



## DECEMBER 2024 QUARTERLY ACTIVITIES REPORT

- **Jade well advanced in delivering on commercial strategy, targeting gas flows in 2025 that will also enable customer contracts and reserves booking**
- **Gas production program on track to deliver in 2025 with production well drilling and completion program continued with initial two of four wells**
- **Crucial monitoring well completed, a key component in the horizontal production well program**
- **Remaining exploration wells from the 2024 program successfully completed that encountered multiple gassy coal intersections consistent with broader Red-Lake results**
- **A\$3.63m raised to accelerate gas production strategy, with the Company now funded to complete its initial production well program through to confirming gas flow and reserve booking**
- **A\$7.6m of the A\$11m UBM convertible note drawn down with A\$3.4m remaining**

Jade Gas Holdings (ASX:JGH, **Jade** or the **Company**) provides its December 2024 quarterly activities report for its coal bed methane gas project at the Tavantolgoi basin in Mongolia (**TTCBM Project**), in the South Gobi region of Mongolia.

### Gas Production Program

Drilling of the first two surface wells from a single drilling pad is completed, laying the foundation for the completion of the lateral components in the coming weeks. This is part of the initial four production well program which aims to demonstrate commercial gas production and establish gas reserves. The Company aims to take advantage of high local gas demand, in particular for Liquefied Natural Gas (**LNG**) sales to replace diesel consumption in the South Gobi region.

A crucial monitoring well which will be utilised to support the horizontal program was drilled to 385 metres where 4 1/2" production casing was set. The well was then drilled through the target coal seam, seam III to provide depth control at the toe for the horizontal program, confirm continuity of gas content along the length of the lateral and provide a monitoring point to observe pressure response in the coal seam. The well intersected 10.8 metres of gassy coal compared to prognosed thickness of 10 metres and intersected the coal approximately 7 metres higher than expected. This data has been used to confirm the trajectory of the horizontal wells. The preliminary gas content estimate is approximately 14 m<sup>3</sup>/t (DAF), pending completion of core studies, which compares favourably to the Red Lake-7 gas content in seam IIIb at the heel of the lateral of 15 m<sup>3</sup>/t (DAF) (see ASX Announcement 11 December 2024).

### Directors



Jade's drilling contractor, DWK is currently operating the largest rig of its kind in Mongolia that is being used to exploit Coal Bed Methane (CBM) and is intended to remain at the TTCBM project to support the next 20 well program planned in 2025.



Figure 1: DWK rig in place for Jade's lateral well program

### 2024 Exploration Program Finalised

The Red Lake gas field hosts a Gross Contingent Resources estimate of 1C / 118 Bcf, 2C / 246 Bcf and 3C / 305 Bcf<sup>1</sup>, which was the largest Contingent Resources for coal bed methane in Mongolia booked at the time (see ASX Announcement 23 August 2022). In addition to the production program currently underway, during Q3 and Q4 2024 Jade drilled an additional three exploration wells on the Red Lake field.

<sup>1</sup> The Contingent Resources referred to in this announcement were first reported by the Company on 23 August 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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Results from Red Lake wells 17-19 included:

- Red Lake-17 was drilled to Total Depth (TD) of 483 metres and encountered 115 metres of coal intervals, including 32.6 metres of gassy coal. (The original RL17 encountered difficult drilling conditions in the shallow sections and a decision was made to slightly relocate the well for re-drill as RL-17R);
- Red Lake-18 drilled on the boundary of Jade’s prospective area was drilled to TD of 432 metres and encountered 52 metres of coal intervals, including 2.6 metres gassy coal; and
- Red Lake-19 was drilled to TD of 321 metres and encountered 37 metres of coal intervals, included 14.7 metres of gassy coal.

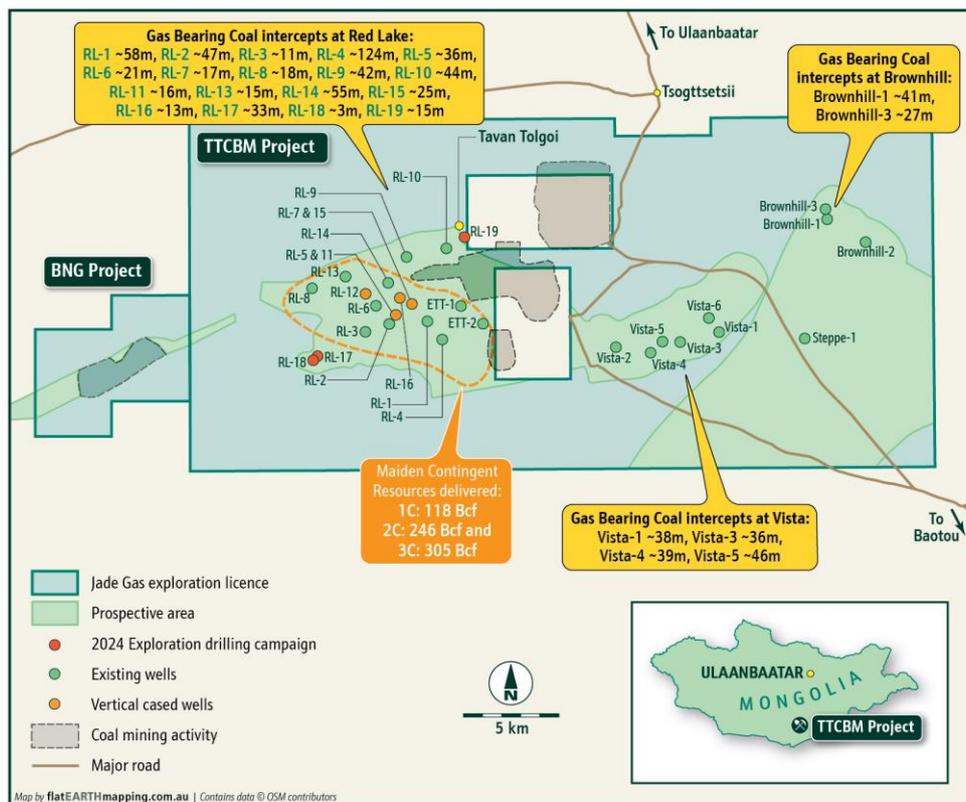


Figure 2: Map showing wells drilled at TTCBM Project

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### Corporate

#### Financing

As announced on 4 December 2024, the Company raised A\$3.63 million at 3.3c per share in a well-supported Placement to new and existing professional and sophisticated investors. Funds will primarily be used to support the Company’s strategic initiatives with respect to long-term development options to achieve significant gas revenues from the Red Lake gas field.

#### Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, the Company confirms the payments to related parties of the Company as per item 6.1 of the attached Appendix 5B was A\$252k for the period ended 31 December 2024. These payments are for Directors fees, salary and superannuation.

**Financial**

Cash at bank at the end of 31 December 2024 was A\$1.46 million. Exploration & evaluation expenditure for the quarter was A\$3.1 million related to the pilot production program.

**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

**Mining Tenements disposed:** Nil

**Beneficial percentage interests held in farm-in or farm-out agreements:** Nil

**Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed:** Nil

- ENDS -

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

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## About Jade Gas Holdings Ltd

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, (TTCBM Project). Jade operates and manages the project through its subsidiary Methane Gas Resource LLC (MGR), a joint venture (JV) company partnering with Erdenes Methane LLC (EM), the representative of the Mongolian Government. The TTCBM Project has a 2C Gross Unrisked Contingent Resource of 246 Bcf\*.



Jade also entered into a JV with Hong Kong listed Mongolia Mining Corporation Limited (MMC), for the CBM rights over MMC's Baruun Naran coal mine, immediately adjacent to the TTCBM Project, called the BNG Project. MMC is Mongolia's largest publicly traded miner with a vision is to become the country's largest diversified mining company. With a known coal resource and operating mine at Baruun Naran, Jade is working with MMC to further appraise and determine the commercial pathway for gas in this project.

Furthermore Jade holds two prospective CBM permits, Shivee Gobi and Eastern Gobi. Together the permits cover an area of over 18,000km<sup>2</sup> and are well located within existing coal basins and near coal deposits and mines.

Jade's strategy is to develop all of its projects so that gas produced may, in the long-term, provide an economically viable and reliable supply option to the power and transport sectors in Mongolia, initially in the South Gobi. The Company is pursuing multiple commercialisation options to participate in the heavy vehicle transport and power sectors through both compressed and/or liquified natural gas projects. Achievement of Jade's strategy will displace the heavy reliance on imported gas and gas liquid products, especially diesel fuel, and coal fired power. This will increase the security of energy supply for Mongolia as well as provide significant improvement in air quality and other environmental outcomes.

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

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

\* Refer ASX Release dated 23 August 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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**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 December 2024

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. 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	(417)	(1,505)
(e) administration and corporate costs	(140)	(1,612)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	13	35
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(534)</b>	<b>(3,064)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(8)	(11)
(d) exploration & evaluation	(3,064)	(7,112)
(e) investments	-	-
(f) other non-current assets	-	-



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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,072)</b>	<b>(7,082)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,630	3,630
3.2	Proceeds from issue of convertible debt securities	920	5,940
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(126)	(126)
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	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,424</b>	<b>9,444</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	652	2,130
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(534)	(3,064)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,072)	(7,082)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,424	9,444
4.5	Effect of movement in exchange rates on cash held	(10)	32
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,460</b>	<b>1,460</b>



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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	1,460	652
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,460</b>	<b>652</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	252
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

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 \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other Convertible note facility	11,000	7,558
<b>7.4 Total financing facilities</b>	<b>11,000</b>	<b>7,558</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>3,442</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.		
<p>Convertible note facility with UB Metan LLC for A\$11,000,000. The Notes are unsecured, incur interest at 10% per annum, convert at A\$0.045 and have a maturity date of 12 months from the date the funds are received in full. Refer to ASX announcement dated 2 November 2023.</p>		



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<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(534)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,064)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,598)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,460
8.5	Unused finance facilities available at quarter end (item 7.5)	3,442
8.6	Total available funding (item 8.4 + item 8.5)	4,902
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.3
<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	
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?	
	The Company currently has sufficient placement capacity to be able to undertake a capital raising if and as required. Based on previous funding initiatives which have been well supported, the Company believes any steps taken would be successful in raising the funds required to continue with the planned level of operations.	
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, for the reason noted in 8.8.2 above.	
<i>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.</i>		

**Compliance statement**

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

Date: 31 January 2025

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

**Notes**

- 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.
- 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.
- 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.

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