



Gold
Hydrogen

Gold Hydrogen Limited

(Formerly known as Gold Hydrogen Pty Limited)

ABN 74 647 468 899

Interim Report - 31 December 2022

Gold Hydrogen Limited
(Formerly known as Gold Hydrogen Pty Limited)
Corporate directory
31 December 2022

Directors	Alexander J Downer - Non-Executive Chairman Neil J McDonald - Managing Director John L Titus - Executive Director Katherine E Barnet - Non-Executive Director Roger H Cressey - Executive Director
Company secretary	Karl Schlobohm
Registered office and principal place of business	Level 14 110 Eagle Street Brisbane QLD 4000
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Phone: 1300 554 474
Auditor	BDO Audit Pty Ltd Level 10 12 Creek Street Brisbane QLD 4000
Solicitors	Gadens 111 Eagle Street Brisbane QLD 4000
Bankers	National Australia Bank Limited 259 Queen Street Brisbane QLD 4000
Stock exchange listing	Gold Hydrogen Limited shares are listed on the Australian Securities Exchange (ASX code: GHY)
Website	www.goldhydrogen.com.au
Corporate Governance Statement	www.goldhydrogen.com.au/corporate-governance/

Gold Hydrogen Limited
(Formerly known as Gold Hydrogen Pty Limited)
Directors' report
31 December 2022

The Directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2022.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Alexander J Downer - Chair (appointed 1 July 2022)

Neil J McDonald

John L Titus

Katherine E Barnett (appointed 1 July 2022)

Roger H Cressey (appointed 1 July 2022)

Principal activities

Gold Hydrogen is focused on the discovery and development of world class natural hydrogen gas in a potentially extensive natural hydrogen province in South Australia. There was no change to the principal activities of the Company during the period.

Review of operations

The loss for the Company after providing for income tax amounted to \$4,430,888 (31 December 2021: \$17,768).

During the period to 31 December 2022, the Company's main focus was the finalisation and lodgement of its prospectus for its \$20,000,000 Initial Public Offer (IPO), which closed successfully in January 2023.

As a result of the successful IPO process, the Company acquired a 100% interest in Byrock Resources Pty Ltd and White Hydrogen Australia Pty Ltd on 9 January 2023, resulting in a substantial granted tenement and tenure application footprint of 75,332 km² as outlined in **Figure 1**. Gold Hydrogen is also the preferred applicant for four (4) gas storage exploration licenses applications (GSELA) covering an additional 8,107km² within the renewable energy zone of PEL 687 on the mainland.

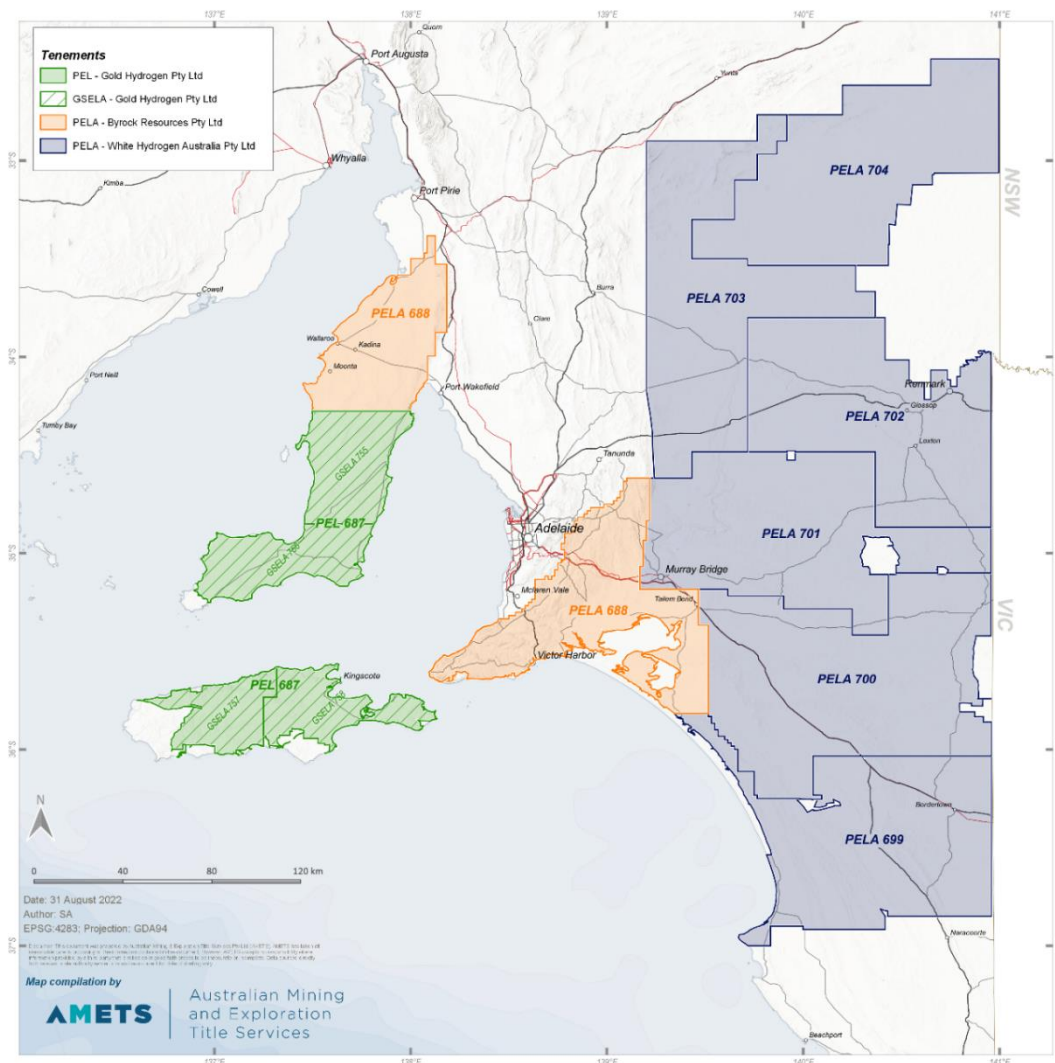


Figure 1 – Gold Hydrogen Group tenement and areas under application located in South Australia.

Airborne Survey

During the period the Company submitted an 18,200-line km airborne gravity-magnetic survey to the South Australian Department of Energy and Mines for approval. This non-invasive airborne survey is scheduled to commence in March 2023, with Stage 1 over the Yorke Peninsula (PEL 687 – refer **Figure 1**), and Stage 2 over Kangaroo Island yet to be scheduled. The survey is designed to enhance subsurface understanding of rich natural hydrogen source rocks, structures, and identifying future well locations to mature the independently assessed prospective resource (refer **Table 1** below).

Approval for Stage 1 of the survey was granted by the South Australian Department of Energy and Mines in February 2023.

2D Seismic Reprocessing

Selected 2D seismic reprocessing completed in December 2022 significantly improved the Company’s understanding of the subsurface architecture. Additional leads were identified outside previously mapped and reported prospects on the Yorke Peninsula. Ongoing works are aimed at identifying potential new drill locations and well proposals.

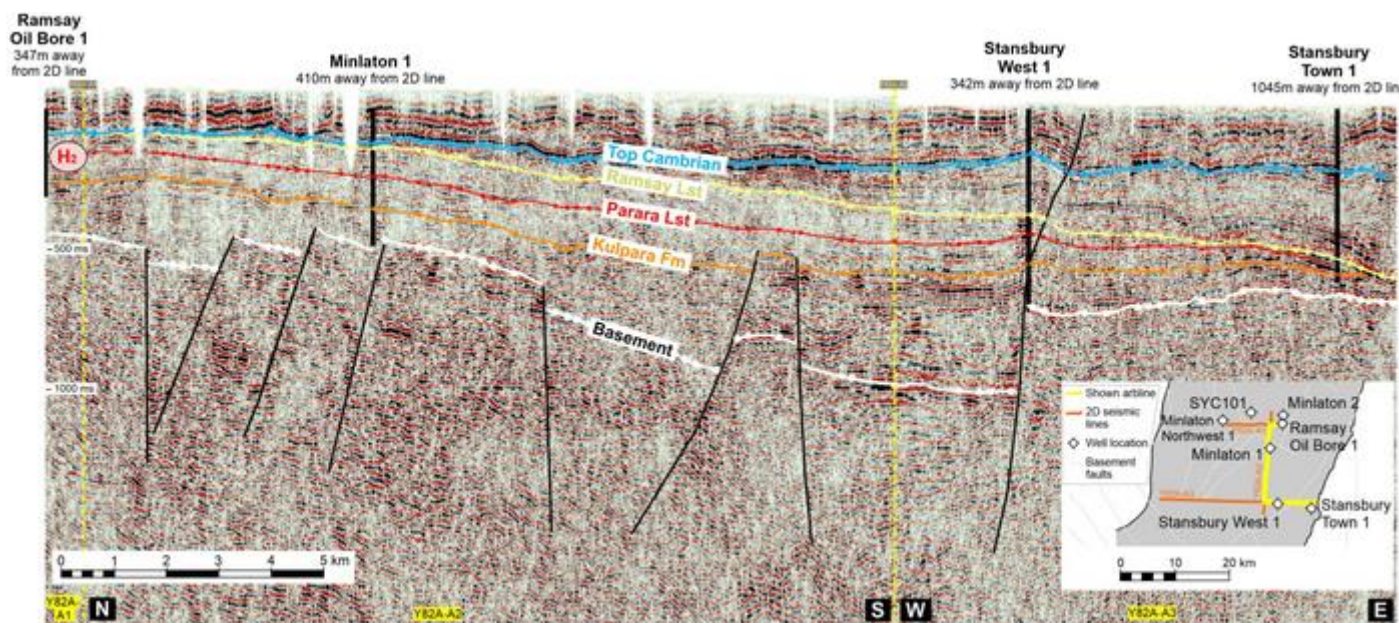


Figure 2 – Onshore Yorke Peninsula 2D seismic line. Notable horst and graben structure highlights extensional makeup of natural hydrogen basement source rocks. Some basement faults have been interpreted to extend into overlying Stansbury Basin Cambrian stratigraphic section and could be acting as migration pathways to potentially charged reservoirs.

Table 1 – Prospective Resource Statement for Natural Hydrogen

Gold Hydrogen’s Ramsay Project: Prospective Resources* of Hydrogen in ‘000 Tonnes – 30 September 2021

PEL	Prospects	SPE-PRMS Sub-class	1U Low Estimate	2U Best Estimate	Mean	3U High Estimate	Pg	Pd	Pc
PEL 687	All Prospects and Leads		207	1,313	4,187	8,820	22%	48%	10%
Yorke Peninsula									
PEL 687	Ramsay FB	Prospect	124	931	2,712	6,989	22%	50%	11%
PEL 687	Ramsay Lst	Prospect	10	70	191	492	26%	50%	13%
PEL 687	Maitland	Lead	7	26	40	92	17%	35%	6%
Kangaroo Island									
PEL 687	Navigator	Lead	34	152	280	678	19%	40%	8%
PEL 687	Kanmantoo	Prospect	32	134	237	569	25%	40%	10%

* This estimate of Natural Hydrogen Prospective Resources must be read in conjunction with the notes below, and it should be noted that the estimated quantities of Natural Hydrogen that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable Natural Hydrogen.

Gold Hydrogen Limited
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- (1) This reserves statement presents Gold Hydrogen's Prospective Resources. Gold Hydrogen currently has no Reserves and no Contingent Resources.
- (2) Estimates are assessed to comply with the ASX Listing Rules for Prospective Resources and SPE-PRMS 2018 with the understanding that naturally occurring hydrogen may be considered a hydrocarbon since it has energy content and can be used stand alone and/or blended with sales gas. "U" implies Prospective Resources.
- (3) Per ASX Listing Rules 5.28.4 and 5.28.5 estimates are unrisked and aggregated arithmetically by category, hence caution that the aggregate low estimate may be a very conservative estimate and the aggregate high estimate may be a very optimistic estimate due to the portfolio effects of arithmetic summation.
- (4) Probabilistic methods are used to prepare the estimates. The distribution of the estimates is the "full distribution" and has not been truncated by application of the MEPS (minimum economic pool size concept).
- (5) The Reference Point is at the wellhead/edge of lease (i.e. wellhead facilities) so the estimates have no deduction for flare, vent or fuel consumed in operations.
- (6) Pg (Chance of Geologic Discovery), Pd (Chance of Development) and Pc (Chance of Commerciality = Pg x Pd) are calculated as a weight average of the P50's of the H2 ('000 Tonnes) of the prospects.
- (7) Pg incorporates Play Risk and Prospect Risk.
- (8) Pd incorporates an assessment across all SPE-PRMS Commerciality Criteria (i.e. not just economics).
- (9) Information in the table is rounded. Some totals in the tables may not add due to rounding.
- (10) Gold Hydrogen owns 100% of PEL 687 which has been issued under South Australian legislation.
- (11) This reserves statement:
 - (a) is based on, and fairly represents, information and supporting documentation prepared by the qualified petroleum reserves and resources evaluators listed in note 14 below. Details of each qualified petroleum reserves and resources evaluator's employment and professional organisation membership are set out in note 14 below;
 - (b) has been approved by Luke Titus, who is a qualified petroleum reserves and resources evaluator and whose employment and professional organisation membership details are set out in note 14 of this reserves statement;
 - (c) is issued with the prior written consent of Luke Titus and Teof Rodrigues & Associates ("TRA" - involving Teof Rodrigues, Paul Strong, and Greg Horton, whose employment and professional organisation membership details are set out in note 14 of this reserves statement) as to the form and context in which the estimated Natural Hydrogen resources and the supporting information are presented.
- (12) There is no change to information or additional information, since the effective date of 30 September 2021, that Gold Hydrogen and TRA are aware of that would materially change the estimates in this reserves statement.
- (13) Gold Hydrogen engages independent experts TRA to evaluate reserves and resources.
- (14) Qualified Petroleum Reserves and Resources Evaluators are:

Name	Employer	Professional organisation
Luke Titus	Gold Hydrogen Limited	SPE
Teof Rodrigues	Teof Rodrigues & Associates (TRA)	SPE, PESA
Paul Strong	Teof Rodrigues & Associates	GSL, AAPG, PESA
Greg Horton	Teof Rodrigues & Associates	SPE

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial half-year.

Climate change risk

The Company does not consider that it currently has any adverse material exposure to the risks associated with Climate Change. Accordingly, the Company does not consider it necessary to reflect any financial impact associated with Climate Change risks. The Company considers the following matters relevant to this conclusion:

- the Company's primary business focus is to assist with the decarbonisation of the Australian and Global economies via the use of hydrogen as an alternative energy source to fossil fuels;
- the Company currently has no infrastructure situated at its project site in South Australia, and is therefore not directly impacted by the physical risks generally associated with Climate Change (fire, flood, etc);
- the Company is not currently aware of any pending or proposed Climate Change related regulatory or legislative changes which would materially impact the Company at this time.

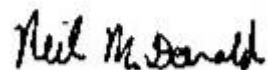
Gold Hydrogen Limited
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Directors' report
31 December 2022

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Neil McDonald
Managing Director

15 March 2023



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GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF GOLD HYDROGEN LIMITED

As lead auditor for the review of Gold Hydrogen Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'R M Swaby', is written over a light blue horizontal line.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 15 March 2023

Gold Hydrogen Limited
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General information

The financial statements cover Gold Hydrogen Limited as an individual entity. The financial statements are presented in Australian dollars, which is Gold Hydrogen Limited's functional and presentation currency.

The Company converted from a proprietary company to a public company limited by shares on 23 September 2022 and as a consequence changed its name from Gold Hydrogen Pty Limited to Gold Hydrogen Limited.

Gold Hydrogen Limited is incorporated and domiciled in Australia and was admitted to the Official List of ASX Limited on 11 January 2023, with the official quotation of the Company's ordinary fully paid shares commencing on 13 January 2023.

The Company's registered office and principal place of business is:

Level 14
110 Eagle Street
Brisbane
QLD 4000

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 15 March 2023.

Gold Hydrogen Limited
(Formerly known as Gold Hydrogen Pty Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Revenue			
Interest revenue		285	-
Expenses			
Depreciation and amortisation expense		(25,552)	-
Employee benefits expense		(516,885)	-
Insurance		(92,815)	-
Legal		(286,071)	-
Movement in fair value of convertible note derivative	9	(1,161,559)	-
Listing fees and share registry expenses		(117,960)	-
Public relations		(40,433)	(15,712)
Transaction costs in connection with IPO		(30,232)	-
Travel		(80,836)	-
Other expenses		(164,769)	(2,056)
Interest expense		(6,168)	-
Convertible notes interest and amortised finance costs		(1,907,893)	-
Total expenses		<u>(4,431,173)</u>	<u>(17,768)</u>
Loss before income tax expense		(4,430,888)	(17,768)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Gold Hydrogen Limited		(4,430,888)	(17,768)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Gold Hydrogen Limited		<u>(4,430,888)</u>	<u>(17,768)</u>
		Cents	Cents
Basic earnings per share	16	(5.60)	(0.02)
Diluted earnings per share	16	(5.60)	(0.02)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Gold Hydrogen Limited
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Statement of financial position
As at 31 December 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		1,153,311	4,258,507
Trade and other receivables		139,990	141,581
Other current assets	3	95,370	5,123
Total current assets		<u>1,388,671</u>	<u>4,405,211</u>
Non-current assets			
Property, plant and equipment		11,366	1,925
Right-of-use assets	4	122,366	-
Exploration and evaluation assets	5	2,320,393	622,270
Other non-current assets	3	29,104	31,505
Total non-current assets		<u>2,483,229</u>	<u>655,700</u>
Total assets		<u>3,871,900</u>	<u>5,060,911</u>
Liabilities			
Current liabilities			
Trade and other payables	6	458,886	475,809
Lease liabilities	8	49,569	-
Borrowings	7	5,886,959	3,979,066
Derivative financial instruments	9	2,961,512	1,799,953
Total current liabilities		<u>9,356,926</u>	<u>6,254,828</u>
Non-current liabilities			
Lease liabilities	8	74,354	-
Total non-current liabilities		<u>74,354</u>	<u>-</u>
Total liabilities		<u>9,431,280</u>	<u>6,254,828</u>
Net liabilities		<u>(5,559,380)</u>	<u>(1,193,917)</u>
Equity			
Issued capital	10	100	100
Reserves	11	65,425	-
Accumulated losses		(5,624,905)	(1,194,017)
Total deficiency in equity		<u>(5,559,380)</u>	<u>(1,193,917)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Gold Hydrogen Limited
(Formerly known as Gold Hydrogen Pty Limited)
Statement of changes in equity
For the half-year ended 31 December 2022

	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2021	100	-	(46,971)	(46,871)
Loss after income tax expense for the half-year	-	-	(17,768)	(17,768)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(17,768)	(17,768)
Balance at 31 December 2021	100	-	(64,739)	(64,639)

	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2022	100	-	(1,194,017)	(1,193,917)
Loss after income tax expense for the half-year	-	-	(4,430,888)	(4,430,888)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,430,888)	(4,430,888)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 17)	-	65,425	-	65,425
Balance at 31 December 2022	100	65,425	(5,624,905)	(5,559,380)

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

Gold Hydrogen Limited
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Statement of cash flows
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,258,087)	(19,147)
Interest and other finance costs paid		(6,168)	-
		<u>(1,264,255)</u>	<u>(19,147)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment		(10,520)	-
Payments for exploration and evaluation assets		(1,718,967)	(36,520)
Proceeds from release of security deposits		2,401	-
		<u>(1,727,086)</u>	<u>(36,520)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from Director loans - net		-	54,092
Share issue transaction costs	3	(90,939)	-
Repayment of lease liabilities		(22,916)	-
		<u>(113,855)</u>	<u>54,092</u>
Net cash from/(used in) financing activities			
Net decrease in cash and cash equivalents		(3,105,196)	(1,575)
Cash and cash equivalents at the beginning of the financial half-year		4,258,507	753
		<u>1,153,311</u>	<u>(822)</u>
Cash and cash equivalents at the end of the financial half-year			

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

Gold Hydrogen Limited
(Formerly known as Gold Hydrogen Pty Limited)
Notes to the financial statements
31 December 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The depreciation rate for the Company's office lease is 33.33% per annum.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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31 December 2022

Note 1. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. For the half-year ended 31 December 2022, the Company incurred a loss of \$4,430,888 after income tax and net cash outflows from operating activities of \$1,264,255. At 31 December 2022, the Company has net current liabilities of \$7,968,255 and total net liabilities of \$5,559,380.

On 6 January 2023, the Company received net proceeds of \$18,922,720 from the financial settlement of its Initial Public Offer (IPO), and on 9 January 2023 the Company converted all of the principal amounts of the Convertible Notes into fully paid ordinary shares in the Company.

Note 2. Operating segments

Identification of reportable operating segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Company's Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the Company level.

The Company does not have any products/services it derives revenue from.

At 31 December 2022, the Company held one granted tenement in South Australia (PEL 687). Consequently, Management identifies the Company as having only one operating segment, being exploration and development of its PEL in South in Australia. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from the segment are equivalent to the financial statements of the Company as a whole.

Gold Hydrogen Limited
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Notes to the financial statements
31 December 2022

Note 3. Other assets

	31 Dec 2022	30 June 2022
	\$	\$
<i>Current assets</i>		
Prepayments	4,431	4,875
IPO transaction costs to be deducted from shares issued in January 2023	90,939	-
Other current assets	-	248
	<u>95,370</u>	<u>5,123</u>
<i>Non-current assets</i>		
Security deposits	29,104	31,505
	<u>124,474</u>	<u>36,628</u>

Note 4. Right-of-use assets

	31 Dec 2022	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Office lease - right-of-use	146,839	-
Less: Accumulated depreciation	(24,473)	-
	<u>122,366</u>	<u>-</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Office lease
	\$
Balance at 1 July 2022	-
Additions	146,839
Depreciation expense	<u>(24,473)</u>
Balance at 31 December 2022	<u>122,366</u>

Note 5. Exploration and evaluation assets

	31 Dec 2022	30 June 2022
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	<u>2,320,393</u>	<u>622,270</u>

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Notes to the financial statements
31 December 2022

Note 5. Exploration and evaluation assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Exploration and evaluation \$
Balance at 1 July 2022	622,270
Additions	<u>1,698,123</u>
Balance at 31 December 2022	<u><u>2,320,393</u></u>

Note 6. Trade and other payables

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Trade payables	233,719	306,913
Accrued expenses	<u>225,167</u>	<u>168,896</u>
	<u><u>458,886</u></u>	<u><u>475,809</u></u>

Note 7. Borrowings

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Convertible notes - financial liability	<u>5,886,959</u>	<u>3,979,066</u>

Movements in convertible notes

	31 Dec 2022 \$	30 June 2022 \$
Opening balance	3,979,066	-
Notes issued at inception	-	5,500,000
Derivative instrument - conversion feature	-	(1,702,046)
Amortised finance costs	1,575,181	314,283
Accrued interest	332,712	55,000
Transaction costs	<u>-</u>	<u>(188,171)</u>
Closing balance	<u><u>5,886,959</u></u>	<u><u>3,979,066</u></u>

Subsequent to the end of the half year, all of the principal amounts of the convertible notes on issue were converted into shares in the company, and the unpaid interest was settled in cash (refer to note 15).

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Notes to the financial statements
31 December 2022

Note 8. Lease liabilities

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Lease liability - land and buildings	49,569	-
<i>Non-current liabilities</i>		
Lease liability - land and buildings	74,354	-
	<u>123,923</u>	<u>-</u>

On 1 July 2022, the Company entered into a 3-year lease for office premises. The lease rental for the first year is \$79,375 on a gross basis, or \$53,181 after the application of incentives.

Note 9. Derivative financial instruments

	31 Dec 2022 \$	30 June 2022 \$
<i>Current liabilities</i>		
Conversion feature - convertible notes	<u>2,961,512</u>	<u>1,799,953</u>

Refer to note 13 for further information on fair value measurement.

Movements:

	31 Dec 2022 \$	30 June 2022 \$
Opening balance	1,799,953	-
Convertible notes - derivative instrument conversion feature	-	1,702,046
Fair value movement	1,161,559	97,907
Closing balance	<u>2,961,512</u>	<u>1,799,953</u>

Note 10. Issued capital

	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 \$	30 June 2022 \$
Ordinary shares - fully paid	<u>79,076,977</u>	<u>100</u>	<u>100</u>	<u>100</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	100		100
Share split (790,769.77 for 1)	7 November 2022	<u>79,076,877</u>		-
Balance	31 December 2022	<u>79,076,977</u>		<u>100</u>

Gold Hydrogen Limited
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31 December 2022

Note 10. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 11. Reserves

	31 Dec 2022	30 June 2022
	\$	\$
Share-based payments reserve	<u>65,425</u>	<u>-</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Share based payments \$
Balance at 1 July 2022	-
Share based payments	<u>65,425</u>
Balance at 31 December 2022	<u>65,425</u>

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Fair value measurement

Fair value hierarchy

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 Dec 2022				
<i>Liabilities</i>				
Derivative instruments - conversion feature of convertible notes	-	2,961,512	-	2,961,512
Total liabilities	<u>-</u>	<u>2,961,512</u>	<u>-</u>	<u>2,961,512</u>

Gold Hydrogen Limited
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Note 13. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative instruments - conversion feature of convertible notes

The fair value of the conversion feature of the convertible notes is estimated using present value techniques, by discounting the probability-weighted estimated future cash outflows.

In December 2022, Gold Hydrogen closed its Initial Public Offer, which provided an observable value for the Company's shares at the IPO offer price. As a result, the derivative liability, convertible into ordinary shares of the Company, has been transferred from level 3 into level 2. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Derivative instruments \$
Balance at 1 July 2022	(1,799,953)
Losses recognised in profit or loss	(1,161,559)
Transfers out of level 3	<u>2,961,512</u>
Balance at 31 December 2022	<u><u>-</u></u>
Total gains for the previous half-year included in profit or loss that relate to level 3 assets held at the end of the previous half-year	<u><u>-</u></u>
Total losses for the current half-year included in profit or loss that relate to level 3 assets held at the end of the current half-year	<u><u>(1,161,559)</u></u>

Note 14. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2022 \$	31 Dec 2021 \$
Payment for goods and services:		
Payment for services from other related party*	73,309	-

* The company was provided with land access support and integrated approvals by a company jointly controlled by the wife of a Director (John L Titus). The contract ended in November 2022.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Gold Hydrogen Limited
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Notes to the financial statements
31 December 2022

Note 15. Events after the reporting period

Other than the subsequent events outlined below, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected or may significantly effect, Gold Hydrogen's operations or the Company's state of affairs in future financial years.

On 6 January 2023, the Company received net proceeds of \$18,922,720 from the financial settlement of its Initial Public Offer (IPO) being \$20,000,000 less underwriting and associated costs. The Company issued 40,000,000 fully paid ordinary shares on 9 January 2023 as a result of this transaction.

On 9 January 2023, the Company converted all of the principal amount of the Convertible Notes, resulting in the issue of 16,923,023 fully paid ordinary shares.

On 9 January 2023, the Company paid \$390,888 in cash for interest due on the Convertible Notes for the period from 31 May 2022 to 8 January 2023.

On 9 January 2023, the Company completed its purchase of 100% of the shares in Byrock Resources Pty Ltd and White Hydrogen Australia Pty Ltd via the issue of 4,000,000 fully paid ordinary shares to the vendor parties associated with Directors Neil McDonald and Luke Titus.

On 11 January 2023, the Company was admitted to the Official List of the Australian Securities Exchange, and trading in the Company's securities commenced on 13 January 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 16. Earnings per share

	31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax attributable to the owners of Gold Hydrogen Limited	<u>(4,430,888)</u>	<u>(17,768)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>79,076,977</u>	<u>79,076,977</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>79,076,977</u>	<u>79,076,977</u>
	Cents	Cents
Basic earnings per share	(5.60)	(0.02)
Diluted earnings per share	(5.60)	(0.02)

At 31 December 2022, the Company had 3,900,000 options and 5,500,000 convertible notes on issue. These securities are not included in the determination of diluted earnings per share as they are considered to be anti-dilutive.

Share split and impact on weighted average number of shares

On 7 November 2022, the Company completed a share split at the ratio of 790,769.77 fully paid ordinary shares for 1 fully paid ordinary share (refer note 10). The weighted average number of ordinary shares for 31 December 2021 has been adjusted for the effect of the share split, in accordance with AASB 133 *Earnings per share*.

Gold Hydrogen Limited
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Notes to the financial statements
31 December 2022

Note 17. Share-based payments

During the half year ended 31 December 2022, the Company granted 3,900,000 options to the Directors and senior management as part of their remuneration packages. The options vest in 3 equal tranches as set out in the following table:

	Vesting date	Condition	Exercise price	Expiry date
Tranche 1	1.5 years after the listing date	The market value (based on a 20-day VWAP calculation) for one share on the Company reaching 150% of the listing price	150% of the listing price	3 years after the listing date
Tranche 2	2 years after the listing date	The market value (based on a 20-day VWAP calculation) for one share on the Company reaching 200% of the listing price	200% of the listing price	4 years after the listing date
Tranche 3	3 years after the listing date	The market value (based on a 20-day VWAP calculation) for one share on the Company reaching 350% of the listing price	350% of the listing price	4 years after the listing date

Set out below are summaries of options granted:

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
31/10/2022	11/01/2026	\$0.75	-	600,000	-	-	600,000
31/10/2022	11/01/2027	\$1.00	-	600,000	-	-	600,000
31/10/2022	11/01/2027	\$1.75	-	600,000	-	-	600,000
01/11/2022	11/01/2026	\$0.75	-	200,000	-	-	200,000
01/11/2022	11/01/2027	\$1.00	-	200,000	-	-	200,000
01/11/2022	11/01/2027	\$1.75	-	200,000	-	-	200,000
02/11/2022	11/01/2026	\$0.75	-	300,000	-	-	300,000
02/11/2022	11/01/2027	\$1.00	-	300,000	-	-	300,000
02/11/2022	11/01/2027	\$1.75	-	300,000	-	-	300,000
04/11/2022	11/01/2026	\$0.75	-	200,000	-	-	200,000
04/11/2022	11/01/2027	\$1.00	-	200,000	-	-	200,000
04/11/2022	11/01/2027	\$1.75	-	200,000	-	-	200,000
			-	3,900,000	-	-	3,900,000
Weighted average exercise price			\$0.00	\$1.17	\$0.00	\$0.00	\$1.17

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 3.7 years.

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate
1	11/01/2026	\$0.50	\$0.75	85.00%	-	3.14%
2	11/01/2027	\$0.50	\$1.00	85.00%	-	3.20%
3	11/01/2027	\$0.50	\$1.75	85.00%	-	3.20%

Expense of \$65,425 has been recognised in the profit or loss for the period.

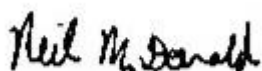
Gold Hydrogen Limited
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Directors' declaration
31 December 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Neil McDonald
Managing Director

15 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gold Hydrogen Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Gold Hydrogen Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.



Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'R M Swaby', is written over a faint, larger 'BDO' watermark.

R M Swaby
Director

Brisbane, 15 March 2023