



SEPTEMBER 2021 QUARTERLY REPORT

HIGHLIGHTS

- **Jade Gas Holdings commenced trading on the ASX on October 4 following a successful \$7.5 million capital raising**
- **The Company is focused on advancing its Coal Bed Methane gas project over the Production Sharing Agreement area of Tavantolgoi XXXIII unconventional oil basin, located in the South Gobi region of Mongolia**
- **Detailed Environmental Impact Assessment and Management Plan was granted by Ministry of Environment and Tourism**
- **Drilling and support service contracts expected to be finalised shortly**
- **Activities continuing with respect to seeking partners for Austrian Projects**

Following the acquisition of Jade Gas Pty Ltd, High Grade Metals changed its Company name to Jade Gas Holdings Limited (ASX:JGH) effective 24 September 2021.

Jade Gas Holdings (ASX:JGH) (**Jade** or the **Company**) is pleased to provide an update on activities at the TT CBM gas project in the South Gobi Basin in Mongolia (**TT CBM Project** or the **Project**).

TT CBM Project

Jade commenced trading on the Australian Securities Exchange (**ASX**) on October 4 after successfully raising \$7.5 million at \$0.03 per share.

Jade is focused on advancing its key Project, the Coal Bed Methane gas project over the Production Sharing Agreement (**PSA**) area of Tavantolgoi XXXIII unconventional oil basin. Jade will operate and manage the Project through its subsidiary Methane Gas Resource LLC (**MGR**), Jade's joint venture company with Mongolian state-owned Erdenes Methane LLC was formed to explore, develop and produce gas from the TT CBM Project.

Post end of quarter, Jade received a Detailed Environmental Impact Assessment and Management Plan (**EIA**) for the TT CBM Gas Project. The EIA was been granted by the Ministry of Environment and Tourism to MGR. Securing the EIA allows the Company to commence its appraisal stage six well drilling program, with the Company expecting to finalize drilling and associated support service contracts shortly to quickly progress to field activities.

Austrian Gold and Cobalt Projects

On 26 July 2019, the Company announced it had completed a strategic review into the Austrian projects and concluded:

1. The projects remain prospective for gold and cobalt mineralisation with the Leogang Cobalt project and Kreuzeck Gold projects considered key to the suite of projects whilst Schellgaden has been downgraded as a result of poor drilling results; and
2. The Board has determined that the best strategy for the advancement of the projects is to introduce a partner.

Consistent with the above, the Company continues to seek a partner for the projects.

Statement of Commitments

The current quarter is covered by the Statement of Commitments¹ outlined in the Prospectus dated 14 July 2021. A summary of expenditure to date is outlined below:

	Expenditure for the Qtr to 30 September 2021 (\$'000) ²	Expenditure described in Use of Funds in Prospectus (\$'000)
Cost of offer	\$0.00	\$650
Project evaluation		\$122
Commercial activities		\$331
Exploration and appraisal activities	\$0.00	\$4,327
Administration and working capital	\$0.00	\$2,070
Total	\$0.00	\$7,500

1 The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors. In light of this, the Board reserves the right to alter the way the funds are applied.

2 Expenditure pertaining to the raising under the prospectus did not commence until post 30 September 2021.

Corporate

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, the Company confirms that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 30 September 2021, pertain to payments to directors for fees, salary and superannuation.

Cash at Bank

Cash at bank at the end of the Quarter was A\$7.564M

- ENDS -

Authorised for release by: Joseph Burke, Executive Director.

For further information contact:

Joseph Burke
Executive Director
jburke@jadegas.com.au

Elvis Jurcevic
Investor Relations
ej@jadegas.com.au



About Jade Gas

Jade Gas Holdings Limited is a gas exploration company focused on the coal bed methane (**CBM**) potential of Mongolia. Jade's flagship project is the Coal Bed Methane gas project over the Production Sharing Agreement (**PSA**) area of Tavantolgoi XXXIII unconventional oil basin, (**TT CBM Project**). Jade will operate and manage the project through its subsidiary Methane Gas Resource LLC (**MGR**), a joint venture company (**JV**) partnering with Erdenes Methane LLC (**EM**), the representative of the Mongolian Government. The JV was formed with the intention to explore, develop and produce gas from the TT CBM Project located in the South Gobi region of Mongolia.

