



MARCH 2022 QUARTERLY REPORT

HIGHLIGHTS

TTCBM Project

- Red Lake-1: 1,012 metres total depth; targeted coal seams intersected between 730 and 970 metres; ~58 metres of gas bearing coals recovered; 98% methane identified in coal seam III and 92.5% methane identified in coal seam IV; gas content between 11-15m³/tonne
- Red Lake-2: 790 metres total depth; ~47 metres of gas bearing coals recovered
- Red Lake 3: 702 metres total depth; ~10 metres of gas bearing coals recovered
- Red Lake 4: 864 metres total depth; ~124 metres of gas bearing coals recovered

Shivee Gobi and Eastern Gobi Permits

- Acquired 100% ownership of both permits with minimal expenditure commitments
- Permits cover a total area of greater than 18,000 km² and are situated in known coal basins with significant coal deposits

Corporate

- Peter Lansom appointed to the Board as a Non-Executive Director effective, 1 February 2022

Subsequent Events

- Oversubscribed Institutional Placement raising ~\$6.7 million
- Independently assessed Prospective Resources for Shivee Gobi and Eastern Gobi of 2U (Best) 5.4 Tcf¹
- Non-binding gas offtake memorandum of understanding signed with UB Metan LLC

TTCBM Project

The six well program commenced with the spudding of Red Lake-1 at Jade Gas Holding Ltd's (**Jade** or the **Company**) flagship Coal Bed Methane (**CBM**) project, over the Production Sharing Agreement (**PSA**) area of Tavantolgoi XXXIII unconventional gas basin, in the South Gobi Basin in Mongolia (**TTCBM Project**).

Jade has a 60% interest in the TTCBM Project (with 40% held by Erdenes Methane LLC, a Government owned entity) and is targeting natural gas from three coal seams of interest, IV, III and 0. The drilling program will improve the Company's understanding of the central core area which has an associated Gross Prospective Resource of 1.0 Tcf² of gas.

Red Lake-1 reached total depth (**TD**) of 1,012 metres, with all the three coal seams of interest intersected and cored between 730 metres and 970 metres depth. The extensive coring program delivered a total of 145 metres of coal, 58 metres of which had gas coming off the recovered core.

Red Lake-1 delivered strong results in the form of gas composition and gas content. The gas content determination work was undertaken on site by local staff under instruction and review by ALS in Australia.

1. Refer ASX release dated 28 April 2022

2. Refer RISC 2021 independent evaluation report in Prospectus dated 14 July 2021

Compositional analysis was completed at the National University of Mongolia in Ulaanbaatar. Numerous gas samples from the thick seam IV in Red Lake-1 delivered consistent gas compositions of 92.5% methane and 7.5% CO₂. Compositional samples from seam III, the highest gas content seam intersected by the well, indicate methane at approximately 98%. Gas content from coal seams IV, II and 0 in Red Lake-1 averaged between 11-15m³ per tonne (dry ash-free basis), a level consistent or better than many commercial CBM fields around the world, including those in the Bowen and Surat CBM basins in Queensland.

Red Lake-2 is located approximately 2.5 kilometres west of Red Lake-1 (see location in figure 1) and was spudded on 6 February 2022. The well reached TD at 790 metres, with 46.8 metres of gas bearing coal intersected in the coal seams of interest.

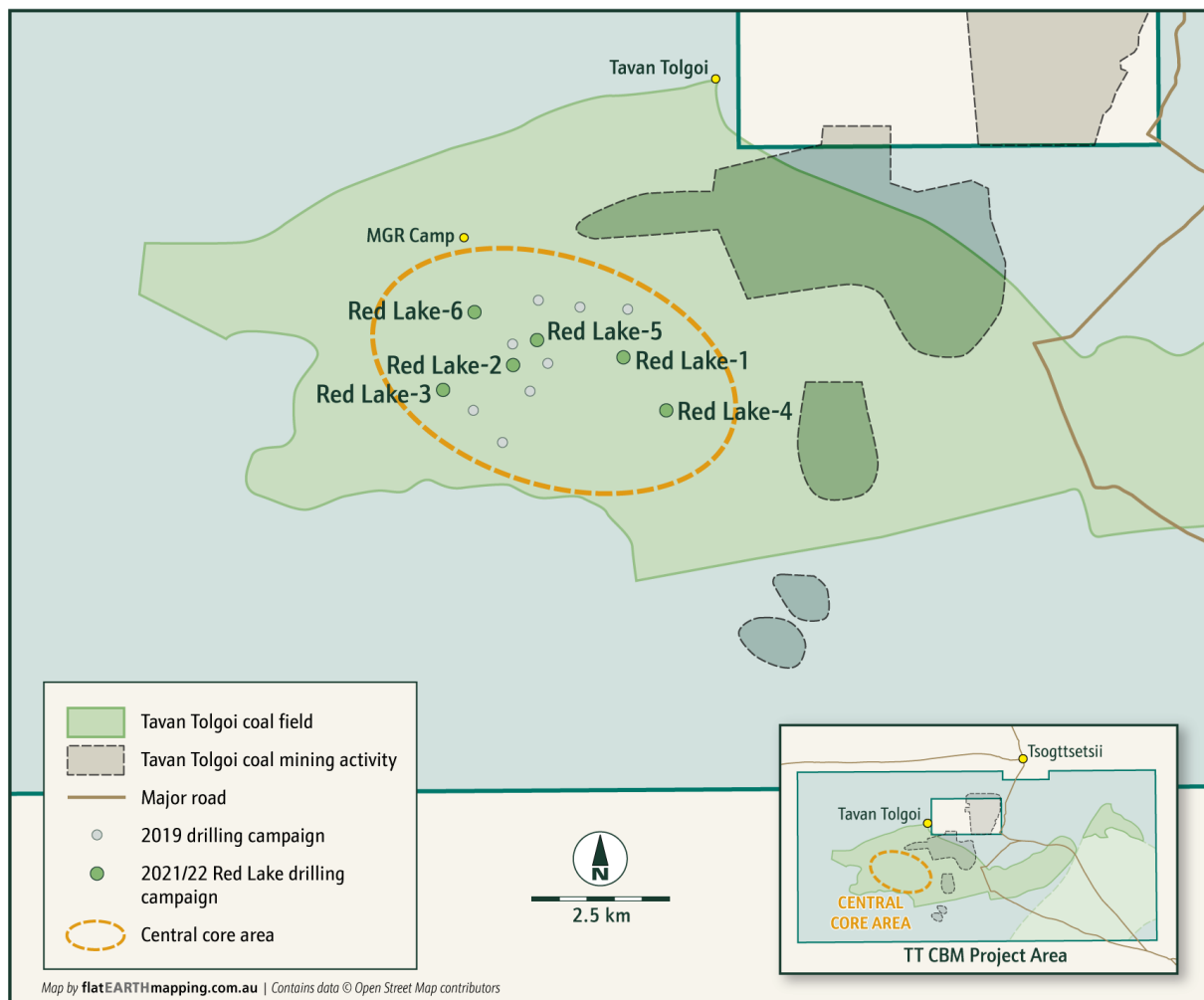


Figure 1: Well locations at Red Lake

The redrill of the Red Lake-3 well is located approximately 3.5 kilometres west of Red Lake-1 (see location in figure 1). The well reached TD at 702 metres, recovering 10 metres of gas bearing coal (only from seam 0) from a total of 82 metres of coal core recovered.

Red Lake-4 spudded on 31 January and is located approximately 1.5 kilometres south-east of Red Lake-1 (see location in figure 1). The well reached TD at 864 metres, recovering 124 metres of gas bearing coal (including seam VIII) from a total of 182 metres of coal core recovered.

Shivee Gobi and Eastern Gobi Permits

Jade secured 100% of two highly prospective CBM permits, covering an expansive area of greater than 18,000 km² that sit over existing coal mines and coal deposits. The granting of new Prospecting Agreement permits (**PA's**) to Jade reflects the strong in-country relationships that Jade has with the Mongolian Government regulator, the Mineral Resources and Petroleum Authority of Mongolia (**MRPAM**), and its confidence in Jade to deliver value-adding exploration and appraisal programs. The granting of these PA's also builds on Jade's previous experience in successfully completing prospecting work and successfully negotiating a Production Sharing Agreement (**PSA**) with the Mongolian Government and regulators.

The Shivee Gobi permit covers an area of 8,317 km² and is located approximately 300 kilometres south of Ulaanbaatar. Within the permit is the Shivee Ovoo coal deposit, which is 35 kilometres in length and covers an area of 29,500 hectares, trending from north-east to south-west. The coal reserves at Shivee Ovoo have been estimated at approximately 2.7 billion tonnes. Jade has negotiated minimal expenditure commitments for the Shivee Gobi permit over the first three years under the PA of US\$110k.

The Eastern Gobi permit covers an area of 9,691 km² and is located approximately 450 kilometres south of Ulaanbaatar. The Eastern Gobi permit is also home to a significant coal deposit that is highly prospective for CBM. Jade has negotiated minimal expenditure commitments for the Eastern Gobi permit over the first three years under the PA of US\$160k.

Corporate

The Company appointed Peter Lansom to the Board as a Non-Executive Director (**NED**), replacing Mr Brad Drabsch, effective 1 February 2022. Peter holds a Bachelor of Petroleum Engineering (Honours) degree from the University of NSW and has over 30 years' experience in conventional and unconventional exploration, appraisal and development in the oil and gas industry. He has worked in a number of executive roles for ASX listed companies including Managing Director at Galilee Energy Ltd, Executive Director - Operations at Eastern Star Gas Ltd, Chief Petroleum Engineer at Origin Energy Ltd and Santos Ltd.

Subsequent Events

A\$6.7m Institutional Placement Completed

The successful placement of 128.0 million shares via an oversubscribed Institutional Placement was completed, raising approximately A\$6.7 million (\$6.3 million after costs). Shares were placed to institutional and sophisticated investors at an issue price of \$0.052. The Institutional Placement was cornerstoned by existing shareholder UB Metan LLC for \$1.0 million.

The funds raised will be primarily used for accelerating exploration and appraisal works at the TTCBM Project, purchasing long lead items for the 2023 Pilot Production program, drilling exploration wells and undertaking a 2D seismic survey at the recently acquired Shivee Gobi and Eastern Gobi permits, and corporate and administration costs.

Materially Significant Prospective Resources for Jade's new Mongolian CBM permits

RISC Advisory (**RISC**) has independently assessed a Gross Unrisked Prospective Resource of 1U (Low) 1.0 Tcf, 2U (Best) 5.4 Tcf and 3U (High) 24.4 Tcf for the Shivee Gobi and Eastern Gobi permits. Both permits are held 100% by Jade, which it believes are highly prospective for CBM over the sizeable permit areas of greater than 18,000 km².

The gross unrisked Prospective Resource estimated by RISC is detailed in the table below.

Permit	Field / Area	Gross Unrisked Prospective Resources (Bcf)		
		1U (Low)	2U (Best)	3U (High)
Shivee Gobi	Cretaceous brown	300	1,500	4,700
	Jurassic 'hard'	200	500	1,300
Eastern Gobi		450	3,400	18,400
Arithmetic Summation		950	5,400	24,400

Notes to the table:

1. The prospective resource 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 moveable hydrocarbons.
2. Probabilistic methods have been used.
3. Note the totals are derived by arithmetic aggregation of the resources, as a result RISC cautions that the Low Estimate aggregate quantities may be very conservative estimates and the High Estimate aggregate quantities may be very optimistic due to portfolio effects.
4. No correction for potential inert content such as N₂ or CO₂ has been applied.
5. Resource estimates rounded to 50 Bcf.

MOU for potential gas sales

A non-binding gas offtake memorandum of understanding (**MOU**) was signed for potential gas sales to Mongolia's largest liquified natural gas (**LNG**) importer and gas distributor, UB Metan LLC (**UBM**), which is also an existing major shareholder of Jade. The partnership is driven by an alignment to support Mongolia's desire for improving the Country's energy independence, energy mix, and meeting climate change commitments that will ultimately improve the health and well-being of the Mongolian people.

The terms of the MOU include:

- UBM to have a non-exclusive option for gas supply from initial production from Jade's TTCBM Project; and
- The parties working toward negotiating a binding gas sales agreement that will contemplate commercial terms on a long form offtake agreement (expected following the outcome of the 2023 Pilot Production program at the TTCBM Project).

The MOU sets the foundation for UBM to become an integrated partner, which could include the potential provision of necessary infrastructure to support on-site compression of natural gas (**CNG**) and transportation to Ulaanbaatar, nearby towns and mining sites.

Austrian Gold and Cobalt Projects

During the quarter Jade entered into various Sale and Purchase Agreements with Richmond Minerals Inc. (a minerals exploration company listed on the TSX-V in Canada) to affect the disposal of Jade's Austrian Gold and Cobalt Projects, for nominal consideration. The Austrian Gold and Cobalt Projects were acquired by Jade as part of the reverse-takeover by Jade of ASX listed High Grade Metals Limited in 2021. The transactions are expected to complete during Q2 2022.

Statement of Commitments

A summary of expenditure to date against the Statement of Commitments, from the Prospectus dated 14 July 2021, is outlined below:

	Project expenditure to date as of 31 March 2022 (\$'000)	Expenditure described in Use of Funds in the Prospectus (\$'000)
Cost of the offer	680	650
Project evaluation	109	122
Commercial studies	-	331
Exploration and appraisal activities ¹	3,252	4,327
Administration and working capital ²	896	2,070
Total	4,397	7,500

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 and securing of long lead items.

2. Includes upfront payments of annual statutory and insurance fees as well as the settlement of an existing tax liability.

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 2022, pertain to payments to directors for fees, salary and superannuation.

Cash at Bank

Cash at bank at the end of Q1 2022 was \$2.65 million. Subsequent to the end of the quarter, Jade successfully completed a capital raising of \$6.7 million.

Notes to Accompany Prospective Resource Estimates

- Estimates presented are sourced from Prospective Resources Assessment, Shivee Gobi & Eastern Gobi, RISC Advisory, April 2022.
- Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.
- Jade's working interest share of both the Shivee Gobi and Eastern Gobi Prospecting Agreements is 100%, as detailed in an announcement to the ASX on 9 February 2022. Jade has negotiated the expenditure commitments for the Prospecting Agreements over a three-year prospecting period. The work program includes desktop studies over the coming months, technical studies, including surveys, followed by drilling, coal sampling and gas testing over the prospecting period.

Depending on the outcome of exploration activities over the Prospecting Agreement period, it is possible that the areas may be converted to Production Sharing Agreements (PSA), the terms of which will be negotiated at that point. At this stage of the asset's lives it is not possible to determine the level of Jade's equity share that may be negotiated under a future PSA. Further, there is significant uncertainty over possible gas prices, development and operating costs and production profiles which will affect potential PSA outcomes and therefore Jade considers it appropriate to report Prospective Resources on a 100% basis. As royalties are not payable in kind in Mongolia, no netting out adjustment is made under listing rule 5.25.5.

d) Prospective Resource assessments in this release were estimated using probabilistic methods. The exploration assets are at an early stage of assessment and RISC's analysis has been largely limited to public domain data due to the lack of information for the permits. RISC has relied upon data supplied by Jade in addition to reviewing areal extent against out-crop geology, sub-basin mapping and used available public domain thickness, ash and moisture content information. No gas content data exists in the Shivee Gobi or Eastern Gobi areas and coal maturity data has been used to bracket gas content range against global analogues.

The assessment of petroleum assets is subject to uncertainty because it involves judgments on many variables that cannot be precisely assessed, including reserves/resources, future oil and gas production rates, the costs associated with producing these volumes, access to product markets, product prices and the potential impact of fiscal/regulatory changes

The statements and opinions attributable to RISC are given in good faith and in the belief that such statements are neither false nor misleading. In carrying out its tasks, RISC has considered and relied upon information obtained from Jade as well as information available in the public domain. The information provided to RISC has included both hard copy and electronic information supplemented with discussions between RISC and key Jade staff.

e) The Prospecting Area licences are known to contain coal seams that are considered prospective for Coal Seam Gas (Coal Bed Methane) by Jade and independently by RISC Advisory. An assessment has not been made of the chance of discovery of Coal Seam Gas nor the chance of commercial development. Further desktop, field studies and exploration drilling are required to assess the chance of discovery and commercialisation. All numbers reported are unrisks.

f) The hydrocarbon resource estimates in this release have been compiled by Mr Adam Craig who is an employee of RISC Advisory as the inaugural Prospective Resources Assessment, Shivee Gobi and Eastern Gobi, dated April 2022. Mr Craig is a highly experienced Geoscientist and Manager, with over 30 years' experience in the upstream oil and gas sector working for small and mid-size independents, as well as NOC related entities. He is a Certified Practising Geologist and member of AAPG, PESA (2021/22 WA Branch President) and a Fellow of the Geological Society. He holds BSc in Geology from Curtin University, Western Australia and is a qualified petroleum reserves and resources evaluator (QPRRE) as defined by ASX listing rules.

- ENDS -



Authorised for release on behalf of the Board by Joseph Burke, Executive Director.

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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

Appendix 2: Schedule of Tenements – Austria

Tenement / Freischurfe	Project	Country	Licence Type	Jade Gas Holdings Interest
01/18/SN – 54/18/SN 02/05/S – 37/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	Gratlsitz	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")

31 MARCH 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2	2
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(355)	(355)
	(e) administration and corporate costs	(245)	(245)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	(27)	(27)
1.9	Net cash from / (used in) operating activities	(620)	(620)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(153)	(153)
	(d) exploration & evaluation	(945)	(945)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	30	30
	(c) property, plant and equipment	41	41
	(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	-	-
2.6	Net cash from / (used in) investing activities	(1,027)	(1,027)

3.	Cash flows from financing activities		
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	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,373	4,373
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(620)	(620)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,027)	(1,027)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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	(81)	(81)
4.6	Cash and cash equivalents at end of period	2,645	2,645

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	2,645	4,373
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)	2,645	4,373

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	39
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>		

\$38,500 of Directors' fees were paid during the quarter.

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

7.	Financing facilities <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>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Director & Shareholder Loans	327	327
7.4	Total financing facilities	327	327
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.		
	Unsecured Director loan of \$100k provided on an interest free basis expiring 30 June 2023. Unsecured Shareholder loan of \$227k provided at 6% interest per annum expiring 9 August 2023.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(620)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(945)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,565)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,645
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,645
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.69
	<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?	
	Answer: The Company expects that operational cash flows will remain consistent for the remainder of the year due to the requirements to source items with long lead times for the 2023 year along with pursuing analysis and exploration work on the Shivee Gobi and Eastern Gobi permits in addition to the extended production testing of Red Lake-5 and Red Lake-6 after the completion of the current 6 well drilling program at the TTCBM project.	

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?

Answer: Yes, the company announced on 28 April 2022 the successful completion of an institutional placement raising A\$6.7 million for the purposes of the TTCBM project 2022 program, securing long lead items for the 2023 program, analysis and exploration costs for the Shivee Gobi and Eastern Gobi permits and corporate and admin costs.

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?

Answer: Yes, following the successful placement announced on 28 April 2022 the Company believes it capable of meeting to objectives off the business.

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: 29 April 2022

Authorised by: 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.