JADE GAS HOLDINGS LIMITED

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HALF-YEAR REPORT 30 JUNE 2024

CORPORATE DIRECTORY

Board of Directors
Mr Dennis Morton - Executive Chairman
Mr Joseph Burke - Executive Director
Mr Daniel Eddington - Non-Executive Director
Mr Ian Wang - Non-Executive Director
Mrs Uyanga Munkhkhuyag – Non-Executive Director

Company Secretary
Mr Aaron Bertolatti

Principal and Registered Office
Level 1, 66 Rundle Street
Kent Town SA 5067
Telephone: +61 437 603 294
Facsimile: (03) 9614 0550

Share Registry
Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000
Telephone: 1300 850 505

Auditors
BDO Audit Pty Ltd
Level 7, 420 King William Street
Adelaide SA 5000

Stock Exchange Listing Australian Securities Exchange Share Code: JGH

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DIRECTORS' REPORT

The Directors of Jade Gas Holdings Limited ("the Company", or "Jade") submit their report, together with the financial report of Jade Gas Holdings Limited and its controlled entities ("the Group") for the six-month period ended 30 June 2024.

Directors

The names of the Company's directors in office during the financial period and until the date of this report are detailed below. Directors were in office for the entire period unless otherwise stated.

Director	Position
Mr Dennis Morton	Executive Chairman
Mr Joseph Burke	Executive Director
Mr Daniel Eddington	Non-Executive Director
Dr Ian Wang	Non-Executive Director
Mrs Uyanga Munkhkhuyag	Non-Executive Director

The office of Company Secretary is held by Mr Aaron Bertolatti.

Principal Activity

The principal activity of the Company during the financial period was Mongolian coal bed methane (**CBM**) exploration and appraisal activities.

Dividends

No dividends were paid or proposed during the half-year ended 30 June 2024.

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OPERATIONS REVIEW

Operating Results

The Group recorded a net after-tax loss from operations of $2,422,444 (June 2023: $2,526,781). At 30 June 2024 the Group held cash and cash equivalents totalling $664,865 (December 2023: $2,129,615).

The first half of 2024 was an eventful one for the Company, with significant progress made at the flagship Tavan Tolgoi CBM Project as Jade progresses appraisal activities towards first production. Activity at Baruun Naran (BNG Project) was also heightened with the completion of the initial drilling program on schedule and with very pleasing results.

On the commercial front, the Company continued to build its relationships with key strategic partners, advancing the existing MOU with strategic partner and major shareholder, UB Metan LLC (UBM), and expanding the joint venture relationship with Mongolian Mining Corporation LLC (MMC) at BNG to a broader agreement to cooperatively expedite gas production.

2024 Drilling Program

Following the highly successful 2023 exploration campaign, Jade completed a full technical review which defined the 2024 operations plan which included drilling programs in both the Red Lake and Baruun Naran areas. As required under the terms of the Production Sharing Agreement, a tender process was undertaken to confirm contractors for the Red Lake program.

The initial part of both the TTCBM and BNG 2024 programs were designed to determine the quickest pathway to commercial production across Jade's gas projects which have established potential over a ~45km gas field footprint.

Tavantolgoi CBM Project (TTCBM)

Jade has a 60% legal and beneficial interest in the joint venture (JV) company Methane Gas Resource LLC (MGR) which holds a production sharing agreement (PSA) with the Mineral Resources and Petroleum Authority of Mongolia (MRPAM) providing the rights to explore and exploit CBM over the area of the Tavantolgoi coal field. This is covered by ore exploration licence 628 over the total permit area of 665km^2. The PSA was originally awarded to government owned JV partner Erdenes Methane LLC (EM) and transferred to MGR under the JV agreement on 14 October 2020. The PSA allows for up to 10 years of exploration and a further 30 years of CBM exploitation.

Under Jade's Investment Agreement with EM, Jade will solely fund the TTCBM Project to the completion of a definitive feasibility study (DFS), at which time both parties will fund the TTCBM Project on a pro-rata basis, subject to certain conditions.

On 23 August 2022, the Company announced a Contingent Resource at TTCBM as set out in the table below.

TTCBM Project (Red Lake area only)	Unrisked Contingent Resources (Bcf)		
	1C	2C	3C
Gross Recoverable Gas	**118**	**246**	**305**
Net Recoverable Gas	**71**	**148**	**183**

Table 1: Unrisked Contingent Resource at TTCBM (*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 report and that all the material assumptions and technical parameters underpinning the estimates continues to apply and have not materially changed.

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Red Lake Development

In 2024, the Company planned to commence the initial pilot production program as well as undertake additional exploration in the permit.

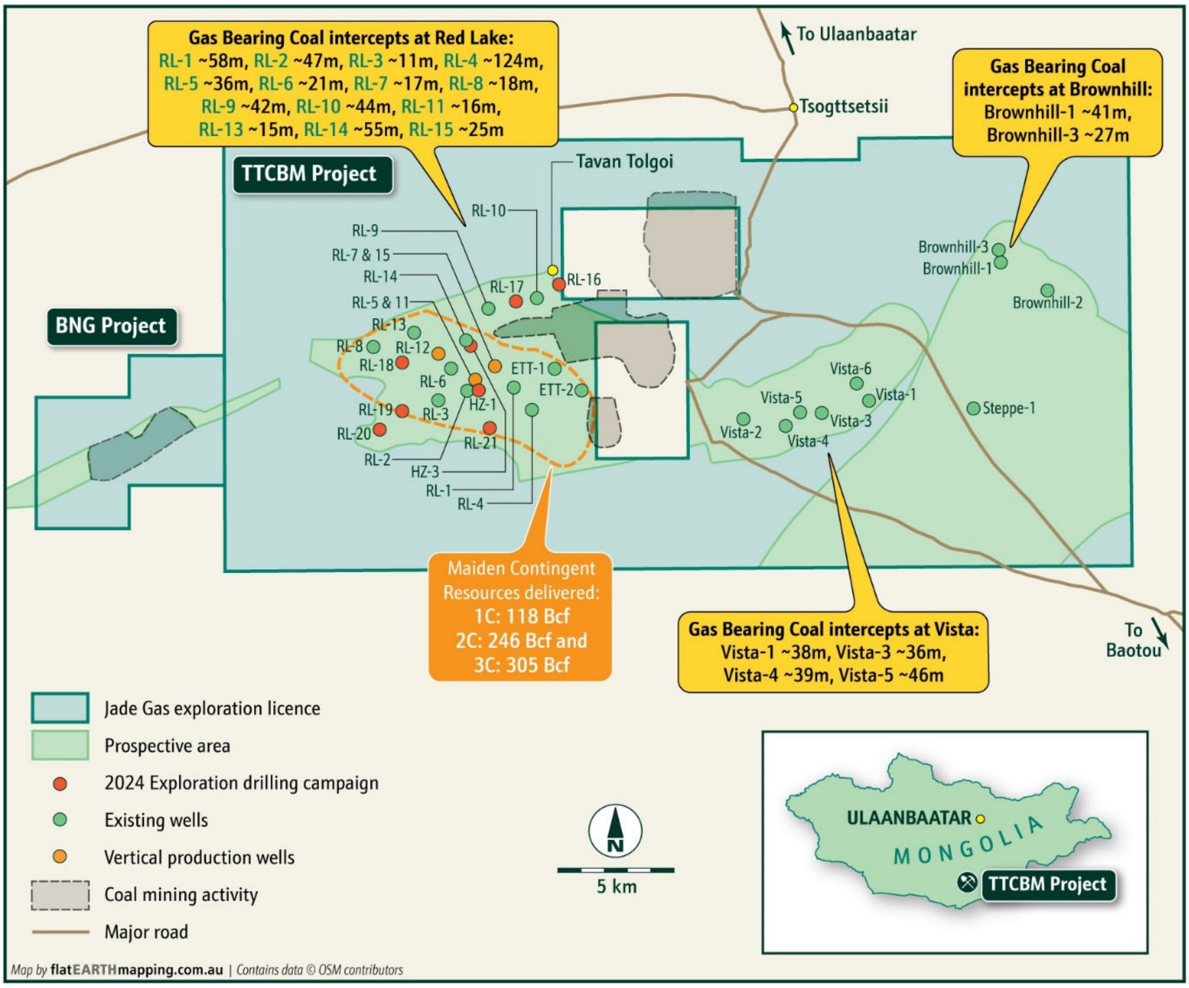

Figure 2: Map showing planned wells to be drilled at TTCBM

Production Drilling Program

The Production Drilling Program was designed with the drilling of four horizontal Pilot Production wells which were to intersect the four vertical production wells at Red Lake-5, 7, 11, and 15. Each well was expected to have a lateral section of around one kilometre, designed to provide a much larger exposure to the gassy coal intersection when compared with a vertical well. The plan would see the horizontal wells drilled and completed via the vertical well. Once completed, the flow testing would start on each well, resulting in an acceleration of first water and gas flows. An initial Pilot Production program was originally expected to commence in late 2023, but was delayed due to weather and logistical constraints, and rescheduled for early 2024. The Pilot was forecast to take up to six months, leading to an expectation of a 2P Reserve booking over the Pilot Production area. However, given additional data analysis, this plan was later upgraded to focus on drilling for more immediate production readiness (see below).

In addition to the four well production program in 2024, Jade's technical planning envisages that a further 171 production wells will be completed during the next phase of the Red Lake development.

Exploration

Also in 2024, six new exploration wells were planned (Red Lake wells 16-21) with the objective to expand the existing 246 Bcf resource, leverage seismic data to maximise understanding of regional structure, and test shallow gassy coal seams. The 2023 seismic data was used to guide the location of some of these wells. Three wells (RL19, 20 and 21) were aimed at delineating coal resource in areas of low well spatial density and quality data in southwest and south parts of the Red Lake area.

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In line with the Mongolian regulator's requirements for an annual tender process, in June, China based drilling services contractor, 'Yan'an Juntuo Wankun Energy Technology Service Co., Limited' (known as Yan'an Drilling Wellking Energy Technology Service Company Limited) (DWK)), was selected to complete the fully integrated horizontal drilling program at TTCBM. Historically, Jade sought to employ several contractors working together to execute the drilling services and directional/steering services. Under this arrangement, DWK will provide all services to Jade resulting in timing efficiencies and complete ownership of delivery. DWK were selected based on their extensive experience over many years of successful production drilling in the Qinshui Basin in China.

Faster Path to Gas Production

Jade continued to carefully consider its development plan options relative to the most appropriate pathway to early gas production. It was evident the scale and value of its strong gas results achieved to date provided the Company with a foundation that provides optionality for early gas production. In parallel, Jade assessed analogue projects, such as the Panzhuang (PZ) and Mabi blocks owned by AAG Energy in the Qinshui Basin, China, in order to validate its plans against comparable real world projects. Both PZ and Mabi have strong correlation to the potential development of Jade's TTCBM gas project and the Company sees a clear opportunity to replicate the same rapid development success.

With this in focus, Jade decided to move directly to a production focused resource development phase, effectively removing the need for a pilot program as was originally planned. The Company believes that the results and detailed gas information obtained from its 23 wells drilled to-date in the Red Lake area provide a sufficient platform to proceed directly to production wells. Similar projects with permeability trend and variable gas content have been closely observed which suggests development of Jade's TTCBM Project under a rapid production plan, as seen with analogous PZ and Mabi blocks, can be successfully achieved. The move to early production is also designed to capitalise on growing customer demand for gas in Mongolia with close markets that demonstrate an immediate and visible need for gas.

Consequently, the first phase of the program is planned to deliver four horizontal wells that are to be completed as production wells and no longer pilot testing wells.

The Jade & DWK Gas Production Partnership

Having appointed DWK as its integrated services contractor for the initial four well program, during the Red Lake well design and planning phase with DWK, it was evident that DWK not only understood the technical requirements, but also shared Jade's view on the commercial value of the resource at the Red Lake gas field, and an opportunity to broaden the engagement evolved.

Subsequent to the end of the period, on 15 July 2024, Jade and DWK entered into a 20 well Gas Production Partnership, with the execution of a non-binding MOU. Under this agreement, the Partnership aims to move quickly to develop the next 20 production wells at Red Lake, subject to the successful drilling of the initial four production wells. The deal will essentially see DWK commit to funding the capital required to drill and commission the next 20 production wells at Red Lake, in return for a share of gas revenue from the 20 wells.

Given DWK's experience in coal bed methane production wells in the Qinshui Basin, the Company sees close similarities between the rapid development at Qinshui in recent years and Jade's Red Lake project. This is a key catalyst driving DWK's confidence to replicate the success at Red Lake. With the formalising of the Gas Production Partnership there are a number of potential and significant advantages:

- Minimal upfront capital outlay would be required by Jade to deliver a substantial number of production wells and ultimately meaningful first revenues;
- Jade would retain its current project operatorship and ownership stake;
- Provides Jade with a pathway to earlier gas sales and long-term optionality with respect to its ability to fund future development across Red Lake and other permit areas; and

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- The Partnership covers only a small portion of the initial phase of development drilling of a plan for 175 wells at Red Lake (subsequent phases of development drilling subject to approval by MRPAM).

The non-binding terms provide that the revenue sharing arrangement and term of the Partnership will be agreed under a binding service and revenue sharing agreement which the parties intend to negotiate and enter before 1 December 2024. Partnering with an experienced integrated services company like DWK will help fast track development of the current known Red Lake gas resource. The planning of the additional 171 production wells will need to be approved as part of the Company's upgrade to its Detailed Environmental Impact Assessment (EIA) which was last approved in 2021.

The DWK Partnership provides a cost effective and low capital dilutive option to develop the Red Lake gas resource. Importantly the 20 production wells offer the ability to achieve first meaningful revenues that could assist to fund future development in the Red Lake area.

Support for the Development of the Gas Industry in Mongolia - Strategic MOUs

Previously, Jade has entered into various MOU's regarding the development and future gas sales from the TTCBM Project. During the period, Jade was pleased to enter into another important and strategic MOU with Hong Kong listed Mongolian Mining Corporation (MMC) (February 2024), and also to expand the existing MOU with strategic partner and shareholder UBM into a broader understanding to incorporate planning for midstream infrastructure to enable sale of gas from TTCBM as LNG (March 2024).

Expansion of MOU with UBM

Jade's major shareholder, UBM, continues to import Liquified Natural Gas (LNG) from Russia into Mongolia and sees the opportunity to secure supply, improve logistics and financial returns of this business by accessing natural gas produced domestically and importantly close by in the South Gobi region.

Enhanced MOU Overview

In April 2022, Jade signed a non-binding MOU and in March 2023 agreed a strategic capital placement with UBM to pursue a strategic partnership to decarbonise Mongolia with a cleaner source of energy. The completion of UBM's LNG fuelling station in 2023 raised the priority for the companies to enhance the existing MOU and fast track negotiations toward an agreement for a local and secure gas supply from Jade's TTCBM Gas Project.

In March 2024, the Company further solidified the strong market desire to commence displacement of costly and carbon intensive diesel with the entering into of the enhanced Memorandum of Understanding (MOU) to supply gas to UBM's recently built LNG fuelling station.

This enhanced MOU provides a more visible path forward for Jade to potentially commercialise its gas assets. Under the enhanced and extended MOU, the parties will focus resources to assess and evaluate midstream requirements to facilitate the conversion of coal bed methane (CBM) to Liquefied Natural Gas (LNG), and the delivery mechanism to connect with UBM's existing LNG wholesaling operations. The infrastructure is likely to involve low cost and small scale, scalable skid mounted LNG equipment.

LNG Fuelling Station

The UBM built LNG fuelling station is strategically located in close proximity to local mines and the major road to the Chinese border. Its location is less than 10 km from Jade's TTBCM Project in the South Gobi region of Mongolia (Figure 3) and became operational late February 2024, with valuable data to be collected on LNG truck fuel usage and efficiency relative to diesel fuelled trucks, during a trial period. This is UBM's first LNG fuelling station outside of Mongolia's capital, Ulaanbaatar, and has been built in order to exploit a significant opportunity in the region by supplying LNG as fuel for up to 13,000 diesel haulage trucks, progressively displacing diesel with LNG. The transition to LNG is designed to deliver a large reduction in carbon emissions, supporting the company's Environmental, Social and Governance (ESG) ambitions, along with cost and operational optimisation.

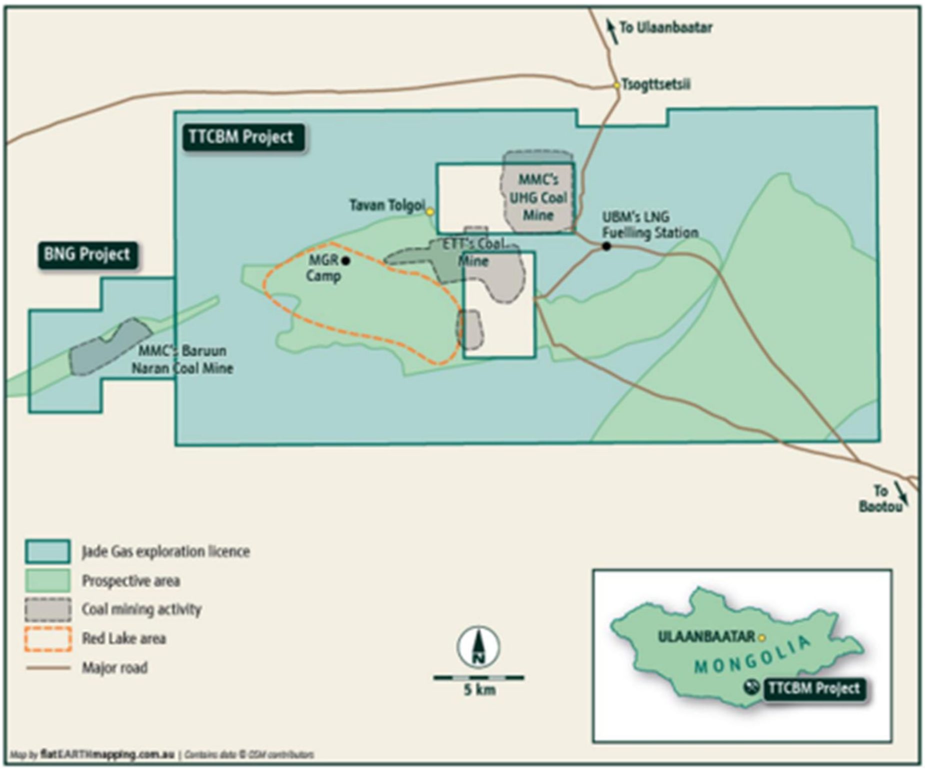

Figure 3: Strategic location of UBM's LNG Fuelling Station in proximity to local mines and Jade's MGR Camp.

The LNG fuelling station has commenced servicing a new LNG market in the South Gobi region of Mongolia. Presently, LNG is sourced from Russia, which is then railed over 2,000 km to UB. From UB, the LNG container vessel is transferred to trucks and driven to the station at Tavan Tolgoi, where it is unloaded into storage facilities. Jade directly supplying gas to the LNG station, as a domestic fuel located close to the LNG terminal, is expected to provide material advantages to the market, and importantly, it is expected to increasingly displace imported and highly pollutant diesel from Russia.

MOU with MMC

On 29 February 2024 the Company was pleased to confirm the signing of an additional, strategic non-binding MOU for gas products produced by Jade with Mongolia's largest producer and exporter of high-quality hard coking coal, Hong Kong listed Mongolian Mining Corporation LLC (HKEX:975).

MMC operates two open-pit mines, namely Ukhaa Khudag Mine, located within the TTCBM permit area, and Baruun Naran Mine, located on the west side extension of the TTCBM permit area. These open-pit mines are located within the Tavan Tolgoi coal basin in the Southern Gobi of Mongolia, which is approximately 220km to the Mongolian-Chinese border and about 550km to Baotou, an important steel producing city in China. MMC is also Jade's joint-venture partner (34%) working with the Company to develop the Baruun Naran CBM Project (BNG Project).

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The MOU with MMC focuses on using gas to be produced from the BNG and TTCBM Projects to supply MMC's power requirements for its local mining operations and fuel for its 450 double-trailer truck fleet which move product from its two operating mines for export to the Gashuunsukhait-Ganqimaodu border port in China. MMC is aiming to transform its operating business using Jade to provide a cleaner energy source that can deliver cost savings and significant environmental benefits.

Key terms of the MOU include:

- MMC will have a non-exclusive option for gas products from Jade's TTCBM and BNG Projects; and
- Jade to potentially supply two products: Liquified Natural Gas (LNG) for heavy vehicles, and gas for electricity generation – building on the scoping work Jade has already undertaken on small scale LNG in the region.

MOU Objective

Security of energy supply is a prominent and significant issue, with gasoline and diesel shortages in various parts of the country becoming a regular feature. Some media reports have suggested that the increased productivity from Mongolia's mining sector and distribution issues have severely impacted the fuel consumption supply/demand balance. This, coupled with the fact that Mongolia imports more than 95% of all its fuel from Russia, may see the diesel intensive mining sector, move more quickly to address vulnerabilities in the energy supply chain by considering alternate and more robust domestic energy supply option such as gas.

MMC is studying the potential of gas as an alternative fuel and cleaner energy source to power its Mongolian mining operations and truck fleet. This forms part of MMC's Towards Sustainable Mining (TSM) protocol, and more broadly Environmental, Social, and Governance (ESG) commitment for sustainable energy use and Green House Gas (GHG) emissions management.

In the first half of 2023, MMC reported a four-fold increase in total number of coal trucks crossing GS-GM border, largely returning to pre-covid levels. The cost and environmental footprint associated with the increased truck movements underpins the importance of the partnership being developed under the MOU between Jade and MMC.

An initiative to convert the MMC truck fleet to gas power has a number of potential material environmental benefits:

- Fewer emissions: Heavy duty vehicles running on LNG produce up to 25% fewer greenhouse gas (GHG) emissions, up to 50% less Nitrogen Oxides (NOx) emissions, and 80% less Particulate Matter (PM) than diesel powered vehicles;
- Cost: LNG to offer favourable pricing and greater stability over diesel;
- Maintenance: LNG-fuelled vehicles require less servicing, and as a result can extend the life of the vehicle for up to 3 times longer than a diesel engine; and
- Efficiency: LNG offers more efficient combustion in engines for reduced fuel consumption. LNG application in transportation is rapidly gaining traction as an alternative fuel option in heavy-duty trucks, trains, ships, and even buses, primarily due to its environmental benefits.

Source BOC Gas website "Benefits of LNG for heavy duty vehicles"

Baruun Naran Gas (BNG) Project

Jade's BNG Project is located immediately adjacent and to the west of Jade's flagship TTCBM Red Lake Project. BNG is a Joint Venture (JV) with Hong Kong listed Mongolia Mining Corporation Limited (MMC), which holds the CBM rights over MMC's Baruun Naran coal mine. The Company believes the BNG Project has high potential for gas bearing coals and has undertaken an extensive work program since establishment of the JV.

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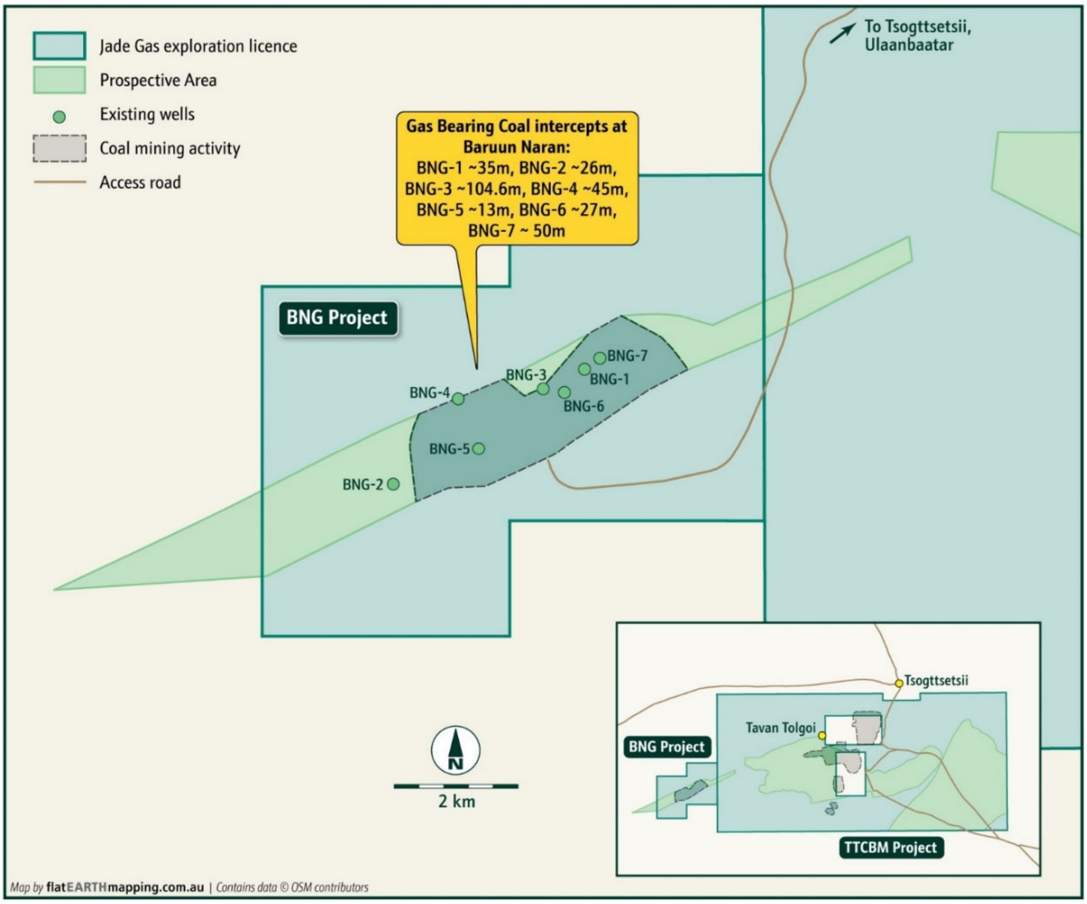

Figure 4: Map showing wells drilled and gas bearing coal intercepts at BNG

2024 Activity at BNG

Four out of the originally planned but later revised eight well program were successfully drilled and reported during 1H 2024, with results of BNG-1, 2 and 3 reported in 2023. The highlight of the campaign was the intersection at BNG-3 of the second thickest gassy coal interval of 104.6m.

Summary of gassy coal intervals:

- BNG-1 35.0m of gassy coal
- BNG-2 26.0m of gassy coal
- BNG-3 104.6m of gassy coal
- BNG-4 45.32m of gassy coal;
- BNG-5 13.37m of gassy coal;
- BNG-6 27.25m of gassy coal; and
- BNG-7 49.85 m of gassy coal intersected.

These results at BNG, pending further analysis, is expected to support the conversion of 2U Prospective Resources to 2C Contingent Resources in the BNG permit area, and importantly provide an accelerated pathway to securing a long-term Production Sharing Agreement (PSA). This will ultimately see Jade with significant equity and operatorship of the two key energy projects in the South Gobi, at a pivotal time for the country with clean energy demand growing rapidly from multiple customer markets.

Prospective Resource Range	Unit	Low	Best	High
Baruun Naran Project	Bcf	13	65	186

Table 1: Current Gross 2U Prospective Resource estimate of the BNG Project

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Shivee and Eastern Gobi Permits

In February 2022, the Company secured 100% of two highly prospective permits covering an area of 18,008km^2. These permits fall under a three year Prospecting Agreement and have existing coal mines and coal deposits within them. Jade released the independent assessment of Gross Unrisked Prospective Resources, performed by RISC Advisory, 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 on 28 April 2022 (refer 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

Cautionary Statement: *The estimated quantities of gas that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.*

Notes to the table:

1. *Probalistic methods have been used.*
2. *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.*
3. *No correction for potential inert content such as N_2 or CO_2 has been applied.*
4. *Resource estimates rounded to 50 Bcf.*

Whilst the major focus in 2024 will remain on production readiness at Red Lake as well as exploration at BNG, the Company plans to undertake further desktop analysis on Shivee Gobi and Eastern Gobi with the potential for drilling and permeability testing in the second half of 2024.

This work will also assist the Company in identifying exploration upside potential. Given the favourable location of the permits, interest has been noted from potential partners for involvement at varying levels. The Company continues to assess such partnering options.

Financing Update

In late 2023, the Company announced that it had obtained financing of A$11M from Jade's strategic shareholder, UB Metan LLC (UBM) via the issue of unsecured convertible notes. Funds continue to be advanced to Jade as and when needed pursuant to a payment schedule detailed in a Convertible Note Deed. Following receipt of the final tranche and subject to the satisfaction of conversion criteria, shareholder approval is to be sought for the transaction at a meeting of shareholders. As required by ASX Listing Rules, Jade will provide shareholders with an Independent Expert Report (IER) in advance of this meeting to evaluate the transaction.

As at 30 June 2024, A$3.7m has been drawn down, with the remaining A$7.3M available.

Austrian Gold and Cobalt Projects

The liquidation of the three Austrian companies within the group, APC Cobalt GmbH, APC Gold GmbH and Eurocan Mining GmbH was completed during the period and have been deregistered.

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Subsequent Events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO, to provide the Directors of the Company with an Independence Declaration. The Lead Auditor's Independence Declaration is included within this report.

Signed in accordance with a resolution of Directors made pursuant to s.306 of the Corporations Act 2001.

Dennis Morton
Executive Chairman
3 September 2024

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

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DECLARATION OF INDEPENDENCE

BY PAUL GOSNOLD

TO THE DIRECTORS OF JADE GAS HOLDINGS LIMITED

As lead auditor for the review of Jade Gas Holdings Limited for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jade Gas Holdings Limited and the entities it controlled during the period.

Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 3 September 2024

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2024

	30 Jun 2024 $	30 Jun 2023 $
Other income		
Financial income	8,207	35,072
Other income	12,702	12,692
Total other income	**20,909**	**47,764**
Expenses		
General and admin expense	(529,150)	(1,052,537)
Salaries and wages expense	(707,286)	(1,014,915)
Realised foreign exchange (loss)/gain	73,338	(236,267)
Loss on disposal of subsidiary	(43,954)	-
Gain on disposal of property, plant and equipment	14,486	-
Depreciation and amortisation expense	(79,734)	(68,401)
Share based payment	(1,029,529)	(190,992)
Interest expense	(141,524)	(11,433)
(Loss)/profit before tax	**(2,422,444)**	**(2,526,781)**
Income tax (expense)/benefit	-	-
(Loss)/Profit for the year	**(2,422,444)**	**(2,526,781)**
Other comprehensive income, net of tax		
Items that may be subsequently reclassified to profit or loss		
Foreign exchange on the translation of subsidiaries	571,948	467,613
Total comprehensive income, net of tax	**(1,850,496)**	**(2,059,168)**
(Loss)/profit for the year is attributable to:		
Non-controlling interest	(82,030)	(222,845)
Owners of Jade Gas Holdings Limited	(2,340,414)	(2,303,936)
	(2,422,444)	**(2,526,781)**
Total comprehensive loss for the year is attributable to:		
Non-controlling interest	(82,030)	(222,845)
Owners of Jade Gas Holdings Limited	(1,768,466)	(1,836,323)
	(1,850,496)	**(2,059,168)**

(Loss)/earnings per share	**2024 ($)**	**2023 ($)**
Basic (loss) per share (dollars per share)	(0.0015)	(0.0016)
Diluted (loss) per share (dollars per share)	(0.0014)	(0.0015)

The consolidated statement of profit or loss and other comprehensive Income should be read in conjunction with the attached notes to the financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 Jun 2024 $	31 Dec 2023 $
ASSETS			
Current assets			
Cash and cash equivalents		664,865	2,129,615
Trade and other receivables		164,729	338,992
Other assets		817,495	1,059,759
Total current assets		**1,647,089**	**3,528,366**
Non-current assets			
Property, plant and equipment		1,686,310	1,770,869
Right-of-use asset		114,004	159,606
Exploration and evaluation expenditure	3	19,906,720	17,567,280
Intangibles		5,559	42,078
Total non-current assets		**21,712,593**	**19,539,833**
Total assets		**23,359,682**	**23,068,199**
LIABILITIES			
Current liabilities			
Trade and other payables		928,085	1,976,612
Borrowings		3,871,164	1,663,154
Lease liabilities		98,222	95,307
Provisions		99,625	105,907
Total current liabilities		**4,997,096**	**3,840,980**
Non-current liabilities			
Lease liabilities		25,158	75,003
Provisions		27,638	21,459
Total non-current liabilities		**52,796**	**96,462**
Total liabilities		**5,049,892**	**3,937,442**
Net assets		**18,309,790**	**19,130,757**
EQUITY			
Contributed equity	4	34,136,408	34,136,408
Reserves	5	2,868,782	1,267,305
Accumulated losses		(17,885,490)	(15,545,076)
Non-controlling interest		(809,910)	(727,880)
Total equity		**18,309,790**	**19,130,757**

The consolidated statement of financial position should be read in conjunction with the attached notes to the financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Issued Capital $	Accumulated Losses $	Total Reserves $	Non-controlling Interest $	Total Equity $
Balance at 1 January 2024	**34,136,408**	**(15,545,076)**	**1,267,305**	**(727,880)**	**19,130,757**
Profit/(loss) for the half-year	-	(2,340,414)	-	(82,030)	(2,422,444)
Other comprehensive income for the half-year (net of tax)	-	-	571,948	-	571,948
Total comprehensive income	**-**	**(2,340,414)**	**571,948**	**(82,030)**	**(1,850,496)**
Issue of shares, rights and options	-	-	1,029,529	-	1,029,529
Costs of issuing shares	-	-	-	-	-
Balance at 30 June 2024	**34,136,408**	**(17,885,490)**	**2,868,782**	**(809,910)**	**18,309,790**

	Issued Capital $	Accumulated Losses $	Total Reserves $	Non-controlling Interest $	Total Equity $
Restated Balance at 1 January 2023	**23,518,190**	**(11,293,632)**	**803,388**	**(415,551)**	**12,612,395**
Profit/(loss) for the half-year	-	(2,303,936)	-	(222,845)	(2,526,781)
Other comprehensive income for the half-year (net of tax)	-	-	467,613	-	467,613
Total comprehensive income	**-**	**(2,303,936)**	**467,613**	**(222,845)**	**(2,059,168)**
Issue of shares, rights and options	10,753,848	-	190,992	-	10,944,840
Costs of issuing shares	(135,630)	-	-	-	(135,630)
Expiry of unlisted options	-	148,108	(148,108)	-	-
Balance at 30 June 2023	**34,136,408**	**(13,449,460)**	**1,313,885**	**(638,396)**	**21,362,437**

The consolidated statement of changes in equity should be read in conjunction with the attached notes to the financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2024

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	30 Jun 2024 $	30 Jun 2023 $
Cash flows from operating activities		
Receipts from customers	14,593	11,188
Payments to suppliers and employees	(1,568,680)	(1,633,264)
Net cash (used in)/generated by operating activities	**(1,554,087)**	**(1,622,076)**
Cash flows from investing activities		
Payments for property, plant and equipment	(594)	(252,514)
Payments for exploration and evaluation assets	(2,169,790)	(4,751,623)
Payments for intangible assets	-	(78,732)
Proceeds from disposal of property, plant and equipment	39,900	-
Interest received	8,207	55,374
Net cash (used in)/generated by investing activities	**(2,122,277)**	**(5,027,495)**
Cash flows from financing activities		
Proceeds from issue of ordinary shares, options and notes	-	10,753,848
Proceeds from borrowings	2,138,276	4,135
Transaction costs related to issue of shares	-	(149,157)
Interest paid	-	(4,135)
Net cash (used in)/generated by financing activities	**2,138,276**	**10,604,691**
Net increase in cash and cash equivalents	**(1,538,088)**	**3,955,120**
Cash and cash equivalents at beginning of the period	2,129,615	3,239,876
Effects of currency translation on cash and cash equivalents	73,338	(114,915)
Cash and cash equivalents at end of period	**664,865**	**7,080,081**

The consolidated statement of cash flows should be read in conjunction with the attached notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2024

Note 1: General information

Jade Gas Holdings Limited is a limited company, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange under the symbol JGH. The registered office is located at Level 1, 66 Rundle Street Kent Town SA 5067.

This half-year financial report includes the half-year financial statements and notes of Jade Gas Holdings Limited ("the Company") and its Controlled Entities ("the Group"). The half-year financial statements were authorised for issue on 3 September 2024 by the Directors of the Company.

Note 2: Summary of Material Accounting Policies

Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 31 December 2023 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The policies and methods applied in these interim financial statements are the same as those in the most recent annual report and corresponding interim reporting period, unless otherwise stated.

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Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. In preparing these consolidated half-year financial statements, significant estimates and judgements made by management were consistent with those that were applied to the consolidated annual financial statements for the period ended 31 December 2023.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. For the half-year ended 30 June 2024, the Group had has incurred a loss after tax of $2,422,444 and had net cash outflows from operating activities and investing activities of $1,554,087 and $2,122,277 respectively. The operations of the Group were funded by a cash inflow of $2,138,276 from borrowings.

On 2 November 2023 the Company announced a convertible note financing with current strategic shareholder UB Metan LLC for $11,000,000. The issue of the notes (and shares to be issued on conversion of the notes) are subject to shareholder approval as UBM as a 19.9% shareholder would be increasing their shareholding above 20%. The notes are unsecured, incur interest at 10% per annum, convert at $0.045 and have a maturity date of 12 months from the date the funds are received in full. As at 30 June 2024 $3,730,159 had been received pursuant to the convertible note Agreement with the balance of $7,269,841 still due. Subsequent to the end of the period $2,586,056 was received with the balance of $4,687,543 expected in the coming months.

The Company has the ability to control cash outflows in relation to exploration and evaluation expenditure with most material expenses charged on a usage rate and not a committed lump sum. The Company also has the ability to secure funds by raising additional capital from equity markets. The convertible note facility in combination with additional equity raisings will allow the group to meet its forecasted committed cash outflows to the extent operations can continue in the normal course of business for at least 12 months from the date of this report.

The requirement for further funding to support the delivery of the operational objectives of the Group indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that may be necessary if the Group is unable to continue as a going concern.

The Directors are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through debt and/or equity issues as and when the need to raise capital arises.

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Note 3: Exploration and Evaluation Expenditure

	30 June 2024 $	31 December 2023 $
Opening balance	17,567,280	8,735,473
Reclassification to plant and equipment	-	(862,270)
Exploration expenditure	1,876,420	9,526,657
Foreign exchange impact	463,020	167,420
	19,906,720	**17,567,280**

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or evaluation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

Note 4: Contributed Equity

	30 June 2024 $	31 December 2023 $
Issued share capital	35,728,450	35,728,450
Costs of issuing shares	(1,592,042)	(1,592,042)
	34,136,408	**34,136,408**

Issued capital comprises:		
1,576,834,171 fully paid ordinary shares (31 December 2023: 1,576,834,171)	34,136,408	34,136,408
	34,136,408	**34,136,408**

FULLY PAID ORDINARY SHARES

	No. Shares	Share capital $
Balance at 1 January 2023	1,397,403,331	23,518,190
Shares issued	178,630,840	10,717,848
Options exercised	800,000	36,000
Costs of issuing shares	-	(135,630)
Closing balance at 31 December 2023	**1,576,834,171**	**34,136,408**

	No. Shares	Share capital $
Balance at 1 January 2024	**1,576,834,171**	**34,136,408**
Shares issued	-	-
Options exercised	-	-
Costs of issuing shares	-	-
Closing balance at 30 June 2024	**1,576,834,171**	**34,136,408**

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Note 5: Reserves

	30 June 2024 $	31 December 2023 $
Option reserve	3,017,473	1,987,944
Foreign exchange reserve on the conversion of subsidiary undertakings	(148,691)	(720,639)
	2,868,782	**1,267,305**

MOVEMENT IN SHARE OPTION RESERVE

	30 June 2024 $
Opening balance	1,987,944
Share based payment – performance rights issued during the period[1]	868,199
Share based payment – options and performance rights issued in prior periods	161,330
	3,017,473

[1] The fair value of the equity settled Options is estimated as at the date they were granted for Performance Rights using a Monte Carlo Simulation Methodology taking into account the terms and conditions upon which the Performance Rights were granted.

The value of the Performance Rights were calculated using a Monte Carlo Simulation Method applying the following inputs:

Valuation Inputs	Grant Date	Vesting Date	Expiry Date	Price at Grant	Exercise Price	Fair Value	Expected Volatility	Risk-free interest rate
50,000,000 Performance Rights	9/1/24	9/1/25	9/1/28	$0.43	-	$0.034	72%	3.74%
15,000,000 Performance Rights	31/5/24	31/5/25	31/5/28	$0.49	-	$0.042	75%	4.05%

Note 6: Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one segment, being exploration for coal bed methane. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group. The Group only operates in Mongolia and Australia.

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Note 7: Commitment, Contingent Assets and Liabilities

In the opinion of the directors, there were no other significant changes in commitments, contingent assets or liabilities during the period ended 30 June 2024.

Note 8: Events After the Reporting Period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Note 9: Controlled Entities

Controlled entities consolidated Subsidiaries of Jade Gas Holdings Limited	Country of incorporation	Principal activity	Percentage owned (%) 30 June 2024
Direct			
Jade Gas Pty Ltd	Australia	Intermediate parent	100
Jade Methane LLC	Mongolia	CBM exploration	100
Methane Gas Resource LLC	Mongolia	CBM exploration	60
Jade Gas Mongolia LLC	Mongolia	CBM exploration	100
Baruun Naran Gas LLC	Mongolia	CBM exploration	66
Acacia Mining Pty Ltd	Australia		100
Austrian Projects Corporation Pty Ltd	Australia	Intermediate parent	100
APC Cobalt GmbH (i)	Austria	Cobalt projects	-
APC Gold GmbH (ii)	Austria	Intermediate parent	-
Eurocan Mining GmbH (iii)	Austria	Gold projects	-

i. APC Cobalt GmbH was liquidated in March 2024 and the company was deleted from the Austrian companies Register.
ii. APC Gold GmbH was liquidated in March 2024 and the company was deleted from the Austrian companies Register.
iii. Eurocan Mining GmbH was liquidated in March 2024 and the company was deleted from the Austrian companies Register.

JGPL, via its subsidiary JM, owns 60% of MGR. MGR holds a PSA providing rights to explore for and exploit CBM from the area surrounding and including the Tavantolgoi coal field in Mongolia. JGPL will fund 100% of the costs to the point of a DFS, after which costs will be shared on a pro-rata basis. At the completion of the DFS, each party has an option to increase its equity in MGR subject to certain terms and conditions

JGPL via its subsidiary JGM, owns 66% of BNG. BNG is a joint venture with KE, a wholly owned subsidiary of MMC. The JV was established to explore CBM within a coal mining licence held by MMC in the South Gobi region of Mongolia. Under the JV agreements, Jade will fund 100% of the costs of exploration to the point of a DFS, after which costs will be shared on a pro-rata basis.

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Note 10: Dividends

No dividend has been declared or paid during the half-year ended 30 June 2024. The Directors do not recommend the payment of a dividend in respect of the half-year ended 30 June 2024.

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DIRECTOR'S DECLARATION

FOR THE HALF-YEAR ENDED 30 JUNE 2024

In the opinion of the Directors of Jade Gas Holdings Limited:

1. The interim financial statements and notes of the consolidated group are in accordance with the Corporations Act 2001, including:

   a. giving a true and fair view of the financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

   b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2021 and other mandatory professional reporting requirements; and

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Dennis Morton
Executive Chairman
3 September 2024

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Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JADE GAS HOLDINGS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Jade Gas Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO

BDO Audit Pty Ltd

Paul Gosnold

Paul Gosnold
Director

Adelaide, 3 September 2024

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