



30 September 2021

### Pre-Quotation Disclosure Announcement

Jade Gas Holdings Limited (ACN 062 879 583) [ASX:JGH] (formerly High Grade Metals Limited) (**Company**) is pleased to announce that it has raised \$7,500,000 through the issue of 250,000,000 fully paid ordinary shares (**New Shares**) under the Equity Offer made in its prospectus dated 14 July 2021 and lodged with ASIC on the same date (**Prospectus**). The following information is given for release to the market in connection with the reinstatement to quotation of the Company's shares on the Australian Securities Exchange (**ASX**).

Unless defined in this announcement, capitalised terms have the meanings as defined in the Prospectus.

#### Close of the Offers and issue of securities

The Company confirms all Offers made under the Prospectus have closed and that the Company has issued 250,000,000 Shares at \$0.03 (3 cents) per Share under the Equity Offer.

The Company has also issued the following securities under the other Offers:

- 846,166,667 fully paid ordinary shares and 68,000,000 unlisted options with an exercise price of \$0.045 (4.5 cents) expiring on 30 June 2023 to the vendors of Jade Gas Pty Ltd ('Vendor Offer').
- 22,000,000 unlisted options with an exercise price of \$0.045 (4.5 cents) expiring on 30 June 2023 to existing directors or their nominees ('Incentive Offer').
- 12,000,000 unlisted options with an exercise price of \$0.045 (4.5 cents) expiring on the date which is 3 years from their date of issue to the lead manager or its nominees ('Broker Offer').

The capital structure of the Company following completion of the Offers is set out below:

Securities		Number
Ordinary Shares		1,209,401,331
Options	Existing Options with an exercise price of \$0.15 (15 cents) expiring on 30 June 2022	7,000,000
	Unlisted Options with an exercise price of \$0.045 (4.5 cents) expiring on 30 June 2023 ( <b>New Options</b> )	90,000,000
	Unlisted Options with an exercise price of \$0.045 (45 cents) expiring 3 years from issue ( <b>Broker Options</b> )	12,000,000
	Total Options	109,000,000
Performance Shares expiring 26 February 2023 (refer below)		48,000,000

#### Jade Gas Holdings Limited

ACN: 062 879 583  
ASX: JGH

#### Australian Registered Office

Level 2, 480 Collins Street  
Melbourne VIC 3000

#### Directors

Anthony Hall  
Joseph Burke  
Daniel Eddington  
Brad Drabsch  
Dennis Morton

The terms of the securities in the table above are set out in the Prospectus.

### Restricted Securities

The Company advises that the following securities are classified as restricted securities on the basis of mandatory disposal restrictions (escrow) imposed by ASX:

Securities	Number	Restriction Period
Ordinary Shares	570,629,969	24 months from reinstatement
New Options	40,000,000	24 months from reinstatement
Broker Options	12,000,000	24 months from reinstatement
Ordinary Shares	107,556,332	22 September 2022
New Options	50,000,000	22 September 2022

### Completion of acquisition of Jade Gas Pty Ltd

The Company confirms that:

- the conditions precedent under the implementation agreement between the Company, Jade Gas Pty Ltd (**Jade**) and the vendors of Jade have been satisfied;
- the Company has completed the acquisition of all of the issued capital of Jade in accordance with the terms of the implementation agreement; and
- the Company has changed its name to Jade Gas Holdings Limited.

### Other matters

#### Access confirmation

The Company confirms there are no legal, regulatory, statutory or contractual impediments to the Company entering the Umnogovi tenements Tsogttsetsii and Khankhongor and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments as set out in the Prospectus for the purposes of Listing Rule 1.3.2(b).

#### Listing Rule 10.11 Breach

The Company refers to its announcement on 23 September 2021 and confirms that the sale of the shares referred to in that announcement has been completed and any profits have been donated to charities of the seller's choice. Those charities and the amounts of the donations being: Cancer Council Australia (\$6,000); Telethon Speech and Hearing (\$880); and Count Me In (\$2,450).

#### Waivers granted by ASX

The Company confirms ASX granted the following waivers of the Listing Rules to the Company:

- Waiver of Listing Rule 1.1 Condition 12 to permit the New Options to each have an exercise price of less than \$0.20 (20 cents). Shareholder approval was expressly sought and obtained by the Company for the issue of the New Options with an exercise price of less than \$0.20.

- Waiver of Listing Rule 2.1 Condition 2 to permit the issue of Shares under the Equity Offer at a price of less than \$0.20 (20 cents) per Share.
- Waiver of Listing Rule 9.1(b) to the extent necessary to permit the Company to apply the restrictions in items 1 and 2 of Appendix 9B (commonly referred to as the cash formula) to the ordinary shares in the Company issued to vendors of Jade who paid genuine cash for the shares they subscribed for in Jade (commonly referred to as “look-through” relief).
- Waiver of Listing Rule 10.13.5 to allow securities proposed to be issued to related parties that were subject to receipt of shareholder approval to be issued no later than the issue of Shares under the Equity Offer.

### Performance Shares

The Company currently has two tranches of performance shares on issue. These performance shares were issued in 2018 and have milestones that relate to the Austrian assets of the Company.

As part of reinstatement, the Company confirms that it has obtained the commitment of holders of all holders of the Class A Performance Shares (other than Eurocan Mining Anstalt which holds 7.2 million Class A Performance Shares) and all of the holders of the Class B Performance Shares to a buy-back of those shares for nominal consideration. The buy-back is subject to shareholder approval to be sought at the next general meeting of the Company. The terms of the performance shares are set out in Annexure A.

This announcement has been approved by the Board of Jade Gas Holdings Limited.



**Adrien Wing**  
**Company Secretary**  
 Telephone: +61 3 9614 0600

**ANNEXURE A**  
**TERMS OF PERFORMANCE SHARES**

For the purpose of these terms and conditions:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

**Austrian Cobalt Projects** means the 78 exploration permits comprising the Gratlspitz, Schwarzleo, Seekar and Zinkwand projects and Austrian Cobalt Project means any one of them.

**Change of Control Event** means:

- (a) the occurrence of:
  - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
  - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
  - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
    - (A) cancelled; or
    - (B) transferred to a third party; and
  - (ii) the Court, by order, approves the proposed scheme of arrangement.

**EBITDA** means earnings before interest, tax, depreciation and amortisation.

**Expiry Date** means 5.00pm (WST) on 26 February 2023.

**Holder** means a holder of Performance Shares.

**JORC Code** means the Australasian Code for reporting of Exploration Results, Mineral Resources, and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia.

**Listing Rules** means the Listing Rules of the ASX.

**Mineral Resource** has the meaning as defined in the JORC Code.

**Performance Share** means a Class A Performance Share or Class B Performance Share (as applicable).

**Share** means a fully paid ordinary share in the Company.

## 1. Conversion and expiry of Class A Performance Shares and Class B Performance Shares

- (a) **(Conversion on achievement of Class A Milestone):** Each Class A Performance Share will convert into a Share on a 1:1 basis upon the delineation of a JORC-compliant Mineral Resource estimate of at least Inferred category (as defined in the JORC Code) of a minimum of 500,000 ounces of gold or gold equivalent (in accordance with clause 50 of the JORC Code) at an average grade at least 8 grams per tonne (**Class A Milestone**).
- (b) The Class A Milestone must be determined to have been achieved or not achieved by no later than 5.00 pm on the date that is one month after the Expiry Date.
- (c) **(Conversion on achievement of Class B Milestone):** Each Class B Performance Share will convert into a Share on a 1:1 basis upon completion of a positive Scoping Study (as defined in the JORC Code) in relation to any one or more Austrian Cobalt Projects by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant Austrian Cobalt Project is over \$US50,000,000, and provided that (while the Company remains listed on ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release (**Class B Milestone**).
- (d) The Class B Milestone must be determined to have been achieved or not achieved by no later than 5.00 pm on the date that is one month after the Expiry Date.
- (e) **(No conversion)** To the extent that Performance Shares in a class have not converted into Shares on or before the Expiry Date applicable to that class, then all such unconverted Performance Shares in that class held by each Holder will automatically consolidate into one Performance Share and will then convert into one Share.
- (f) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Share.
- (g) **(Ranking of shares)** Each Share into which a Performance Share will convert will upon issue:
  - (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
  - (ii) be issued credited as fully paid;
  - (iii) be duly authorised and issued by all necessary corporate action; and
  - (iv) be issued free from all liens, charges, and encumbrances, whether known about or not, including statutory and other pre-emptive rights and any transfer restrictions.

## 2. Conversion on change of control

- (a) If there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Shares, then:
  - (i) the relevant milestone will be deemed to have been achieved; and

- (ii) each Performance Share will automatically and immediately convert into Shares,

however, if the number of Shares to be issued as a result of the conversion of all Performance Shares due to a Change in Control Event in relation to the Company is in excess of 10% of the total issued share capital of the Company at the time of the conversion, then the number of Performance Shares to be converted will be pro-rated so that the aggregate number of Shares issued upon conversion of all Performance Shares is equal to 10% of the issued share capital of the Company.

### 3. **Rights attaching to Performance Shares**

- (a) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)** Each Performance Share confers on a Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of shareholders of the Company.
- (c) **(No Voting rights)** A Performance Share does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) **(No dividend rights)** A Performance Share does not entitle a Holder to any dividends.
- (e) **(Rights on winding up)** A Performance Share does not entitle a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (f) **(Return of capital)** A Performance Share does not entitle a Holder to a return of capital, whether in a winding up, upon a reduction of capital, or otherwise.
- (g) **(Not transferable)** A Performance Share is not transferable.
- (h) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (i) **(Quotation of shares on conversion)** An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Share within the time period required by the Listing Rules.
- (j) **(Participation in entitlements and bonus issues)** A Performance Share does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (k) **(No other rights)** A Performance Share does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.