

29 July 2021

ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2021

Coal Projects

Exploration expenditure of \$33,000 during the quarter included consideration of mining method alternatives and the progression of investigations into alternative strategies for the use of coal from the Blackall Project in site-based processes.

There were no substantive mining production or development activities undertaken during the quarter. No field activities were scheduled or carried out during the quarter.

Sector Projects (AUH 5%)

AUH sees long term potential in the copper sector, to which Sector Projects Pty Ltd (Sector) provides entry through its exploration activities.

Sector has advised that it was successful in obtaining a grant from the Queensland State Government Collaborative Drilling Initiative Round 4 - New Economy Mineral Initiative (NEMI). The drill hole was completed to a depth of 625m. It was drilled to basement using rotary mud and then completed with NQ2 coring. The drill core has been sampled for geophysical and petrophysical analysis of mineralised occurrences zones and magnetic susceptibility measurements, orientation was collected throughout the core. The Company is awaiting laboratory test results of the sampled drill core.

Farm-in and Farm-out Arrangements

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter – no change from the previous quarter.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter – no change from the previous quarter.

Tenement Portfolio Update

Tenements held at the end of the quarter and their locations are as follows:

TENEMENT	NAME	HOLDING
EPC 1719	Barcoo River/Blackall	100%
EPC 1993	Blackall Sth Corner	100%

CORPORATE ACTIVITIES:

Investment in Utilitas

The Utilitas Group Pty Ltd (Utilitas) (AUH 25.14%) was recognised during the quarter at the National Hydrogen Conference in Sydney by Bundaberg Regional Council (BRC) showcasing the success of the Bundaberg and Wide Bay BioHydrogen industry cluster in bringing together the supply chain from biogas (Utilitas) to BioHydrogen (ReCarbon) to enable the planned transition of the BRC waste truck fleet. With key project counterparts, Utilitas continues to move beyond the completed concept validation stage towards advancement of its first three utility scale, commercial grade projects.

Sector Convertible Note

On 25th June 2021 AustChina Holdings Limited (AUH) was pleased to advise that it had received the final payment of \$110,000 which finalised the \$1 million 8% Convertible Note held between the company and Sector Projects Pty Ltd. This receipt concludes the cash component of the sale of Surat Gas Pty Ltd advised to ASX on 28 September 2018.

AUH still continues to hold 5% of the Issued Capital of Sector Projects Pty Ltd.

Payments to related parties

A total of \$19,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 30 June 2021.

Authorised by the Board.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer