

**Chairman's Address
To
Annual General Meeting
18 September 2020**

It is my privilege to be able to give my second Chairman's address to my fellow shareholders of Elixir Energy. At last year's AGM we were in the midst of drilling our first core-hole at Ugtaal-1. As foreshadowed at last year's AGM, the drilling programme signalled the commencement of the de-risking of our vast acreage, which we hoped would begin the laying of very solid foundations for this company's growth. This hope was not only vindicated, it was vindicated in spades. A truly remarkable year followed, notwithstanding the Coronavirus pandemic.

Elixir is fortunate to be operating in a country that has handled the pandemic exceptionally well. As at the time of writing, Mongolia has reported only 311 cases of COVID-19 with zero deaths. As a result, the only impact of the pandemic has had on Elixir is the ability to travel in and out of the country. As most of our requirements are sourced within Mongolia, this restriction has been overcome by modern communications technology, as our results readily attest.

Our first two low cost strat-holes were located near the Ugtaal-1 core-hole. Whilst thick coals were encountered in this area, the gas content and permeability, whilst encouraging, were at the lower end of our expectations.

It was with the core-hole at Nomgon-1 that our hopes were more than satiated. This well was spudded in mid-winter on 16th January this year in an entirely new sub-basin. By February 26th Elixir was able to announce Mongolia's first gas discovery, with not only thick seams but also a raw gas content of around 5 cubic metres/tonne of coal and acceptable permeabilities.

The results at Nomgon-1 encouraged the Board to raise the necessary funds for further delineation work of the Nomgon area in what were difficult financial conditions on the ASX. Both the investor placement and the Share Purchase Plan were heavily oversubscribed and had to be drastically scaled back. Notwithstanding the scale-back the Company was able to raise a gross amount of \$3.3 million.

By June the final gas content results at Nomgon-1 were announced, showing on a dry ash free (DAF) basis the gas content was around 9 cubic metres/tonne of coal. This good omen was the beginning of our next round of exploration, which commenced with a 106 kilometre 2D seismic programme.



On 20th July we spudded the Nomgon-2 appraisal well. This coincided with the announcement that the measured coals in the Nomgon-1 well were close to fully gas saturated. These stellar results have been more or less replicated in Nomgon-2, but with the added factor of materially better permeability results. We are clearly onto something. These results, together with the fact that the Nomgon 3S & 4S strat-holes also showed good coal thicknesses, encouraged your Board that this sub-basin should prove to be well and truly commercial.

China, which may well be our ultimate market, has not felt the economic effects of COVID-19 as other developed economies, with gas prices there holding up. Elixir, however, has demonstrated that its economic value is not hostage to the PRC, with the announcement of an offtake MOU with a Mongolian fuel retailing company.

This has been a stellar year for the shareholders of Elixir and like at last year's AGM, we may well be drilling ahead as we virtually meet.

To conclude it would be remiss of me not to acknowledge and thank my fellow Directors for their contributions made during this remarkable year and in particular those of Mr Byambasaikhan, who unfortunately had to resign during the year for personal reasons.