# HyTerra Ltd
**(formerly Triple Energy Limited)**

**ABN 68 116 829 675**

**Annual Report**
**31 March 2022**

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# DIRECTORS' REPORT

## CORPORATE INFORMATION

**ABN 68 116 829 675**

**Directors**

| | |
|---|---|
| Mr Murray d'Almeida | Chairman and Independent Non-Executive Director |
| Mr Paul Garner | Independent Non-Executive Director |
| Mr Avon McIntyre | Executive Director |
| Mr Po Siu Chan | Executive Director |

**Company secretary**
Mr Alex Neuling

**Registered office and Principal place of business**
Unit 9, 335 Hay Street, Subiaco WA 6008
PO Box 899, Cottesloe WA 6011
Telephone: (08) 6478 7730
Facsimile: (08) 6478 7739

**Postal address:**
PO Box 807
SUBIACO
WA 6904

**Share register**
Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009

**Solicitors**
Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

**Bankers**
National Australia Bank
Level 1, 1238 Hay Street
WEST PERTH WA 6005

**Auditors**
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

**Website** www.hyterra.com.au

# DIRECTORS' REPORT

Your directors submit their annual financial report of HyTerra Ltd, formerly known as Triple Energy Limited ('Triple', 'TNP') for the financial year ended 31 March 2022. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**Directors**
The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

*Current Directors*

| | |
|---|---|
| Mr Murray d'Almeida | Chairman and Independent Non-Executive Director |
| Mr Po Siu Chan | Executive Director (appointed 27 January 2021) |
| Mr Paul Garner | Independent Non-Executive Director (appointed 10 September 2021) |
| Mr Avon McIntyre | Executive Director (appointed 24 February 2022) |

*Previous Directors in office during all or part of year ended 31 March 2022*

| | |
|---|---|
| Mr Colin Hiles | Non-Executive Director (appointed 27 January 2021, resigned 23 June 2021) |
| Ms Fung Ming Pang | Non-Executive Director (appointed 27 January 2021, resigned 31 May 2021) |
| Mr Tun Yiu (Michael) Kei | Executive Director (resigned 10 September 2021) |

**Names, qualifications, experience and special responsibilities**

**CURRENT DIRECTORS**

**Mr Murray d'Almeida**
**Independent Chairman and Non-Executive Director (Appointed 18 July 2017)**

Mr d'Almeida has over 35 years of diverse national and international business experience. He commenced his career in Perth with a firm of Chartered Accountants before moving into a broad range of commercial and financial reporting positions with two major USA based mining companies. He founded the Australian and international retailer Retail Food Group, and developed their presence in seven overseas countries. He has maintained operating and board positions within a range of financial services, mining, commercial academic, government, sporting businesses and organisations.

Mr d'Almeida is currently chairman of Barrack Street Investments Limited, Deputy Chancellor of Southern Cross University and a director of Global Masters Limited.

During the three years to balance date Mr D'Almeida has also served as a Director of IncentiaPay Limited (from July 2014 until September 2018).

**Mr Paul Garner**
**Non-Executive Director (Appointed 10 September 2021)**

Mr Garner has over 20 years' experience in the oil and gas industry having served on the boards of several public listed companies. He was most recently a non-executive director at Provaris Energy Ltd (formerly Global Energy Ventures Ltd), an ASX listed company in the business of natural gas and hydrogen. Prior to his involvement in the Oil & Gas industry, he spent several years in international business, property, and equity markets. Mr Garner has an extensive knowledge of capital markets, upstream drilling operations and business development in the rapidly evolving new energies sector.

During the three years to balance date Mr Garner has served as a Director of Global Energy Ventures Ltd and Zyber Holdings Ltd as noted above and no other listed companies.

# DIRECTORS' REPORT

**CURRENT DIRECTORS (CONTINUED)**

**Mr Avon McIntyre (Appointed 24 February 2022)**
**Chief Technical Officer and Executive Director**

Mr McIntyre (PhD) is a geologist with 20 years' experience in both minerals and oil and gas exploration industries, with roles in government, service and operating companies. He worked for Shell Development Australia and Shell International in new ventures and new energies from 2008 to 2021, during which time he developed an interest in natural hydrogen occurrences. He has been providing consulting services on an exclusive basis to TNP since October 2021 through his company McIntyre Geological Services Pty Ltd.

During the three years to balance date Mr McIntyre has not served as a Director of any other listed companies.

**Mr Po Chan (appointed 27 January 2021)**
**Executive Director**

Mr Chan has previously served as a Triple Director from Feb 2015 to Feb 2017 and was reappointed in January 2021. He is a fellow of Chartered Accountants Australia and New Zealand and is a Director of Afanti Asset Management in Hong Kong. Mr Chan has experience in business consulting and investment banking in China and the Asia Pacific region. Mr Chan has held roles as a Director at PwC in the Advisory division and as a Senior Manager at ANZ in its Project Finance division and has significant experience in transactions in China and Asia Pacific. He holds a Masters Degree in Commerce (specialized in Banking and Finance) from the University of New South Wales in Sydney and a Bachelor Degree in Commerce from the University of Sydney in Sydney.

During the three years to balance date Mr Chan has not served as a Director of any other listed companies.

**FORMER DIRECTORS**

**Ms PANG Fung-Ming (Appointed 27 January 2021, resigned 31 May 2021)**

Ms Pang is a Hong Kong qualified accountant and finance professional with extensive corporate experience, including as executive director and chief financial officer of Zhong Yuan Bio-Technology Holdings Limited.

**Mr Colin Hiles (Appointed 27 January 2021, resigned 23 June 2021)**

Mr Hiles is an experienced retired commercial and corporate lawyer who has been a director of a large number of listed companies in Australia, Hong Kong and China.

**Mr Tun Yiu (Michael) Kei (Appointed 15 May 2019, resigned 10 September 2021)**

Mr Kei is an executive Director with responsibility for business development and has approximately 29 years of commercial experience, including senior engineering and management experience in the electronics industry in HK, PRC and Philippines. Mr. Kei is a current director of Guangzhou Jinsong Electronic Ltd and Vice-President of the Philippine Xiamen Chamber of Industry and Philippine Xiamen Amity Association.

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**Company Secretary - Mr Alex Neuling**

Mr Neuling is a Chartered Accountant and Chartered Secretary with extensive corporate and financial experience including as director, chief financial officer and / or company secretary of various ASX-listed companies in the Oil & Gas, mining, mineral exploration and other sectors.

Prior to those roles, Alex worked at Deloitte in London and Perth. Alex also holds an honours degree in Chemistry from the University of Leeds in the United Kingdom and is principal of Erasmus Consulting Pty Ltd which provides company secretarial and financial management consultancy services to a variety of ASX-listed and other companies.

**Interests in the shares and options of the Company**

No Directors held a relevant interest (including indirect interests) in shares or options of the Company or a related body corporate as at the date of this report or the date each Director ceased to be a Director.

# DIRECTORS' REPORT

**Share Capital**

As at the date of this report, the Company had 71,996,054 Ordinary Shares on issue (2021: 71,996,054). No ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of an option. There are no unpaid amounts on the shares issued.

The Company has no unissued ordinary shares of the Company under option.

**Dividends**

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

**Principal Activities**

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

**Review of Operations**

*Corporate & Financial*

Activity during the year was focused on the identification and review of potential financing and investment possibilities for the Company. The Company's securities have been subject to voluntary suspension on ASX since October 2020.

*HyTerra Transaction*

Subsequent to year-end, on 8 April 2022 the Company announced a transformative transaction to acquire a Natural Hydrogen project through the proposed acquisition of Neutralysis Industries Pty Ltd.

As announced on 8 April 2022, Triple has signed a binding conditional agreement (subject to Shareholder and regulatory approvals) to make recommended offers to acquire 100% of the share capital of Neutralysis. In consideration for the acquisition, the Company has agreed to issue to the shareholders of Neutralysis the following:

(a) 183,000,000 ordinary fully paid shares in the capital of the Company (Shares) at a deemed issue price of $0.02 per Share (on a post-Consolidation basis after a proposed 1 for 3.33 share consolidation) (Consideration Shares) and;

(b) attaching 183,000,000 Options (on a post-Consolidation basis) with a 2.5 cents exercise price, expiring on 30 June 2025 (Consideration Options).

The Company has also agreed, subject to ASX and Shareholder approval being obtained, to issue to current and proposed directors of the Company (Directors) an aggregate of 22,000,000 Class A, 22,000,000 Class B and 5,000,000 Class C Performance Rights (on a post-Consolidation basis) that will vest, subject to the satisfaction of milestones, and become exercisable into Shares at the election of the holder on a 1:1 basis.

As part of the proposed transaction, was renamed HyTerra Ltd on 30 June 2022.

*Aolong JV Project in Heilongjiang*

During the prior financial year, the Directors determined that the Company no longer controlled its legal subsidiary CFT Heilongjiang (HK) Ltd ("CFT"), which held the Group's legal interest in the Aolong Joint Venture entity. Triple was not in a position during or since the year end to provide funding to CFT or Aolong and CFT sought and obtained its own funding from parties introduced by and associated with Waypost Ltd, a significant shareholder in the Company. Subsequent to the end of the period, the Company announced that it had reached a conditional agreement to dispose of its shareholding in CFT for a nominal sum, subject to shareholder approval.

***Operating Results for the Year***

The consolidated net loss after income tax attributable to the Company amounted to $649,006 (2021: $796,981 profit).

***Review of Financial Conditions***

As at 31 March 2022, the Group held $327,441 in cash and cash equivalents (2021: $2,789).

# DIRECTORS' REPORT

***Significant Changes in the State of Affairs of the Group***

*Board Changes*
During the year ended, there have been a number of Director changes as the Board has sought to identify and progress potential new business and financing opportunities with the potential to add Shareholder value.

*New Investment*

Funding, during and since the period, was obtained from new outside investors in the form of bridging finance, pending issues of convertible debt for which approval is sought at the forthcoming 2020 AGM. Also, as announced on 8 April 2022, the proposed HyTerra Transaction has the potential to be transformative. Details of the new funding secured during the period is detailed in Note 10 - Borrowings and subsequent new investment is detailed under Subsequent Events disclosures, below.

*Loss of Control over Subsidiaries*

During the prior financial year, the Directors determined that the Company no longer controlled its legal subsidiary CFT Heilongjiang (HK) Ltd ("CFT"), which held the Group's legal interest in the Aolong Joint Venture entity. Triple was not in a position during or since the year end to provide funding to CFT or Aolong and CFT sought and obtained its own funding from parties introduced by and associated with Waypost Ltd, a significant shareholder in the Company. Subsequent to the end of the period, the Company announced that it had reached a conditional agreement to dispose of its shareholding in CFT for a nominal sum, subject to shareholder approval.

Except as noted above, there have been no significant changes in the state of affairs of the Group to the date of this Report.

***Significant Events After Balance Date***

*Proposed Acquisition of Neutralysis Industries*

As announced by the Company on 8 April 2022, HyTerra Ltd, formerly Triple Energy Limited has signed a binding conditional agreement (subject to Shareholder and regulatory approvals) to make recommended offers to acquire 100% of the share capital of Neutralysis. In consideration for the acquisition, the Company has agreed to issue to the shareholders of Neutralysis the following:

(a) 183,000,000 ordinary fully paid shares in the capital of the Company (Shares) at a deemed issue price of $0.02 per Share (on a post-Consolidation basis after the proposed 1 for 3.33 share consolidation) (Consideration Shares) and;

(b) attaching 183,000,000 Options (on a post-Consolidation basis) with a 2.5 cents exercise price, expiring on 30 June 2025 (Consideration Options).

The Company has also agreed, subject to ASX and Shareholder approval being obtained, to issue to current and proposed directors of the Company (Directors) an aggregate of 22,000,000 Class A, 22,000,000 Class B and 5,000,000 Class C Performance Rights (on a post-Consolidation basis) that will vest, subject to the satisfaction of milestones, and become exercisable into Shares at the election of the holder on a 1:1 basis.

*Issue of Convertible Notes*
Also as announced on 8 April 2022, the Company has secured convertible note funding of $650,000 (before costs). The notes mature on 1 July 2022 and will convert at a deemed issue price of $0.02 on a post-consolidation basis (1:3.33).

*Results of Annual General Meeting*
The 2020 Annual General Meeting was held on 30 June 2022. The following resolutions were passed:

- Adoption of remuneration report;
- Approval of the issue of $60,000 in convertible notes convertible to 3,000,000 ordinary shares at a deemed issue price of $0.02 per share;
- Approval of the issue of $625,000 in convertible notes and approval of the 31,250,000 ordinary shares and 31,250,000 attaching options to be issued on conversion;
- Approval of a consolidation of capital with every 3.33 shares to be consolidated to 1 ordinary share and every 3.33 options to be consolidated to 1 option;

# DIRECTORS' REPORT

- Approval of a change in Company name to HyTerra Ltd;
- Approval of the change in constitution to incorporate amendments to the Corporations Act and Listing Rules since the Company's existing constitution was adopted in 2011;
- Approval to adopt an Employee Incentive Plan;
- Re-election to the Board of Mr. Murray d'Almeida and election to the Board of Messrs. Po Chan, Paul Garner and Avon McIntyre.

Other than as noted elsewhere in this report, no matter or circumstance has arisen since 31 March 2022 that in the opinion of the Directors has significantly affected, or may significantly affect in future financial years:

(i) the Group's operations;
(ii) the results of those operations; or
(iii) the Group's state of affairs.

***Likely Developments and Expected Results***
The Company continues to evaluate new projects complementary with the business model of finding and developing projects with the potential to add Shareholder value.

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

***Environmental Legislation***

The Directors are not aware of any significant breaches of applicable environmental requirements during the year.

***Indemnification and Insurance of Directors and Officers***

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

**Remuneration Report**

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the Key Management Personnel of HyTerra Limited, formerly Triple Energy Limited (the "Company") for the financial year ended 31 March 2022. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

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

*Key Management Personnel*

The Key Management Personnel of the Company during the 2022 and prior financial year comprised the Company's Directors and the Company Secretary.

**(i) Directors**

*Current Directors*

| | |
|---|---|
| Mr Murray d'Almeida | Chairman and Independent Non-Executive Director (appointed 18 July 2017) |
| Mr Po Siu Chan | Executive Director (appointed 27 January 2021) |
| Mr Paul Garner | Independent Non-Executive Director (appointed 10 September 2021) |
| Mr Avon McIntyre | Executive Director (appointed 24 March 2022) |

# DIRECTORS' REPORT

*Previous Directors in office during all or part of year ended 31 March 2021*

| | |
|---|---|
| Mr Colin Hiles | Non-Executive Director (appointed 27 January 2021, resigned 23 June 2021) |
| Ms Fung Ming Pang | Non-Executive Director (appointed 27 January 2021, resigned 31 May 2021) |
| Mr Tun Yiu (Michael) Kei | Executive Director (appointed 15 May 2019, resigned 10 September 2021) |

**(ii) Executives**

Mr Alex Neuling (Company Secretary)

*Remuneration philosophy*

The performance of the Company depends upon the quality of the Directors and Executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

*Remuneration Committee*

The Board, in its capacity as the Remuneration Committee of the Board of Directors of the Company; and in accordance with the Remuneration Committee Charter is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of Directors and Executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

*Remuneration structure*

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

*Non-Executive Director remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 31 August 2010 when shareholders approved an aggregate remuneration of up to $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Directors (other than an Alternate Director) are entitled to receive a fee for being a Director of the Company. Remuneration of Non-Independent Directors (appointed as shareholders nominees) remains a matter for consideration by the Board & Remuneration Committee.

