



## MARCH 2023 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

- **Strategic Placement at 6 cents to raise A\$10.7 million**
- **Extended testing of Red Lake-5 and -7 commenced**
- **Gas flare generated during extended testing**
- **Drilling of addition four wells in Red Lake north area commenced**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) provides its March 2023 quarterly activities report for its coal bed methane gas project at the Tavantolgoi basin in Mongolia (**TTCBM Project**) and the Baruun Naran permit (**BNG**).

#### A\$10.7 Million Strategic Placement

On 14 March 2023, the Company announced the successful completion of an A\$10.7 million Institutional Placement through the issue of 178,630,800 Placement Shares at an issue price of \$0.06 per share to strategic investor UB Metan LLC.

The \$0.06 per share represented a:

- 27.7% premium to the closing price of Jade shares on 9 March 2023 of A\$0.047 per share; and
- 23.7% premium to the 30-day volume weighted average (VWAP) price of Jade shares.

Jade intends to use the funds primarily for the pilot production program, which is designed to prove the commercial capability of the TTCBM Project, and for general and corporate purposes.

#### Extended Production Testing

Jade announced the commencement of extended production testing of the Red Lake-5 and Red Lake-7 wells at the TTCBM Project, with an un-metered gas flare was generated from the annulus of Red Lake-5.

The objectives for the testing are to:

1. Confirm stabilised inflow rates to assist in predicting performance of lateral wells planned for Q3 2023;
2. Obtain water samples from the coal seams to ascertain water quality and management requirements; and
3. Liberate gas from the coal seams to obtain a flowing gas sample for compositional analysis, which is expected to support the high methane contents observed from the coal samples at the surface.

#### Expansion of Exploration Drilling Program

Jade announced the commencement of its CY2023 exploration program to the market on 1 March 2023, with the objective of expanding the current Contingent Resources of the Company by building on the 13 well program executed in CY2022.

#### Jade Gas Holdings Ltd

ACN 062 879 583  
ASX: JGH

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#### Directors

Dennis Morton	Non-Executive Chairman
Chris Jamieson	Managing Director and CEO
Joseph Burke	Executive Director
Daniel Eddington	Non-Executive Director
Peter Lansom	Non-Executive Director

The Company announced four initial exploration wells to be drilled at the Red Lake area to the north of the field whilst performing extended production testing on the Red Lake-5 and Red Lake-7 wells. The information gathered across both this exploration and testing will provide vital information as the Company embarks on its pilot production program later in the year.

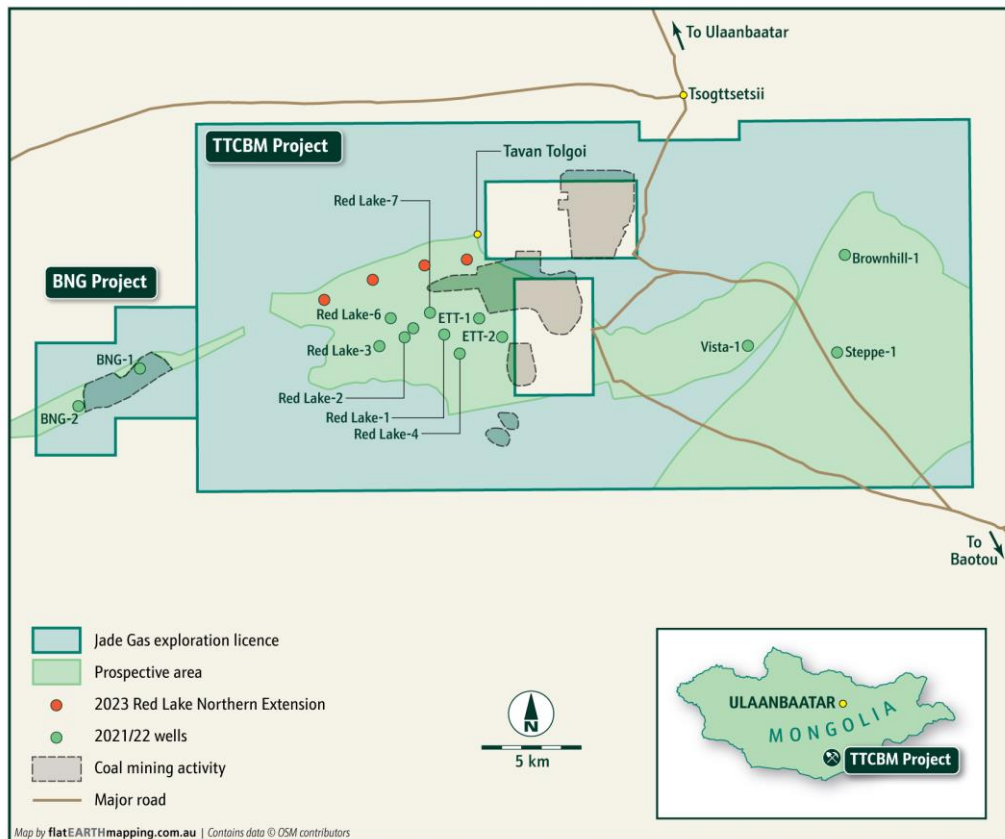


Figure 1 - Permit areas showing Red Lake Northern Extension drilling (red dots)

## Corporate

On 27 February, 48 million Performance Shares relating to the Austrian minerals tenements of High Grade Metals expired without meeting the performance milestones. In accordance with the terms of the Performance Shares, each holding was consolidated and converted to one Ordinary Share in the Company resulting in the issue of 40 Ordinary Shares.

Additionally, the Company released its Annual Report to the Market on 31 March along with the proposed date for its Annual General Meeting of Shareholders, which is 31 May 2023 at 11am Adelaide time.

### Statement of Commitments

A summary of expenditure to date against the Statement of Commitments, from the Prospectus dated 14 July 2021, the ASX Announcement made on 28 April relating to an Institutional Placement and the ASX Announcement made on 2 November relating to the Strategic Placement is outlined below:

	<b>Project expenditure to date as of 31 December 2022 (\$'000)</b>	<b>Expenditure described in Use of Funds in the Prospectus/Placement Announcement (\$'000)</b>
Cost of the offer	680	650
Project evaluation	109	122
Commercial studies	67	331
Exploration and appraisal activities <sup>1</sup>	5,428	4,327
Administration and working capital	2,070	2,070
<b>Total (Prospectus)</b>	<b>8,354</b>	<b>7,500</b>
TTCBM Project 2022 program	3,139	3,300
2023 Long lead items	500	500
Shivee Gobi Permit	18	300
Eastern Gobi Permit	28	300
Corporate and administration	2,300	2,300
<b>Total (Placement 28 April)</b>	<b>5,985</b>	<b>6,700</b>
2023 Long lead items and 2D Seismic	754	2,200
Corporate and administration	473	800
<b>Total (Placement 2 November)</b>	<b>1,227</b>	<b>3,000</b>

Note: The above table is a statement of current intentions and the allocation of funds set out in the above table may change. As such, the Board reserves the right to alter the allocation of funds within the various categories.

1. Includes costs relating to the establishment of camp, payments for contracted services for the six well drilling program, securing of long lead items and amendments to well design. Overspend has been driven by extending drilling times, increased camp costs, and unfavourable exchange rate movements.

### 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 31 March 2023, pertain to payments to Directors for fees, salary and superannuation.

### Cash at Bank

Cash at bank at the end of Q1 2023 was A\$1.67 million.

### Subsequent Event

Placement proceeds of A\$10.7 million were received in full in April.

- ENDS -



**Authorised for release on behalf of the Board by Chris Jamieson, Managing Director and CEO.**

**For further information contact:**

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**Appendix 1: Schedule of Tenements – Mongolia**

Licence Number	Project	Country	Licence Type	Jade Gas Holdings Interest
628	TTCBM	Mongolia	Exploration	60% via subsidiary Methane Gas Resource LLC
	Shivee Gobi	Mongolia	Prospecting Agreement	100% via subsidiary Jade Gas Mongolia FLLC
	Eastern Gobi	Mongolia	Prospecting Agreement	100% via subsidiary Jade Gas Mongolia FLLC
	BNG	Mongolia	Prospecting Agreement	66% via subsidiary Baruun Naran Gas LLC

## 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")

31 MARCH 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(564)	(564)
	(e) administration and corporate costs	(397)	(397)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	35	35
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (BAS refund)	113	113
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(815)</b>	<b>(815)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(78)	(78)
	(d) exploration & evaluation	(654)	(654)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(732)</b>	<b>(732)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	2	2
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2</b>	<b>2</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,240	3,240
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(815)	(815)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(732)	(732)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2	2

## 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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(22)	(22)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,673</b>	<b>1,673</b>

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	1,673	3,240
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,673</b>	<b>3,240</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	153
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

\$66k of Directors' fees and \$87k of remuneration to the Managing Director for his role as CEO were paid during the quarter.

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

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>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.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Director & Shareholder Loans	240	240
7.4	<b>Total financing facilities</b>	<b>240</b>	<b>240</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		
	Unsecured Director loan of \$100k provided on an interest free basis expiring 30 June 2023. Unsecured Shareholder loan of \$140k provided at 6% interest per annum expiring 9 August 2023.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(815)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(654)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,469)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,673
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,673
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.14
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 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?	
	Yes. Negative cashflows are commonplace for exploration and development companies prior to revenues from production being established. The Company expects negative cash flows to continue as the Company progresses into a pilot production phase in the subsequent periods.	



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

8.8.2 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?

Yes.

The Company announced the strategic placement of \$10.7 million through the issue of 178,630,800 fully paid ordinary shares to UB Metan LLC on 14 March 2023.

At the date of this release the funds have been received in full.

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

Yes.

Due to the strategic placement referred to above, the Directors believe that the Company will be able to continue its operations and meet its business objectives for the foreseeable future.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

**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.

Date: 28 April 2023

Authorised by: Authority of the Board  
(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.