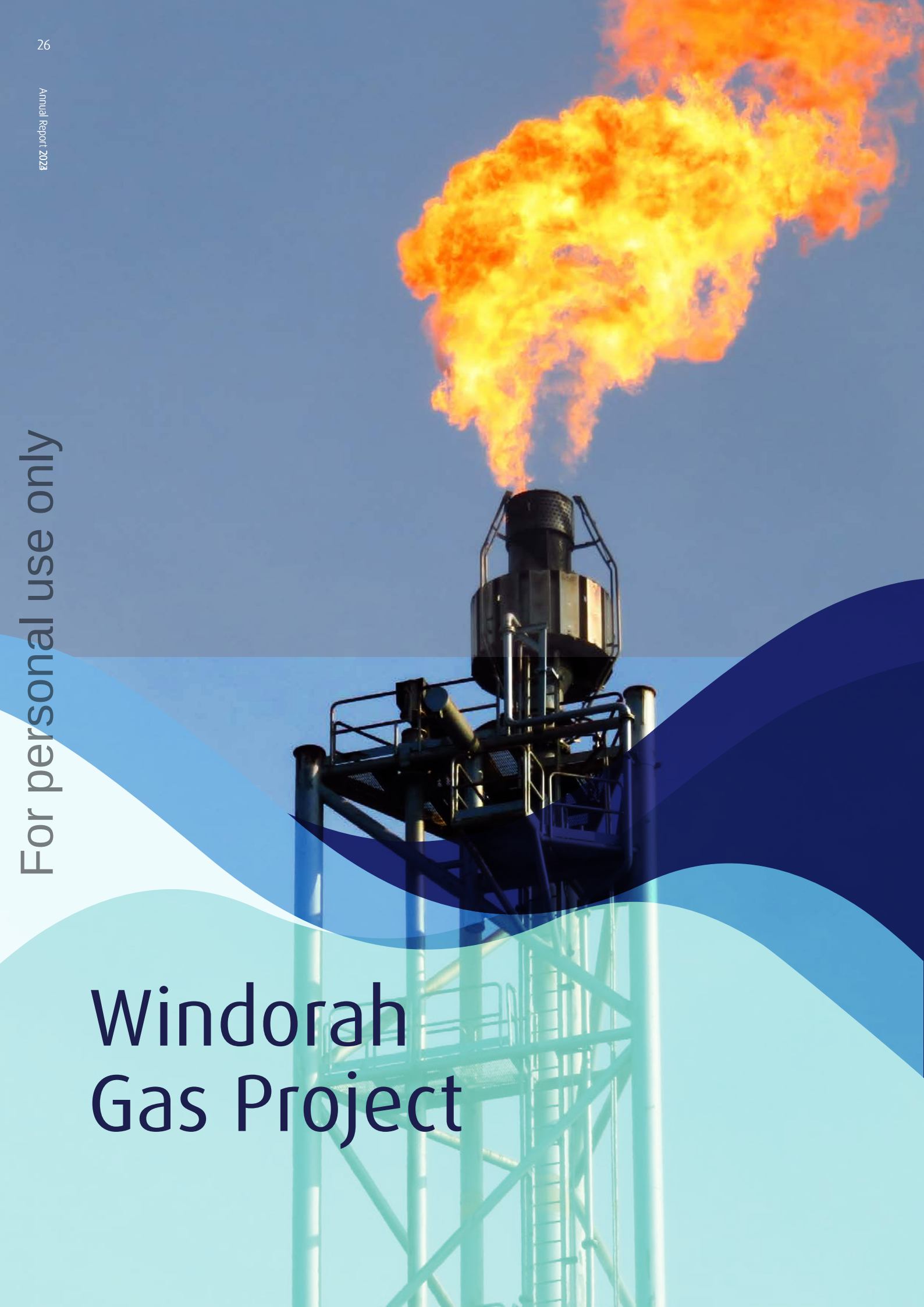

Windorah Gas Project

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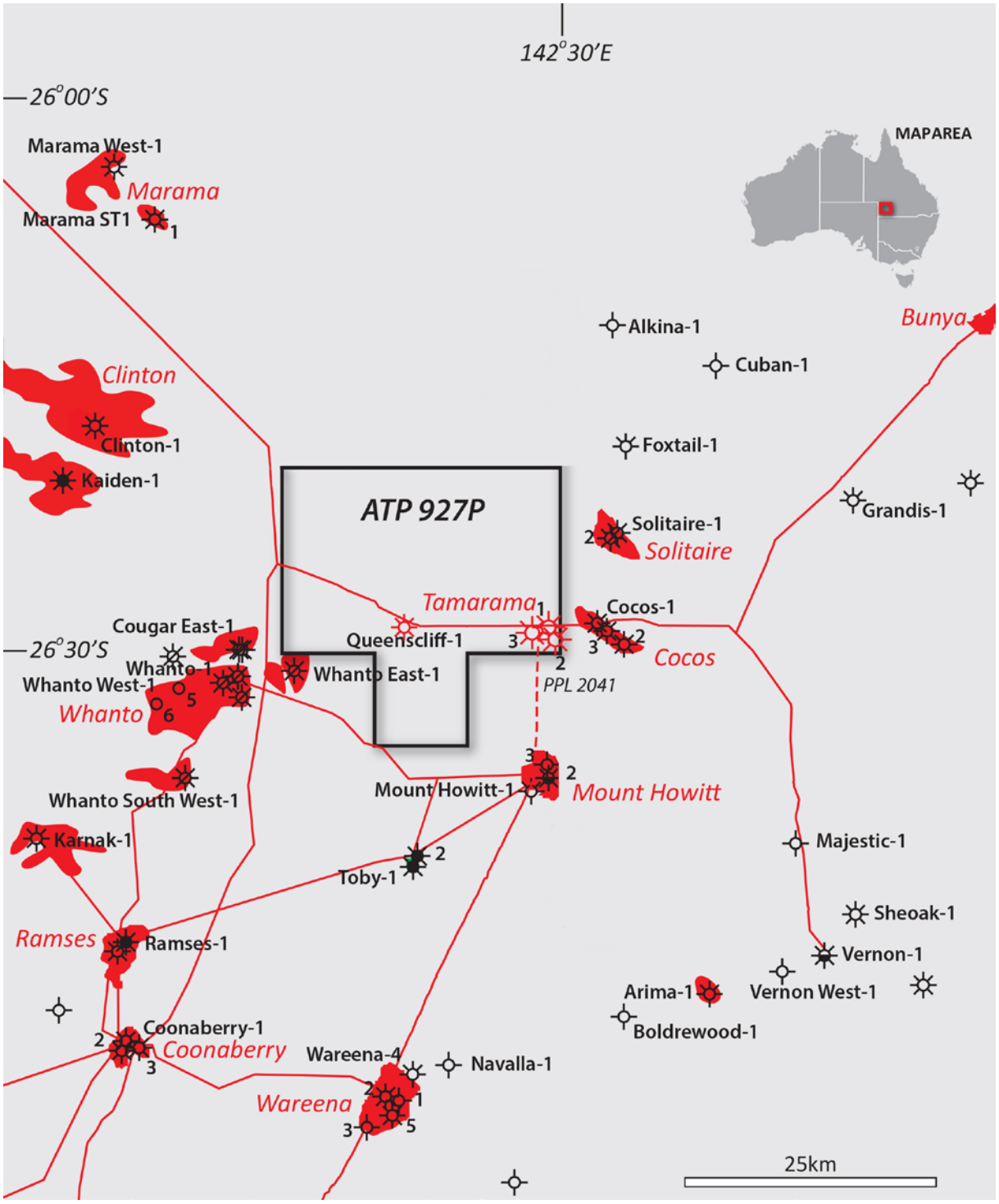
Features of Windorah Gas Project – Queensland

The Company continues to review development options for the Windorah Gas Project. We are also likely to apply for a PCA or retention license for large parts of the Project. We remain committed to securing funding for this project and are exploring all available options. The current map outline is shown on the below:



- Estimated are Mean Original Gas-In-Place excluding 2C/3C Resources.
- Gas Volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases.
- Resource estimates independently certified by DeGolyer & MacNaughton (Queenscliff area) & Aeon Petroleum Consultants (Tamarama area)

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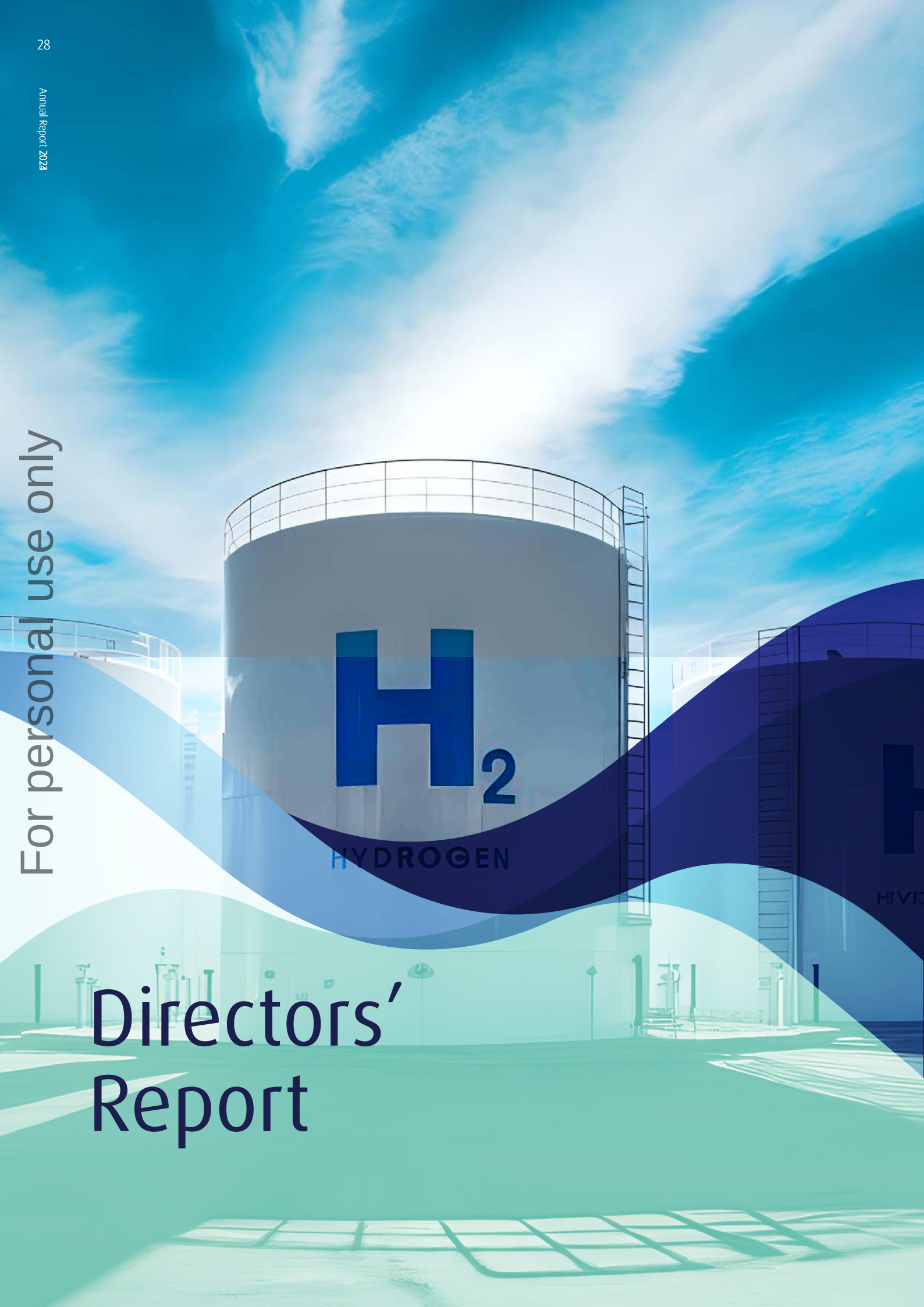

Directors' Report

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The Directors presented their report together with the consolidated financial statements of Pure Hydrogen Corporation Ltd (the 'Company' or 'parent entity'), and its controlled entities for the financial year ended 30 June 2024 (the 'Consolidated Entity' or 'Group').

Principal activities

The principal activities of the Company during the financial year ended 30 June 2024 consisted of continued development as a clean energy focused company seeking to become the leader in the advancement of Hydrogen and Energy Projects through the use of cutting-edge technology processes. It plans to supply hydrogen fuel to both Australian customers and regional Asia Pacific markets, through the production of Hydrogen. Concurrently, the Company is developing natural gas projects directly in Australia, and in Botswana through a strategic investment it holds in Botala Energy, (ASX:BTE) a Botswana- focused energy.

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.

Significant changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial period under review, not otherwise disclosed in this report or the consolidated accounts.

Financial results and position and review of operations

The Company recorded a consolidated loss of $3.409m for the year ended 30 June 2024 (FY2023 profit: $1.411m) after impairment charges of approximately $1,734,000 related to its natural gas activities. For FY24 the Company booked revenue for the Research and development tax incentive for the FY23 of $753,000 (the previous year included a ~$6 million in Research and Development tax incentive claims pertaining to the 2015, 2016, 2017, 2018 and 2019 financial years following settlement of a dispute with the Department of Industry Sciences and the Australian Taxation Office).

The Company will continue to focus on controlling costs whilst growing its energy projects and minimise its operations expenses.

Likely Developments and Expected Results

The Company will continue to develop activities described in this report with major emphasis on expanding the Company's business through organic growth.

Further information as to likely developments in the operations of the Company and the expected results of those operations in future years have not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Company.

Share and Options

As of 30 June 2024, the Company had 359,568,400 shares outstanding, and the company had over 12,000 shareholders. The Company had 8,5000,000 unlisted options as at the end of the reporting period.

Dividend

The Directors do not recommend the payment of a dividend and no dividends have been paid or declared or paid by the Company concerning the financial year ended 30 June 2024 (FY2023: $nil).

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which has significantly affected or could significantly affect the operation of the consolidated company in future financial years apart from the following matters:

DIRECTORS' REPORT

On 31 July 2024, the Company executed an agreement for an at-the-market (ATM) share subscription facility (ATM) with Dolphin Corporate Finance Investments (DCI), which provides Pure Hydrogen with access to up to $3 million in standby equity capital over a period of three years.

On 30 September 2024, the Company raised approximately $1,500,000 through the issue of 10 million fully paid new shares in the Company (See separate ASX Announcement dated 30 September 2024). The issue of approximately 10 million shares at 15 cents per share is subject to an adjustment depending on the price movements of Pure Hydrogen shares over the next 30 trading days. The formula for the adjustment is: Market Price - Benchmark Price, where Market Price is calculated as the weighted average price of pure Hydrogen's shares over the next 30 trading days (the 'Pricing Period'). The benchmark price is set at 110% of the Placement Price of 15 cents per share, or 16.5c.

Directors

The names and particulars of the qualifications and experience of the directors in office during and since the end of the financial year, unless otherwise stated, are as follows: year, unless otherwise stated, are as follows:

Hon. Adam Giles
(Non – Executive Chairman)
(Appointed 30 October 2023)

Mr Giles was the 10th Chief Minister of the Northern Territory, holding office from 2013 until 2016. During his political career, Mr Giles also held the portfolios of Economic Development, Major Projects, Transport, Infrastructure, Indigenous Affairs and Northern Australia.

As the head of multiple government portfolios, Mr Giles initiated several major infrastructure projects including the rollout of solar power to Indigenous communities, and the establishment of the interstate gas pipeline between the Northern Territory and eastern Australia. Since leaving politics Adam has held several senior corporate roles, including as CEO of Hancock Agriculture and S Kidman & Co.

Ron Prefontaine
(Non-Executive Director)

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

Ron Prefontaine has over 45 years of experience in the petroleum and hydrogen business. 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. Ron received his BSc in Geophysics from the University of British Columbia in 1979. 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.

Scott Brown
(Managing Director)

B. Bus (University of Technology Sydney)
M. Com (University of New South Wales)

Member of the Institute of Chartered Accountants

Scott has over 25 years' experience as a director and executive with extensive background in finance and management in public companies. Prior to Pure Hydrogen, Scott was instrumental in the listing of several companies including Real Energy (ASX: RLE) and Objective Corporation (ASX: OCL).

Scott was the CFO of Mosaic Oil NL (ASX: MOS), a public Australian company with an extensive range of oil and gas and production and exploration with interest in QLD, New Zealand and offshore WA. During his time at Mosaic, Scott was involved in the acquisition of production properties and the growth of its business and profitability with the companies and was instrumental in putting together a Scheme of Arrangement with AGL Energy Ltd to acquire Mosaic for consideration of $142 million.

Scott was also formerly the CFO, Company Secretary and chairman/director with a number of public companies including Turnbull & Partners Limited, Allegiance Mining NL, FTR Holdings Limited, Garratt's Limited, RPM Automotive Group Limited (ASX: RPM). Scott also worked at accounting firms, Ernst Young and KPMG.

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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

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

Company Secretary

Ron Hollands

B. Bus (University of Technology, Sydney, Australia)

& MBA (MGSM, Australia)

Grad. Dip Corporate Governance (GIA)

Associate and Certificate of Public Practice, Chartered Accountants Australia and New Zealand, Tax Agent, Tax Practitioners Board

Ron has over 30 years' experience in a range of industries including professional practice, financial services and real estate. Ron is currently also the company secretary of Ashley Services Group Ltd (ASX: ASH).

Indemnifying of Officers

During the financial year the Company paid premiums to insure all directors and officers of the Company against possible claims brought against the individual while performing services for the Company and against expenses relating thereto, other than conduct involving a wilful breach of duty in relation to the Company.

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 intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings. The Company was not a party to any such proceedings during the year.

Remuneration Report

This remuneration report which formed part of the Director's Report, sets out information about the remuneration of Key Management Personnel (KMP) of the Group. The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors (wherever executive or otherwise) of the Group.

Remuneration policy

The board's policy for determining the nature and amount of remuneration for Key Management Personal (KMP) of the consolidated entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors was developed by the remuneration committee and approved by the board. All executives receive a base salary (which is based on factors such as length of service and experience) with reference to market conditions and comparisons and superannuation guarantee required by the government. The objective of this policy is to secure and retain the services of suitable individuals capable of contributing to the consolidated entities strategic objectives and deliver sustainable total shareholder returns.

The board's policy is to remunerate non-executive directors at market rate for comparable companies for time, commitment and responsibilities. The remuneration committee determine payments to the non-executive directors and review their remuneration annually based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

DIRECTORS' REPORT

The remunerations for each KMP of the Company during the year were as follows:

FY2024	Cash remuneration		Non cash remuneration	
	Short term remuneration	Long term remuneration		
Name (KMP)	Salaries/fees ***	Super contribution	Share based payment	Total
	$'000	$'000	$'000	$'000
Ron Prefontaine	-	-	-	-
Scott Brown	309	23	-	332
Lan Nguyen °	78	3	-	81
Adam Giles	65	-	-	65
Ron Hollands °	15	-	-	15
Total	**467**	**26**	**-**	**493**

*** Fees payable inclusive of director fees and consultant fees.

° Consultant services were provided based on normal commercial terms and conditions.

FY2023	Cash remuneration		Non cash remuneration	
	Short term remuneration	Long term remuneration		
Name (KMP)	Salaries/fees ***	Super contribution	Share based payment	Total
	$'000	$'000	$'000	$'000
Ron Prefontaine	50	-	-	50
Scott Brown	303	22	29	354
Lan Nguyen °	78	3	9	90
Adam Giles	60	-	9	69
Ron Hollands °	18	-	-	18
Total	**509**	**25**	**47**	**581**

*** Fees payable inclusive of director fees and consultant fees.

° Consultant services were provided based on normal commercial terms and conditions.

Directors Interests

Directors' beneficial interests in shares and options at the end of the reporting period were:

Directors	Balance at beginning of year		Movement during the year		Balance at end of year	
	Ordinary shares	Options	Ordinary shares	Options	Ordinary shares	Options
Ron Prefontaine	18,740,285	150,000	-	(150,000)	18,740,285	-
Scott Brown	12,914,029	5,000,000	145,948	-	13,059,977	5,000,000
Lan Nguyen	7,623,393	1,500,000	-	-	7,623,393	1,500,000
Adam Giles	-	2,000,000	-	-	-	2,000,000
Total	**39,277,707**	**8,650,000**	**145,948**	**(150,000)**	**39,423,655**	**8,500,000**

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Board committees

To facilitate achieving its objectives, the Board has established 2 sub-Committees comprising board members – the Audit and Risk Committee and Remuneration Committee. Each of these Committees have formal terms of reference that outline the Committee's roles and responsibilities, and the authorities delegated to it by the Board.

Remuneration committee

The Board has established a Remuneration Committee, and its role is set out in a formal charter which is available in the Corporate Governance Statement.

The Remuneration Committee is responsible for the evaluation of the Board, Committee and individual Directors' performance. The Chairman of the Remuneration Committee is not the Chairman of the Board, and the Committee consists of two members including one independent Non-executive director and one Non-executive director. At the end of the reporting period, they are Ron Prefontaine and Lan Nguyen (Chairman). It is intended that the Committee will meet when required.

Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in monitoring the processes and controls associated with the financial reporting function that ensure the integrity of the company's financial statements. The responsibilities of the Committee are set out in a formal charter.

The Audit and Risk Committee Charter sets out the policy for the selection, appointment and rotation of external audit engagement partners. The Committee makes recommendations to the Board regarding the adequacy of the external audit and compliance procedures. The Committee evaluates the effectiveness of the financial statements prepared for Board meetings. The Committee has the necessary power and resources to meet its responsibilities under its charter, including rights of access to management and auditors (internal and external) and to seek explanations and additional information. The Chairman of the Audit Committee is not the Chairman of the Board and the Committee and ideally will consist of three members including one independent Non-executive director and two Non-executive directors. At the end of the reporting period, the Committee members are Scott Brown and Lan Nguyen (Chairman). It is intended that the Committee will meet at least two times per year or as frequently as required.

Meetings of Directors and committees

The number of directors' and Committees' meetings of the Company held during the year ended 30 June 2024 and the numbers of meetings attended by each director are as follows:

Directors	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ron Prefontaine	9	9	N/A	N/A	-	-
Scott Brown	9	9	2	2	-	-
Lan Nguyen	9	9	2	2	-	-
Adam Giles	6	6	2	2	-	-

Employees

The company had seven employees at 30 June 2024 (FY2023: nine).

Environmental Regulations and Performance

The Company caring for the environment as an integral part of its business and has a statutory obligation to protect the environment areas when conducting exploration and evaluation activities in accordance with the relevant government legislation. During the reporting period, the Company was not aware of any failure to meet its obligations pursuant to any breach of such legislation or regulations.

DIRECTORS' REPORT

Shares and Options

Total number of fully paid ordinary shares on issue was 359,568,400 and 8,5000,000 unlisted options at the reporting day.

Rounding

The consolidated result has applied to the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest $1,000.

Non-audit services

The Board of Directors, in accordance with advice from the Audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- All non-audit services are reviewed and approved by the Audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principal relating to auditor independence in accordance with AP*ES 110: Code of Ethics for Professional Acc*ountants set by the Accounting Professional and Ethical Standard Board.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 63 of the report.

Signed in accordance with a resolution of the Board of Directors.

Scott Brown
Managing Director

Sydney, 30 September 2024

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Auditor's Independence Declaration

A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
Sydney NSW 2000

PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099

Email:
add3@addca.com.au
Website:
www.addca.com.au

Auditor's Independence Declaration
Under Section 307c of The Corporations Act 2001
To the Directors of Pure Hydrogen Corporation Limited
ABN 27 160 885 343
And Controlled Entities

I declare that, to the best of our knowledge and belief, during the year ended 30 June 2024, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the review.

A D DANIELI AUDIT PTY LTD

Sam Danieli

Sydney, 30 September 2024

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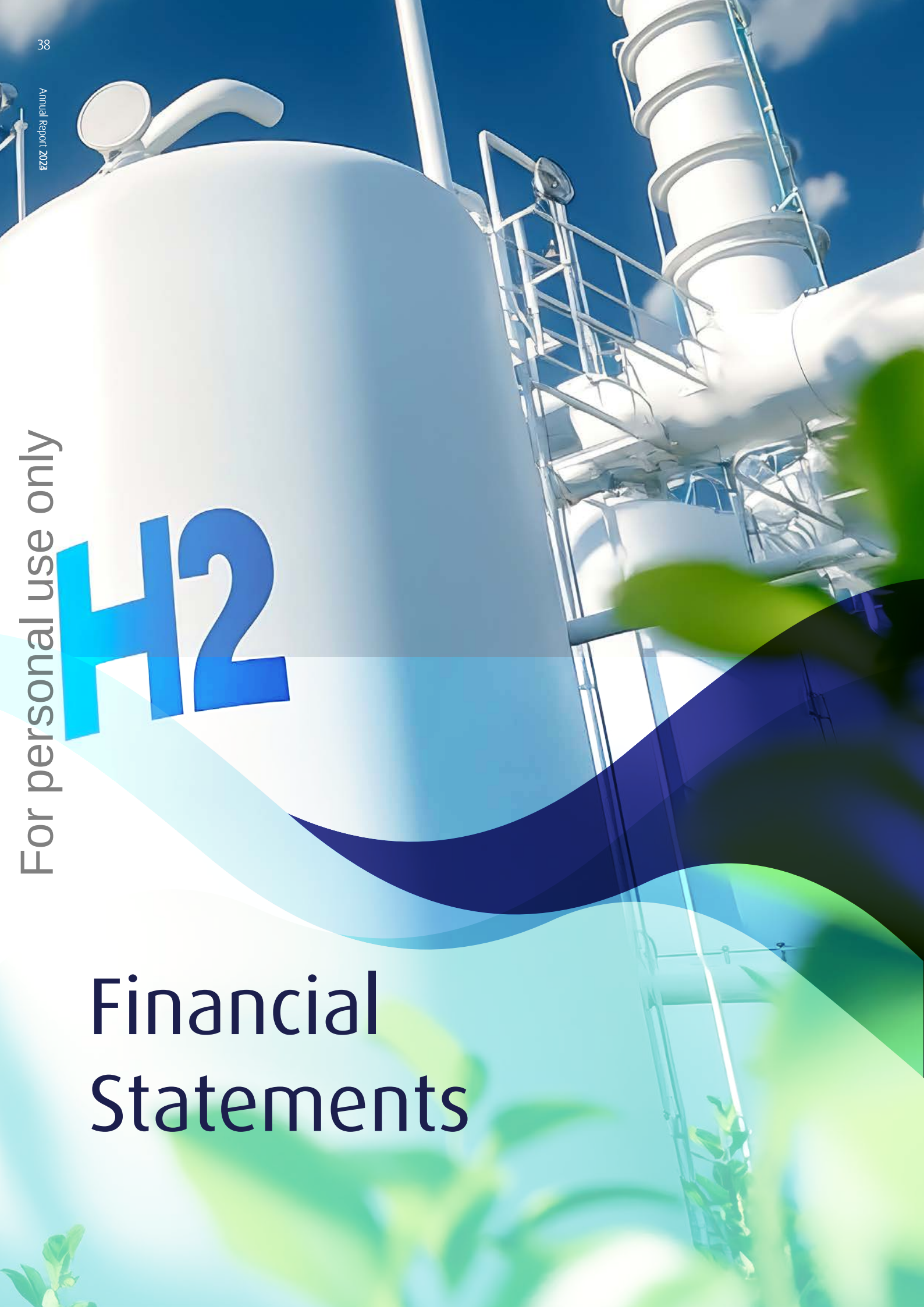

Financial Statements

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PURE HYDROGEN CORPORATION LIMITED

Consolidated Statement of Comprehensive Income as at 30 June 2024

	Notes	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
Continuing operations			
Revenue	2(a)	1,358	397
R&D tax incentive	2(a)	753	6,240
Income		2,111	6,637
Less cost of goods sold		(889)	-
Gross profit		1,222	6,637
Expenses			
Corporate and administration expenses		(1,281)	(1,592)
Impairment provision		(2,135)	(1,500)
Operations expenses		(159)	(58)
Project expenses		(783)	(567)
Sales and marketing expenses		(1,238)	(526)
Total operating expenses		**(5,596)**	**(4,243)**
Share of net profit of associates accounted for using the equity method	11	-	(983)
Profit/(loss) from continuing activities before income tax		(4,374)	1,411
Other comprehensive income	2(b)	965	-
Income tax expense	3	-	-
Total comprehensive income for the period		(3,409)	1,411
Total changes in equity other than those resulting from transactions with owners as owners		**(3,409)**	**1,411**
Net profit/(loss) attributable to:			
Members of the parent		(3,919)	1,411
Non-controlling interest		(455)	-
		(4,374)	1,411
Total comprehensive income/(loss) attributable to:			
Members of the parent		(2,864)	1,411
Non-controlling interest		(545)	-
		(3,409)	1,411
Earnings per share		**Cents**	**Cents**
Basic earnings per share	24	(0.95)	0.40
Diluted earnings per share	24	(0.95)	0.40

The statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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PURE HYDROGEN CORPORATION LIMITED

Consolidated Statement of Financial Position as at 30 June 2024

	Notes	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
Assets			
Current Assets			
Cash & cash equivalents	4	5,966	12,602
Inventories	5	4,222	42
Other assets	6	433	115
Trade & other receivables	7	1,753	392
Total Current Assets		12,374	13,151
Non-Current Assets			
Property, plant & equipment	8	359	-
Exploration, evaluation & development assets	9	12,511	13,134
Right-of-use assets	10	147	75
Investments in equity affiliates	11	-	2,253
Goodwill	12	912	-
Other investments	13	6,151	4,812
Total Non-Current Assets		20,080	20,274
Total Assets		**32,454**	**33,425**
Liabilities			
Current Liabilities			
Trade & other payables	14	1,273	1,496
Deposits received	15	377	500
Provisions	16	524	266
Total Current Liabilities		2,174	2,262
Non-Current Liabilities			
Provisions	16	1,183	519
Deferred consideration	17	1,460	-
Total Non-Current Liabilities		2,643	519
Total Liabilities		4,817	2,781
Net Assets		**27,637**	**30,644**
Equity			
Equity contribution	18(a)	83,611	83,209
Reserves	18(b)	47	50
Contributed surplus	19	30,060	30,060
Accumulated profits/(losses)	20	(85,536)	(82,675)
Parent Interest		28,182	30,644
Non-controlling entity		(545)	-
Total Equity		**27,637**	**30,644**

The statement of Financial Position should be read in conjunction with the accompanying notes.

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PURE HYDROGEN CORPORATION LIMITED

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2024

Consolidated Group	Contributed equity $'000	Reserves $'000	Contribution surplus $'000	Accumulated losses $'000	Parent Interest $'000	Non-Controlling Interest $'000	Total $'000
Opening balance 1 July 2022	81,762	391	30,060	(83,852)	28,361	-	28,361
Profit for the financial period	-	-	-	1,411	1,411	-	1,411
Transactions with shareholders Issue of shares	-	-	-	-			
Option exercised/ expired	1,447	(341)	-	(234)	872	-	872
Balance as 30 June 2023	**83,209**	**50**	**30,060**	**(82,675)**	**30,644**	**-**	**30,644**
Opening balance 1 July 2023	83,209	50	30,060	(82,675)	30,644	-	30,644
Profit for the financial period	-	-	-	(2,864)	(2,864)	(545)	(3,409)
Transactions with shareholders Issue of shares	402	-	-	-	402	-	402
Option exercised/ expired	-	(3)	-	3	-	-	-
Balance as 30 June 2024	**83,611**	**47**	**30,060**	**(85,536)**	**28,182**	**(545)**	**27,637**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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PURE HYDROGEN CORPORATION LIMITED

Consolidated Statements of Cash Flows for the year ended 30 June 2024

	Notes	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
Cash flow from operating activities			
Interest received		327	337
Other income		1,023	6,164
Payments to suppliers & employees		(3,282)	(2,572)
Net cash outflow from operating activities	32	(1,932)	3,929
Cash flow from investing activities			
Payments for property, plant & equipment		(359)	-
Payments for exploration & evaluation assets		(317)	(1,666)
Deposit received		(123)	500
Payments for investments - hydrogen projects		(4,307)	(944)
Net cash outflow from investing activities		(5,106)	(2,110)
Cash flow from financing activities			
Issue of shares		402	1,251
Net cash inflow from financing activities		402	1,251
Net increase/(decrease) in cash held		(6,636)	3,070
Cash & cash equivalents at the beginning of the year		12,602	9,532
Cash & cash equivalents at the end of the period	**4**	**5,966**	**12,602**

The above statement of cash flows should be read in conjunction with the accompanying notes.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

A. Basis of preparation

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Standards Board and the Corporations Act 2001.

The financial information has been prepared on an accrual's basis under the historical cost convention and, except where stated, does not take into account current valuations of non-current assets.

Non-current assets are re-valued from time to time as considered appropriate by the Directors and are not stated at amounts in excess of their recoverable amounts. Except where stated, recoverable amounts have been determined using undiscounted cash flows.

(i) Compliance with IFRS

The consolidated financial statements of Pure Hydrogen Corporation Limited comply with Australian Accounting Standards and International Financial Report Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Comparison figures

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements. Where the presentation of items in the financial statements was amended, the comparative amounts have been reclassified where practical.

(iii) New and amended Accounting Standards and Interpretations adopted

During the year ended 30 June 2024, the Group have adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current financial report period. Any new or amended Accounting Standards or Interpretations that were not yet mandatory have not been early adopted.

(iv) Critical accounting estimates and judgements

The Directors evaluated estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and were based on current trends and economic data, obtained both external and within the company. Actual results may differ from these estimates.

B. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of all entities controlled by Pure Hydrogen Corporation Limited ('Parent Entity') as at 30 June 2024. Controlled entity is the entity over which the Parent Entity having 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 were considered when assessing whether the Parent Entity controls another entity.

Acquisitions of businesses were accounted for using the acquisition method. The consideration transferred in a business combination was measured at fair value, which was calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired and the equity interests issued by the Group in exchange for control of the acquired. Acquisition-related costs were recognised in profit or loss as incurred.

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NOTE 1. Summary of significant accounting policies (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed were recognised at their fair value, except that:

(i) deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 and AASB 119 respectively;

(ii) liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with AASB 2 at the acquisition date; and

(iii) assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 are measured in accordance with that Standard.

Inter-company transactions and balances, and unrealised gains on transactions between Group companies, were eliminated. Unrealised losses were also eliminated unless the transaction provided 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 Group.

C. Going concern

This financial report has been prepared on a going concern basis, which contemplated the continuity of business activities and the realisation of assets and payments of liabilities in the normal course of business.

At the date of signing this report, the Directors are satisfied that the Company has sufficient cash reserves to enable normal business activities to continue operations and believe that the Company will be able to pay its creditors as and when they fall due. The Directors believe the company will be able to raise further funds when it is required and that it is appropriate to prepare the financial report on the going concern basis.

D. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or business under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liability (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

E. Property, Plant & Equipment

Each class of property, plant and equipment is stated at historical cost less, any accumulated depreciation. Historical cost included expenditure that was directly attributable to the acquisition of the items.

Plant and equipment are measured on a cost basis. The carrying value of property, plant and equipment is reviewed annually if appropriate to ensure that it is not in excess of the net recoverable amount.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 1. Summary of significant accounting policies (continued)

Depreciation

Plant and equipment are depreciated over their estimated useful life using the straight-line method. The principal depreciation rates used are:

Furniture & Fittings	15%
Office equipment	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Right-of-use asset

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use-assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The costs of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a decline of balance over its useful life and the lease term.

F. Trade receivables and payables

(i) Trade debtors

Trade debtors are carried over amounts due less any allowance for doubtful debts. An allowance is raised for any doubtful debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off during the period in which they are identified.

(ii) Payables

These are unpaid amounts for goods and services provided to the Company prior to the end of the financial year. Payables are unsecured and are settled within the time agreed with suppliers.

G. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and service tax (GST) except:

(i) where the amount of GST incurred is not recoverable from the relevant taxation authority.

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as operating cash flows.

H. Cash and cash equivalents

For the purposes of the Statement of cash flows, cash includes:

(i) cash on-hand & cash on-deposit with banks or financial institutions, net of bank overdrafts; and

(ii) investments in money market instruments with less than 180 days to maturity.

All intercompany transactions and balances are eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Parent Entity.

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NOTE 1. Summary of significant accounting policies (continued)

I. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave to be settled within 12 months of the reporting date are recognised, and are measured as the amount unpaid at the reporting date at the remuneration rate expected to apply at the time of settlement, including allowances for on costs if applicable, in respect of employees' services up to that date.

A liability for long service leave is recognised and measured as the present value of future payments to be made in respect of services provided by employees up to the reporting date. Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred. The Company does not operate any defined benefit superannuation plan.

J. Capital risk management

The consolidated entity and Pure Hydrogen's objectives are to safeguard their ability to continue as a going concern and to maintain a conservative capital structure so that management can focus on running its core business together with being an attractive company for shareholders and potential investors.

The Company will consider the most appropriate use of debt and equity to maximise its returns while maintaining a low-risk capital structure.

K. Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development 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. Once an area of interest enters a development phase, historical capitalised exploration expenditure is transferred to capitalised development expenditure.

Where the group acquires an area of interest (through direct purchases or merger), expenditures incurred in the acquisition of the area of interest are capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of definitive feasibility studies or when the production commences.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 1. Summary of significant accounting policies (continued)

L. Share based payments reserves and option reserves

The share-based payments reserve is used to recognise the share-based payment expense compensation at the grant date and record the grant date fair value of share-based payments and other options grants made by the Company.

M. Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the Income Statement is matched with the profit from ordinary activities after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

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

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

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

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only where a legally enforceable right of set off exists and the deferred tax assets and liabilities relate to the same taxable entity.

Deferred tax assets are not brought to account unless it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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NOTE 1. Summary of significant accounting policies (continued)

N. Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

O. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Interest revenue is recognised using the effective interest rate method taking into account rates applicable to the financial assets.

P. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Q. Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or less, unless the asset is carried at a revalued amount in accordance with another standard Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

R. Options issued

Total number of 8,500,000 unlisted options are outstanding as at 30 June 2024.

S. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sells the assets (ie. Trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which cash transaction costs are recognised as expenses in profit or loss immediately.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 1. Summary of significant accounting policies (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financially asset or financial liability. Revisions to expected future net cash flows will necessitate and adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is de-recognised.

(ii) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is de-recognised.

(iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is de-recognised.

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NOTE 1. Summary of significant accounting policies (continued)

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charge duced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using the probability-weighted discounted cash flow approach. The probability has been based on:

(i) The likelihood of the guaranteed party defaulting during the next reporting period;

(ii) The proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and

(iii) The maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: *Revenue*. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

De-recognition

Financial assets are de-recognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 1. Summary of significant accounting policies (continued)

Key estimate

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements

(i) Exploration, evaluation and development expenditure

The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

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Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000

NOTE 2.

a) Revenue

Interest revenue	327	361
Sales revenue	1,031	36
R&D tax incentive	753	6,240
Total	**2,111**	**6,637**

b) Other Comprehensive Income

Profit on sale of 30% interest to (ASX:BTE) advanced Serowe gas Project in Botswana	1,015	-
Foreign exchange Gain/(Loss)	(50)	-
Total	**965**	**-**

NOTE 3. Income tax

Reconciliation of income tax expense/(benefit) for the year as follows:

Net profit/(loss) from continuing operations before income tax expense	(3,409)	1,411
Prima facie income tax expense on the profit/ (losses) 25% (FY 2032: 30%)	(852)	423
Non-deductible items	637	690
Non-assessable items	(188)	(1,574)
Capital gains tax – tax vs accounting	(97)	-
Temporary difference	373	(149)
Non-controllable interest - tax	103	-
Current year tax /(losses) not brought to account	(24)	(610)
Income tax expense/(benefit)	**-**	**-**

Current year tax /(loss)	(24)	(610)
Add previous year's loss	(46,270)	(45,660)
Less tax losses unable to be recouped	-	-
Add tax loss results from tax amendments	-	-
Total tax losses not brought to account	**(46,294)**	**(46,270)**

Potential future income tax benefits estimated at $46 million (FY2023: $46 million) attributable to Australian tax losses carried forward by the Company and future benefits to exploration expenditure and other timing differences allowable for deduction have not been brought to account in the consolidated accounts at 30 June 2024 because the Directors do not believe it is appropriate to regard full realisation of the future income tax benefits as probable. These benefits will only be obtained if: The consolidated entity derives future assessable income of a nature and of sufficient amount to enable the benefits from the deductions to be realised; and

a. The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

b. No changes in tax legislation adversely affect the Company in realising the benefit from the deduction in losses.

c. No change in tax legislation adversely affect the Company in realising the benefit from the deduction in losses.

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Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000

NOTE 4. Cash & cash equivalents

Cash at bank	**5,966**	**12,602**

NOTE 5. Inventories

Inventories	4,222	42
Total	**4,222**	**42**

All inventory items held by the Company are in respect of vehicles covering Hydrogen Fuel cell trucks and BEV buses. Also included in inventories is Hydrogen equipment that the Company may lease or sell.

NOTE 6. Other assets

Prepayment & deposits paid	433	115
Total	**433**	**115**

NOTE 7. Trade & other receivables

R&D tax incentive	753	-
GST refundable	79	182
Listed shares receivable	595	-
Interest & other receivables	326	210
Total	**1,753**	**392**

NOTE 8. Plant and equipment

Motor vehicles	391	32
Less accumulated depreciation	(32)	(32)
Total	**359**	**-**

NOTE 9. Exploration, evaluation and development assets

Opening balance	13,134	12,932
Expenditure incurred during the year	317	1,202
Impairment provision	(940)	(1,000)
Closing balance at 30 June	**12,511**	**13,134**

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Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
Note 10. Right-of-use assets		
Leased office	160	155
Accumulated amortisation	(13)	(80)
Net carrying value	**147**	**75**

The company has entered an office lease effective from May 2024. In accordance with AASB 16 Leases, the current lease agreement calculated right-of-use assets and have been included in the lease liability.

NOTE 11. Investments in equity affiliates

(a) Information about the Principal Associates

Set out below are the associates of the Company as at 30 June 2024.

Name	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Carrying amount $'000	
		2024	2023			2024	2023
H2X Global Ltd	Australia	16.1	20.3	Associate	Equity method	-	2,253

H2X is a hydrogen technology company that focuses on the growing Hydrogen Fuel transportation markets which are emerging in the key regions Europe, Asia and Australia. For the 2024 year it is no longer an equity affinity as the percentage has fallen below 20% and the carrying value is shown in Note 13.

(b) Commitments and contingent liabilities in respect of Associates

The company has no capital commitment relating to its interest in H2X Global.

(c) Summarised financial information for associates

The table below provided summarised financial information for H2X Global. Unless otherwise stated, the information disclosed reflects the amounts presented in the financial statement of H2X. They have been amended to reflect adjustments made by the Company when using the equity method, including adjustments for any differences in accounting policy between the Company and H2X.

		Consolidated 30-Jun-2023 $'000
Summarised financial position		
Cash and cash equivalent		380
Other current assets		1,562
Total current assets		1,942
Total non-current assets		5,940
Current financial liabilities (excluding trade & other payables, & provisions)	-	-
Other current liabilities		5,654
Total current liabilities		5,654
Total non-current liabilities		-
Net assets		**2,228**

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Notes to the Financial Statements for the year ended 30 June 2024

		Consolidated 30-Jun-2023 $'000
NOTE 11. Investments in equity affiliates (continued).		
Group's shares (%)		20.3%
Group's share of associates' net assets		452
Reconciliation to carrying amounts		
Opening net assets		3,236
Investments during the period		-
Group's share of associates total comprehensive income		(983)
Group's share of dividends paid by associates		-
Disposal during the period		-
Group's share of associate closing net assets		**2,253**

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
NOTE 12. Goodwill		
Goodwill on acquisition of HDrive	1,312	-
Amortisation for FY24	(400)	-
Carrying amount as at 30 June 2024	**912**	**-**
NOTE 13. Other investments		
Shares in listed companies[1]	2,327	2,724
Turquoise Hydrogen project	1,571	1,571
Shares in H2X Global Ltd	2,253	-
Hydrogen Eco System	-	1,017
Impairment provision	-	(500)
	6,151	**4,812**

[1] Listed Shares – Botala Energy Ltd (ASX:BTE) fully paid ordinary shares

NOTE 14. Trade & other payables		
Trade creditors	959	1,086
Sundry creditors	314	410
	1,273	**1,496**
NOTE 15. Deposits received		
Deposit received	377	500
	377	**500**

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Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000

NOTE 16. Provisions

Current provisions		
Current leave provision	291	191
Current lease provision	233	75
Sub total	524	266
Non-current provisions		
Non-current leave provision	17	69
Non-current lease provision	89	-
Rehabilitation provision	968	450
Other provision	109	-
Sub total	1,183	519
Total provisions	**1,707**	**785**

The current leave provision consists of employee benefits including accrued annual leave and long service leave. For long service leave, it covers all unconditional entitlements where employees have completed the required period of service. The lease provision arose from adopting AASB16.

The rehabilitation provision is the expected rehabilitation costs for the five drilled wells being - Tamarama-1, 2, 3, Queenscliff-1 and Venus-1 and from premises leased by the Company.

NOTE 17. Deferred consideration

Consideration in relation to HDrive	**1,460**	**-**

NOTE 18. Issued capital & reserves

a) Shares

	No. of shares	Contributed Equity $'000
FY 2024		
Existing shares at beginning of the year	356,249,721	83,209
Share Issued	3,318,679	402
Balance at end of 30 June 2024	359,568,400	83,611
Issuance costs		-
Balance at end of 30 June 2024		**83,611**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

	No. of shares	Contributed Equity $'000

NOTE 18. Issued capital & reserves (continued).

FY 2023

Existing shares at beginning of the year	343,176,363	81,762
Options exercised, 15 July 2022	38,334	5
Options exercised, 17 August 2022	2,091,670	269
Options exercised, 15 September 2022	2,294,178	295
Options exercised, 19 October 2022	1,677,092	215
Options exercised, 23 December 2022	3,976,250	445
Options exercised, 16 January 2023	2,987,500	217
Options exercised, 13 April 2023	8,334	1
Balance at end of 30 June 2023	356,249,721	83,209
Issuance costs		-
Balance at end of 30 June 2023		**83,209**

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000

b) Options & reserves

Option & Reserves

Beginning balance	50	391
Expiry of options	(3)	-
Options exercised	-	(388)
Options granted during the year	-	47
Balance at 30 June	**47**	**50**

There is a total 8,500,000 of unlisted options on issue 30 June 2024 as below:

Company	Number outstanding	Exercise price	Expiry date
Options	6,500,000	AUD $0.50	23 Dec 2025
Options	2,000,000	AUD $0.35	17 Apr 2026

NOTE 19. Contributed surplus

Contributed surplus consists of amounts contributed by the former parents of Strata-X, Inc. over a period of years to fund exploration and development activities. The contribution was considered to be a net investment in Strata-X, Inc. and is classified as equity.

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Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
NOTE 20. Accumulated losses		
Accumulated profit/(losses) at beginning of the year	(82,675)	(83,852)
Expiry of options	3	(234)
Net profit/(loss) for the year	(2,864)	1,411
Accumulated profit/(losses) at end of 30 June	**(85,536)**	**(82,675)**

NOTE 21. Auditor's remuneration

Remuneration of the auditor of the consolidated entities for:

Annual audit	35	40
Half year review	16	16
Other services	15	26
	66	**82**

NOTE 22. Related party transactions

Disclosures relating to key management personnel compensation are set out in the Remuneration Report.

NOTE 23. Contingent assets and liabilities update

The Group is not aware of any contingent assets or liabilities as at the date of this report other than disclosed in this report or accounted for in the financial statements.

	No. of shares At 30 June 2024	No. of shares At 30 June 2023
NOTE 24. Earnings per shares		
Weighted average number of ordinary shares used in calculating basic earnings per share:	357,455,689	351,454,043
	$'000	**$'000**
Net profit after income tax attributable to shareholders	**(3,409,000)**	**1,411,442**

	Cents	Cents
Basic earnings per share	(0.95)	0.40
Diluted earnings per share	(0.95)	0.40

NOTE 25. Key management personnel (KMP) compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's KMP for the year ended 30 June 2024.

The totals of remuneration paid to KMP of the Company during the year are as follows:

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Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
Short term employee benefits	467	556
Other long-term benefits	26	25
Total KMP compensation	**493**	**581**

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chairman and non-executive directors as well as salary and paid leave benefits to executive directors and other KMP.

Other long-term benefits

These amounts represent superannuation paid during the year. Further information in relation to KMP remuneration can be found in the directors' report.

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000

NOTE 26. Capital commitments

Petroleum lease commitments		
Not later than one year	2,000	1,000
Later than one year but not later than two years	6,500	2,000
Later than two years but not later than five years	-	10,000
Later than five years	-	-
	8,500	**13,000**

Lease commitments		
Not later than one year	147	75
Later than one year but not later than two years	225	-
Later than two years but not later than five years	280	-
Later than five years	150	-
	802	**75**

NOTE 27. Financial risk management

The Company's activities expose it to a variety of financial risks, market risk (including interest rate risk, commodity price risk, equity price risk and currency risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital.

The Company at present does not use derivative financial instruments and did not have any derivative instruments during the year ended 30 June 2024 (FY2023: nil).

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 27. Financial risk management (continued).

The Company uses different methods to measure different types of risk to which it is exposed. Risk management is carried out by the Company under policies approved by the Board of Directors. The Board meets on a regular basis and analyses and discusses the current economic climate and forecasts and provides written principles for overall risk management. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the financial performance of the Company.

Financial risk exposures and management

(a) Market risks

(i) Foreign exchange risk

The Company has minimal exposure to foreign exchange risk.

(ii) Price risk

The Company does not have any exposure to investment or commodity price risk.

(iii) Interest rate risk – cash flow and fair value interest rate risk

The Company does not have any borrowings and therefore no significant exposure to interest rate risk other that interest it receives on surplus cash invested on deposit. The Company invests in short term deposits and the interest return will be affected by the market rates at the time.

All other assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At the reporting date, the interest rate profile of the Company's cash and cash equivalent (interest-bearing financial instruments) was $5,966,024 (FY2023: $12,601,940) and an increase of 1% in interest rate (decrease of 1%) would have increased (decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant and the analysis is performed on the same basis as the prior year.

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
Impact on profit or loss		
Interest rate +1%	60	126
Interest rate -1%	(60)	(126)
Impact on equity		
Interest rate +1%	60	126
Interest rate -1%	(60)	(126)

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 27. Financial risk management (continued).

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security in respect of recognised financial assets, is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

(c) Net fair values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The net fair values of the financial assets and financial liabilities approximate their carrying values.

No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through credit facilities. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and matching maturity profiles of financial assets and liabilities.

(e) Capital management

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

The capital structure of the Company consists of equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

The Company's Board reviews the capital structure on an annual basis. As a part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Company may balance its overall capital structure through new share issues or borrowings.

The Company's overall strategy remains unchanged at 30 June 2024.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 28. Interest in subsidiary

The consolidated financial statements include the financial statements of Pure Hydrogen Corporation Limited and its controlled entities.

Entity Name	Entity Type	Place of Incorporation	% Owned	Australian resident or foreign resident (for tax purpose)	Foreign tax jurisdiction (if applicable
Pure Hydrogen Corporation Ltd	Body corporate	Australia	100%	Australian	-
Real Energy Corporation P/L	Body corporate	Australia	100%	Australian	-
Real Energy Queensland P/L	Body corporate	Australia	100%	Australian	-
Pure Energy Corporation P/L	Body corporate	Australia	100%	Australian	-
Pure Hydrogen Australia P/L	Body corporate	Australia	100%	Australian	-
Pure Hydrogen Operations P/L	Body corporate	Australia	100%	Australian	-
Pure Hydrogen International P/L	Body corporate	Australia	100%	Australian	-
Emerald Hydrogen P/L	Body corporate	Australia	100%	Australian	-
Caboolture Hydrogen P/L	Body corporate	Australia	100%	Australian	-
HDrive International P/L	Body corporate	Australia	70%	Australian	-
Eastern Gas P/L	Body corporate	Australia	100%	Australian	-
HDrive P/L	Body corporate	Australia	100%	Australian	-
Eromanga Energy P/L	Body corporate	Australia	100%	Australian	-
Strata-X Australia P/L	Body corporate	Australia	100%	Australian	-
Atlas Energy Corporation P/L	Body corporate	Australia	90%	Australian	-
Strata-X, Inc.	Body corporate	USA	100%	USA	USA
Pure X Mobility P/L	Body corporate	Australia	100%	Australian	-

NOTE 29. Subsequent events

No matters or circumstances have arisen since the end of the financial year which has significantly affected or could significantly affect the operation of the consolidated company in future financial years apart from the following matters:

On 31 July 2024, the Company executed an agreement for an at-the-market (ATM) share subscription facility (ATM) with Dolphin Corporate Finance Investments (DCI), which provides Pure Hydrogen with access to up to $3 million in standby equity capital over a period of three years.

On 30 September 2024, the Company raised approximately $1,500,000 through the issue of 10 million fully paid new shares in the Company (See separate ASX Announcement dated 30 September 2024). The issue of approximately 10 million shares at 15 cents per share is subject to an adjustment depending on the price movements of Pure Hydrogen shares over the next 30 trading days. The formula for the adjustment is: Market Price - Benchmark Price, where Market Price is calculated as the weighted average price of pure Hydrogen's shares over the next 30 trading days (the 'Pricing Period'). The benchmark price is set at 110% of the Placement Price of 15 cents per share, or 16.5c.

NOTE 30. Dividend

No dividends have been paid or declared or paid by the Company concerning the year since last annual report period.

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 31. Parent information

(i) Summary financial information

The individual financial statements for the parent entity in FY 2024 show the following aggregate amounts:

	30-Jun-2024 $'000	30-Jun-2023 $'000
Assets		
Current assets	3,937	8,746
Non-current assets	23,340	10,772
Total assets	**27,277**	**19,518**
Liabilities		
Current liabilities	300	107
Non-current liabilities	8,687	1,692
Total liabilities	**8,987**	**1,799**
Equity		
Issued capital	16,749	16,434
Reserves	67	45
Accumulated profits/(losses)	1,474	1,240
Total equity	**18,290**	**17,719**
Total profit/(loss) during the year	688	(496)
Total comprehensive income/(loss)	**688**	**(496)**

(ii) Guarantees

At 30 June 2024, subsidiary Pure Hydrogen Operations Pty Ltd held a bank guarantee for the office premises of $24,200 and for a 5 year lease at Archerfield Airport for $ 85,595.

And subsidiary Real Energy Corporation Pty Ltd held bank guarantee for its corporate credit card facility of $20,000.

Subsidiary Real Energy Queensland Pty Ltd has a bank guarantee assurance of $216,883 for ATP927P with QLD Department of Environment and Heritage Protection in regard to its exploration and development activities within that permit.

(iii) Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2024 other than disclosed in note 23 (FY2023: nil).

(iv) Contractual commitments

At 30 June 2024, the parent entity had no contractual commitments for the acquisition of property, plant or equipment (FY2023: nil).

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

	Consolidated 30-Jun-2024 $'000	Consolidated 30-Jun-2023 $'000
NOTE 32. Reconciliation of cash flow from operations with loss after income tax		
Profit/(loss) of the year	(3,409)	1,411
Amortisation and depreciation	445	4
Impairment provision	2,135	1,500
Option reserve/Share-based payment	-	47
Share of net profit of associate accounted for using equity method	-	984
Loan forgiveness/other adjustment	-	-
Non-cash revenue recognition	-	(22)
Changes in assets and liabilities that involve recognition in the Income Statement		
Decrease/(increase) in other Assets	(318)	(80)
Decrease/(increase) in receivables	(1,361)	(11)
Increase/(decrease) in deposit received	(123)	-
Increase/(decrease) in payables	(223)	157
Increase/(decrease) in provisions	922	(61)
Cash flow from operating activities	**(1,932)**	**3,929**

NOTE 33. Fair value measurement

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

		As at 30 June 2024		As at 30 June 2023	
	Level	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Financial assets					
Cash & cash equivalents	1	5,966	5,966	12,602	12,602
Other assets	1	433	433	115	115
Inventories	1	4,222	4,222	42	42
Trade & other receivables	1	1,753	1,753	392	392
Financial liabilities					
Trade & other payables	1	1,273	1,273	1,496	1,496

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PURE HYDROGEN CORPORATION LIMITED

Notes to the Financial Statements for the year ended 30 June 2024

NOTE 33. Fair value measurement (continued).

The financial assets and liabilities of the Company are recognised in the consolidated statements of financial position in accordance with the accounting policies set out in Note 1 in this Report.

The Company considers that the carrying amount of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair value.

NOTE 34. Segments reporting

AASB 8 requires operating Segments to be identified on the basis of internal reports about the components of the group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Pure Hydrogen Corporation Limited. The group operates in one segment, being energy development in Australia and Botswana. Accordingly, under the management approach outlined only one operating segment has been identified and no further disclosure is required in the financial statements.

Segment information:

	For energy developments	
	As at 30 June 2024 $'000	As at 30 June 2023 $'000
Revenue		
Interest income	327	361
Sales revenue	1,031	36
Government incentive payment	753	6,240
Total revenue	2,111	6,637
Expenses	(3,905)	(2,739)
Impairment provision	(2,135)	(1,500)
Depreciation & amortisation expenses	(445)	(4)
Share of associate's profit	-	(983)
Segment results	(4,374)	1,411
Assets		
Current assets	12,373	13,151
Plant & equipment	359	-
Exploration and evaluation assets	12,511	13,134
Right-of-use assets	147	75
Goodwill	912	-
Other investments	6,151	7,065
Total assets	32,453	33,425
Liabilities		
Current liabilities	2,174	2,262
Non-current liabilities	2,642	519
Total liabilities	4,816	2,781
Net assets	27,637	30,644

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PURE HYDROGEN CORPORATION LIMITED

Consolidated Entity Disclosure Statement for the Year Ended 30 June 2024

NOTE 35. Company details

The registered office and principal place of the Company is: 119 Willoughby Road, Crows Nest NSW 2065

Entity Name	Entity Type	Place of Incorporation	% Owned	Australian resident or foreign resident (for tax purpose)	Foreign tax jurisdiction (if applicable
Pure Hydrogen Corporation Ltd	Body corporate	Australia	100%	Australian	-
Real Energy Corporation P/L	Body corporate	Australia	100%	Australian	-
Real Energy Queensland P/L	Body corporate	Australia	100%	Australian	-
Pure Energy Corporation P/L	Body corporate	Australia	100%	Australian	-
Pure Hydrogen Australia P/L	Body corporate	Australia	100%	Australian	-
Pure Hydrogen Operations P/L	Body corporate	Australia	100%	Australian	-
Pure Hydrogen International P/L	Body corporate	Australia	100%	Australian	-
Emerald Hydrogen P/L	Body corporate	Australia	100%	Australian	-
Turquoise Group P/L	Body corporate	Australia	40%	Australian	-
Caboolture Hydrogen P/L	Body corporate	Australia	100%	Australian	-
HDrive International P/L	Body corporate	Australia	70%	Australian	-
Eastern Gas P/L	Body corporate	Australia	100%	Australian	-
HDrive P/L	Body corporate	Australia	100%	Australian	-
Eromanga Energy P/L	Body corporate	Australia	100%	Australian	-
Strata-X Australia P/L	Body corporate	Australia	100%	Australian	-
Atlas Energy Corporation P/L	Body corporate	Australia	90%	Australian	-
Strata-X, Inc.	Body corporate	USA	100%	USA	USA
Pure X Mobility P/L	Body corporate	Australia	100%	Australian	-

Each entity is a tax resident in the jurisdiction it was formed and incorporated.

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 38 to 67, are in accordance with the *Corporations Act 2001* and::

   (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

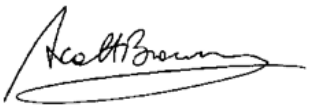
   (b) give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated group;

   (c) the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the *Corporation Act 2001*.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ended 30 June 2024.

3. In the Directors' opinions, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Scott Brown
Managing Director

Sydney, 30 September 2024

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INDEPENDENT AUDITOR'S REPORT

A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
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PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

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Email:
add3@addca.com.au
Website:
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Independent Auditor's Report
To the Members of
Pure Hydrogen Corporation Limited
ABN 27 160 885 343
And Controlled Entities

Report on the audit of the Financial Report

Opinion

We have audited the consolidated financial report of Pure Hydrogen Corporation Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 (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 confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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INDEPENDENT AUDITOR'S REPORT

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.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Investments in equity affiliates	
At 30 June 2024, the group had reduced it's ownership interest in H2X Global Ltd to 16.1% during the year and is therefore deemed to not have significant influence under AASB 128. This investment is now recognised under other investments.	We have evaluated the appropriateness of management's assessment that the deemed consideration invested in H2X Global Limited no longer resulted in significant influence. Our procedures included challenging management on the reasonableness of these assumptions and judgements including: • Whether significant influence is present • Valuation of the investment accounted for using the equity method (if applicable). Based on our work, we noted that the investment no longer resulted in the group having significant influence and therefore would be reclassified as an other investment.

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Capitalisation of current year exploration, evaluation and development costs	
The group capitalised $317,203 in exploration expenditure during the year. Management assess costs incurred during the year and capitalise based on their judgements. Costs incurred include direct costs only. Management has determined to exclude indirect costs included by the Group such as general and administrative costs. Where management has determined incurred costs do not meet the requirements for capitalisation, they have been expensed in full.	We have evaluated the appropriateness of capitalization policies, performed tests of details on costs capitalised and assessed the timeliness of the transfer of assets in the course of development. There were no exceptions noted from our testing. In performing these procedures, we challenged the judgements made by management including: • The nature of underlying costs capitalised as part of the costs of the exploration, evaluation and development asset; and • The allocation of costs to each tenement. Based on our work, we noted no significant issues on the capitalisation of costs incurred.
Impairment consideration of exploration, evaluation and development costs	
The group incurred further exploration expenditure of $317,203 during the period increasing the capitalised asset to $12,510,939 after impairment of $940,000. Exploration, evaluation & development costs have been impaired in full where cost were incurred in respect to exploration activities not currently being pursued by management. Management has determined that there are no facts or circumstances that suggest that the carrying amount of the remaining exploration and development asset exceeds its recoverable amount.	We have evaluated the appropriateness of management's assessment that there are no facts or circumstances that suggest the carrying amount of exploration asset may exceed its recoverable amount. Therefore, determined there is no requirement to test for impairment in respect to Windorah Gas Project exploration, evaluation and development costs. Our procedures included challenging management on the suitability and reasonableness of these assumptions, through performing the following: • Review of independent evaluations of geological data; • Review of geological data in respect to independent reports and ASX announcements; • Assessing the budgeted expenditure on further exploration and evaluation of the tenement; and • Assessing the various agreements entered on future production and sales. Based on our procedures, we noted that the exploration, evaluation and development asset is fairly stated.

INDEPENDENT AUDITOR'S REPORT

Cash and cash equivalents

At balance date the Group had cash and cash equivalents totaling $5,965,828 which represents a significant balance to the Group.

We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to significant level of judgement, however, due to the materiality in the context of the financial statements as a whole, they are considered to be an area of risk in our overall audit strategy.

We have evaluated disclosure and challenged management during our procedures to confirm existence of the asset including:

- Documenting and assessing the processes and controls in place to record cash transactions;
- Testing and sampling payments to determine they were bona fide payments, were properly authorized and recorded in the general ledger; and
- Agreeing 100% of cash holdings to independent third-party documentation.

Inventory

At balance date the Group had inventory totaling $4,222,254 which are vehicles covering Hydrogen Fuel Cell trucks and BEV buses. Also included in this balance is Hydrogen equipment.

Inventories are valued at the lower of cost and net realisable value. The net realisable value of inventory is the estimated selling price in the ordinary course of business less estimated costs to sell, the determination of which requires significant judgement by the Group.

We have evaluated the appropriateness of management's assessment that the inventory is valued correctly in addition to the existence by:

- Testing and sampling stock payments to determine they were bona fide payments, were properly authorized and recorded in the general ledger;
- Discussions with management to determine expected selling price; and
- Inspecting stock located at the storage warehouse to confirm existence.

Based on our work, we noted no significant issues on the valuation and existence of inventory.

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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 30 June 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore 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.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 20 to 21 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Pure Hydrogen Corporation Limited, for the year ended 30 June 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.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

30 September 2024

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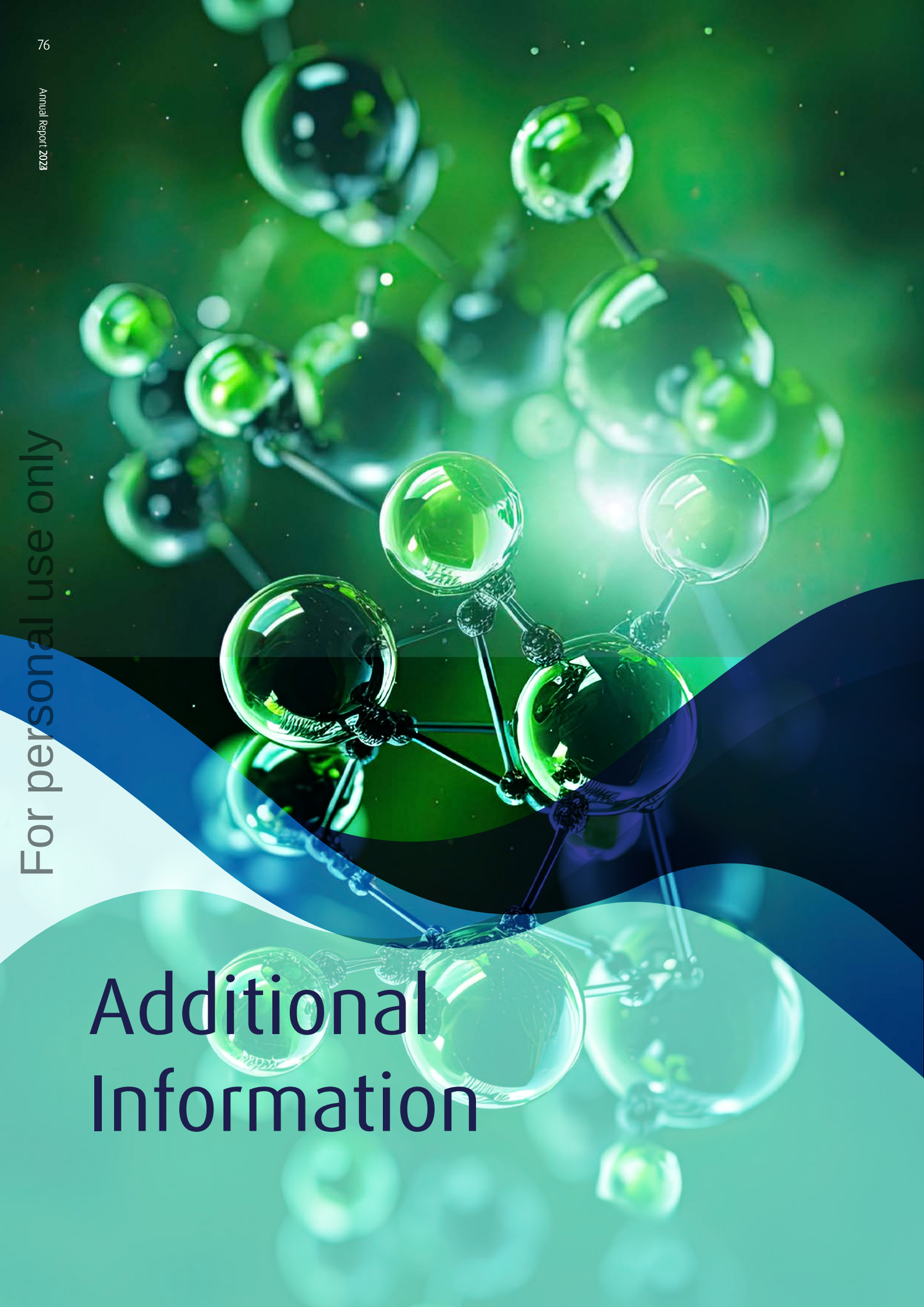

Additional Information

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Other Information for Shareholders

Additional information required pursuant to the ASX listing rules and not shown elsewhere in this report as follows:

1. Fully paid ordinary shares of Pure Hydrogen Corporation Limited (ASX: PH2).

(a) Distribution of shareholdings at 21 October 2024

Category of holding	Holders	No. of shares	% of capital
1 – 1,000	723	472,472	0.13
1,001 – 5,000	4,963	14,575,865	3.90
5,001 – 10,000	2,383	18,737,666	5.02
10,001 – 100,000	3,670	114,338,148	30.61
100,001 – and over	412	225,356,667	60.34
Total	**12,151**	**373,480,818**	**100.00**

There were 4,198 holders of less than marketable parcel of ordinary shares.

(b) The twenty largest shareholders at 21 October 2024

Shareholder	Holding	%
Mr Ronald Prefontaine & Mrs Annabel Frances Prefontaine	13,050,775	3.49
Mr Scott Brown	9,878,853	2.65
Citicorp Nominees Pty Limited	9,818,348	2.63
Patras Capital Pte Ltd	7,403,616	1.98
Sixth Erra Pty Ltd	7,109,914	1.90
Sharesies Australia Nominee Pty Limited	6,373,039	1.71
Mr Dang Lan Nguyen	5,966,667	1.60
Sixth Erra Pty Ltd	5,326,580	1.43
Dolphin Corporate Investments Pty Ltd	5,000,000	1.34
Kabila Investments Pty Limited	4,751,582	1.27
Sino Portfolio International Ltd	4,440,000	1.19
BNP Paribas Noms Pty Ltd	3,834,471	1.03
BNP Paribas Nominees Pty Ltd	3,724,894	1.00
Finclear Services Pty Ltd	3,143,875	0.84
Hainason Holdings Pty Ltd	2,999,549	0.80
HDrive International Pty Limited	2,773,008	0.74
Mr David Philip Allen	2,630,000	0.70
Dr Wolf-Gerhard Martinick	2,407,500	0.64
Mr Timothy Lee Hoops	2,339,698	0.63
HSBC Custody Nominees (Australia) Limited	2,135,992	0.57
Total	**105,108,361**	**28.14**

(c) Voting rights

All ordinary shares carry one vote per share without restriction. One a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no voting rights attaching to options.

(d) Substantial holders

At 21 October 2024, there were no substantial shareholders.

ADDITIONAL INFORMATION

Other Information for Shareholders

2. Pure Hydrogen Corporation Limited Options (ASX: PH2)

(a) Distribution of option holdings at 21 October 2024

Category of holding	Holders	No. of shares	% of capital
100,001 – and over	3	8,500,000	100.00
Total	**4**	**8,500,000**	**100.00**

(b) The twenty largest option holders at 21 October 2024

Optionholder	Holding	%
Brown Brothers Pty Limited	5,000,000	59.0
Adgile Investments Pty Ltd	2,000,000	24.0
TVR Pty Limited	1,500,000	18.0
Total	**8,500,000**	**100.00**

3. Schedule of petroleum tenements

Permits	Expiry Date	% Interest FY2024	% Interest FY2023
ATP 927P	30/09/2023[1]	100	100
ATP 2051P	23/03/2026	100	100
ATP 1194P	22/11/2026	100	100[2]
Serowe CSG	31/12/2022 - 31/03/2024	-	30

1. Application has been made for renewal, and a PCA application has been made for this area.
2. Subject to agreement to sell the permit.

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4. Estimates of Resources

(a) **Contingent resources** - The estimates of contingent resources are based gas wells located within the exploration permit ATP927P, Windorah Trough, Cooper Basin. Discovery status is based on definition under the SPE/WPC Petroleum Resource Management System (PRMS) 2007 and 2018. A summary of the gross estimates of contingent gas resources for ATP927P is provided below:

Resources Category	BCF (billion cubic feet)
1C	118
2C	330
3C	770

Contingent Resources is based on the summation of 2 reports for the Windorah Gas Project. One estimate prepared by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm in June 2015 in respect of the Queenscliff Area and one estimate prepared by Aeon Petroleum Consultants in respect of the Tamarama area completed in August 2019. Bcf (Billions Cubic Feet) is equal to 1,000 MMcf.

The estimates of contingent gas resources of the Upper Juandah Coal Measures within the Walloon Subgroup for Project Venus (ATP2051) following the drilling of Venus-1 pilot well is provided below:

Resources Category	PJ (Petajoules)
1C	87.7
2C	130.3
3C	157.9

The estimates of Contingent Resources for Project Venus were prepared in accordance with the 2018 Petroleum Resource Management System (PRMS) by Sproule Inc., a leading independent petroleum engineering and certification firm based in Calgary, Canada with offices in Denver, Colorado which has experience working in most of the significant petroleum provinces throughout the world.

(b) **Prospective resources** - In addition to the Contingent Resources, the mean gross prospective natural gas resources for ATP 927P (adjusted post-renewal) are:

Resources Category	BCF (billion cubic feet)
Prospective OGIP Resources	8,780
Prospective Recoverable Gas Resources	3,498

(c) **Recoverable Prospective Gas Resources for Project Venus** - ATP 2051P (adjusted post drilling of Venus-1 and assigning of contingent resources to the Upper Juandah Coal Measures) are:

Estimates Gross Prospective Gas Resources (Petajoules-PJ)		
LOW	BEST	HIGH
467.3	563.7	675.1

5. Corporate Governance Statement

The Corporate Governance Statement was approved by the Board of Directors on 29 October 2024 and can be viewed at: https://purehydrogen.com.au/wp-content/uploads/2024/10/Pure-Hydrogen-Corporation-Limited-Corporate-Governance-Statement.pdf

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Corporate Directory

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Directors

Mr. Adam Giles
(Non Executive Chairman)

Mr. Scott Brown
(Managing Director)

Mr. Dang Lan Nguyen
(Non Executive Director)

Mr. Ron Prefontaine
(Non Executive Director)

Company Secretary

Ron Hollands

Registered Office

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Share Registry

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Sydney NSW 2000

ASX Code

PH2

Auditor

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