JADE GAS HOLDINGS LIMITED

ANNUAL REPORT

31 DECEMBER 2023

CORPORATE DIRECTORY

Board of Directors
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

Company Secretary
Mr Aaron Bertolatti

Principal and Registered Office
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Kent Town SA 5067
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Legal Advisors - Australia
O'Loughlins Lawyers
2/99 Frome Street
Adelaide SA 5000

Share Registry
Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone: 1300 288 664

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 and its controlled entities ("the Group") for the year ended 31 December 2023.

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	Appointed	Last Elected / re-elected	Resigned
Mr Dennis Morton	Executive Chairman	14 December 2021	30 June 2021	-
Mr Joseph Burke	Executive Director	23 September 2021	30 June 2021	-
Mr Daniel Eddington	Non-Executive Director	23 September 2021	31 May 2023	-
Dr Ian Wang	Non-Executive Director	1 July 2023	-	-
Mrs Uyanga Munkhkhuyag	Non-Executive Director	10 October 2023	-	-
Mr Chris Jamieson	Managing Director & CEO	20 April 2022	31 May 2022	26 June 2023
Mr Peter Lansom	Non-Executive Director	1 February 2022	31 May 2022	26 June 2023

The office of Company Secretary was previously held by Mr Justin Green who resigned from the position on 9 October 2023. As of 9 October 2023, the office of Company Secretary is now held by Mr Aaron Bertolatti.

Principal Activity

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

Remuneration of Key Management Personnel

Information about the remuneration of key management personnel is set out in the remuneration report section of this Directors' report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Information on Directors & Company Secretary

EXECUTIVE CHAIRMAN
DENNIS MORTON

Mr Morton has over 40 years' experience in the oil and gas industry, including seven years as founding CEO and Managing Director at Eastern Star Gas Limited. Mr Morton is a geologist with extensive experience in the management of oil and gas companies. He is currently the Managing Director of ASX listed company Gas2Grid Limited (2008 - current) which has assets in Australia, New Zealand, the Philippines and France.

Qualifications

Bachelor of Arts and Science (Geology)(Hons 1st)

Other Directorships

Managing Director - Gas2Grid (ASX:GGX)

Interest in Securities

Ordinary Shares: 1,169,999

Options: -

EXECUTIVE DIRECTOR
JOSEPH BURKE

Mr Burke has spent 30 years working in China, Korea, Japan and Thailand, and has been involved in Mongolian mining enterprises since 2009. Mr Burke was a Director and founding partner of Starboard Global, CEO of ASX listed Voyager Resources Limited (ASX:VOR), and a Director of ASX listed Avenue Resources Limited (ASX:AVY) (now Harvest Minerals Limited). He has also undertaken advisory roles with other ASX listed entities including American Pacific Borates Limited (ASX:5EA) and Black Rock Mining Limited (ASX:BKT).

Qualifications

Master of Business Administration

Other Directorships

Nil

Interest in Securities

Ordinary Shares: 417,578,664

Options: -

NON-EXECUTIVE DIRECTOR
DANIEL EDDINGTON

Mr Eddington has over 20 years' experience in financial markets across multiple sectors including resources, energy and industry. He specialises in equity capital markets and has been responsible for IPO's, placements, reverse takeovers, underwritings, corporate negotiations and corporate advisory for companies predominantly in the resources sector.

Qualifications

Bachelor of Commerce

Graduate Diploma of Applied Finance

Other Directorships

Non-Executive Director - Sparc Technologies (ASX:SPN)

Non-Executive Director - Osmond Resources (ASX:OSM)

Interest in Securities

Ordinary Shares: 68,910,002

Options: -

NON-EXECUTIVE DIRECTOR

IAN WANG

Dr Wang has over 30 years' experience in the oil and gas industry with substantial experience working with unconventional gas assets and Coal Bed Methane projects. He previously held roles including CEO at NuEnergy Limited, an Australian listed company (and currently serves as a non-executive director of the board), General Manager of Greka Limited, a privately held oil and gas conglomerate with investments in China and India with a key CBM project located in the Qinshui coal basin in China. He was General Manager of Clarke Energy China, Regional Manager for In-Situ and as Operations Manager for Huawell CBM Zhengzhou, as well as senior exploration roles at Sino Gas & Energy Limited (an ASX listed company focused on the exploration and development of gas assets in China) and Molopo Energy (an ASX listed company with oil and gas upstream interests in China, North America, and Africa).

Qualifications
Master of Science
Graduate Diploma of Applied Finance

Other Directorships

Nil

Interest in Securities
Ordinary Shares: -
Performance Rights: 3,000,000 Unlisted Performance Rights

NON-EXECUTIVE DIRECTOR

UYANGA MUNKHKHUYAG

Mrs Munkhkhuyag has over 10 years' experience in project development and management, specializing in infrastructure projects in the energy, logistics, gas and oil sector in Mongolia. She previously held positions of project coordinator, consultant and project director for several projects representing the project owners with overall management responsibility from development to commission. Mrs Munkhkhuyag is currently project director at Jade's strategic partner, UB Metan LLC, undertaking roles to develop downstream facilities in the natural gas sector of Mongolia, including the construction of fueling stations and a storage terminal, and establishing a new market to expand the end-users of natural gas.

Qualifications
Master of Electrical and Electronic Engineering

Other Directorships

Nil

Interest in Securities
Ordinary Shares: -
Performance Rights: -

COMPANY SECRETARY

AARON BERTOLATTI

Mr Bertolatti is a qualified chartered accountant and company secretary with over 16 years' experience in the mining industry and accounting profession. Mr Bertolatti acts as Company Secretary for a number of ASX listed companies.

Qualifications
Bachelor of Commerce
Member of Charter Accountants Australia
and New Zealand

Operating Results

The Group recorded a 2023 net after-tax loss from operations of $4,711,881 (2022: loss of $3,986,704).

At 31 December 2023 the Group held cash and cash equivalents totaling $2,129,615 (December 2022: $3,239,876) and a net asset position of $19,130,757 (December 2022: $12,612,395)

REVIEW OF OPERATIONS

2023 was an exceptionally busy year for the team at Jade with drilling and ongoing exploration work at each of the Company's projects.

Figure 1 *Jade Gas Project Location Map*

Tavan Tolgoi CBM Project

After a busy 2022, on 1 March 2023 Jade confirmed the commencement of its CY2023 exploration program, initially targeting natural gas from three coal seams of interest in the northern extension of the Red Lake area within its TTCBM Project permit, in the south Gobi region of Mongolia.

Jade's CY2023 drilling program received approval from the regulator, the Mineral Resources and Petroleum Authority of Mongolia (MRPAM), allowing the Company to commence on-ground activities. New drilling builds on the successful 13 well program executed in CY2022 that delivered outstanding gas results leading to the largest gas booking of Contingent Resources in Mongolia at the time.

Unrisked Contingent Resources for TTCBM (Red Lake area only)

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

Note: Detailed notes on the background to the preparation of the Contingent Resources report are set out in the ASX Announcement released on 23 August 2022.

The CY2023 exploration program was to commence in March with four wells to be drilled in the northern area of Red Lake. Success from the drilling of these wells is designed to expand the size of the current 246 Bcf unrisked Gross 2C Contingent Resources, help shape upcoming drilling programs and support commercial discussions that are in progress with potential customers.

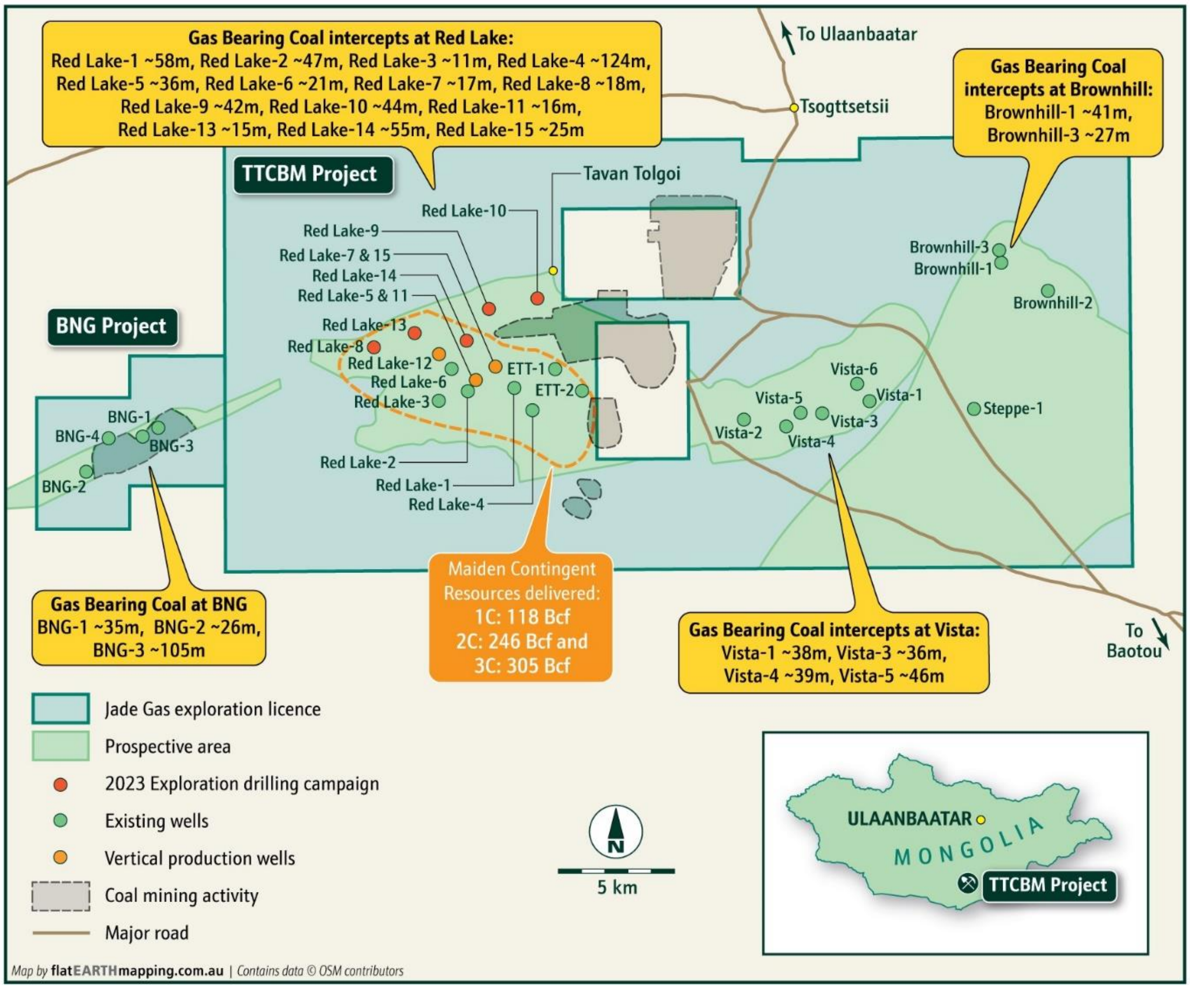

Figure 2 *Overview of activity at TTCBM and BNG*

Extended Testing and Analysis of Red Lake-5 and –7

In 2022, Red Lake-5 was drilled to a total depth (TD) of 687 metres, with 36 metres of gassy coal intersected in the target coal seams, and Red Lake-7 reached TD at 501 metres with 62 metres of gassy coal intersected. As a key component of the 2023 program, these two wells underwent further evaluation through flow testing and analysis to provide the necessary data around permeability that will be used in the design of the pilot program wells.

The objectives for the extended test are to:

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

On 28 March 2023 the Company confirmed the extended testing operations on the Red Lake-5 and -7 wells in the Red Lake area had commenced in the previous week, and that the wells were stabilising and an un-metered gas flare from the annulus of Red Lake-5 generated.

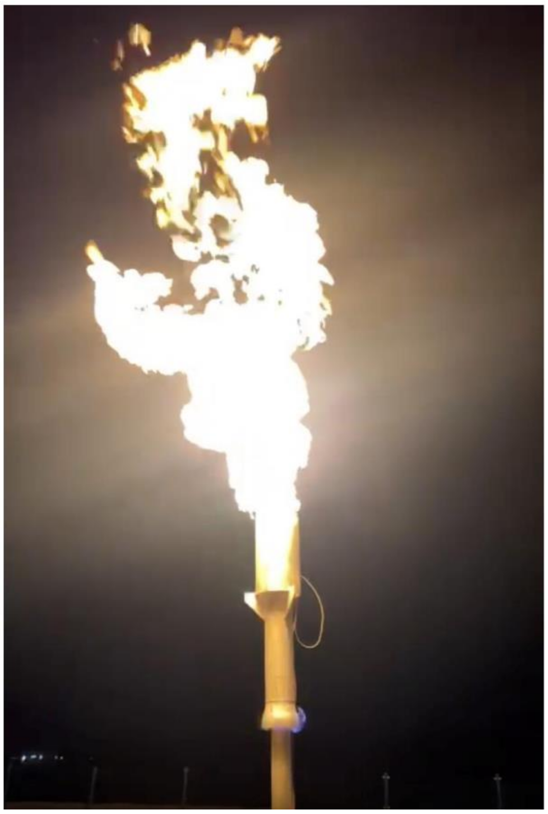

Figure 3 *– Red Lake-5 gas flare generated from the annulus of the well*

The extended testing of Red Lake-5 and Red Lake-7 is a crucial phase in terms of data gathering for the pilot production program, and the team was pleased to see a flare generated from gas pressure build up in Red Lake-5, and while the flow was brief and un-metered, it was an encouraging early sign. Red Lake-5 and Red Lake-7 will provide key information regarding permeability of the coals and water quality that will assist in the design of our horizontal pilot production wells, the laterals of which are expected to be around one kilometre in length.

Ongoing Activity at TTCBM

On 26 April 2023, the Company confirmed the first four wells in its CY2023 exploration program, reached total depth (TD) with considerable gassy coals having been intersected. The successful results continued to demonstrate the scale potential that supports the thesis that the TTCBM Gas Project can deliver a significant new domestic source of energy in the South Gobi region of Mongolia.

Red Lake Exploration Drilling

Red Lake-8, the first well in the 2023 exploration drilling program, was spudded on 5 March and drilling was concluded at 750.5 metres in seam 0. Core samples were obtained, with 18.25 metres of gas bearing coal recovered which are currently desorbing to assess gas content. A diagnostic fracture injection test (DFIT) was undertaken to obtain information on the magnitude of the minimum stress to calibrate the geomechanical model, which is being built to assist in well design for the horizontal pilot wells to be drilled later.

Red Lake-9 was spudded on 11 March and drilled to 419.5 metres when hole issues were encountered above the gas bearing target seams. The well was redrilled (Red Lake-9R) and successfully reached total depth of 525.5 metres on 3 April, intersecting 41.85 metres of gas bearing coals between 430 and 510 metres. Coal samples from the well are being desorbed to estimate gas content. Two drill stem tests were successfully conducted on the target seams.

Red Lake-10 was spudded on 8 April and reached total depth of 426.5 metres on 16 April. 44.20 metres of gas bearing coal was recovered, with the well logged, DSTs completed in the primary target seams along with a DFIT to further calibrate the geomechanical model.

Red Lake-11 commenced drilling on 5 April and reached total depth of 621 metres on 19 April. The well was cased to 570 metres, approximately 8 metres above the target interval. The target seam III was cored, and 16.05 metres of gas bearing coal recovered and underwent desorption testing for gas content. Seam III will be the target for a horizontal pilot well, which was planned to be drilled early in the second half of 2023. Red Lake11 will be used as the vertical pumping well for the horizontal intercept.

Red Lake-12, the fourth and final vertical pilot production well, spudded on 22 April and reached a TD of 579m with 37m of seam 0 cored with HQ. 4.5 inch casing was set at 510m, 19m above seam 0, isolating seam III and above. 52m of coal was intersected across the three seams of interest (seam IV, seam III and seam 0). The well has been left open hole over seam 0 and will be used as a monitoring point for seam 0.

The Company undertook evaluation of the drill core from the four wells, with core sampling and desorption analysis completed on-site at Jade's mobile desorption lab.

Permeability

On 6 June 2023, the Company announced positive results and ongoing exploration success at the TTCBM Project, confirming the highest measured permeability identified at Red Lake to date through the evaluation of exploration drilling at Red Lake Northern Extension, where good permeability was identified throughout the program:

- Red Lake-10 (12 millidarcy (mD) in seam 0)
- Red Lake-14 (5 mD in seam 0)
- Red Lake-11 (1 mD) (the vertical intercept well) and
- Red Lake-12 (1 mD in seam 0).

While the permeability in seam 0 at Red Lake-12 is good, gas content levels in the seam are very low which is believed to be structural, similar to Red Lake-6, and will be investigated more thoroughly once the 2D seismic survey is completed and data analysed.

In addition, **Red Lake-13**, a corehole drilled to the north-west of Red Lake-12, intersected approximately 15 metres of gassy coals in seam III and seam 0. The well was not tested for permeability.

Red Lake-14 is an additional exploration well to the north-east of Red Lake-12, and reached total depth at 442 metres and intersected 54.7 metres of gassy coal in all three coal seams of interest. This well was included in the drilling program to de-risk the proposed horizontal wells to be drilled later in the year.

Red Lake-15, the final vertical well in the pilot project drilling program was spudded on 22 August and reached Total Depth (TD) of 563.9m on 5 September. The well intersected 25.0m of gassy coal in target seam 0, between 524m and 551m, with 32 coal core samples recovered for gas desorption measurement and compositional sampling at Jade's on-site laboratory. The well was logged and a drill stem test was undertaken. The well was left suspended awaiting drilling of the horizontal well program.

2D Seismic Program at TTCBM

06 July 2023 the Company advised that the 2D seismic program commenced at TTCBM Project. The 2D seismic survey further augments the extensive data set that Jade has obtained through its exploration activities in the Red Lake area and beyond over the last few years and incorporates learnings from a seismic program undertaken by a previous operator. All regulatory and access requirements were met, with local Mongolian seismic operator, Geosignals LLC, mobilising crew and equipment, including vibroseis units and wireless recording equipment, from Ulaanbaatar to the TTCBM Project site.

The 19 line, 105km survey included two lines specifically following the planned trajectories of the upcoming lateral wells. The primary objectives of the survey are to:

- Delineate the coal seams to assist with geosteering the forthcoming lateral wells in the target seams, maximising contact with the coal and de-risking the wells by identifying potential geological hazards prior to drill;
- Better visualise and understand the structural architecture of the entire Red Lake area, identifying areas that have undergone structural flex that may indicate areas of improved permeability;
- Identify potential zones of seam thickening where resource concentration will be higher; and
- Integrate the successful corehole drilling in the north of the area to extend field limits of the current 246 Bcf1 unrisked Gross 2C Contingent Resources.

The survey was completed on time and on budget by Geosignals LLC. around 18 September 2023.

A total of 105km of high quality 2D seismic data was acquired which provided enhanced geological data coverage of the Red Lake area in the TTCBM Project. The data acquired is an important component to assist our technical team in finalising planning for the pilot lateral well drilling.

Earth Signal Processing Ltd was engaged to process the seismic data from the survey.

Pilot Production Program
The Pilot Production program was expected to commence in September 2023. Jade selected the contractors to perform the drilling and directional services of four horizontal pilot production wells which will intersect the four vertical production wells at Red Lake-5, 7, 11, and 15. Each well will have a lateral section of around one kilometre which is designed to provide a much larger exposure to the gassy coal intersection when compared with a vertical well. The plan is to have the horizontal wells drilled and completed via the vertical well. The flow testing will start on each well once completed, resulting in an acceleration of first water and gas flows. The Pilot Production program is expected to take up to six months, after which there will be a 2P Reserve booking over the Pilot Production area, followed by the completion of a Definitive Feasibility Study.

During Q3 and Q4, well planning and drilling preparations were at an advanced stage, incorporating expert well design and engineering consultants in Brisbane, Australia, with efforts focused on lease preparation, production skid upgrades (for handling water and gas brought to surface once the wells are on-line), and winterisation of rig and ancillary equipment.

TTCBM Pilot Program Re-Schedule

Announced on 22 November 2023, due to a combination of factors the Company made the decision to re-schedule drilling the first horizontal well at the TTCBM Project. Despite best intentions from all parties, a number of service providers were unable to deliver and/or prepare equipment ready for use in line with the original schedule. This time delay was to push operations into the extreme cold temperatures that are experienced in the South Gobi over the year end. Whilst originally the first well was forecast to spud in November and drilling into mid-December, a new date had to be set after extreme cold temperatures heighten operational risk and in turn the slight delay will provide the best chance of success for commercial gas production. The rescheduling allows time for further refinement and interpretation of the Red Lake 2D seismic program to better assist well planning and drilling operations, now planned for 1H CY2024.

Vista Area
The Vista area is located 25 kilometres east of the Red Lake area and was first drilled in 2022. Gas was confirmed to be present in the targeted coal seams with 38.25 metres of gas bearing coal recorded in Vista-1drilled in September 2022. The results at Vista-1 demonstrated the gas potential for the area, and follow-up drilling was planned in the 2023 exploration program.

On 12 July 2023, the Company confirmed the largest gas bearing coal intercepts recorded at the Vista area of the TTCBM Project. Drilling reached Total Depth (TD) at the Vista-3 well of 942.5 metres. 35.5 metres of gassy coal was recovered from seams between 583 metres and 900 metres, with the result being one of the largest gas bearing coal intercepts recorded from the Vista area of the TTCBM Project. Core recovered from the gassy seams was subject to gas desorption testing at the Company’s on-site mobile desorption laboratory.

Vista-2, the shallowest planned well in the program to date, was also completed and drilled to 252.5 metres, and whilst intersecting 32.7 metres of coal, the gas content present is negligible. Results from Vista-2 were further analysed and factored into the assessment and forward drilling plan for the area. With further success confirmed at Vista-3, the Vista area has the hallmarks of a Red Lake analogue which could add to the contingent resource of the TTCBM Project.

Baruun Naran Gas Project
Jade holds a Prospecting Agreement Permit over the Baruun Naran coal field (BNG Project) with joint venture partner Khangad Exploration LLC (Khangad), a subsidiary of Mongolia Mining Corporation (MMC), a public company listed on the Hong Kong Stock Exchange. The Baruun Naran coal field is located immediately adjacent and west of Jade's TTCBM Project. The BNG permit has an active coal mine within it, along with substantial data gathered from historic coal mine drilling.

The Baruun Naran coal field is a continuation of the Tavan Tolgoi coal basin with an existing 410Mt JORC compliant coal resource . The first two wells drilled by Jade in 2022 recovered 35 metres of gassy coal at BNG-1, and a further 26 metres of gassy coal at BNG-2.

	Gross Prospective Resource Range (Bcf)		
	1U	2U	3U
Baruun Naran Project	13	65	186

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.*

Note: *See ASX Release dated 19 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 continue to apply and have not materially changed.*

BNG Project drilling conducted by Jade during 2022 successfully added to the extensive data and the Company demonstrated that the BNG Project has high potential for gas bearing, productive coals, and represents a significant opportunity for further expansion of Jade's gas resources. When combined with MMC's wealth of knowledge on the coal deposit and an impressive well data set there is an excellent foundation for assessing potential for development of a coal seam resource from the field.

Following the rescheduling drilling at TTCBM late in the year, Jade expedited the appraisal of the Baruun Naran area with additional wells planned. The results from these wells will be used to accelerate the path to securing a long-term Production Sharing Agreement (PSA) over the permit area.

BNG-3 was spudded 17 November and provided Jade's second largest intersection with 104.6 metres of gas bearing coal recovered, reaching a total depth of 849.8 metres with multiple gassy coal seams intersected including the last seam which was 28.5 metres thick. The coals will undergo desorption testing. Jade has identified Baruun Naran as a critical area for expedited drilling as a part of its CY2024 plans.

Shivee Gobi and Eastern Gobi CBM Projects

As a part of its CY2024 plans, Jade is focused on the two 100% owned highly prospective and sizeable coal bed methane Prospecting Agreement permits, Shivee Gobi and Eastern Gobi, covering a total area of 18,000km^2, located to the north and east of the TTCBM Project and with an estimated gross unrisked 2U Prospective Resource of 5.4 Tcf3 (see ASX Announcement 28 April 2022).

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.*

Note: *See ASX Announcement released on 28 April 2022 for further details. 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 continue to apply and have not materially changed.*

Since acquiring the permits (see ASX Announcement 8 February 2022), the Company has received growing interest from potential partners for collaboration. Over the year, Jade has had a number of discussions and intends to continue assessing partner options for the Eastern Gobi and Shivee Gobi permits.

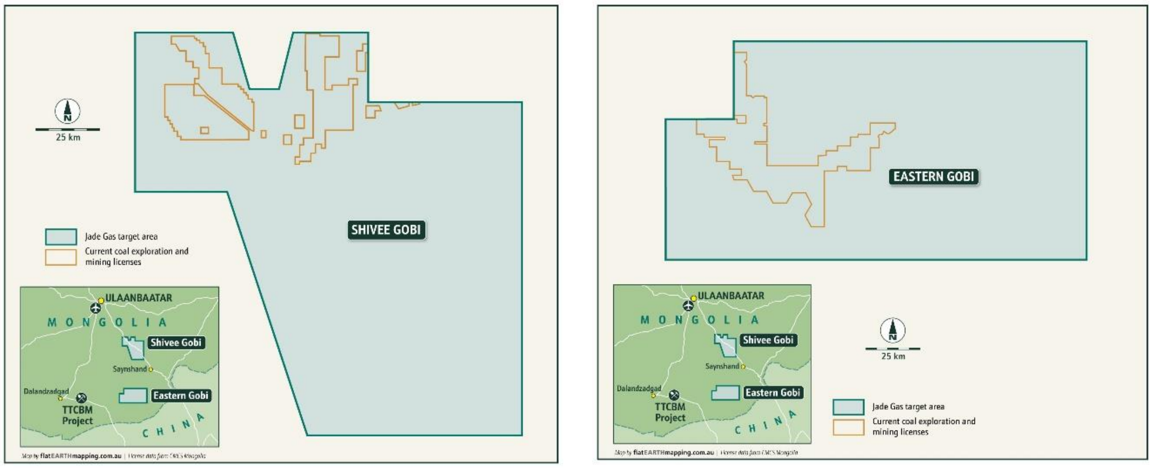

Figure 4: *Permit areas for Shivee Gobi and Eastern Gobi*

Path to Commercialisation

The Company continues to identify a clear pathway to market for gas produced by Jade across its portfolio, with a number of commercial customers on Jade's doorstep looking to secure future supplies of natural gas. Jade estimates that these future supplies will constitute more than 500 MW of future power demand, all within 200km of the TTCBM Project, meaning that the domestic Mongolian market will likely be the only focus of any future gas sales.

Outlook

Following Jade's $11m capital raise with strategic shareholder, UB Metan LLC (UBM) (see ASX Announcement 2 November 2023), the Company announced that it had completed its 2023 Program successfully with continued delineation of the gas bearing coal seams across wide areas of the TTCBM Project. The Company is continuing with preparing for pilot production operations in the Red Lake area and also assessing the coal basin further to the east. A number a key-deliverables have been identified which are designed to demonstrate larger potential, maximise resource value among Jade's projects, and ultimately . produce gas economically with commercial scale to service the huge, and currently unmet, gas fired energy requirement of over 500MW on Jade's doorstep.

With the success of the CY2023 campaign at TTCBM, Jade has collected the essential technical data to identify and prioritise further appraisal and testing of high-graded targets in the area in the coming calendar year. Results from the Vista and Brownhill exploration drilling campaigns include the following wells with gassy intersections;

- 35.52m of gassy coal intersected (Vista-3);
- 38.90m of gassy coal intersected (Vista-4);
- 46.28m of gassy coal intersected (Vista-5); and
- 27.15m of gassy coal intersected (Brownhill-3).

The Company is focused on further developing the existing gas fields and extended coal gas accumulations encountered over a distance of 40km. The company will now look to assess priority targets at Red Lake, Vista, Brownhill and Baruun Naran areas and prove up gas resources further east and west of the current Red Lake, 246 Bcf1 unrisked Gross 2C Contingent Resource.

It is expected that a small seismic program in 2024 will enhance the ongoing assessment, particularly after good results were achieved from the 2023 seismic program.

Austrian Projects

The liquidation of the Company's subsidiaries in Austria continued to progress during the year and in March 2024 this process was completed with the entities being officially deleted from the Austrian Companies Register.

Corporate Update

Board Changes

On 28 June 2023 Jade announced a number of changes to its Board as it transitions focus towards initial gas production. Mr Dennis Morton moved to the role of Executive Chairman adding executive leadership to support the Company's commercialisation pathway. Mr Morton's primary focus is to oversee project execution leveraging his experience in planning, executing and overseeing a pilot production phase for a similarly sized coal seam gas appraisal project. This experience is highly sought after, and is well suited to the stage of Jade's TTCBM Gas Project. The Executive Chairman role will work in conjunction with existing Executive Director Mr Joe Burke. Mr Burke is a founding director of Jade Gas and has been involved at the Project level since the company tendered for the TTCBM project in 2019. He is also the Executive Director and CEO of Methane Gas Resource LLC, the joint venture company in which Jade Gas is partnering with Erdenes Methane LLC, the representative of the Mongolian Government.

Dr Ian Wang joined as Non-Executive Director on 3 July 2023 . Dr Wang has over 30 years' experience in the oil and gas industry, with deep experience working with unconventional gas assets and Coal Bed Methane projects. He previously held roles including, CEO at NuEnergy Limited an Australian listed company (and currently serves as a non-executive director of the board), General Manager of Greka Limited, a privately held oil and gas conglomerate with investments in China and India with a key CBM project located in the Qinshui coal basin in China. He was General Manager of Clarke Energy China, Regional Manager for In-Situ and as Operations Manager for Huawell CBM Zhengzhou, as well as senior exploration roles at Sino Gas & Energy Limited (an ASX listed company focused on the exploration and development of gas assets in China) and Molopo Energy (an ASX listed company with oil and gas upstream interests in China, North America, and Africa). Dr Wang holds a Master of Science and PhD from Imperial College, both in rock mechanics and structural geology and was an Associate Professor at the Chinese Academy of Science in Beijing.

Mrs Uyanga Munkhkhuyag joined as Non-Executive Director on 10 October 2023. Mrs Munkhkhuyag has over 10 years' experience in the project development and management, specializing in the infrastructure projects at energy, logistics, gas and oil sector in Mongolia. She previously held positions as project coordinator, consultant and project director at several projects representing the project owners with overall management responsibility from development to commission. Mrs Munkhkhuyag is currently project director at Jade's strategic partner, UB Metan LLC, undertaking the roles to develop a downstream facilities in natural gas sector of Mongolia, including construction of fueling stations and storage terminal, and to establish a new market to expand the end-user of natural gas. Mrs Munkhkhuyag has a bachelor and master degree of Electrical and Electronics engineering from the Shinshu University, Japan.

The Board appointments and management restructure was designed to better reflect the Company's operational leadership focus ahead of first production pilot and transition toward gas production. The changes were made following the resignations of Managing Director and CEO Mr Chris Jamieson, and Non- Executive Director, Peter Lansom effective as of 26 June 2023.

Jade also advises that Justin Green resigned from the role of Company Secretary with the gratitude of the board for his contribution to the Company, with Aaron Bertolatti appointed as Company Secretary effective immediately. Aaron is a qualified chartered accountant and company secretary with over 16 years' experience in the mining industry and accounting profession.

Annual General Meeting

The AGM was held on Wednesday 31 May 2023, with all resolutions approved by shareholders.

Capital Raising

Equity Placement

On 14 March 2023 the Company advised that it executed a subscription agreement with UB Metan LLC (UBM) for approximately A$10.7 million (before costs) via the placement of 178,630,800 fully paid ordinary shares in Jade (Placement). The Placement was undertaken at an issue price of A$0.06 per share.

UBM is Mongolia's largest importer of natural gas, in the form of LNG, and is looking to increase its usage of natural gas as it targets the transition of haulage trucks in Mongolia from diesel to natural gas. There are currently thousands of trucks running on diesel, with emissions improvements, efficiency gains and cost savings to be made once these trucks are converted to gas. UBM estimates that its own requirements will be in the order of 400,000 tonnes of LNG (approx. 22 PJ of natural gas) per annum.

Under the terms of the Placement UBM were entitled to nominate a candidate to the Jade Board of Directors, and subsequently nominated Mrs Munkhkhuyag. Funds received from the Placement were primarily used for the pilot production program and for general and corporate purposes. The strategic placement with UBM is important in the context that both Jade and UBM share a mutual goal to decarbonise Mongolia with a cleaner source of energy.

Convertible Note Issue

On 2 November 2023 the Company announced the execution of a convertible note deed with UB Metan LLC (UBM) to raise a total of A$11 million (the Notes). The Notes will be unsecured, subject to shareholder approval and will be convertible in full at the election of UBM or Jade at a conversion price of A$0.045 per Note. The conversion price represents a 22% premium to Jade's closing share price on 31 October 2023. The Notes have a maturity date of 12 months from the date of the full subscription amount being transferred and are subject to an interest rate of 10% per annum. Interest accrued on the Notes will be capitalised and satisfied through the issue of Jade shares on conversion of the Notes. Accordingly, the exact number of shares to be issued on conversion will depend on the amount of interest accrued prior to conversion of the Notes.

The subscription funds will be advanced by UBM to the Company in accordance with a payment schedule defined in the financing agreement which requires the final tranche to be paid by 30 April 2024. The Notes contain certain conditions customary for a transaction of this type, and importantly requires the Company to obtain shareholder approval for the issue of the Notes (and shares to be issued on conversion of the Notes) under item 7 of section 611 of the Corporations Act (Shareholder Approval). The Shareholder Approval is required to permit UBM, as a 19.9% shareholder, to increase its shareholding to above 20% on conversion of the Notes. This requires shareholders to be provided with an Independent Expert Report (IER) to evaluate the transaction. The IER will be contained in the Notice of Meeting which will be despatched to shareholders ahead of the extraordinary general meeting, at which the Shareholder Approval will be sought.

In the event that the Notes are issued and converted into shares, UBM's stake in Jade will increase from 19.9% to a maximum of approximately 32%. Under the financing agreement, the Company has agreed to continue to negotiate in good faith to expand, either by way of joint venture or gas supply agreement, its cooperation with UBM established under the Memorandum of Understanding (MOU) in April 2022. Under the MOU, the parties aim to collaborate effectively on the timely and efficient commercialisation of the TTCBM Project. Recent progress under the MOU has seen the two parties investigating the potential to enter a formal joint venture arrangement to facilitate sales of coal seam gas from the TTCBM Project.

The funds received from the convertible note financing will be used to advance the Company's portfolio of coal seam gas projects, primarily for Mongolia's first horizontal drilling campaign at the TTCBM Project, as well as advancement of the appraisal at the BNG Project and continued assessment of the Shivee Gobi and Eastern Gobi coal seam gas appraisal projects, and general working capital.

Advancing Relationship with UBM, a key domestic supplier of LNG

UB Metan LLC UBM is Mongolia's largest importer and distributor of natural gas, in the form of LNG, and is looking for opportunities to expand the usage of natural gas as the Mongolian market focuses on the transition to cleaner and more secure energy. UBM has been a key partner of Jade since its inception, and has supported Jade in both financial and operational activities.

UBM Chief Executive Officer, Basjargal Bold, added: "We are very pleased to provide continued financial support to Jade for its TTCBM Project. We believe that the results Jade has accomplished over the past twelve months justify its move to the pilot production phase of this project and we look forward with great anticipation to the results from the production testing. There are an estimated 13,000 haulage trucks in the Tavan Tolgoi area and it is UBM's intention to commence construction of an LNG fueling station as we look to convert these trucks from diesel to LNG. This will be a positive step forward from a cleaner emissions perspective, as well as provide us with efficiency improvements and cost savings for the fleet of trucks. In order to realise such a sizeable conversion of trucks, we will need a secure and large local source of natural gas. Jade and its TTCBM Project is the logical source for this gas and we look forward to working with Jade to further entrench our relationship as the Company readies the TTCBM Project for first gas flows early in 2024."

Risk Management

The Group's activities expose it to a variety of financial and business risks. The Group's overall risk management program focusses on managing the risks associated with financial markets and to minimise potential adverse impacts on the performance of the Group's activities.

The Board of Directors is responsible for the determination of the Company's risk management objectives and policies and in consultation with the Company's senior Management for designing and operating processes that ensure effective implementation of the Company's objectives and policies. The Board's overall objective is to reduce risk to as low a level as possible whilst still remaining flexible and competitive.

Please refer to Note 26 of the Financial Report for a detailed discussion on Financial Risk Management, other key material business risks are discussed below.

Operations in Foreign Jurisdictions

The Group's projects are located in Mongolia, where exploration and mining activities may be affected in varying degrees by political instability, economic conditions, nationalisation of property and changes in government regulations fluctuations and controls related to foreign currency or conflicts. Furthermore, unforeseen events can curtail or interrupt operations on the Company's projects, restrict capital movement, or lead to increased taxation. The regulatory environment is in a state of constant change and new laws, regulations and requirements may be retroactive in their effect and implementation. There can be no assurance that Mongolian laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to the detriment of the Group's activities.

The Company remains proactive and closely monitors the political and economic landscapes of the jurisdictions in which it operates including working closely with local business partners to manage these risks.

Exploration and development

The future value of the Group will depend on its ability to find and develop resources that are economically recoverable. Gas exploration and development are speculative undertakings that may be impeded by circumstances and factors beyond the control of the Group. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserves, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Group is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

Licencing and permitting risks

The Group has licences and permits for its projects in Mongolia. The Government of Mongolia could revoke or restrict activities on these licences and permits if the Group fails to satisfy its obligations, including payment of royalties and taxes to the Government of Mongolia and the satisfaction of certain mining, environmental, health and safety requirements. A termination of the Group's licences and/or permits could materially and adversely affect the Group's reputation, business, financial conditions and results from operations. The Company through its Joint Venture partners closely monitors compliance with its obligations under its granted licences and permits and is proactive in its dealing with the Mongolian government.

Economic Conditions
Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Group's projects, the profit margins from any potential development and the Company's share price.

Reliance on key personnel
The Group's success is largely dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Group's. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available.

Future funding risk
Continued exploration and evaluation are dependent on the Group being able to secure future funding from debt and equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group.

Unforeseen expenditure risk
Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Group is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Group and its proposed business plans.

Significant events subsequent to balance date

On 9 January 2024 the Company issued 50,000,000 Performance Rights to employees and consultants. Each Performance Right confers an entitlement to the participant to be entitled to one fully paid ordinary share in the Company upon vesting of the Performance Rights. The Performance Rights will vest 12 months from the date of issue and when the Volume Weighted Average Price (VWAP) of the Company's shares as calculated over 20 consecutive days is equal to or exceeds $0.08 per share and provided the Participant is still employed/engaged by the Company at that time.

In March 2024 the liquidation of the Company's subsidiaries in Austria was completed with the entities being officially deleted from the Austrian Companies Register.

No other 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.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for Directors and Key Management Personnel (KMP) of Jade.

The KMP of Jade for the financial period consisted of the following:
- Mr Dennis Morton, appointed as Executive Chairman on 1 July 2023, previously appointed Non-Executive Chairman on 14 December 2021;
- Mr Joseph Burke, appointed as Executive Director on 23 September 2021;
- Mr Daniel Eddington, appointed as Non-Executive Director on 23 September 2021;
- Dr Ian Wang, appointed as Non-Executive Director on 1 July 2023;
- Mrs Uyanga Munkhkhuyag, appointed as Non-Executive Director on 10 October 2023;
- Mr Chris Jamieson, resigned as Managing Director and CEO on 26 June 2023;
- Mr Peter Lansom, resigned as Non-Executive Director on 26 June 2023;
- Mr Justin Green, resigned as Company Secretary on 9 October 2023.

Remuneration Policy

The Remuneration Policy of Jade has been designed to align Director objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives. The Board of Jade believes the Remuneration Policy to be appropriate and effective in its ability to attract and retain the best Executives and Directors to run and manage the Group as well as create goal congruence between Directors and Shareholders.

The Board’s policy for determining the nature and amount of remuneration for Board members is as follows:

The Remuneration Policy, setting the terms and conditions for an Executive Director, was developed by the Board. The Board reviews Executive packages annually by reference to the Group’s performance, Executive performances and comparable information from industry sectors and other listed companies in similar industries.

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group.

Non-Executive and Executive Remuneration

Executive Directors are remunerated by way of Directors Fees (including any applicable superannuation), as set out below:

- Mr Dennis Morton, $10,000 per month (ex GST) for his role as Executive Chairman. Prior to his appointment as Executive Chairman Mr Morton received $6,000 per month (ex GST) for his role as Non-Executive Chairman. Subject to shareholder approval, Mr Morton is also entitled to 5,000,000 Performance Rights which will convert to Ordinary Shares when the Volume Weighted Average Price (VWAP) of the Company’s shares as calculated over 20 consecutive trading days is equal to or exceeds $0.08 at any time but not later than 4 years from the date of appointment and these Performance Rights will vest no earlier than the 12-month anniversary of the appointment date, provided that Mr Morton is employed by the Company at the time the VWAP condition is satisfied. As shareholder approval has not yet been obtained as at reporting date, Mr Morton’s proposed Performance Rights have not been included in his remuneration.
- Mr Joseph Burke, $10,000 per month (ex GST).

The remuneration of Non-Executive Directors may not exceed in aggregate in any financial period the amount fixed by the Company and approved by shareholders, currently being $400,000 per annum. Currently, Non-Executive Directors are remunerated by way of Director fees (including any applicable superannuation), as set out below:

- Mr Daniel Eddington: $60,000 per annum;
- Dr Ian Wang: $60,000 per annum. Dr Wang also received an incentive of 3,000,000 Performance Rights, which will convert to Ordinary Shares when the VWAP of the Company's shares as calculated over 20 consecutive trading days is equal to or exceeds $0.08 at any time but not later than 4 years from the date of appointment and these Performance Rights will vest no earlier than the 12-month anniversary of the appointment date, provided that Dr Wang is employed by the Company at the time the VWAP condition is satisfied;
- Mrs Uyanga Munkhkhuyag: $60,000 per annum. Subject to shareholder approval, Mrs Munkhkhuyag will also be issued an incentive of 3,000,000 Performance Rights which will convert to Ordinary Shares when the VWAP of the Company's shares as calculated over 20 consecutive trading days is equal to or exceeds $0.08 at any time but not later than 4 years from the date of appointment. The Performance Rights will vest no earlier than on the 12-month anniversary of the appointment date, provided that Mrs Munkhkhuyag is employed by the Company at the time the VWAP condition is satisfied. As shareholder approval has not yet been obtained as at reporting date, Mrs Munkhkhuyag's Performance Rights have not been included in her remuneration.

The principal terms of all the Non-Executive Director engagements are set out in a signed Non-Executive Letter of Appointment.

Remuneration and Nominations Committee

The Board is responsible for approving the Company's remuneration policies and practices and to ensure they match the Group's objectives. The Company's Board set the Executive Director's total remuneration package and is responsible for reviewing the non-executive remuneration. The Board established a Remuneration and Nominations Committee to review salaries and short term incentive conditions of executive and staff salaries in comparison to the open market to reduce the risk of losing key staff. Recommendations were tabled and approved by the Board to be included in this Remuneration Report. The Board did not engage any remuneration consultants during the period.

Shareholders' AGM votes on Remuneration Report

At the 2023 AGM, held on 31 May 2023, the Company received 100% 'yes' proxy votes, resulting in the Remuneration Report for the year ended 31 December 2022 being adopted unanimously on a poll. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Remuneration of Key Management Personnel

Details of the remuneration of the KMP of the Company for the reported period are set out in the following tables.

12 Months Ended	Salary & Fees	Cash Bonus	Superannuation	Options	Performance Rights	Total	Performance Remuneration
31/12/2023	$	$	$	$	$	$	%
Executive Directors							
Mr Joseph Burke	120,000	-	-	-	-	120,000	-
Mr Dennis Morton	96,000	-	-	-	-	96,000	-
Mr Chris Jamieson[1]	261,348	-	26,031	74,893	-	362,272	20.7
Non-Executive Directors							
Mr Daniel Eddington	60,000	-	-	-	-	60,000	-
Dr Ian Wang[2]	30,000	-	3,300	-	50,110	83,410	60.1
Mrs Uyanga Munkhkhuyag[3]	15,000	-	-	-	-	15,000	-
Mr Peter Lansom[4]	30,000	-	3,150	-	-	33,150	-
Other KMP							
Mr Justin Green[5]	221,068	-	21,208	-	-	242,276	-
Total	**833,416**	**-**	**53,689**	**74,893**	**50,110**	**1,012,108**	

(1) Mr Jamieson resigned as Managing Director on 26 June 2023. In April 2022 Mr Jamieson received 12,000,000 unlisted options exercisable at 9 cents on or before 19 April 2025. 6,000,000 of these options vested on 19 April 2023 and the remaining 6,000,000 options vest on 19 April 2024. Retention of these Options post his resignation will be subject to shareholder approval. The fair value of the Options and Performance rights has been determined using a Black-Scholes pricing model and Monte Carlo simulation methodology respectively. These valuations have incorporated all market vesting conditions.

(2) Dr Wang commenced on 1 July 2023.

(3) Mrs Munkhkhuyag commenced on 10 October 2023.

(4) Mr Lansom resigned from his position as Non-Executive Director on 26 June 2023.

(5) Mr Green resigned as Financial Controller of the Company on 9 October 2023.

12 Months Ended	Salary & Fees	Cash Bonus	Superannuation	Options	Performance Rights	Total	Performance Remuneration
31/12/2022	$	$	$	$	$	$	%
Executive Directors							
Mr Chris Jamieson[1]	316,250	-	32,415	144,725	148,777	642,167	45.7
Mr Joseph Burke	120,000	-	-	-	-	120,000	-
Non-Executive Directors							
Mr Dennis Morton[2]	60,000	-	-	-	-	60,000	-
Mr Daniel Eddington	48,000	-	-	-	-	48,000	-
Mr Peter Lansom[3]	44,000	-	4,520	118,120	-	166,640	70.9
Mr Bradley Drabsch[4]	5,000	-	-	-	-	5,000	-
Other KMP							
Mr Adrien Wing[5]	5,000	-	-	-	-	5,000	-
Mr Justin Green[6]	198,333	30,000	23,483	-	8,611	260,427	14.8
Total	**796,583**	**30,000**	**60,418**	**262,845**	**157,388**	**1,307,234**	

(1) Mr Jamieson was appointed as Managing Director on 20 April 2022. In addition to his existing CEO remuneration package of $347,500 total fixed remuneration (when including statutory superannuation of 10.5%)per annum, along with a maximum 60% short term incentive plan and a long term incentive plan of 16,000,000 performance rights Mr Jamieson received 12,000,000 unlisted options exercisable at 9 cents on or before 19 April 2025. 6,000,000 of these options have a vesting period of 12 months with the remaining 6,000,000 options having a vesting period of 24 months. The fair value of the Options and Performance rights has been determined using a Black-Scholes pricing model and Monte Carlo simulation methodology respectively. These valuations have incorporated all market vesting conditions.

(2) Mr Morton was granted 12,000,000 Director Incentive Options under the Jade Prospectus released to the ASX on 30 September 2021 in addition to his Director fees. The fair value of the Options has been determined using a Black-Scholes pricing model incorporating all market vesting conditions.

(3) Mr Lansom was granted 4,000,000 Director Incentive Options on appointment on 1 February 2022 in addition to his Director Fees. The fair value of the Options has been determined using a Black-Scholes pricing model incorporating all market vesting conditions.

(4) Mr Drabsch resigned from his position as Non-Executive Director on 31 January 2022

(5) Mr Wing resigned from his position as Company Secretary on 31 January 2022

(6) Mr Green commenced as Financial Controller of the Company on 4 January 2022. Upon commencing the role of Company Secretary on 1 February 2022, Mr Green's annual base salary was revised from $180,000 to $200,000 per annum in addition to the existing 15% short-term incentive and long-term incentive of 1,000,000 Performance Rights. The fair value of the Performance Rights has been determined using a Monte Carlo simulation methodology incorporating all market vesting conditions.

Ordinary Share Holdings of Key Management Personnel

	Type	Balance at 1/1/2023	Purchased in Placement	On-market purchase	On-market sale	Other[5]	Balance at 31/12/2023
Executive Directors							
Mr Joseph Burke	ORD	417,578,664	-	-	-	-	417,578,664
Mr Dennis Morton	ORD	1,169,999	-	-	-	-	1,169,999
Mr Chris Jamieson[1]	ORD	1,071,872	-	-	-	(1,071,872)	-
Non-Executive Directors							
Mr Daniel Eddington	ORD	68,910,002	-	-	-	-	68,910,002
Dr Ian Wang[2]	ORD	-	-	-	-	-	-
Mrs Uyanga Munkhkhuyag[3]	ORD	-	-	-	-	-	-
Mr Peter Lansom[4]	ORD	-	-	-	-	-	-
Other KMP							
Mr Justin Green	ORD	-	-	-	-	-	-
Total		**488,730,537**	-	-	-	(1,071,872)	**487,658,665**

(1) Mr Jamieson and Mr Lansom resigned on 26 June 2023.

(2) Dr Wang commenced on 1 July 2023.

(3) Mrs Munkhkhuyag commenced on 10 October 2023.

(4) Mr Lansom resigned from his position as Non-Executive Director on 26 June 2023.

(5) Ordinary Shares on appointment/resignation of KMP

Options Holdings of Key Management Personnel

	Type	Balance at 1/1/2023	Granted as Compensation	Conversion on Exercise	Cancellation on Expiry	Other[4]	Balance at 31/12/2023
Executive Directors							
Mr Joseph Burke	OPT	8,000,000	-	-	(8,000,000)	-	-
Mr Dennis Morton	OPT	12,000,000	-	-	(12,000,000)	-	-
Mr Chris Jamieson[1]	OPT	12,000,000	-	-	-	(12,000,000)	-
Non-Executive Directors							
Mr Daniel Eddington	OPT	4,000,000	-	-	(4,000,000)	-	-
Dr Ian Wang[2]	OPT	-	-	-	-	-	-
Mrs Uyanga Munkhkhuyag[3]	OPT	-	-	-	-	-	-
Mr Peter Lansom[1]	OPT	4,000,000	-	-	-	(4,000,000)	-
Other KMP							
Mr Justin Green	OPT	-	-	-	-	-	-
Total		**40,000,000**	-	-	**(24,000,000)**	**(16,000,000)**	-

(1) Mr Jamieson resigned on 26 June 2023. Retention of his Options post his resignation will be subject to shareholder approval

(2) Dr Wang commenced on 1 July 2023.

(3) Mrs Munkhkhuyag commenced on 10 October 2023.

(4) Options on appointment/resignation of KMP

Performance Shares and Rights Holdings of Key Management Personnel

	Type	Balance at 1/1/2023	Granted as Compensation	Conversion on Milestone	Conversion on Expiry	Other[5]	Balance at 31/12/2023
Executive Directors							
Mr Joseph Burke	PERF	-	-	-	-		-
Mr Dennis Morton	PERF	-	-	-	-		-
Mr Chris Jamieson[1]	PERF	16,000,000	-	-	-	(16,000,000)	-
Non-Executive Directors							
Mr Daniel Eddington	PERF	-	-	-	-		-
Dr Ian Wang[2]	PERF	-	3,000,000	-	-	-	3,000,000
Mrs Uyanga Munkhkhuyag[3]	PERF	-	-	-	-		-
Mr Peter Lansom[1]	PERF	-	-	-	-		-
Other KMP							
Mr Justin Green[3]	PERF	1,000,000	-	-	-	(1,000,000)	-
Total		**17,000,000**	**3,000,000**	**-**	**-**	**(17,000,000)**	**3,000,000**

(1) Mr Jamieson resigned on 26 June 2023. Retention of his Performance Rights post his resignation will be subject to shareholder approval

(2) Dr Wang commenced on 1 July 2023. Dr Wang received an incentive of 3,000,000 Performance Rights, which will convert to Ordinary Shares when the VWAP of the Company's shares as calculated over 20 consecutive trading days is equal to or exceeds $0.08 at any time but not later than 4 years from the date of appointment and these Performance Rights will vest no earlier than the 12-month anniversary of the appointment date, provided that Dr Wang is employed by the Company at the time the VWAP condition is satisfied;

(3) Mrs Munkhkhuyag commenced on 10 October 2023.

(4) Mr Green resigned on 10 October 2023.

(5) Performance Shares and Rights on appointment/resignation of KMP.

– END OF REMUNERATION REPORT –

Dividends

The Directors do not recommend the payment of a dividend for this financial period. No dividends have been paid or declared by the Company since the end of the previous financial year.

Directors' Meetings

The number of Directors' meetings held in the 12 months and the number of meetings attended by each Director during the period were as follows:

Director	Board meetings held while in office	Meetings attended
Mr Dennis Morton	7	7
Mr Joseph Burke	7	7
Mr Daniel Eddington	7	6
Dr Ian Wang	3	3
Mrs Uyanga Munkhkhuyag	-	-
Mr Chris Jamieson	4	4
Mr Peter Lansom	4	4

It is noted that the Directors were able to attend to business of the Company during the period by circulated resolution and telephone meetings as permitted by the Company's Constitution in place of conducting meetings.

As at the date of this report, the Group did not have an Audit Committee, as the Directors believe the size of the Group and the size of the Board do not currently warrant its existence.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial period under review not otherwise disclosed in this report or the consolidated financial statements.

Likely developments and future results

Other than the matters referred to in the Review of Operations, further information as to likely developments in the operations of the Group would, in the opinion of the Directors, be speculative and may hinder the Group in the achievement of its commercial objectives.

Environmental

The Group's exploration operations are subject to environmental regulations in its relevant jurisdictions of Mongolia. The Directors believe that the Group has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Group.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

Unlisted Options

The Company had on issue 80,500,000 (December 2022: 170,500,000) unlisted options at the end of the financial period and at the date of this reports. The movements and terms and conditions are as follows.

	Expiry Date	Escrow Date	Exercise Price	Balance 1/1/2023	Options Issued	Options Expired	Balance 31/12/23
50,000,000 RTO issued Options	30/6/23	-	$0.045	50,000,000	-	(50,000,000)	-
40,000,000 RTO issued Options	30/6/23	4/10/23	$0.045	40,000,000	-	(40,000,000)	-
12,000,000 Broker Options	22/9/24	4/10/23	$0.045	12,000,000	-	-	12,000,000
4,000,000 Marketer Options	31/10/24	-	$0.10	4,000,000	-	-	4,000,000
4,000,000 Director Options	1/2/25	-	$0.12	4,000,000	-	-	4,000,000
12,000,000 Director Options	19/4/25	-	$0.09	12,000,000	-	-	12,000,000
10,000,000 Broker Options	5/5/25	-	$0.09	10,000,000	-	-	10,000,000
1,000,000 Broker Options	9/11/25	-	$0.075	1,000,000	-	-	1,000,000
30,000,000 Attaching Options	30/11/25	-	$0.075	30,000,000	-	-	30,000,000
7,500,000 Marketer Options	5/12/25	-	$0.075	7,500,000	-	-	7,500,000
				170,500,000	**-**	**(90,000,000)**	**80,500,000**

Unlisted Performance Based Securities

The Company had on issue 30,000,000 (December 2022: 75,000,000) unlisted performance based securities at the end of the financial period.

On 23 February 2023 48,000,000 Performance Shares related to the previous Austrian mineral exploration projects of High Grade Metals Limited expired. Each holder was allotted 1 ordinary shares for each of their cumulative holding of Class A and Class B Performance Shares resulting in the issue of 40 Ordinary Shares of Jade.

On 5 July 2023 3,000,000 Performance Rights were issued to Dr Ian Wang which will convert to Ordinary Shares when the VWAP of the Company's shares as calculated over 20 consecutive trading days is equal to or exceeds $0.08 at any time but not later than 4 years from the date of appointment and these Performance Rights will vest no earlier than the 12-month anniversary of the appointment date, provided that Dr Wang is employed by the Company at the time the VWAP condition is satisfied.

Corporate Governance

In recognizing the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. Refer to the Company's Corporate Governance Statement at www.jadegas.com.au/corporate/corporate-governance/

Indemnification and insurance of officers and auditors

The Company has entered into deeds of indemnity with each Director and the Company Secretary whereby, to the extent permitted by the Corporations Act 2001, the Company agrees to indemnify each Director and the Company Secretary against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the Directors and the Company Secretary against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Company Secretary of the Company, other than conduct involving a willful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Rounding

Jade is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors Report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

Non-Audit Services

During the year BDO Australia, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and it is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company to ensure they do not impact on impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditors Independence Declaration

See note 25 for amounts received or due and receivable by BDO Australia.

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 on page 26.

Signed in accordance with a resolution of Directors made pursuant to s.298 of the Corporations Act 2001.

Joseph Burke
Executive Director
18 March 2024

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Australia

DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF JADE GAS HOLDINGS LIMITED

As lead auditor of Jade Gas Holdings Limited for the year ended 31 December 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 18 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Other income			
Financial income		65,175	33,490
Other income	3	27,214	53,238
Total other income		**92,389**	**86,728**
Expenses			
General and administration expense	4	(2,214,130)	(1,664,437)
Salaries and wages expense	4	(2,153,545)	(2,205,995)
Depreciation and amortisation expense		(149,880)	(125,559)
Interest expense		(17,697)	(28,324)
Realised foreign exchange (loss)/gain		(269,018)	(34,415)
(Loss)/Gain on disposal of property, plant & equipment		-	(14,702)
(Loss)/profit before tax		**(4,711,881)**	**(3,986,704)**
Income tax (expense)/benefit		-	-
(Loss)/Profit for the year		**(4,711,881)**	**(3,986,704)**
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to profit or loss			
Foreign exchange on the translation of subsidiaries		219,939	(819,585)
Total comprehensive income, net of tax		**(4,491,942)**	**(4,806,289)**
(Loss)/profit for the year is attributable to:			
Non-controlling interest		(312,329)	(281,272)
Owners of Jade Gas Holdings Limited		(4,399,552)	(3,705,432)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(312,329)	(281,272)
Owners of Jade Gas Holdings Limited		(4,179,613)	(4,525,017)
		(4,491,942)	**(4,806,289)**

(Loss)/earnings per share		**2023 ($)**	**2022 ($)**
Basic (loss) per share (dollars per share)	5	(0.0031)	(0.0031)
Diluted (loss) per share (dollars per share)	5	(0.0029)	(0.0027)

The notes on pages 31 to 57 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
ASSETS			
Current assets			
Cash and cash equivalents	6	2,129,615	3,239,876
Trade and other receivables	7	338,992	125,766
Other assets	8	1,059,759	387,152
Total current assets		**3,528,366**	**3,752,794**
Non-current assets			
Property, plant and equipment	10	1,770,869	787,760
Right-of-use asset	10	159,606	250,809
Exploration and evaluation expenditure	11	17,567,280	8,735,473
Intangibles	10	42,078	8,117
Total non-current assets		**19,539,833**	**9,782,159**
Total assets		**23,068,199**	**13,534,953**
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,976,612	313,788
Borrowings	13	1,663,154	237,954
Lease liabilities	13	95,307	89,671
Provisions		105,907	64,168
Total current liabilities		**3,840,980**	**705,581**
Non-current liabilities			
Lease liabilities	13	75,003	170,310
Provisions		21,459	46,667
Total non-current liabilities		**96,462**	**216,977**
Total liabilities		**3,937,442**	**922,558**
Net assets		**19,130,757**	**12,612,395**
EQUITY			
Contributed equity	14	34,136,408	23,518,190
Reserves	15	1,267,305	803,388
Accumulated losses		(15,545,076)	(11,293,632)
Non-controlling interest		(727,880)	(415,551)
Total equity		**19,130,757**	**12,612,395**

The notes on pages 31 to 57 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued Capital $	Accumulated Losses $	Total Reserves $	Non-controlling Interest $	Total Equity $
Balance at 1 January 2023	**23,518,190**	**(11,293,632)**	**803,388**	**(415,551)**	**12,612,395**
Profit/(loss) for the year	-	(4,399,552)	-	(312,329)	(4,711,881)
Other comprehensive income for the year (net of tax)	-	-	219,939	-	219,939
Total comprehensive income	**-**	**(4,399,552)**	**219,939**	**(312,329)**	**(4,491,942)**
Issue of shares, rights and options	10,753,848	-	392,086	-	11,145,934
Costs of issuing shares	(135,630)	-	-	-	(135,630)
Expiry of unlisted options	-	148,108	(148,108)	-	-
Balance at 31 December 2023	**34,136,408**	**(15,545,076)**	**1,267,305**	**(727,880)**	**19,130,757**

Balance at 1 January 2022	**15,198,509**	**(7,588,200)**	**301,044**	**(134,279)**	**7,777,074**
Profit/(loss) for the year	-	(3,705,432)	-	(281,272)	(3,986,704)
Other comprehensive income for the year (net of tax)	-	-	(819,585)	-	(819,585)
Total comprehensive income	**-**	**(3,705,432)**	**(819,585)**	**(281,272)**	**(4,806,289)**
Issue of shares, rights and options	9,656,104	-	1,321,929	-	10,978,033
Costs of issuing shares	(1,336,423)	-	-	-	(1,336,423)
Balance at 31 December 2022	**23,518,190**	**(11,293,632)**	**803,388**	**(415,551)**	**12,612,395**

The notes on pages 31 to 57 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 $	31 Dec 2022 $
Cash flows from operating activities			
Receipts from customers		68,574	27,319
Payments to suppliers and employees		(3,247,607)	(3,493,375)
Net cash (used in)/generated by operating activities	19	**(3,179,033)**	**(3,466,056)**
Cash flows from investing activities			
Payments for property, plant and equipment		(469,543)	(425,081)
Payments for exploration and evaluation assets		(9,408,455)	(6,421,288)
Payments for intangible assets		(78,732)	-
Proceeds from disposal of plant and equipment		-	51,965
Proceeds from disposal of tenements		-	29,990
Interest received		80,827	33,164
Net cash (used in)/generated by investing activities		**(9,875,903)**	**(6,731,250)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares, options and notes		10,753,848	9,656,104
Proceeds from borrowings		1,608,893	11
Transaction costs related to issue of shares		(149,157)	(613,164)
Payment of borrowings		(210,000)	(100,000)
Interest paid		(33,541)	(11)
Net cash (used in)/generated by financing activities		**11,970,043**	**8,942,940**
Cash and cash equivalents at beginning of the period		**3,239,876**	**4,372,561**
Net (decrease)/increase in cash and cash equivalents		(1,084,893)	(1,254,366)
Effects of currency translation on cash and cash equivalents		(25,368)	121,681
Cash and cash equivalents at end of period		**2,129,615**	**3,239,876**

The notes on pages 31 to 57 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 66 Rundle Street Kent Town SA 5067.

This financial report includes the financial statements and notes of Jade Gas Holdings Limited (“the Company") and its Controlled Entities ("Jade" or “the Group”). The financial statements were authorised for issue on 18 March 2024 by the Directors of the Company.

Note 2: Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. Monetary amounts are expressed in Australian dollars.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries at 31 December 2023. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra- group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal as applicable.

Non-controlling interest, presented as part of equity, represent the portion of a subsidiary’s profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent and the non-controlling interest based on their respective ownership interests.

Income tax

The income tax expense/(income) for the period comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charge to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expenses/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on, either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods, in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation legislation

The Company and its wholly-owned Australian entities have implemented the tax consolidation legislation as of 1 July 2018.

The head entity, Jade, and the controlled entities in the tax consolidation group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Jade also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and tax credits assumed from controlled entities in the tax consolidation group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the period in which the decision to abandon the area is made. When production commences, the accumulated costs or the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect to a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development. Where an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Property, Plant and Equipment

Where a Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Significant accounting estimates and judgements for share based payments values

The Group estimates the probability of award of performance rights issued to key management personnel and other consultants and advisors by reference to the likelihood that the performance measures will be met by the holders of those performance rights as at the date at which they are granted. The probability is considered binary (100% or 0%) for each class of performance rights and only where there is a high risk of failure to achieve the performance measures will 0% be used (e.g. stretch targets).

Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities. The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred

Contributed equity

Issued and paid up-capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Foreign currency transactions and balances

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange rate differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise, the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at average exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed of.

Financial Instruments

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of Options and Performance Rights are determined using the Black-Scholes pricing model and a Monte Carlo simulation methodology respectively, incorporating all market vesting conditions.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-based transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense, recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If any equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Interest revenue is recognised using the effective interest rate method.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. All revenue is stated net of the amount of goods and services tax.

Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST/VAT incurred is not recoverable from the Australian Taxation Office, Mongolian Tax Authority or Austrian Taxation Office (Tax Office).

Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the Tax Office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the Tax Office are presented as operating cash flows included in receipts from customers or payments to suppliers.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Changes in accounting policies and disclosure

In the period ended 31 December 2023, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. No new or amended Australian Accounting Standards and Interpretations that are issued, but not yet effective, have been early adopted. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

New Accounting Standards and Interpretations adopted

There are no issued but not yet effective accounting standards or interpretations that are expected to significantly impact the Group in future financial years.

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.

Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that, has not at balance date, reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in Note 2.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the Directors' best estimate, pending an assessment by the Australian Taxation Office.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Share based payments - equity settled transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model whilst the fair value of Performance Rights is determined using a Monte Carlo Simulation Method. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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. The Group has incurred a loss after tax of $4,711,881 and operations were funded by a cash inflow of $10,753,848 from the issue of Ordinary Shares and $1,608,893 from the proceed of 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 31 December 2023 $1,663,154 had been received pursuant to the convertible note Agreement with the balance of $9,336,846 due for receipt by 30 April 2024. The Company intends to use the funds received from the Placement primarily for Mongolia's first horizontal drilling campaign at the Company's flagship project at the Tavantolgoi basin in Mongolia and for general and corporate purposes.

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 Company 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.

Note 3: Other Income

	2023 **$**	**2022** **$**
Sale of Austrian exploration licences	-	25,740
Rental income	24,014	24,836
Other	3,200	2,662
	27,214	**53,238**

Note 4: Expenses

General and administration	**2023** **$**	**2022** **$**
ASX & ASIC Fees	64,353	69,682
Insurance	71,302	55,434
Subscriptions and memberships	36,902	30,587
Marketing and investor relations	132,334	262,631
Office	77,032	72,609[1]
Travel	214,964	209,397
Printing, Post and Stationery	18,787	29,006
Communications	12,352	10,834
Fuel	6,559	9,773
Professional services	987,733	368,428
Mongolian withholding and other state taxes	391,558	358,843
Share based payments - G&A expense	-	114,843
Other administrative expenses	200,254	72,370
Total general and administration expenses	**2,214,130**	**1,664,437**

[1] Office expense includes $61,894 of Mongolian office rent utilising the short-term lease exemption under IFRS 16.

Salaries and Wages		
Salaries and wages	1,619,551	1,624,507
Share based payment expense	392,086	461,199
Superannuation expense	141,908	120,289
Total salaries and wages expense	**2,153,545**	**2,205,995**

Note 5: Earnings Per Share

	2023 $	2022 $
Loss for the period	(4,711,881)	(3,986,704)
Weighted average number of ordinary shares (basic)	1,541,207,267	1,302,391,591
Weighted average number of ordinary shares (diluted)	1,641,207,267	1,497,891,591
Basic (loss) per share	**($0.0031)**	**($0.0031)**
Diluted (loss) per share	**($0.0029)**	**($0.0027)**

Basic earnings per share are calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net loss attributable to members of the Company adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 6: Cash and Cash Equivalents

	2023 $	2022 $
Cash at bank	2,129,615	3,239,876
	2,129,615	**3,239,876**

Note 7: Trade and Other Receivable

	2023 **$**	**2022** **$**
Accounts receivable	80,806	75,684
GST and VAT receivable	258,186	50,082
	338,992	**125,766**

Note 8: Other Assets

	2023 **$**	**2022** **$**
Prepayments	930,834	261,445
Security and Environmental deposits	128,925	125,707
	1,059,759	**387,152**

Note 9: Deferred Tax

The following is a summary of the tax consolidated group's deferred tax not brought to account, the benefits of which will only be realised if the conditions for deductibility are met.

	2023 **$**	**2022** **$**
Losses available for offset against future tax liabilities	7,253,995	6,499,292
Impact of tax base rate reduction to 25%	-	(236,129)
Deductible temporary differences	136,572	130,618
	7,390,567	**6,393,781**

The 2023 figures are calculated on the current 25% tax rate for base rate entities (2022: 25%) on the basis that should the Group have future taxable profits it is likely that the Group will initially be a Small Business Entity (SBE).

The recovery of the losses is subject to satisfaction of the tax loss recoupment rules and will be subject to the Continuity of Ownership Test (COT), or failing that, the Business Continuity Test (BCT) in the year that they are utilised.

The prima facie income tax expense/(income) on pre-tax accounting loss reconciles to the income tax expense/(income) in the financial statements as follows:

	2023 $	2022 $
Accounting loss before tax from continuing operations	(4,399,551)	(3,986,704)
Tax benefit at the parent entity's tax rate of 25% (2022: 25%)	1,177,970	996,676
• Non-deductible expenses	(253,344)	(89,434)
• Other deductible costs	385,490	170,437
• Unused tax losses and temporary differences not recognised	(1,310,116)	(1,077,679)
	-	-

Note 10: Property, Plant and Equipment, Right-of-Use and Intangible Assets

	Plant and equipment at cost $	Right-of-use asset $	Intangible assets $	Total $
Gross carrying amount				
Balance at 1 January 2023	**945,770**	**453,700**	**26,561**	**1,426,031**
Additions	374,201	-	97,891	472,092
Disposals	-	-	-	-
Reclassifications[1]	862,270	-	-	862,270
Foreign exchange impact	10,446	985	294	11,725
Balance at 31 December 2023	**2,192,687**	**454,685**	**124,746**	**2,772,118**
Accumulated depreciation/ amortisation and impairment				
Balance at 1 January 2023	**(158,010)**	**(202,891)**	**(18,444)**	**(379,345)**
Disposals	-	-	-	-
Depreciation expense	(262,061)	-	-	(262,061)
Amortisation expense	-	(91,205)	(63,781)	(154,986)
Reclassifications	-	-	-	-
Foreign exchange impact	(1,747)	(983)	(443)	(3,173)
Balance at 31 December 2023	**(421,818)**	**(295,079)**	**(82,668)**	**(799,565)**
Net book value				
As at 1 January 2022	**787,760**	**250,809**	**8,117**	**1,046,686**
As at 31 December 2023	**1,770,869**	**159,606**	**42,078**	**1,972,553**

[1] Production skids previously recognized in exploration and evaluation expenditure when work in progress

	Plant and equipment at cost $	Right-of-use asset $	Intangible assets $	Total $
Gross carrying amount				
Balance at 1 January 2022	867,185	445,205	5,189	1,317,579
Additions	403,103	-	21,978	425,081
Disposals	(166,366)	-	-	(166,366)
Reclassifications	-	20,548	-	20,548
Foreign exchange impact	(158,152)	(12,053)	(606)	(170,811)
Balance at 31 December 2022	**945,770**	**453,700**	**26,561**	**1,426,031**
Accumulated depreciation/ amortisation and impairment				
Balance at 1 January 2022	(102,950)	(100,939)	(3,271)	(207,160)
Disposals	21,864	-	-	21,864
Depreciation expense	(88,824)	-	-	(88,824)
Amortisation expense	-	(93,457)	(15,554)	(109,011)
Reclassifications	-	(20,548)	-	(20,548)
Foreign exchange impact	11,900	12,053	381	24,334
Balance at 31 December 2022	**(158,010)**	**(202,891)**	**(18,444)**	**(379,345)**
Net book value				
As at 1 January 2022	**764,235**	**344,266**	**1,918**	**1,110,419**
As at 31 December 2022	**787,760**	**250,809**	**8,117**	**1,046,686**

Note 11: Exploration and Evaluation Expenditure

	2023 $	2022 $
Opening balance	8,735,473	2,565,356
Reclassification	(862,270)	-
Foreign exchange impact	167,420	(296,104)
Exploration expenditure incurred	9,526,657	6,466,221
	17,567,280	**8,735,473**

Note 12: Trade and Other Payables

	2023 $	2022 $
Trade creditors	964,754	119,871
Superannuation payable	26,730	12,036
Withholding tax payable	355,185	21,111
Accrued expenses	629,943	160,770
	1,976,612	**313,788**

Note 13: Borrowings

	2023 $	2022 $
Short term loan – convertible note financing (i)	1,663,154	-
Director loans (ii)	-	100,000
Shareholder loans (iii)	-	137,954
Lease liability	170,310	259,981
	1,833,464	**497,935**
Current	1,758,461	327,625
Non-current	75,003	170,310
	1,833,464	**497,935**

SUMMARY OF BORROWING ARRANGEMENTS

(i) Convertible note financing facility with 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, 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.

(ii) Unsecured loan of $100,000 provided by a previous Director of the Company on an interest-free basis repaid in August 2023.

(iii) Unsecured shareholder loans provided at 6% interest repaid in August 2023.

	31/12/2022 $	Financing cash flows $	Office lease liability $	Foreign Exchange Realised $	Interest on loans $	31/12/2023 $
Convertible note	-	1,608,893	-	51,986	2,275	1,663,154
Director loans	100,000	(100,000)	-	-	-	-
Shareholder loans	137,954	(143,541)	-	-	5,587	-
Lease liabilities	259,981	-	(89,671)	-	-	170,310
	497,935	**1,365,352**	**(89,671)**	**51,986**	**7,862**	**1,833,464**

Note 14: Contributed Equity

	2023 $	2022 $
Issued share capital	35,728,450	24,974,602
Costs of issuing shares	(1,592,042)	(1,456,412)
	34,136,408	**23,518,190**
Issued capital comprises:		
1,576,834,171 fully paid ordinary shares (31 December 2022: 1,397,403,331)	34,136,408	23,518,190
	34,136,408	**23,518,190**

FULLY PAID ORDINARY SHARES

	No. Shares	Share capital
Balance at 1 January 2022	1,209,401,331	15,198,509
Shares issued	188,002,000	9,656,104
Attaching Options issued	-	(548,029)
Broker Options issued	-	(197,859)
Costs of issuing shares	-	(590,535)
Closing balance at 31 December 2022	**1,397,403,331**	**23,518,190**

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**

SHARE PLACEMENT

On 27 February 2023 the Company announced the expiry of 48,000,000 Performance Shares issued as part of the acquisition of Austrian Projects Corporation Pty Ltd in February 2018 by High Grade Metals. The Performance Shares expired without meeting the required performance milestones. Under the terms of the Performance Shares all unconverted Performance Shares consolidated into one Performance Share and converted into one Ordinary Share in the Company at expiry. This resulted in the issue of a total of 40 Ordinary Shares in the Company to the holders of the Performance Shares.

On 14 March 2023, the Company announced the successful completion of a $10,717,848 capital raising through the issue of 178,630,800 shares to cornerstone investor UB Metan LLC at an issue price of $0.06 per share. The issue price of $0.06 per share represented a 27.7% premium to the previous closing price on 9 March 2023 of $0.047 and a 23.7% premium to the 30-day volume weighted average (VWAP) price of JGH shares. Under the terms of the Placement UB Metan received an entitlement to nominate a candidate to the Jade Board of Directors. The funds were to be allocated primarily for the pilot production program and for general and corporate purposes.

90,000,000 Unlisted Options with an exercise price of $0.045 were scheduled to expire on 30 June 2023. On 28 June 2023 the Company received a request to convert 800,000 of these Unlisted Options into Ordinary Shares. The remaining 89,200,000 Unlisted Options expired on 30 June 2023.

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY - ORDINARY SHARES

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. The shares do not have a par value.

Unlisted Options

	31 December 2023		31 December 2022	
	Quantity	Weighted ave exercise price	Quantity	Weighted ave exercise price $
Outstanding at the start of the period	170,500,000	0.061	113,000,000	0.053
Forfeited during the period	(90,000,000)	0.045	(7,000,000)	0.15
Granted during the period	-	-	64,500,000	0.083
Outstanding at the end of the period	**80,500,000**	**0.078**	**170,500,000**	**0.061**

At 31 December 2023, the Group has 80,500,000 (31 December 2022: 170,500,000) Unlisted Options on issue, the terms and details are set out below:

	Expiry Date	Escrow Date	Exercise Price	Balance 1/1/2023	Options Issued	Options Expired	Balance 31/12/23
50,000,000 RTO issued Options	30/6/23	-	$0.045	50,000,000	-	(50,000,000)	-
40,000,000 RTO issued Options	30/6/23		$0.045	40,000,000	-	(40,000,000)	-
12,000,000 Broker Options	22/9/24	4/10/23	$0.045	12,000,000	-	-	12,000,000
4,000,000 Marketer Options	31/10/24	-	$0.10	4,000,000	-	-	4,000,000
4,000,000 Director Options	1/2/25	-	$0.12	4,000,000	-	-	4,000,000
12,000,000 Director Options	19/4/25	-	$0.09	12,000,000	-	-	12,000,000
10,000,000 Broker Options	5/5/25	-	$0.09	10,000,000	-	-	10,000,000
1,000,000 Broker Options	9/11/25	-	$0.075	1,000,000	-	-	1,000,000
30,000,000 Attaching Options	30/11/25	-	$0.075	30,000,000	-	-	30,000,000
7,500,000 Marketer Options	5/12/25	-	$0.075	7,500,000	-	-	7,500,000
				170,500,000	**-**	**(90,000,000)**	**80,500,000**

Performance Shares

At 31 December 2023, there were no Unlisted Performance Shares on issue (31 December 2022: 48,000,000). These Performance shares were previously issued as consideration for the acquisition of Austrian Projects Corporation Pty Ltd and expired on 26 February 2023 having not reached the Class A and Class B milestones required for conversion:

	2023 Quantity	2022 Quantity
Class A Performance Shares	-	24,000,000
Class B Performances Shares	-	24,000,000
	-	**48,000,000**

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY - CLASS A PERFORMANCE SHARES

The Class A Performance Shares were issued on 26 February 2018 and subsequently consolidated on 7 July 2021.

Each Class A Performance Share will convert into an Ordinary Fully Paid Share on a one-for-one basis, upon delineation of a JORC-compliant Mineral Resource estimate of at least inferred category (as defined in the JORC Code) of a minimum of 500,000 ounces of gold or gold equivalent (in accordance with clause 50 of the JORC Code) at an average grade of at least 8 grams per tonne (Class A Milestone). The Class A Milestone must be determined to have been achieved, or not achieved, by no later than 5:00pm on the date that is one month after the Expiry Date, being 25 February 2023.

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY - CLASS B PERFORMANCE SHARES

The Class B Performance Shares were issued on 26 February 2018 and subsequently consolidated on 7 July 2021. Class B Performance Shares have an expiry date of 26 February 2023.

Each Class B Performance Share will convert into an Ordinary Fully Paid Share on a one-for-one basis, upon completion of a positive Scoping Study (as defined in the JORC Code) in relation to any one or more Austrian Cobalt project by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant Austrian Cobalt project is over $US50,000,000 and provided that (while the Company remains listed on the ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release (Class B Milestone).

EXPIRY OF PERFORMANCE SHARES

On 26 February 2023 24,000,000 Class A Performance Shares and 24,000,000 Class B Performance Shares expired having not met the performance milestones required to convert. Under the terms of the Performance Shares each Holder's holding of Class A and Class B Performance Shares consolidated into 1 Performance Share of each class and converted into 1 Ordinary Share in the Company resulting in the issue of 40 Ordinary Shares in the Company.

Performance Rights

At 31 December 2023, the Group has 30,000,000 (31 December 2022: 25,000,000) Unlisted Performance Rights on issue. These Performance Rights have been issued to employees as part of their remuneration package to incentivise performance and align employee remuneration with the success of the Company.

	2023 Quantity	2022 Quantity
Employee Performance Rights Granted 25/11/2021 - Tranche 1	4,000,000	4,000,000
Employee Performance Rights Granted 25/11/2021 - Tranche 2	4,000,000	4,000,000
Employee Performance Rights Granted 16/12/2021 - Tranche 1	8,000,000	8,000,000
Employee Performance Rights Granted 16/12/2021 - Tranche 2	8,000,000	8,000,000
Employee Performance Rights Granted 4/1/2022 - Tranche 1	500,000	500,000
Employee Performance Rights Granted 4/1/2022 - Tranche 2	500,000	500,000
Employee Performance Rights Granted 10/11/2022 - Tranche 1	1,000,000	-
Employee Performance Rights Granted 10/11/2022 - Tranche 2	1,000,000	-
Directors Performance Rights Granted 5/7/2023	3,000,000	
	30,000,000	**25,000,000**

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY – DIRECTOR PERFORMANCE RIGHTS

On 5 July 2023 3,000,000 Performance Rights were issued to Dr Ian Wang which will convert to Ordinary Shares when the VWAP of the Company’s shares as calculated over 20 consecutive trading days is equal to or exceeds $0.08 at any time but not later than 4 years from the date of appointment and these Performance Rights will vest no earlier than the 12-month anniversary of the appointment date, provided that Dr Wang is employed by the Company at the time the VWAP condition is satisfied.

Note 15: Reserves

	2023 $	2022 $
Option reserve	1,987,944	1,743,965
Foreign exchange reserve on the conversion of subsidiary undertakings	(720,639)	(940,577)
	1,267,305	**803,388**

SHARE OPTION RESERVE

	2023 $	2022 $
Opening balance	1,743,965	422,036
Consolidation of 7,000,000 Director options on 7 July 2021	-	(823)
Issue of 22,000,000 Director options on 22 September 2021 as part of the RTO	(148,108)	-
Issue of 8,000,000 Performance Rights on 25 November 2021	70,475	55,290
Issue of 16,000,000 Performance Rights on 16 December 2021	142,904	135,277
Issue of 1,000,000 Performance Rights on 16 December 2021	8,706	8,610
Issue of 4,000,000 Director options on 1 February 2022	-	118,120
Issue of 12,000,000 Director options on 19 April 2022	110,205	144,725
Issue of 10,000,000 Broker options on 5 May 2022	-	179,830
Issue of 30,000,000 Attaching options on 9 November 2022	-	548,028
Issue of 1,000,000 Broker options on 9 November 2022	-	18,029
Issue of 2,000,000 Performance Rights on 10 November 2022	9,687	-
Issue of 7,500,000 Marketing options on 5 December 2022	-	114,843
Issue of 3,000,000 Director Performance Rights on 3 July 2023	50,110	-
	1,987,944	**1,743,965**

Note 16: Controlled Entities

Controlled entities consolidated Subsidiaries of Jade Gas Holdings Limited	Country of incorporation	Principal activity	Percentage owned (%) 31 December 2023
Direct			
Jade Gas Pty Ltd (i)	Australia	Intermediate parent	100
Jade Methane LLC (ii)	Mongolia	CBM exploration	100
Methane Gas Resource LLC (iii)	Mongolia	CBM exploration	60
Jade Gas Mongolia LLC (iv)	Mongolia	CBM exploration	100
Baruun Naran Gas LLC (v)	Mongolia	CBM exploration	66
Acacia Mining Pty Ltd	Australia		100
Austrian Projects Corporation Pty Ltd (vi)	Australia	Intermediate parent	100
APC Cobalt GmbH (vii)	Austria	Cobalt projects	100
APC Gold GmbH (viii)	Austria	Intermediate parent	100
Eurocan Mining GmbH (ix)	Austria	Gold projects	100

i. On 22 September 2021 HGM successfully completed the acquisition of JGPL and subsequently underwent a name change to Jade Gas Holdings Limited after being reinstated to trading on the ASX.

ii. On 14 May 2019 Jade Methane LLC (JM) was incorporated and JGPL Ltd acquired an 85% interest in it. On 14th May 2020 JGPL acquired the remaining 15% from UB Methane LLC, a Mongolian corporation. The consideration for this was the obligation to issue 5,250,000 ordinary shares, 8,250,000 Class B shares and 8,250,000 Performance Shares in JGPL pursuant to a Share Sale Agreement dated 30 September 2019. That agreement was conditional upon the proposed ASX reverse takeover transaction and necessary consents and approvals. UB Methane was issued shares prior to the reverse takeover and those shares were acquired by Jade Gas Holdings Ltd for consideration of 87,000,000 ordinary shares.

iii. Methane Gas Resource LLC (MGR) is a 60% subsidiary of JM. It was incorporated on 21 May 2019 and acquired by JGPL on 21 May 2019 as part of the JM acquisition.

iv. Jade Gas Mongolia LLC (JGM is a 100% subsidiary of JGPL). It was incorporated on 14 May 2019 and acquired by JGPL on 14 May 2019.

v. Baruun Naran Gas LLC (BNG) is a 66% subsidiary of JGM. It was incorporated on 27 September 2019 and acquired by JGPL on 27 September 2019 as part of the JGM acquisition.

vi. Austrian Projects Corporation Pty Ltd (APC) was incorporated on 24 October 2017 and acquired by HGM on 26 February 2018.

vii. APC Cobalt GmbH is a 100% subsidiary of APC. It was incorporated on 24 October 2017 and acquired by HGM on 26 February 2018 as part of the APC acquisition. In March 2024 the liquidation of APC Cobalt GmbH was completed and the company was deleted from the Austrian companies Register.

viii. APC Gold GmbH is a 100% subsidiary of APC. It was incorporated on 24 October 2017 and acquired by HGM on 26 February 2018 as part of the APC acquisition. In March 2024 the liquidation of APC Gold GmbH was completed and the company was deleted from the Austrian companies Register.

ix. Eurocan Mining GmbH is a 100% subsidiary of APC Gold GmbH. It was acquired by APC Gold GmbH on 11 December 2017. In March 2024 the liquidation of Eurocan Mining GmbH was completed 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.

Note 17: Exploration Expenditure Commitments

The terms of the PSA held by MGR include minimum expenditure requirement over the period of the agreement. Annual expenditure budgets are approved by the country regulator MRPAM. The terms of the PSA are commercial in confidence.

Note 18: Contingent Assets and Liabilities

The Directors are not aware of any contingent liabilities as at the date of the financial statements however have become aware of the terms of the previous sale of an exploration tenement held by a Jade Subsidiary prior to the reverse takeover of the Company by Jade Gas Pty Ltd. Under the terms of the sale of the tenement Jade will receive $650,000 of cash or shares in the purchaser within 60 days of an announcement to the ASX that the purchaser has obtained a pre-feasibility study that confirms an internal rate of return of no less than 20% if the tenement is developed as a mine. An additional $650,000 worth of cash or shares in the purchaser is payable withing 60 days of the purchaser announcing to the ASX that it has made a decision to mine within the tenement area.

Note 19: Cash Flow Information

	2023 $	2022 $
Reconciliation of cash		
Cash as end of financial period as shown in the cash flow statement is reconciled to items in balance sheet as follows:		
Cash and cash equivalents	2,129,615	3,239,876
	2,129,615	**3,239,876**
Reconciliation with operating loss Reconciliation of cash flows from operations with operating loss after income tax is set out as follows.		
Operating loss after income tax	(4,711,881)	(3,986,704)
Non-cash flows included in loss:		
- Depreciation and amortisation	149,880	125,559
- Interest expense on loans	17,697	28,324
- Fair value of options	392,086	576,042
- Loss on disposal of PP&E	-	14,702
Changes in assets and liabilities:		
- Decrease/(increase) in receivables	(213,226)	18,976
- Decrease/(increase) in prepayments	101,342	286,444
- (Decrease)/increase in creditors & accruals	1,085,069	(529,399)
Net cash used in operating activities	**(3,179,033)**	**(3,466,056)**

Note 20: Key Management Personnel (KMP) Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 31 December 2023. The totals of remuneration attributable to KMP of the Group during the period are as follows:

	2023 $	2022 $
Short-term employee benefits	833,416	826,583
Post employee benefits	53,689	60,418
Equity based payments	125,003	420,233
	1,012,108	1,307,234

Note 21: Share Based Payments

The following share based payments were in existence during the period:

Share Based Payments	**31 Dec 2023** **$**	**Current period expense**	**31 Dec 2022** **$**
22,000,000 Director Incentive Options	-	(148,108)	148,108
8,000,000 Employee Incentive Performance Rights	147,901	70,475	77,426
16,000,000 Employee Incentive Performance Rights	291,681	142,904	148,777
1,000,000 Employee Incentive Performance Rights	17,316	8,706	8,610
4,000,000 Director Incentive Options	118,120	-	118,120
12,000,000 Director Incentive Options	254,930	110,205	144,725
2,000,000 Employee Incentive Performance Rights	9,687	9,687	-
3,000,000 Director Incentive Performance Rights	50,110	50,110	-
Share Based Payment Expense - Salaries and wages	**889,745**	**243,979**	**645,766**
4,000,000 Marketer Options	117,480	-	117,480
7,500,000 Marketer Options	114,843	-	114,843
Share Based Payment Expense - General and admin	**232,323**	**-**	**232,323**
12,000,000 Broker Options	119,989	-	119,989
10,000,000 Broker Options	179,830	-	179,830
1,000,000 Broker Options	18,029	-	18,029
30,000,000 Attaching Options	548,028	-	548,028
Share Issue Costs	**865,876**	**-**	**865,876**
Share Based Payment Reserve	**1,987,944**	**243,979**	**1,743,965**

The fair value of the equity settled Options is estimated as at the date they were granted using a Black-Scholes pricing model for Unlisted Options and for Performance Rights a Monte Carlo Simulation Methodology taking into account the terms and conditions upon which the Options and Performance Rights were granted.

The value of Options was calculated using the Black-Scholes pricing model and 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
22,000,000 Director Options	22/9/21	22/9/21	30/6/23	$0.03	$0.045	$0.007	68%	0.01%
4,000,000 Performance Rights	25/11/21	4/10/22	25/11/25	$0.08	-	$0.037	93%	1.37%
4,000,000 Performance Rights	25/11/21	4/10/23	25/11/25	$0.08	-	$0.034	93%	1.37%
8,000,000 Performance Rights	16/12/21	16/12/22	16/12/25	$0.07	-	$0.038	93%	1.48%
8,000,000 Performance Rights	16/12/21	16/12/23	16/12/25	$0.07	-	$0.034	93%	1.48%
500,000 Performance Rights	4/1/22	4/1/23	4/1/26	$0.07	-	$0.037	93%	1.40%
500,000 Performance Rights	4/1/22	4/1/24	4/1/26	$0.07	-	$0.034	93%	1.40%
4,000,000 Director Options	1/2/22	1/2/22	1/2/25	$0.08	$0.12	$0.030	71%	1.23%
6,000,000 Director Options	20/4/22	19/4/23	19/4/25	$0.06	$0.09	$0.023	69%	2.55%
6,000,000 Director Options	20/4/22	19/4/24	19/4/25	$0.06	$0.09	$0.023	69%	2.55%
1,000,000 Performance Rights	10/11/22	10/11/26	10/11/26	$0.049	-	$0.018	95%	1.77%
1,000,000 Performance Rights	10/11/22	10/11/26	10/11/26	$0.049	-	$0.016	95%	1.63%
3,000,000 Performance Rights	5/7/23	5/7/24	30/6/27	$0.044	-	$0.034	101%	3.89%
4,000,000 Marketer Options	25/11/21	25/11/21	31/10/24	$0.08	$0.10	$0.029	65%	1.03%
7,500,000 Marketer Options	5/12/22	5/12/22	5/12/25	$0.05	$0.075	$0.015	70%	3.01%
12,000,000 Broker Options	22/9/21	22/9/21	22/9/24	$0.03	$0.045	$0.010	68%	0.16%
10,000,000 Broker Options	5/5/22	5/5/22	5/5/25	$0.05	$0.09	$0.018	69%	2.96%
1,000,000 Broker Options	9/11/22	9/11/22	9/11/25	$0.05	$0.075	$0.018	71%	3.40%
30,000,000 Attaching Options	9/11/22	9/11/22	30/11/25	$0.05	$0.075	$0.018	71%	3.40%

Annual expense resulting from the valuations utilising the Black-Scholes pricing model for Unlisted Options

Share Based Payments	31 Dec 2021 Restated $	31 Dec 2022 $	31 Dec 2023 $	31 Dec 2024 $	31 Dec 2025 $	31 Dec 2026 $
7,000,000 Director Options	823	(823)	-	-	-	-
22,000,000 Director Options	148,108	-	(148,103)	-	-	-
8,000,000 Performance Rights	22,136	55,290	70,475	70,668	63,524	-
16,000,000 Performance Rights	13,500	135,277	142,904	143,295	137,031	-
1,000,000 Performance Rights	-	8,610	8,706	8,730	8,706	95
4,000,000 Director Options	-	118,120	-	-	-	-
12,000,000 Director Options	-	144,725	110,205	20,772	-	-
2,000,000 Performance Rights	-	-	8,498	8,521	8,498	7,311
3,000,000 Performance Rights	-	-	50,110	52,070	-	-
Total - Salaries and wages	**184,567**	**461,199**	**242,795**	**304,056**	**217,759**	**7,406**
4,000,000 Marketer Options	117,480	-	-	-	-	-
7,500,000 Marketer Options	-	114,843	-	-	-	-
Total - General and admin	**117,480**	**114,843**	**-**	**-**	**-**	**-**
12,000,000 Broker Options	119,989	-	-	-	-	-
10,000,000 Broker Options	-	179,830	-	-	-	-
1,000,000 Broker Options	-	18,029	-	-	-	-
30,000,000 Attaching Options	-	548,028	-	-	-	-
Total Share Issue Costs	**119,989**	**745,887**	**-**	**-**	**-**	**-**
Grand Total	**422,036**	**1,321,929**	**242,795**	**304,056**	**217,759**	**7,406**

Note 22: Parent Entity Information

The accounting policies of the Ultimate Parent Company, Jade Gas Holdings Limited, which have been applied in determining the financial information shown below in accordance with the requirements of the Corporations Act, are the same as those applied in the consolidated financial statements.

	2023 $	2022 $
Current assets	206,998	2,190,092
Non-current assets	26,534,306	16,874,808
Total assets	**26,741,304**	**19,064,900**
Current liabilities	3,065,580	594,043
Non-current liabilities	96,462	1,929,410
Total liabilities	**3,162,042**	**2,523,453**
Net assets	**23,579,262**	**16,541,447**
Issued capital	34,136,408	23,518,190
Share based payment reserve	1,987,944	1,743,965
Accumulated losses	(12,545,090)	(8,720,708)
Total Equity	**22,579,262**	**16,541,447**
Gain/(Loss) for the year	(3,824,382)	(2,827,832)
Total comprehensive gain/(loss) for the year	**(3,824,382)**	**(2,827,832)**

The parent entity has not entered into any guarantees and has no contingent liabilities or contractual commitments for the acquisition of property, plant or equipment.

FINANCIAL SUPPORT BY THE PARENT ENTITY

The Company has committed to provide financial support to the controlled entities listed in Note 16 to enable them to pay their debts as and when they become due and payable.

INTERCOMPANY LOANS

The Ultimate Parent Company currently holds the following intercompany loans with the following subsidiaries:

- $5,677,242 receivable from Jade Gas Pty Ltd
- $1,231,681 payable to Austrian Projects Corporation Pty Ltd.
- $272,375 payable to Acacia Mining Pty Ltd.

At the date of this report the Ultimate Parent Company has provided the following investments in the Mongolian subsidiaries to date:

- $2,630,397 to Jade Gas Mongolia LLC for the purpose of the BNG Project and Mongolian projects administration.
- $20,728,882 to Jade Methane LLC and Methane Gas Resource LLC for the purpose of the TTCBM Project.

