

28 March 2024

ASX RELEASE

Funding Secured for Hydrogen & Helium Drilling Program

HyTerra Ltd (ASX: HYT) (**HyTerra** or the **Company**) is pleased to announce it is undertaking a capital raising of approximately A\$6.1 million (before costs) through a placement to sophisticated and professional investors and a subsequent fully underwritten non-renounceable rights issue to eligible shareholders.

Funds raised will be used to execute a multi-well exploration drilling program and pursue growth activities along the Nemaha Ridge, Kansas, USA.

Highlights

- Multi-well exploration drilling campaign planned to begin in Q3'2024.
- Placement and fully underwritten non-renounceable rights issue to raise approximately A\$6.1 million.
- Shares to be issued at A\$0.018 per share, a ~5% discount to the closing price of HyTerra shares on the ASX on 25 March 2024 (the last trading day of HyTerra shares before this announcement).

HyTerra is exploring for hydrogen and helium resources along the Nemaha Ridge, a natural hydrogen play fairway in Kansas, USA¹.

HyTerra's exploration acreage covers over 9,600 acres and is 100% owned and operated. Hydrogen and helium occurrences have been recovered previously from wellbores within these leases. They are near agricultural and manufacturing facilities that are connected by rail, road and/or pipelines. Within these areas, the Company has identified multiple drilling targets covering a diverse range of geological plays.

HyTerra plans to continue leasing of high-priority acreage and drill two exploration wells. The timing of the drilling program is subject to regulatory and landowner approvals, as well as third-party contractor availability. However, it is HyTerra's goal to commence drilling in Q3'24.

¹ Refer ASX release date 13 December 2023 *Project Nemaha Maiden prospective hydrogen and helium resource assessment*.

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The capital raising will also help fund additional geophysical data acquisition, resource evaluations, project generation, prospect evaluation, and commercialisation plans to ensure HyTerra can continue adding value for shareholders.

HyTerra Executive Director, Mr Avon McIntyre, said the Company will immediately invest the capital raised to accelerate its exploration program in 2024.

“This capital raising is a watershed moment for not only HyTerra, but the whole White Hydrogen sector. White Hydrogen made by nature could be a gamechanger. We have multiple hydrogen and helium drill targets in our lease portfolio and are eager to get them drilled. This placement and fully underwritten rights issue gives us certainty to proceed with the drilling program and secure the services of key contractors we have been engaging with over recent months.”

“Investors and shareholders are encouraged to read the Company’s recently released corporate presentation that contains further details of our Nemaha Ridge Project and the potential of White Hydrogen in the Mid-West USA”.

Placement Details

The Company has received firm commitments to raise up to \$878,400 before costs via the issue of approximately 48.8 million fully paid ordinary shares in the capital of the Company (**Placement Shares**) at an issue price of \$0.018 per share. The Placement was supported by existing shareholders and new professional and sophisticated investors. Placement funds will be used for leasing and working capital.

The Placement Shares will be issued without shareholder approval pursuant to the Company’s available placement capacity under ASX Listing Rule 7.1 (38,529,712 ordinary shares) and 7.1A (10,270,288 ordinary shares).

The Company has appointed RM Corporate Finance Pty Ltd (ACN 108 084 386) (**RM Corporate or Underwriter**) as the Lead Manager for the Placement. In consideration for their services in connection with the Placement, the Company has agreed to pay RM Corporate:

- a cash fee equal to 6% of the total gross proceeds raised under the Placement; and
- 24,000,000 Options (each exercisable at 4 cents each on or before 30 November 2027) (**RM Options**), the issue of which is subject to shareholder approval at the Company’s Annual General Meeting.

Rights Issue Details

In conjunction with the Placement, the Company is undertaking a pro-rata non-renounceable rights issue of four (4) share (**New Shares**) for every nine (9) existing shares held by eligible shareholders at an issue price of \$0.018 each to raise up to approximately \$5.24 million before costs (**Rights Issue**).

The Rights Issue is expected to be made to all shareholders of the Company named on its register of members at 5:00pm (EST) on 12 April 2024 (**Record Date**), whose registered address is in Australia, Greece, Malaysia, New Zealand, or the United Kingdom. A total of approximately 291,245,725 New Shares will be issued pursuant to the Rights Issue (assuming no other shares are issued prior to the Record Date other than the Placement Shares). All New Shares issued will rank equally with existing shares on issue.

A transaction specific prospectus in relation to the Rights Issue will be lodged with ASIC on 8 April 2024 (**Prospectus**), in which case the Prospectus will be despatched to eligible shareholders on 17 April 2024.

Underwriting Agreement and Sub-Underwriting Agreement

The Company has entered into an underwriting agreement with the Underwriter to act as the underwriter to the Rights Issue (**Underwriting Agreement**). The material terms and condition of the Underwriting Agreement are as follows:

- the Underwriter has agreed to fully underwrite the Rights Issue of up to \$5.24 million (being the total amount to be raised under the Rights Issue);
- in consideration for its services the Underwriter (or its nominee) will receive:
 - a \$314,545.38 cash fee (comprising a 1% management fee and a 5% lodgement fee);
 - 1,666,666 Shares (which will be issued by utilising the Company's placement capacity under Listing Rule 7.1 following the completion of the Rights Issue);
 - 72,000,000 Options (each exercisable at 4 cents each on or before 30 November 2027) (**Underwriter Options**), to be issued subject to shareholder approval at the Company's Annual General Meeting;
 - the Underwriter may appoint sub-underwriters to sub-underwrite the Rights Issue. The Underwriter will be responsible for any fees payable to any sub-underwriters or other parties involved in the Rights Issue introduced by the Underwriter; and
- the obligations of the Underwriter to fully underwrite the Rights Issue are subject to satisfaction of certain conditions precedent that are customary for an agreement of this nature. If those conditions are not satisfied or if certain termination events occur, the Underwriter may terminate the Underwriting Agreement.

The Underwriter has entered into a sub-underwriting agreement with Director, Mr. Benjamin Mee to sub-underwrite the Rights Issue up to the value of A\$120,000 (being 6,666,666 New Shares) (**Sub-Underwriting Agreement**). Mr Benjamin Mee will receive a 4% sub-underwriting fee on the amount sub-underwritten and (subject to shareholder approval) 600,000 Underwriter Options.

The other Directors intend to participate in the Rights Issue, with the amount to be disclosed in the Prospectus.

Further details regarding the terms and conditions of the Underwriting Agreement and Sub-Underwriting Agreement (including the termination events) are set out in the accompanying Appendix 3B to this announcement.

Timetable

The proposed timetable for the Placement and Rights Issue is set out below:

EVENT	DATE
Announcement of the Placement and Non-Renounceable Rights Issue and lodgement of Appendix 3B	Thursday, 28 March 2024
Issue of Placement Shares	Monday, 8 April 2024
Lodgement of Prospectus with ASIC and ASX	Monday, 8 April 2024
Ex date	Thursday, 11 April 2024
Record Date for determining Shareholders entitled to participate in the Rights Issue	Friday, 12 April 2024
Prospectus and entitlement and acceptance form despatched to eligible shareholders, and Company announces that this has occurred	Wednesday, 17 April 2024
Opening date of the Rights Issue	Wednesday, 17 April 2024
Last day to extend Closing Date of the Rights Issue	Tuesday, 23 April 2024
Closing Date (5:00pm WST)*	Monday, 29 April 2024
Securities quoted on a deferred settlement basis	Tuesday, 30 April 2024
Announcement of results of issue	Monday, 6 May 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Monday, 6 May 2024

* The Directors may extend the Closing Date of the Rights Issue by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

Indicative Use of Proceeds

The funds raised from the Rights Issue are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Rights Issue	Full Subscription (A\$)	%
1.	Drilling of exploration wells on Nemaha Project	2,000,000	38
2.	Acquisition and assessment of geophysical data to support leasing and drilling	500,000	9
3.	Leasing of high-priority areas	1,000,000	19
4.	Complete resource evaluations	250,000	5
5.	Commercialisation plans and screening new growth opportunities	250,000	5
6.	Working capital	857,878	17
7.	Expenses of the Rights Issue	384,545	7
	Total	5,242,423	100%

This announcement has been authorised for release by the Board of Directors.

For more information:

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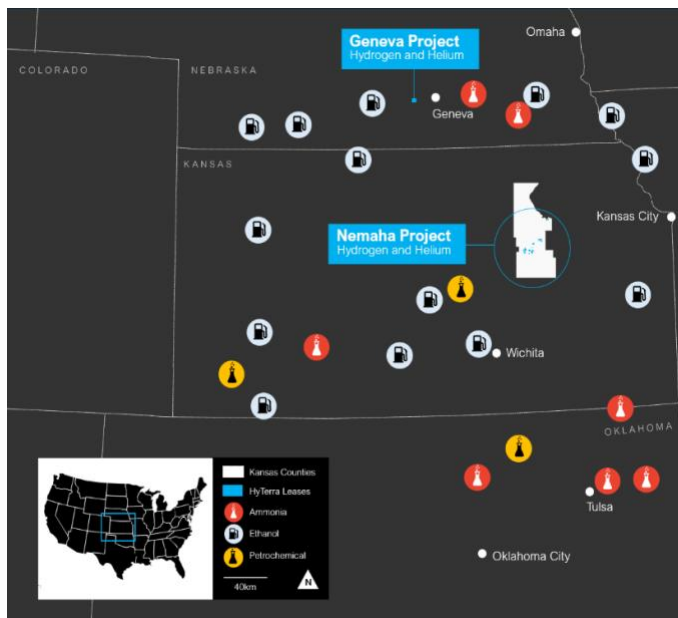
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HYTERRA. A WORLD OF OPPORTUNITY.

Exploring for natural hydrogen and helium resources near major industrial hubs

Geologic or white hydrogen's potential as a low-carbon feedstock or fuel has spurred millions in new investment and created a world rich with opportunities for first movers.



HyTerra was the first company to list on the ASX with a focus on white hydrogen, which is generated naturally by the Earth. White hydrogen potentially has much lower production costs and carbon emissions than man-made hydrogen.

Our Nemaha Project in Kansas, USA holds 100% owned and operated leases across the emerging Nemaha High natural hydrogen and helium play fairway. Our Geneva Project in Nebraska, USA is a 16% earn-in interest in a Joint Development with Natural Hydrogen Energy LLC targeting natural hydrogen and helium.

Both projects could be connected via railways, roads, and/or pipelines to multiple nearby off-takers, including ethanol and ammonia manufacturers, and petrochemical plants.

For more information please see: www.hyterra.com