Jade's joint venture partner, EM, was awarded a PSA over the TT CBM Project area in April 2020, after completion by MGR of the requirements of a Prospecting Agreement (**PA**) held by JV partner EM over the area. In accordance with the joint venture agreements, Jade managed, fully funded and operated the fulfillment of the PA requirements during that period. Following approval of the Cabinet of Mongolia in October 2020, the PSA rights and obligations were fully transferred to the joint venture company MGR.

It is the strategy of Jade to seek to develop the Project so that gas produced may, in the long term, provide a reliable supply option to the oil and gas product market and to the power sector in Mongolia, both to the capital city of Ulaanbaatar and also into regional areas. Achievement of this strategy would partially

displace the use of imported gas and gas liquid products, reduce the use of higher carbon emission emitting fuel sources such as coal and diesel, and not only reduce the air pollution of the capital city of Ulaanbaatar, but also into regional areas as well as mitigating the reliance on imported electricity.

Supporting Mongolia's energy transition is a key priority for Jade, and success will result in:

- Improving Mongolia's energy independence;
- Supports capacity for Mongolia's significant future energy demand growth;
- Decarbonizing the economy by improving the energy mix with cleaner fuel sources; and
- Environmental, health and wellbeing benefits for the people and country of Mongolia.

Appendix 1 Schedule of Tenements Mongolia

Licence No.	Project	Country	Licence Type	Jade Gas Holdings Interest
628	TT CBM	Mongolia	Exploration	60% via 100% subsidiary Methane Gas Resource LLC

Appendix 2 Schedule of Tenements Austria

Tenement / Freischürfe	Project	Country	Licence Type	Jade Gas Holdings Interest
01/18/SN – 54/18/SN 02/05/S – 37/05/S 15/05/K – 135/05/K	Schellgaden	Austria	Exploration	100%
38/17/S – 67/17/S	Schwarzleo	Austria	Exploration	100%
68/17/S – 76/17/S	Seekar	Austria	Exploration	100%
77/17/S – 78/17/S	Zinkwand	Austria	Exploration	100%
01/GR/18 – 81/GR/18 01/17/T – 37/17/T	Gratlspitz	Austria	Exploration	100%
LE/01 – LE/33	Leogang East	Austria	Exploration	100%
136/05/K – 179/05/K	Kreuzeck West / Carinthia	Austria	Exploration	100%
180/05/K – 221/05/K	Kreuzeck East / Carinthia	Austria	Exploration	100%
222/05/K – 278/05/K	Goldeck – Sifflitz / Carinthia	Austria	Exploration	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

JADE GAS HOLDINGS LIMITED

ABN

55 062 879 583

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(5)	(77)
	(b) development	-	
	(c) production	-	
	(d) staff costs	-	
	(e) administration and corporate costs	(230)	(296)
1.3	Dividends received (see note 3)	-	
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	-	
1.6	Income taxes paid	-	
1.7	Government grants and tax incentives	-	
1.8	Other (provide details if material)	-	
1.9	Net cash from / (used in) operating activities	(231)	(369)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	
	(b) tenements	-	
	(c) property, plant and equipment	-	
	(d) exploration & evaluation (if capitalised)	-	
	(e) investments	-	
	(f) other non-current assets	-	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	Cash on the acquisition of subsidiary	90	90
2.6	Net cash from / (used in) investing activities	90	90

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,500	7,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	160	260
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	7,660	7,760

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	45	83
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(231)	(369)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	90	90
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,660	7,760

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,564	7,564

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,564	45
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,564	45

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

No directors' fees were paid during the period.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify) Directors' Loan

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
260	260
260	260

7.5 **Unused financing facilities available at quarter end**

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(231)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(231)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	7,564
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	7,564
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	32.74

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 October 2021

Date:

By authority of the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.