Note 23: Related Party Transactions

KEY MANAGEMENT PERSONNEL

Details relating to KMP are included in the Remuneration Report and Note 20. At period end the following remuneration was payable:

	Outstanding Payables 31 Dec 2023	Accrued Expenses 31 Dec 2023	Total KMP $
Mr Chris Jamieson	-	-	-
Mr Joseph Burke	30,000	-	30,000
Mr Dennis Morton	20,000	10,000	30,000
Mr Daniel Eddington	10,000	5,000	15,000
Mr Peter Lansom	-	-	-
Dr Ian Wang	-	-	-
Mrs Uyanga Munkhkhuyag	10,000	5,000	15,000
Mr Justin Green	-	-	-
	70,000	**20,000**	**90,000**

TRANSACTIONS WITH RELATED ENTITIES

Transactions between JGH and other entities in the wholly owned Group during the period consisted of:

Loans advanced by JGH; and

Loans advanced to JGH.

Loans provided by the JGH to wholly owned entities are made on an interest-free basis and are repayable on demand.

All inter-entity transactions and balances are eliminated in the consolidated financial statements.

RELATED PARTY TRANSACTIONS

During the year a non interest bearing loan of $100,000 from a previous Director was repaid.

In November 2023 the Company entered into a Convertible note financing facility with 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, 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. Refer to note 13 for terms and conditions.

Note 24: Events After the Reporting Period

On 9 January 2024 the Company issued 50,000,000 Performance Rights to employees and consultants. Each Performance Right confers an entitlement to the participant to be entitled to one fully paid ordinary share in the Company upon vesting of the Performance Rights. The Performance Rights will vest 12 months from the date of issue and when the Volume Weighted Average Price (VWAP) of the Company's shares as calculated over 20 consecutive days is equal to or exceeds $0.08 per share and provided the Participant is still employed/engaged by the Company at that time.

In March 2024 the liquidation of the Company's subsidiaries in Austria was completed with the entities being officially deleted from the Austrian Companies Register.

No other 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 25: Auditor Remuneration

Audit services are provided by BDO Audit Pty Ltd. The breakdown of services provided is outlined below:

	2023 $	2022 $
Audit services - BDO Audit Pty Ltd	73,369	112,726
Tax Services - BDO Administration Pty Ltd	7,900	11,771
Other services - BDO Austria GmbH[1]	26,046	-
	107,315	**124,497**

[1] Services provided in connection with the liquidation of the Group's Austrian subsidiaries.

Note 26: Financial Risk Management

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company and the Group through regular reviews of the risks.

The totals for each category of financial instruments, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 $	2022 $
Financial assets			
Cash and cash equivalents	6	2,129,615	3,239,876
Trade and other receivables	7	338,992	125,766
		2,468,607	**3,365,642**
Financial liabilities			
Trade and other payables	12	1,976,612	313,788
Lease liabilities	13	170,310	259,981
Borrowings	13	1,663,154	237,954
Provisions		127,366	110,835
		3,937,442	**922,558**

GENERAL OBJECTIVES, POLICIES AND PROCESSES

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect to these risks is presented throughout these financial statements.

The principal financial instruments from which financial instrument risk arises:

- Cash and cash equivalents
- Trade and other receivables & payables
- Borrowings

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating the processes that ensure effective implementation of the objectives and policies to the Group's finance function.

The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Group where such impacts may be material.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

Credit risks

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of the contract obligations that could lead to a financial loss to the Group. There is no material amount of collateral held as security at 31 December 2023.

Cash and cash equivalents

The Group limits is exposure to credit risk by only depositing cash at banks or financial institutions that have an acceptable credit rating.

Trade and other receivables

As the Group operates primarily in investment and exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Group, where necessary, establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at balance date is as follows:

	Note	2023 $	2022 $
Other Receivables	7	338,992	125,766
		338,992	**125,766**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecasts and actual flows. The Group currently has $1,663,154 of borrowings outstanding to UB Metan LLC. The borrowings are funds received pursuant to a Convertible Note Financing arrangement which is subject to shareholder approval.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying Value $	Within 1 Year $	1-5 Years $	Over 5 Years $	Total Contractual Cash Flows $
At 31 December 2023					
Financial liabilities due for payment					
Trade and other payables	1,976,612	1,976,612	-	-	1,976,612
Lease Liabilities	170,310	95,307	75,003	-	170,310
Borrowings	1,663,154	1,829,697	-	-	1,829,697
Provisions	127,366	105,907	-	21,459	127,366
Total expected outflows		**4,007,523**	**75,003**	**21,459**	**4,103,985**
Financial Assets – cash flows realisable					
Cash and cash equivalents	2,129,615	2,129,615	-	-	2,129,615
Trade and other receivables	338,992	338,992	-	-	338,992
Total anticipated inflows		**2,468,607**	**-**	**-**	**2,468,607**
Net inflow/(outflow) on financial instruments		**(1,538,916)**	**(75,003)**	**(21,459)**	**(1,635,378)**

	Carrying Value $	Within 1 Year $	1-5 Years $	Over 5 Years $	Total Contractual Cash Flows $
At 31 December 2022					
Financial liabilities due for payment					
Trade and other payables	313,788	313,788	-	-	313,788
Lease Liabilities	259,981	89,671	170,310	-	259,981
Borrowings	237,954	243,024	-	-	243,024
Provisions	110,835	64,168	-	46,667	110,835
Total expected outflows		**710,651**	**170,310**	**46,667**	**927,628**
Financial Assets – cash flows realisable					
Cash and cash equivalents	3,239,876	3,239,876	-	-	3,239,876
Trade and other receivables	125,766	125,766	-	-	125,766
Total anticipated inflows		**3,365,642**	**-**	**-**	**3,365,642**
Net inflow/(outflow) on financial instruments		**2,654,991**	**(170,310)**	**(46,667)**	**2,438,014**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Foreign exchange risk

The Group operates primarily through its Mongolian subsidiaries and as a result is exposed to foreign exchange risk arising from movements in the value of the US Dollar and Mongolian Tugrik and the impact these movements have on the fair value of the assets and liabilities of the Group.

To monitor this risk management provides regular cash flow reforecasts to the Board based on the current spot rates in addition to reviewing available hedging instruments with foreign exchange providers although no hedging instruments are currently in place.

At balance date, the following cash, amounts receivable and amounts payable in foreign currency.

	2023 $	2022 $
Mongolian Tugrik		
Cash and cash equivalents	607,552,885	2,390,229,778
Trade and other receivables	563,024,321	177,727,507
Trade and other payables	(1,686,625,060)	(272,393,764)
	(516,047,854)	**2,295,563,521**
Euros		
Cash and cash equivalents	-	-
Trade and other receivables	26,015	21,454
Trade and other payables	(648)	(12,547)
	25,367	**8,907**
US Dollars		
Cash and cash equivalents	1,264,234	152,225
	1,264,234	**152,225**

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on short-term deposit at best available market interest rates.

	2023 $	2022 $
Variable rate instruments		
Financial assets - cash and cash equivalents	2,129,615	3,239,876
	2,129,615	**3,239,876**

Fair value sensitivity analysis for variable rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash flow sensitivity analysis for variable rate instruments

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior period.

	Profit or loss		Equity	
	100 bp increase $	100 bp decrease $	100 bp increase $	100 bp decrease $
31 December 2023				
Variable rate instruments	20,900	(20,90)	20,900	(20,900)
31 December 2022				
Variable rate instruments	32,240	(32,240)	32,240	(32,240)

FAIR VALUES

Fair values of financial assets and liabilities are equivalent to carrying values due to their short term to maturity.

Note 27: Non-Controlling Interest

	2023 $	2022 $
Issued Capital	48,944	48,944
Retained Profits	(776,824)	(464,495)
	(727,880)	**(415,551)**

DIRECTOR'S DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2023

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

1. The financial statements and notes and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

    a. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the twelve-month financial period ended on that date;

    b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2021; and

    c. complying with International Financial Reporting Standards as disclosed in Note 2.

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.

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Financial Controller for the financial period ended 31 December 2023.

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

Joseph Burke
Executive Director
18 March 2024

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Jade Gas Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
As at 31 December 2023 the carrying value of exploration and evaluation expenditure is disclosed in note 11 to the financial report. As the carrying value of exploration and evaluation expenditure represents a significant asset to the group, we consider it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset should be subject to impairment testing. Judgement is applied in determining the treatment of exploration expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the right to tenure of those areas of interest remain current and in good standing at reporting date; • Ensuring that the right to tenure of the areas of interest was current through confirmation with the relevant government departments or external legal counsel; • Reviewing budgets and assessing assumptions made by the Group to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the areas of interest were planned; • Reviewing ASX announcements and minutes of directors meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest; and • Considering whether any facts or circumstances existed to suggest impairment testing was required; We also assessed the adequacy of the related disclosures in note 11 to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 22 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Jade Gas Holdings Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Paul Gosnold
Director

Adelaide 18 March 2024

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 31 December 2023 (unless otherwise stated).

Holders of each class of equity securities

Number of holders in each class of equity securities as at 5 March 2024 are listed below:

Holding Type	Holding	Number	No. of Holders
Quoted	Ordinary - Fully Paid	1,576,834,171	1,170
Unquoted	Option Expiring 22 September 2024 Restricted	12,000,000	1
Unquoted	Option Expiring 31 October 2024	4,000,000	1
Unquoted	Option Expiring 1 February 2025	4,000,000	1
Unquoted	Option Expiring 19 April 2025	12,000,000	1
Unquoted	Option Expiring 5 May 2025	10,000,000	4
Unquoted	Option Expiring 9 November 2025	1,000,000	3
Unquoted	Option Expiring 30 November 2025	30,000,000	53
Unquoted	Option Expiring 5 December 2025	7,500,000	3
Unquoted	Performance Rights	80,000,000	29

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 5 March 2024 are listed below:

Holding	Number	No. of Holders
1 - 1,000	13,245	169
1,001 - 5,000	355,931	87
5,001 - 10,000	696,164	88
10,001 - 100,000	16,405,410	351
100,001 and over	1,559,363,421	475
Total	1,576,834,171	1,170

Substantial holders

Substantial holders of ordinary shares in the Company as at 5 March 2024 are listed below:

Holder	Number Held	Percentage
Mr Joseph Burke	417,578,664	26.5%
UB Metan LLC	313,630,800	19.9%

Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Twenty largest equity security holders

The names of the twenty largest holders of fully paid ordinary shares as at 5 March 2024 are listed below:

Holder	Number Held	Percentage
GM VENTURES & INVESTMENTS LIMITED	334,240,000	21.20%
UB METAN LLC	313,630,800	19.89%
SCOR GO LUATH LIMITED	80,334,664	5.09%
E&E HALL PTY LTD <E&E HALL S/F A/C>	48,551,400	3.08%
JAWAF ENTERPRISES PTY LTD <HALL FAMILY A/C>	48,146,672	3.05%
DANIEL EDDINGTON & JULIE EDDINGTON <DJ HOLDINGS A/C>	47,585,002	3.02%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	39,318,224	2.49%
TREHAN HOLDINGS LIMITED	23,911,332	1.52%
CITICORP NOMINEES PTY LIMITED	23,009,117	1.46%
MARK JOHN BAHEN & MARGARET PATRICIA BAHEN <MJ BANEH SUPER FUND A/C>	20,000,000	1.27%
CANE ASSET MANAGEMENT PTY LTD <CANE SUPERFUND A/C>	19,200,000	1.22%
DACAMA PTY LTD <DACAMA SUPERFUND A/C>	18,804,167	1.19%
COHUNA INVESTMENTS PTE LTD	17,000,000	1.08%
BRING ON RETIREMENT LTD	16,631,852	1.05%
CHRIS WHITEMAN <CP & NJ WHITEMAN KELLY A/C>	16,000,000	1.01%
RDA ASSET MANAGEMENT LIMITED	15,915,667	1.01%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,736,634	0.87%
MR THOMAS MCCOY	10,964,599	0.70%
MR CHRISTOPHER WILLIAM TOZER	10,174,999	0.65%
MARNIE EDDINGTON <G&K FAMILY A/C>	8,600,000	0.55%
Total	**1,125,755,129**	**71.39%**

Holders of less than a marketable parcel of securities

Number of holders as at 5 March 2024 holding less than a marketable value of securities being $500 at the share price of $0.057 per share are listed below.

Holding	Number of Holders
1 – 8,772 (less than a marketable parcel)	309

Use of proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the year ended 31 December 2023.

Company Secretary

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

Principal registered office address

The principal registered office is located at the below address:

Jade Gas Holdings Limited
Level 1, 66 Rundle Street
Kent Town SA 5067

Register of securities address

The register of securities are held at the below address:

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone: 1300 288 664

Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company not subject to mandatory escrow on all Member Exchanges of the ASX Limited.

SCHEDULE OF EXPLORATION LICENCES

FOR THE YEAR ENDED 31 DECEMBER 2023

Schedule of Exploration Licences

Jade Gas Holdings Limited and its subsidiary undertakings hold 100% interest in the following licences with the exception of Mongolian licence 628 which Jade Gas Holdings Limited holds 60% interest in through its JV interest in Methane Gas Resource LLC and the Prosecting Agreement which Jade Gas Holdings Limited holds 66% interest in through its JV interest in Baruun Naran Gas LLC.

Project Name	Licence Number
Subsidiary: Methane Gas Resource LLC (60% Interest)	
Mongolia - TTCBM	628
Subsidiary: Jade Gas Mongolia FLLC (100% Interest)	
Mongolia - Shivee Gobi	Prospecting Agreement
Mongolia - Eastern Gobi	Prospecting Agreement
Subsidiary: Baruun Naran Gas LLC (66% Interest)	
Mongolia - BNG	Prospecting Agreement

JADE GAS

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