The remuneration of Non-Executive Directors for the year ended 31 March 2021 is detailed in the Remuneration of Directors and named Executives in Table 1 of this report.

*Senior Manager and Executive Director remuneration*

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and Directors, the Company engages key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

# DIRECTORS' REPORT

**Remuneration Report (continued)**
*Fixed Remuneration*

Fixed remuneration is reviewed annually or as required by the full Board (assuming the role of the Remuneration Committee and in accordance with the Remuneration Committee charter). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of Key Management Personnel is detailed in Table 1.

*Variable Remuneration*

Executives (including Executive Directors) are eligible to participate in the Company's Short Term Incentive (bonus) schemes, as well as Long Term Incentives arrangements in the form of the grant of share options or participation in the Company Employee Share Scheme ("ESS").

*Key Management Personnel Employment & Service Contracts*

In respect of the year to 31 March 2022, the Company had previously entered into service contracts with entities controlled by its independent non-executive Directors. The service contracts provide for a fee of $3,333 per month to be paid to the entities for the provision of services by the respective Directors and may be terminated by the Company or counterparty on one month's notice.

Avon McIntyre - Executive Director and Chief Technical Officer

With respect to Avon McIntyre, appointed in February 2022, the Company has executed a service contract for remuneration of $180,000 plus superannuation and equity-based incentive rights. The contract may be terminated on 6 months notice during its initial 12 months and thereafter on 3 months notice. The Company is in the process of formalising service arrangements with its other existing and proposed Directors.

AJ Neuling – Company Secretary

The Company has engaged Erasmus Consulting Pty Ltd ("Erasmus") to provide consulting services including services provided by Mr Neuling (an employee and Director of Erasmus). The consulting arrangement between the Company and Erasmus incorporates a monthly minimum retainer of $3,200 (excluding GST) and additional fees on an hourly rate for work performed by Erasmus personnel in excess of 16 hours per month.

# DIRECTORS' REPORT

## Remuneration report (continued)

***Table 1: Directors' and named executives' remuneration for the year ended 31 March 2022***

| | Short-term employee benefits | | | Post-employment benefits | | Equity | Total | % |
|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Bonuses | Non-Monetary Benefits | Superannuation | Prescribed Benefits | Options | | Performance Related |
| | $ | $ | $ | $ | $ | $ | $ | |
| *Current Directors* | | | | | | | | |
| Mr Murray D'Almeida | 40,000 | - | - | - | - | - | 40,000 | 0% |
| Mr Po Siu Chan | 128,383 | - | - | - | - | - | 128,383 | 0% |
| Mr Paul Garner* | 43,750 | - | - | - | - | - | 43,750 | 0% |
| Mr Avon McIntyre* | 17,250 | - | - | - | - | - | 17,250 | 0% |
| | | | | | | | - | |
| *Former Directors* | | | | | | | | |
| Mr Colin Hiles | 6,000 | - | - | - | - | - | 6,000 | 0% |
| Ms Fung Ming Pang | 4,000 | - | - | - | - | - | 4,000 | 0% |
| Mr Tun Yiu Kei** | - | - | - | - | - | - | - | 0% |
| *Other KMP* | | | | | | | | |
| Mr Alex Neuling*** | - | - | - | - | - | - | - | 0% |
| **Total** | **239,383** | - | - | - | - | - | **239,383** | 0% |

*Includes amount accrued or invoiced but unpaid at balance date as well as payments by third parties on the Company's behalf.*
**From appointment date*
*** Mr Tun Yiu Kei received no remuneration during the 2022 or 2021 financial years.*
****Mr Neuling is not directly remunerated by the Company. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling, invoiced consulting fees of $35,740 (excl GST) during the year in respect of services provided by Mr Neuling. In addition, during the year Erasmus invoiced the Company $5,000 for office rent at the Company's registered office and $8,200 for office administration and bookkeeping services provided by Erasmus staff.*

## Remuneration report (continued)

***Table 2: Directors' and named executives' remuneration for the year ended 31 March 2021***

| | Short-term employee benefits | | | Post-employment benefits | | Equity | Total | % |
|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Bonuses | Non-Monetary Benefits | Superannuation | Prescribed Benefits | Options | | Performance Related |
| | $ | $ | $ | $ | $ | $ | $ | |
| Current directors | | | | | | | | |
| Mr Murray D'Almeida | 41,666 | - | - | - | - | - | 41,666 | 0% |
| Mr Po Siu Chan | 21,716 | | | | | | 21,716 | |
| Former directors | | | | | | | | |
| Mr Chris Berkefeld | 26,666 | - | - | - | - | - | 26,666 | 0% |
| Mr Colin Hiles | 4,580 | - | - | - | - | - | 4,580 | 0% |
| Ms Fung Ming Pang | 4,580 | - | - | - | - | - | 4,580 | 0% |
| Mr Tim Bardwell | 14,000 | - | - | - | - | - | 14,000 | 0% |
| Mr Francis Lim | 14,000 | - | - | - | - | - | 14,000 | 0% |
| Mr Tun Yiu Kei ** | - | - | - | - | - | - | - | 0% |
| Other KMP | | | | | | | | |
| Mr Alex Neuling*** | - | - | - | - | - | - | - | 0% |
| **Total** | **127,208** | - | - | - | - | - | **127,208** | 0% |

*Includes amount accrued or invoiced but unpaid at balance date as well as payments by third parties on the Company's behalf.*
**Mr Garner and Mr McIntyre were appointed after the end of the final year to 31 March 2021.*
*** Mr Tun Yiu Kei received no remuneration during the 2022 or 2021 financial years.*
****Mr Neuling is not directly remunerated by the Company. Erasmus Consulting Pty Ltd, an entity controlled by Mr Neuling, invoiced consulting fees of $37,705 (excl GST) during the year in respect of services provided by Mr Neuling. In addition, during the year Erasmus invoiced the Company $5,000 for office rent at the Company's registered office and $7,150 for office administration and bookkeeping services provided by Erasmus staff.*

# DIRECTORS' REPORT (continued)

***Remuneration report (continued)***

## *Remuneration of directors and named executives*

***(iii) Share-based payments granted as compensation***

*No options were granted as remuneration during the year to 31 March 2022 (2021: Nil).*

***(iv) Option holdings of Key Management Personnel***

No Key Management Personnel held any interest in Options during the current or previous financial year or at balance date.

***(iv) Shareholdings of Key Management Personnel***

No Key Management Personnel other than the Company Secretary Mr Alex Neuling held any interest in Shares during the year or at balance date. Mr Neuling's holding of 329,167 Shares did not change during the 2022 or 2021 financial year.

***END OF REMUNERATION REPORT***

# DIRECTORS' REPORT (continued)

**Directors' Meetings**

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

| | Board Meetings* | |
|---|---|---|
| **Director** | **Attended** | **Eligible to Attend** |
| Mr Murray d'Almeida | 5 | 5 |
| Mr Po Chan | 5 | 5 |
| Mr Paul Garner | 3 | 3 |
| Mr Avon McIntyre | 1 | 1 |
| Ms Fung Min Pang | - | 1 |
| Mr Colin Hiles | 1 | 1 |
| Mr Tun Yiu Kei | 2 | 2 |

*Excludes matters decided by circulating resolution.

Directors appointed after year-end were not eligible to and did not attend any meetings during the year.
Separate meetings of the Audit and Remuneration and Nomination Committees did not take place during the year with relevant business being considered by the full Board.

**Non-Audit Services**

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

Signed in accordance with a resolution of the Directors.



**Mr Paul Garner**
**Director**
**Dated this 30th day of June 2022**

HLB MANN JUDD
ADVISORY AND ACCOUNTING

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of HyTerra Ltd (formerly Triple Energy Limited) for the year ended 31 March 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.



**Perth, Western Australia**
**30 June 2022**

**N G Neill**
**Partner**

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 | 2021 |
|---|---|---|---|
| | | $ | $ |
| **Continuing operations** | | | |
| Other income | 2 | - | 21 |
| Other expenses | 2 | (649,006) | (248,087) |
| **Loss before income tax expense** | | (649,006) | (248,066) |
| Income tax expense | 3 | - | - |
| **Loss after tax expense** | | (649,006) | (248,066) |
| **Net (loss) for the year from continuing operations** | | (649,006) | (248,066) |
| **Discontinued operations** | | | |
| Profit for the year from discontinued operations | 5 | - | 1,045,047 |
| **Profit / (Loss) for the year** | | (649,006) | 796,981 |
| **Other comprehensive income/(loss)** | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | | |
| - Reclassification to profit or loss | 5 | - | (245,487) |
| De-recognition of non-controlling interest | 5 | - | 106,052 |
| **Total comprehensive income/(loss) for the year** | | (649,006) | 657,546 |
| Basic and diluted earnings / (loss) per share (cents per share) | 4 | (0.90) | (0.34) |
| Earnings per share from discontinued operations (cents per share) | 4 | - | 1.45 |

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 MARCH 2022

| | Notes | 2022<br>$ | 2021<br>$ |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 7 | 327,441 | 2,789 |
| Other current assets | 8 | 40,219 | 2,840 |
| **Total Current Assets** | | 367,660 | 5,629 |
| **Total Assets** | | 367,660 | 5,629 |
| | | | |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 9 | (400,633) | (81,363) |
| Borrowings | 10 | (667,703) | (60,000) |
| **Total Current Liabilities** | | (1,068,336) | (141,363) |
| **Non-Current Liabilities** | | | |
| Trade and other payables | 9 | (48,125) | (10,858) |
| **Total Non-Current Liabilities** | | (48,125) | (10,858) |
| **Total Liabilities** | | (1,116,461) | (152,221) |
| **Net Liabilities** | | (748,801) | (146,592) |
| | | | |
| **Equity** | | | |
| Issued capital | 11 | 37,232,495 | 37,232,495 |
| Reserves | 12 | 906,767 | 859,970 |
| Accumulated losses | 12 | (38,888,063) | (38,239,057) |
| **Total deficiency** | | (748,801) | (146,592) |

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2022

| | Issued Capital | Reserves | Accumulated Losses | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | | $ |
| **As at 1 April 2020** | 37,232,495 | 1,105,457 | (39,036,038) | (698,086) | (106,052) | (804,138) |
| Profit for the period | - | - | 796,981 | 796,981 | - | 796,981 |
| Reclassification of Foreign exchange reserve movements on translation of overseas subsidiaries to Profit or Loss | - | (245,487) | - | (245,487) | - | (245,487) |
| De-recognition of non-controlling interest | - | - | - | - | 106,052 | 106,052 |
| Total comprehensive income/(loss) for the period | - | (245,487) | 796,981 | 551,494 | 106,052 | 657,546 |
| **As at 31 March 2021** | **37,232,495** | **859,970** | **(38,239,057)** | **(146,592)** | - | **(146,592)** |
| **As at 1 April 2021** | 37,232,495 | 859,970 | (38,239,057) | (146,592) | - | (146,592) |
| Loss for the period | - | - | (649,006) | (649,006) | - | (649,006) |
| Total comprehensive loss for the period | - | - | (649,006) | (649,006) | - | (649,006) |
| Issue of convertible notes | - | 46,797 | - | 46,797 | - | 46,797 |
| **As at 31 March 2022** | **37,232,495** | **906,767** | **(38,888,063)** | **(748,801)** | - | **(748,801)** |

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | 2022 $ | 2021 $ |
|---|---|---|---|
| | | Inflows/(Outflows) | |
| **Cash flows from operating activities** | | | |
| Interest received | | - | 21 |
| Interest and other costs of finance paid | | (2,450) | - |
| Payments to suppliers and employees | | (322,898) | (206,626) |
| **Net cash flows (used in) operating activities** | 7 | (325,348) | (206,605) |
| **Cash flows from investing activities** | | | |
| Payments for exploration and evaluation | | (5,000) | - |
| Cash held by subsidiaries over which control was lost | 5 | - | (90,549) |
| **Net cash flows (used in) investing activities** | | (5,000) | (90,549) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 733,000 | 60,000 |
| Repayment of borrowings | | (78,000) | - |
| **Net cash flows from financing activities** | | 655,000 | 60,000 |
| Net increase / (decrease) in cash and cash equivalents | | 324,652 | (237,154) |
| Foreign Exchange | | - | (494) |
| Cash and cash equivalents at the beginning of the period | | 2,789 | 240,437 |
| **Cash and cash equivalents at the end of the period** | 7 | 327,441 | 2,789 |

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The financial statements have also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

The Company is a listed public company, domiciled in Australia and operating in Australia. The principal activity of the Company is the exploration for natural resources.

***Going Concern***

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the commercial realisation of the Company's assets, and the settlement of liabilities in the normal course of business.

For the year ended 31 March 2022, the Company recorded a net loss from continuing activities of $649,006, has a working capital deficit of $700,676 and a net operating cash outflow of $325,348 with cash held as at 31 March being $327,441.

During the year, the Company has raised funds of $733,000 (before costs) in the form of convertible notes with near-term maturities and has entered into a binding conditional agreement to make offers to acquire 100% of the share capital of Neutralysis Industries Pty Ltd (**NIPL**). Completion of the NIPL acquisition is contingent on shareholder approval and a further capital-raising, subject to which it is anticipated that the Company's securities may be reinstated to trading on ASX. The Company expects that Shareholders will vote in favour of the proposed acquisition and that the Company will be able to successfully raise the capital required.

As of the date of this report, the Company is in the process of raising additional funding of up to $300,000 before costs, including up to $85,000 from parties related to Mr. Paul Garner and Mr. Avon McIntyre, in borrowings to meet the costs of the Neutralysis transaction and additional working capital requirements.

The Directors have reviewed the Company's overall position in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances based on the expectation that additional funding will be available to the Company and its subsidiaries. However, if the Company is unable to obtain sufficient additional funding through the raising of capital or if Shareholders elect not to vote in favour of the proposed NIPL acquisition, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore, its ability to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

### (b) *New or amended Accounting Standards and Interpretations adopted*

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### (c) Statement of compliance

The financial statements were authorised for issue on 30 June 2022.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

**(d) Critical accounting judgements and key sources of estimation uncertainty**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

*Loss of Control over Subsidiaries during the previous financial year*

The financial statements have been prepared based on a determination by the Directors that the Company lost effective control over its legal subsidiary CFT Heilongjiang (HK) Ltd (CFT), which held the Group's legal interest in Heilongjiang Aolong Energy Co. Ltd (Aolong), during the previous financial year.

During the prior financial year, the Directors determined that the Company no longer controlled its legal subsidiary CFT Heilongjiang (HK) Ltd ("CFT"), which held the Group's legal interest in the Aolong Joint Venture entity. Triple was not in a position during or since the year end to provide funding to CFT or Aolong and CFT sought and obtained its own funding from parties introduced by and associated with Waypost Ltd, a significant shareholder in the Company.

On 10 May 2022, the Company announced that it had reached a conditional agreement to dispose of its shareholding in CFT for a nominal sum, subject to shareholder approval. The Board is of the view that the Company has no practical means to exert control over the activities of those entities.

**(e) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Interest income*
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**(f) Cash and cash equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(g) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.
Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expected credit loss where the Company may not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant historic delinquency in making contractual payments to the Company. The expected credit loss is calculated as the difference between the cash flows due in accordance with the contract and all the cashflows that the Company expects to receive, discounted at the original effective interest rate.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

**(h) Property, plant and equipment**

Plant and equipment other than plant and equipment held solely for use on an exploration and evaluation project is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Tangible fixed assets held solely for use on an exploration and evaluation project may be capitalised in accordance with this policy, or alternatively expensed immediately as appropriate on an area of interest basis. Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

*(i) Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

*(ii) Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(i) Foreign currency translation**

The functional and presentation currency of HyTerra Ltd, formerly Triple Energy Limited is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.
Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance 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:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, 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 difference can be controlled and it is probable that the temporary difference 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 credits and unused tax losses can be utilised, except:

- when 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; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance 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.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
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 balance date.
Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.
Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### (k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.
Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(l) Impairment of assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(m) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

**(n) Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised in equity reserves, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

**(o) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.
When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

**(p) Share-based payment transactions**

The Company may provide benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).
The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.
In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of HyTerra Limited, formerly Triple Energy Limited (market conditions) if applicable.
The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income or expense for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.
If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.
If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

**(q) Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(r) Earnings per share**

Basic earnings per share is calculated as net profit / loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.
Diluted earnings per share is calculated as net profit / loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(s) Exploration and evaluation**

Exploration and evaluation costs are expensed as incurred based upon each area of interest. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

**(t) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of HyTerra Limited, formerly Triple Energy Limited.

## NOTE 2: REVENUES AND EXPENSES

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| **(a) Other income** | | |
| Interest | - | 21 |
| | - | 21 |
| **(b) Expenses** | | |
| **Finance costs** | | |
| Interest and finance charges paid/payable on borrowings | 44,050 | - |
| **Total finance costs** | 44,050 | - |
| **Project costs** | | |
| Exploration and Evaluation Expenses | 53,500 | - |
| **Total project costs** | 53,500 | - |
| **Corporate Administration Costs** | | |
| Directors Fees | 239,383 | 127,208 |
| Consulting fees | 89,746 | 39,705 |
| Accounting & Auditing | 67,500 | 43,143 |
| Occupancy Costs | 23,882 | 6,120 |
| Legal fees | 61,932 | - |
| Stakeholder relations | 10,000 | - |
| Listing and Compliance | 48,042 | 42,141 |
| Other Administrative | 10,971 | (9,510) |
| **Total corporate administration costs** | 551,456 | 248,087 |
| **Total Expenses** | **649,006** | **248,087** |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 3: INCOME TAX

| | 2022 $ | 2021 $ |
|---|---|---|
| **(a) Income tax benefit** | - | - |
| **(b) Numerical reconciliation between tax expense and pre-tax net loss** | | |
| Profit / (Loss) before income tax benefit | (649,006) | 796,981 |
| Income tax using the Company's domestic tax rate of 30% (2021: 30%) | (194,702) | 239,094 |
| Non-deductible expenses/(deductible tax adjustments) | 43,237 | (8,229) |
| Non-assessable gains | - | (313,514) |
| Current year losses for which no deferred tax asset was recognised | 151,465 | 82,649 |
| Income tax benefit/(expense) attributable to entity | - | - |

**(c) Tax losses**

Unused tax losses for which no deferred tax asset has been recognised have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and an amount sufficient to enable the benefit to be realised; and
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Company in realising the benefit.

As at 31 March 2022 the Company has estimated carry forward tax losses of HyTerra Ltd, formerly Triple Energy Limited as the parent entity of $3,565,613. No reliable estimate of the amount of tax losses which could be recognised as a deferred tax asset in the current year is available as it is not possible to accurately quantify the group's future profitability at its current stage of development. Management have not yet assessed whether the losses would pass the continuity of ownership test or the same business test. Management therefore believe that the group's tax losses do not meet the probable recognition criteria. There is no expiry date attached to the tax losses.

| | 2022 $ | 2021 $ |
|---|---|---|
| **(d) Unrecognised temporary differences** | | |
| Net deferred tax assets (calculated at 30% (2021: 30%) have not been recognised in respect of the following items: | | |
| Accruals and other creditors | (43,237) | 8,229 |
| Unrecognised deferred tax assets/(liabilities) relating to the above temporary differences | (43,237) | 8,229 |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 4: LOSS PER SHARE

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **(a) Earnings used in calculating earnings per share** | | |
| For basic loss per share: | | |
| Loss from Continuing Operations | (649,006) | (248,066) |
| Profit from Discontinued Operations | - | 1,045,047 |
| **(b) Weighted average number of shares** | | |
| Weighted average number of ordinary shares for basic earnings per share | 71,996,054 | 71,996,054 |

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

## NOTE 5: DISCONTINUED OPERATIONS

As disclosed in Note 1 (d) and the Directors Report, the Directors have determined that control was lost over the Company's legal subsidiaries CFT Heilongjiang (HK) Ltd (CFT) and Heilongjiang Aolong Energy Co. Ltd (Aolong) during the previous financial year ended 31 March 2021. The Company has reached a conditional agreement to sell its shareholding in CFT (which owns the Group's interest in Aolong) for a nominal amount.

The Company recognised a net gain on disposal of those entities of $1,045,047, representing the net liabilities of the entities as at deemed disposal. The entities had no material gains, losses or cashflows during the 2021 financial year up to the date of deemed disposal. Financial information in relation to the discontinued operations in 2021 are as follows:

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

| NOTE 5: DISCONTINUED OPERATIONS (CONTINUED) | 2021 |
|---|---|
| | $ |
| **Results of discontinued operations** | |
| Revenue | - |
| Expenses | - |
| **Operating Loss** | - |
| Gain on deemed disposal | 1,045,047 |
| Gain / (Loss) before tax | 1,045,047 |
| Income tax benefit / (expense) | - |
| **Loss after tax** | **1,045,047** |
| | |
| **Cashflows applied to discontinued operations** | |
| Net cash used in operating activities | - |
| Net cash used in investing activities | - |
| Net cash from financing activities | - |
| **Net cash inflow / (outflow)** | - |
| | |
| **Basic / Diluted earnings / (Loss) from discontinued operations (cents per share)** | 1.45 |

The gain from deconsolidation of discontinued operations has been calculated as follows:

| | 2021 |
|---|---|
| | $ |
| Net Proceeds | - |
| | |
| Net liabilities de-recognised | 905,612 |
| Reclassification of Foreign Currency Translation reserve | 245,487 |
| Derecognition of non-controlling interest | (106,052) |
| Net Gain | 1,045,047 |

## NOTE 6: OPERATING SEGMENTS

AASB 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the Chief Operating Decision Maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Company reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 6: OPERATING SEGMENTS (CONTINUED)

During the current and prior reporting period, the Company operated predominantly in one segment, being the resources investment sector in Australia. The revenue and results of this segment are those of the Company and are set out in the statement of comprehensive income, and the assets and liabilities of the Company are set out in the statement of financial position.

## NOTE 7: CASH AND CASH EQUIVALENTS

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Cash at bank and on hand | 327,441 | 2,789 |
| | 327,441 | 2,789 |

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

| **Reconciliation of loss for the year from continuing operations to net cash flows from operating activities** | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Loss for the year from continuing operations | (649,006) | (248,066) |
| Adjustments for: | | |
| Change in net assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (37,739) | - |
| (Decrease)/increase in trade and other payables | 361,037 | 40,967 |
| Unrealised foreign exchange | - | 494 |
| Net cash used in operating activities | (325,348) | (206,605) |

## NOTE 8: OTHER CURRENT ASSETS

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| GST receivables / (payables) | 36,631 | 2,840 |
| Other receivables | 3,588 | - |
| | 40,219 | 2,840 |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 9: TRADE AND OTHER PAYABLES

| Current | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Trade creditors* | 234,085 | 20,852 |
| Other creditors and accruals | 166,548 | 60,511 |
| | 400,633 | 81,363 |
| **Non-current** | | |
| Other creditors and accruals | 48,125 | 10,858 |
| | 48,125 | 10,858 |

*Trade creditors are non-interest-bearing and normally settled on 45 day terms, however the Company has continued to receive extended credit terms from material suppliers during and since the year ended 31 March 2022.

## NOTE 10: BORROWINGS

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Unsecured borrowings | 667,703 | 60,000 |
| | 667,703 | 60,000 |

During the financial year, the Company issued convertible notes with the features detailed below. All convertible notes are convertible to ordinary shares of the Company at the option of the issuer, subject to shareholder approval.

| | Series 1 | Series 2 | Series 3 | Series 4 |
|---|---|---|---|---|
| Issue date | 1/07/2021 | 24/08/2021 | 30/09/2021 | 18/01/2022 |
| Face value | $60,000 | $60,000 | $5,000 | $650,000 |
| Maturity date* | 30/12/2021 | 01/07/2022 | 01/07/2022 | 01/07/2022 |
| Interest rate - from maturity date to conversion / redemption date | 5% | 10% | Nil | 10% |
| Converts to: | $1 converts to 1 ordinary share at $0.0185 per share | $1 converts to 1 ordinary share at $0.02 per share and 3 options exercisable at $0.025 on or before 30/06/2025 | $1 converts to 1 ordinary share at $0.005 per share | $1 converts to 1 ordinary share at $0.02 per share and 1 option exercisable at $0.025 on or before 30/06/2025 |

* The Company has the option to convert the convertible notes prior to Maturity Date providing shareholder approval has been received.

Borrowings in 2021 relate to bridging finance which was subsequently converted to the Series 1 convertible note detailed above. An additional amount of $18,000 was drawn down during the period. Series 1 was repaid in full in January 2022.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 10: BORROWINGS (CONTINUED)

Movements in borrowings during the year were as follows:

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Borrowings at the start of the year | 60,000 | 181,059 |
| Borrowings drawn down in the year | 733,000 | 60,000 |
| Finance costs paid | (2,450) | - |
| Equity component recognised on convertible notes | (46,797) | - |
| Interest expense | 44,050 | - |
| Borrowings repaid | (78,000) | - |
| Brokerage costs paid | (42,100) | - |
| De-recognised on loss of control over subsidiary | - | (181,059) |
| Borrowings at the end of the year | **667,703** | **60,000** |

## NOTE 11: ISSUED CAPITAL

| | 2022 No. | 2021 No. | 2022 $ | 2021 $ |
|---|---|---|---|---|
| *Ordinary shares (a)* | | | | |
| Issued and fully paid | 71,996,054 | 71,996,054 | 36,432,495 | 36,432,495 |
| *Performance Shares (b)* | - | - | 800,000 | 800,000 |
| | | | 37,232,495 | 37,232,495 |

**(a) Ordinary Shares**
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll of every holder is entitled to one vote per share held.

Movements in ordinary shares on issue during the year are as follows:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| *Movements in ordinary shares on issue* | **No.** | **$** | **No.** | **$** |
| At 1 April | 71,996,054 | 36,432,495 | 71,996,054 | 36,432,495 |
| At 31 March | 71,996,054 | 36,432,495 | 71,996,054 | 36,432,495 |

**(b) Performance Shares**
The Company no longer has any Performance Shares on issue at balance or report date (2021: Nil).

**(c) Options**
The Company has no options on issue at balance date (2021:nil).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 12: RESERVES, ACCUMULATED LOSSES & NON-CONTROLLING INTERESTS

| | Share Based Payment Reserve | Foreign Currency Translation Reserve | Convertible Note Reserve | Accumulated Losses | Non-controlling interests |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **As at 1 April 2020** | 859,970 | 245,487 | - | (39,036,038) | (106,052) |
| Loss for the period from continuing operations | - | - | - | (248,066) | - |
| Profit / (loss) from discontinued operations | - | (245,487) | - | 1,045,047 | 106,052 |
| Total comprehensive loss for the period | - | (245,487) | - | 796,981 | 106,052 |
| **As at 31 March 2021** | **859,970** | - | - | **(38,239,057)** | - |
| **As at 1 April 2021** | **859,970** | - | - | **(38,239,057)** | - |
| Loss for the period from continuing operations | - | - | - | (649,006) | - |
| Total comprehensive loss for the period | - | - | - | (649,006) | - |
| Issue of convertible notes | - | - | 46,797 | - | - |
| **As at 31 March 2022** | **859,970** | - | **46,797** | **(38,888,063)** | - |

HYTERRA

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 12: RESERVES, ACCUMULATED LOSSES & NON-CONTROLLING INTERESTS (continued)**

**Share based payment reserve**

For ESS transactions, the share based payment reserve is used to record the difference between the issue price of ESS shares and the fair value of consideration received by the Company where a limited-recourse loan from the Company is used to fund the purchase. Also, where equity instruments have been issued as consideration for the acquisition of assets or services and are required to be separately valued, any difference between fair value of the instrument granted and the actual book value of the assets received.

**Foreign Currency Translation Reserve**

This reserve is used to record exchange differences arising on translation of the former group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

**Convertible Note Reserve**

On the issue of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised in the convertible note reserve, net of transaction costs.

**NOTE 13: SUBSIDIARIES**

**Transactions with subsidiaries**

The consolidated financial statements include the financial statements of HyTerra Ltd, formerly Triple Energy Limited and the subsidiaries listed in the following table:

| Name of subsidiary | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group | |
|---|---|---|---|---|
| | | | 31 March 2022* | 31 March 2021* |
| Tango Energy, Inc[1] | Holds interests in Oil and Gas exploration | USA | 100% | 100% |
| CFT Heilongjiang (HK) Ltd | Oil and Gas investment | Hong Kong | 0% | 0% |
| Heilongjiang Aolong Energy Co. Ltd | Coal mine gas exploration | China | 0% | 0% |

*Notwithstanding the legal ownership of 100%, the Company's Directors have determined that the Company does not control CFT (and its subsidiary Aolong) – refer to Note 5 Discontinued Operations.

1. Tango Energy Inc is a dormant entity and is not consolidated

HyTerra Ltd, formerly Triple Energy Limited is the ultimate Australian parent entity and ultimate parent of the Group.

**Interests in unconsolidated structured entities**
The Company has no interests in unconsolidated structured entities at balance date.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 14: FINANCIAL INSTRUMENTS

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| **Financial assets** | | |
| Cash and cash equivalents | 327,441 | 2,789 |
| **Financial liabilities** | | |
| Trade and other payables | 448,758 | 92,221 |
| Borrowings | 667,703 | 60,000 |
| Total | 1,116,461 | 152,221 |

The fair value of financial assets and liabilities approximates their carrying value at balance date.

The following table details the expected maturity/s for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

| | Weighted average effective interest rate % | Less than 1 month $ | 1 – 3 Months $ | 3 months – 1 year $ | 1 – 5 years $ | 5+ years $ |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Non-interest bearing | - | - | - | - | - | - |
| Variable interest rate instruments | 0.1% | 327,441 | - | - | - | - |
| | | 327,441 | - | - | - | - |
| **2021** | | | | | | |
| Non-interest bearing | - | - | - | - | - | - |
| Variable interest rate instruments | 0.1% | 2,789 | - | - | - | - |
| | | 2,789 | - | - | - | - |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 14: FINANCIAL INSTRUMENTS (continued)

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

| | Weighted average effective interest rate % | Less than 1 month $ | 1 – 3 Months $ | 3 months – 1 year $ | 1 – 5 years $ | 5+ years $ |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Non-interest bearing[1] | - | - | 400,633 | 715,828 | - | - |
| Variable interest rate instruments | - | - | - | - | - | - |
| Fixed interest rate instruments | - | - | - | - | - | - |
| | | - | 400,633 | 715,828 | - | - |
| **2021** | | | | | | |
| Non-interest bearing | - | - | 81,363 | 70,858 | - | - |
| Variable interest rate instruments | - | - | - | - | - | - |
| Fixed interest rate instruments | - | - | - | - | - | - |
| | | - | 81,363 | 70,858 | - | - |

1. Included in the non-interest bearing financial liabilities of $715,828 are convertible notes with a fair value of $662,871 that attract a 10% per annum interest rate from their maturity date of 1 July 2022 until converted; no interest accrues prior to maturity.

### Fair Value of financial instruments

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

The equity component of compound instruments has been determined to be under Level 2 fair value measurements. The valuation technique used was a discounted cashflow.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## NOTE 15: SHARE BASED PAYMENTS

At 31 March 2022, the Company has no share-based payment arrangements affecting remuneration in the current or prior year.

### Share Options granted to Directors and Consultants

No options were granted during the year to 31 March 2022 (2021: Nil).

## NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has exposure to the following risks from their use of financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk
- Market risk, including Foreign currency risk

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

This note presents the information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below.

The Company's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year ended 31 March 2022, it has been the Company's policy not to trade in financial instruments.

**(a) Credit risk management**

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

**(b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by seeking to maintain adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at balance date.

**(c) Interest rate risk management**

The Company is exposed to interest rate risk as the Company deposits the bulk of the Company's cash reserves in Term Deposits. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term Deposits. The Company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**(d) Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit, and foreign currency movements primarily on cash and creditor balances. Where possible the Company seeks to ensure that cash balances held and forecast to be held are approximately matched against the currency of actual and expected future liabilities upon maturity. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings. There is no direct material risk exposure to the Company's financial instruments of either interest rate or foreign currency movements at balance date.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 17: COMMITMENTS AND CONTINGENCIES

**Capital expenditure commitments**
As at balance date, the Company had no outstanding future commitments under equipment purchase contacts not otherwise accounted for as liabilities (2021: Nil).

**Other commitments**
During the year the Company entered into a lease agreement with a commencement date of 1 May 2022. The lease is for a 2 year period with rent of $26,430 (excluding GST) per annum and is non-cancellable during that period.

## NOTE 18: DIVIDENDS

The directors of the Company have not declared any dividend for the year ended 31 March 2022 (2021: nil).

## NOTE 19: EVENTS SUBSEQUENT TO BALANCE DATE

*Proposed Acquisition of Neutralysis Industries*
As announced by the Company on 8 April 2022, HyTerra Ltd, formerly Triple Energy Limited has signed a binding conditional agreement (subject to Shareholder Approval) to make recommended offers to acquire 100% of the share capital of Neutralysis. In consideration for the acquisition, the Company has agreed to issue to the shareholders of Neutralysis the following:

(a) 183,000,000 ordinary fully paid shares in the capital of the Company (Shares) at a deemed issue price of $0.02 per Share (on a post-Consolidation basis, following the proposed 1:3.33 consolidation of the Company's shares) (Consideration Shares) and;

(b) attaching 183,000,000 Options (on a post-Consolidation basis) with a 2.5 cents exercise price, expiring on 30 June 2025 (Consideration Options), subject to Shareholder approval being obtained.

The Company has also agreed, subject to ASX and Shareholder approval being obtained, to issue to current and proposed directors of the Company (Directors) an aggregate of 22,000,000 Class A, 22,000,000 Class B and 5,000,000 Class C Performance Rights (on a post-Consolidation basis) that will vest, subject to the satisfaction of milestones, and become exercisable into Shares at the election of the holder on a 1:1 basis. It is proposed that the Company will be renamed HyTerra Ltd (subject to shareholder approval).

*Issue of Convertible Notes*
Also as announced on 8 April 2022, the Company has secured convertible note funding of $650,000 (before costs). The notes mature on 1 July 2022 and will convert at a deemed issue price of $0.02 on a post-consolidation basis (1:3.33).

*Results of Annual General Meeting*
The 2021 Annual General Meeting was held on 30 June 2022. The following resolutions were passed:

- Adoption of remuneration report;
- Approval of the issue of $60,000 in convertible notes convertible to 3,000,000 ordinary shares at a deemed issue price of $0.02 per share;
- Approval of the issue of $625,000 in convertible notes and approval of the 31,250,000 ordinary shares and 31,250,000 attaching options to be issued on conversion;
- Approval of a consolidation of capital with every 3.33 shares to be consolidated to 1 ordinary share and every 3.33 options to be consolidated to 1 option;
- Approval of a change in Company name to HyTerra Ltd;
- Approval of the change in constitution to incorporate amendments to the Corporations Act and Listing Rules since the Company's existing constitution was adopted in 2011;
- Approval to adopt an Employee Incentive Plan;
- Re-election to the Board of Mr. Murray d'Almeida and election to the Board of Messrs. Po Chan, Paul Garner and Avon McIntyre.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## NOTE 19: EVENTS SUBSEQUENT TO BALANCE DATE (CONTINUED)

Other than as noted elsewhere in this report, no matter or circumstance has arisen since 31 March 2021 that in the opinion of the Directors has significantly affect, or may significantly affect in future financial periods:

- the Company's operations;
- the results of those operations; or
- the Company's state of affairs.

## NOTE 20: AUDITOR'S REMUNERATION

The auditor of HyTerra Ltd, formerly Triple Energy Limited is HLB Mann Judd.

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| *Amounts received or due and receivable by HLB Mann Judd for:* | | |
| Audit and review of financial reports | 32,500 | 35,500 |
| | 32,500 | 35,500 |

## NOTE 21: DIRECTORS AND EXECUTIVES DISCLOSURES

**Key Management Personnel Compensation**

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| Short-term benefits | 239,383 | 127,208 |
| Post-employment benefits | - | - |
| Share-based payments | - | - |
| | 239,383 | 127,208 |

Further details on Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

## NOTE 22: OTHER RELATED PARTY DISCLOSURES

Erasmus Consulting Pty Ltd (**Erasmus**), an entity controlled by the Company Secretary invoiced consulting fees of $35,740 in respect of Company Secretarial and outsourced financial management services during the year from the Company (2021: $37,705). In addition, during the year Erasmus invoiced the Company $6,050 for office rent at the Company's registered office and $9,010 for office administration and bookkeeping services provided by Erasmus staff. $61,955 (ex GST) in relation to the above services had been billed and was outstanding as at year end.

McIntyre Geological Services Pty Ltd an entity controlled by Avon McIntyre invoiced consulting fees of $48,500 in respect of geological consulting services provided during the year to the Company prior to the appointment of Avon McIntyre as a director of the Company (2021: Nil); the full amount was outstanding as at year end.

The following director fees are outstanding to related parties as at 31 March 2022 and are included within Trade and Other Payables (current and non-current):

| Related party/ | Director | Amount outstanding<br>$ |
|---|---|---|
| MC Consultancy | Murray d'Almeida | 9,999 |
| Ohio Holdings Ltd | Paul Garner | 43,750 |
| Mercurius | Po Chan | 96,250 |
| McIntyre Geological Services | Avon McIntyre | 18,975 |

## DIRECTORS' DECLARATION

In the opinion of the directors of HyTerra Ltd, formerly Triple Energy Limited ('the Company'):

1. The financial statements and notes thereto, are in accordance with the Corporations Act 2001 including:

   a. giving a true and fair view of the Company's financial position as at 31 March 2022 and of its performance for the year then ended;

   b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. 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 year ended 31 March 2022.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



**Mr Paul Garner**
**Director**
**Dated this 30th day of June 2022**

HLB MANN JUDD
ADVISORY AND ACCOUNTING

**Independent Auditor's Report**
To the Members of HyTerra Ltd (formerly Triple Energy Limited)

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of of HyTerra Ltd (formerly Triple Energy Limited) ("the Company") which comprises the statement of financial position as at 31 March 2022, the statement of comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 31 March 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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.

*Material Uncertainty Regarding Going Concern*

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

*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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Treatment of convertible notes**<br>Reference to relevant Note 10 in the financial statements | |
| The Company issued 3 tranches of convertible notes with external parties during the financial year.<br><br>We have considered this to be a key audit matter as we consider it a significant risk under auditing standards, and it requires significant management judgement involving estimates that have a degree of estimation uncertainty. | Our procedures included but were not limited to the following:<br>• Considering the classification of the instruments under AASB 132 'Financial Instruments: Presentation' to ensure they were appropriately recognised as a combined instrument (a mixture of both liability and equity instruments);<br>• Obtained supporting documentation from an external registry party to ensure completeness; and<br>• Reviewing the data, assumptions and calculations of the instruments to ensure the amounts recognised were appropriate. |

*Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2022, 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.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

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.

**REPORT ON THE REMUNERATION REPORT**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 31 March 2022.

In our opinion, the Remuneration Report of HyTerra Ltd (formerly Triple Energy Limited) for the year ended 31 March 2022 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

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

**HLB Mann Judd**
**Chartered Accountants**

**N G Neill**
**Partner**

**Perth, Western Australia**
**30 June 2022**

# Additional Securities Exchange Information

**Corporate Governance Statement**

The Company's Corporate Governance Statement is available on the Company's website at:
https://hyterra.com/corporate-directory

The shareholder information set out below was applicable as at 26 July 2022 except where otherwise stated.

**1. Substantial shareholders**

The following table details the Company's substantial shareholders as extracted from the Company's register of substantial shareholders:

| Name | Date of notice | Shares | % |
|---|---|---|---|
| Waypost Limited | 3/1/2019* | 19,202,623 | 26.7 |
| Bi Hua HUANG | 21/11/2018* | 25,585,265 | 35.5 |

* Notice received prior to consolidation of capital

**2. Number of holders in each class of equity securities and the voting rights attached**

**Ordinary shares**

There are 661 holders of ordinary shares. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll of every holder is entitled to one vote per share held.

**Options**

There are 37 holders of unlisted options. Options have an exercise price of $0.025 and are exercisable on or before 30 June 2025. Share options carry no voting rights.

**3. Distribution of holders of equity securities and marketable parcel**

| | Fully paid ordinary shares | Unlisted options |
|---|---|---|
| 1-1,000 | 390 | - |
| 1,001 – 5,000 | 126 | - |
| 5,001 – 10,000 | 31 | - |
| 10,001 – 100,000 | 61 | - |
| Over 100,001 | 53 | 37 |
| | **661** | **37** |
| **Number on issue** | **55,904,459** | **40,281,270** |

There are 605 shareholders with less than a marketable parcel of $500 based on a share price of $0.006.

## Additional Securities Exchange Information

### 4. Top 20 Shareholders

| Ordinary shares | Number | Percentage |
|---|---|---|
| CIS SECURITIES ASSET MANAGEMENT LTD | 9,698,157 | 17.35 |
| WAYPOST LIMITED | 3,375,875 | 6.04 |
| CINTRA HOLDINGS PTY LTD | 2,502,502 | 4.48 |
| PING HUNG LAU | 2,502,502 | 4.48 |
| TIMRIKI PTY LTD <THE TIMRIKI A/C> | 2,502,502 | 4.48 |
| WAYPOST LIMITED | 2,390,677 | 4.28 |
| MR ATTA TADTHIEMROM | 2,002,002 | 3.58 |
| 123 HOME LOANS PTY LTD | 1,501,501 | 2.69 |
| MR NORASET CHARNCHAYASUK | 1,501,501 | 2.69 |
| MR JAMES MICHAEL HUNT <JJAIH FAMILY A/C> | 1,501,501 | 2.69 |
| AMBERWOOD NOMINEES PTY LTD | 1,501,501 | 2.69 |
| CRUSADE HOLDINGS PTY LTD <ROBERT NARDI FAMILY A/C> | 1,001,001 | 1.79 |
| FRANCO ANTONIO DI FULVIO & IDA DI FULVIO <FANDI SUPER A/C> | 1,001,001 | 1.79 |
| JERANT PTY LTD <JERANT P/L SUPER A/C> | 1,001,001 | 1.79 |
| KMC AUTOMATION PTY LTD | 1,001,001 | 1.79 |
| EMILY CHRISTINE PAUL | 1,001,001 | 1.79 |
| MR ZACHARY MICHAEL PAUL <THE ZACHARY A/C> | 1,001,001 | 1.79 |
| COWRIE SHELLS PTY LTD <SEACHANGE SUPER FUND A/C> | 1,001,001 | 1.79 |
| J & J ONG SUPERANNUATION PTY LTD <J & J ONG SUPER A/C> | 1,001,001 | 1.79 |
| MADELEINE SHIRLEY PAUL | 1,001,001 | 1.79 |
| **Top 20** | **39,989,230** | **71.53** |
| Other | 15,915,229 | 28.47 |
| **Total ordinary shares on issue** | **55,904,459** | **100.00** |

### 5. On-market buy back

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

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

The Company Secretary is Mr. Alex Neuling

The Company's principal and registered office is Unit 9, 335 Hay Street, Subiaco, WA 6008, telephone number 08 6478 7730.

The Company's share register is maintained by Advanced Share Registry Limited, 110 Stirling Highway, Nedlands, WA 6009, telephone number 1300 113 258.