

31 July 2019

ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2019

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

No new field activities were undertaken at the Blackall Coal Project were undertaken during the quarter.

The company notes the media announcements by the Queensland Minister for the Department of Environment and Science on 31 May 2019 of the approval for the Black-Throated Finch Management Plan, and on 13 June 2019 of the approval of the Groundwater Dependent Ecosystem Management Plan for the Adani Carmichael Mine. These approvals portend the potential development of the coal industry in the Galilee Basin that may lead to the improvement of rail infrastructure closer to AustChina's Blackall Coal Project in Central Queensland.

Sector Resources (AUH 5%)

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

Sector has advised the commencement of its 2019 field exploration: "A 4-hole programme of over 2700m concluded in early July 2019. Encouraging signs were evident in the core samples with results submitted for chemical analysis and petrography".

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

No tenements were acquired or relinquished during the quarter.

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

TENEMENT	NAME	HOLDING
EPC 1625	Alpha SW 2	100%
EPC 1719	Barcoo River/Blackall	100%
EPC 1993	Blackall Sth Corner	100%

CORPORATE ACTIVITIES:

Utilitas Group Pty Ltd (AUH 25.15%)

Utilitas Group Pty Ltd (Utilitas) continues its focus on bringing the first bioHub projects in its own portfolio through the final steps to achieve financial close. This quarter Utilitas Group welcomed another new shareholder and two existing shareholders taking up new shares, at 60c per share.

Extension of Convertible Note

During the quarter AustChina Holdings Limited (AUH) announced that the \$1.5 million Convertible Note which was issued on 8 December 2016 and due to mature on 8 May 2019 had been extended for a further 6 months maturing on 8 November 2019.

Board Changes

During the quarter Mr Anthony Chan and Mr Nick Bolkus resigned as Directors and Mr Daniel Chan was elected as the new Chairman of the Company.

Subsequent to the end of the quarter Mr Andrew Keith Macintosh was appointed as non-executive Director of the Company.

Placement

Subsequent to the end of the quarter AustChina Holdings Limited announced the completion of a placement of 277,105,649 ordinary fully paid shares raising a total of \$831,317 towards working capital.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer