

31 July 2020

## ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2020

### Coal Projects

No field activities were carried out during the quarter. The final components of site rehabilitation for the drilling programme carried out in December 2019 at AustChina Holdings Limited's (AUH's) Blackall Coal Project have not yet been completed, however these are expected to be completed in the next quarter.

Analysis of the coal samples from the coring programme, except for coal petrography work, was completed in the quarter.

New lithological, structural and coal quality data has been added to the geological models for the resource.

A revision of the resource status under JORC guidelines has been completed for EPCs 1719 and 1993. On 16 June 2020 AUH announced the results of the revision of its resource status as at 31 May 2020 (ASX: Updated Coal Resource Statement). Tables 1 and 2 from that announcement are included below and provide the updated Summary Coal Resources by Seam, Category and Depth for EPCs 1719 and 1993, respectively.

**TABLE1:**

Seam Name	Block Area (km <sup>2</sup> )	Coal Area (km <sup>2</sup> )	Coal Thickness (m)	In Situ Density (g/cc) <sup>(1)</sup>	Raw Ash (%) <sup>(2)</sup>	Specific Energy (kcal/kg) (a.d.) <sup>(3)</sup>	Specific Energy (kcal/kg) <sup>(2)</sup>	Total Sulphur (%) <sup>(2)</sup>	Inferred Resources (Mt)			
									Subcrop-50m	50-100m	100-150m	Total
F	7.70	6.37	1.2	1.56	35	3090	2640	0.53	10	1	-	11
E	12.23	5.50	2.1	1.42	18	4480	3940	0.37	15	16	-	31
D	15.33	7.70	2.2	1.39	14	4800	4250	0.48	16	27	-	43
C	12.73	5.75	0.6	1.39	15	4880	4180	0.42	1	5	-	6
B	22.48	8.04	0.7	1.43	20	4500	3810	1.21	4	11	2	17
<b>Inferred subtotal for EPC1719</b>									46	60	2	<b>108</b>
<b>Inferred Total for EPC1719</b>												<b>108</b>
<b>Inferred Total for EPC1719 (Rounded)</b>												<b>100</b>

Notes: 1 In Situ Density generated from Ash regression at 25% moisture basis  
2 Raw coal quality parameters reported at In Situ Moisture basis (25%)  
3. Specific Energy reported at air dried basis  
4. Default In Situ Density generated from available laboratory data  
5. Default Raw Ash generated from default In Situ Density and ash/density regression

**TABLE 2:**

Seam Name	Block Area (km <sup>2</sup> )	Coal Area (km <sup>2</sup> )	Coal Thickness (m)	In Situ Density (g/cc) (1)	Raw Ash (%) (2)	Specific Energy (kcal/kg) (a.d.) (3)	Specific Energy (kcal/kg) (2)	Total Sulphur (%) (2)	Indicated Resources (Mt)			
									Subcrop-50m	50-100m	100-150m	Total
F	1.91	1.89	1.4	1.52	31	3343	2971	0.67	5.1	-	-	5.1
E	2.83	2.13	0.7	1.44	22	4062	3666	0.34	17.9	2.9	-	20.8
D	2.29	1.27	0.5	1.39	15	4566	4150	0.34	3.4	2.2	-	5.6
C	0.47	0.43	0.3	1.35	10	4994	4551	0.39	0.02	0.4	-	0.4
<b>Indicated Subtotal for EPC1993</b>									26.4	5.5	-	31.9
									<b>Indicated Total for EPC1993</b>			<b>32</b>
									<b>Indicated Total for EPC1993 (Rounded)</b>			<b>30</b>
F	21.20	18.09	0.6	1.48	26	3837	3352	0.57	47	1	-	48
E	43.20	30.60	0.4	1.41	18	4416	3964	0.36	244	25	-	269
D	149.46	70.95	0.4	1.42	19	4334	3898	0.61	300	105	-	405
C	159.49	58.71	0.4	1.41	18	4415	3964	0.41	125	98	<1	224
B	173.57	75.11	1.1	1.43	20	4280	3810	1.31	36	114	9	159
A	56.07	17.67	1.0	1.38 (4)	14 (5)	4790	4290	-	10	17	30	57
<b>Inferred Subtotal for EPC1993</b>									761.86	361.2	39	1162
									<b>Inferred Total for EPC1993</b>			<b>1162</b>
									<b>Inferred Total for EPC1993 (Rounded)</b>			<b>1200</b>

Notes: 1. In Situ Density generated from Ash regression at 25% moisture basis  
2. Raw coal quality parameters reported at In Situ Moisture basis (25%)  
3. Specific Energy reported at air dried basis  
4. Default In Situ Density generated from available laboratory data  
5. Default Raw Ash generated from default In Situ Density and Ash/Density Regression

### Competent Person's Statement

**Rowan Johnson** confirms that he is the Competent Person for the Competent Person Report from which the information to be publicly released has been obtained and also confirms that:

- He has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition), the 2014 Edition of the Australian Guidelines for the Estimation and Classification of Coal Resources and the relevant sections of Chapter 5 and Guidance Note 31 from the ASX Listing Rules.
- He is a Competent Person as defined by the JORC Code 2012 Edition, having 35 years of experience that is relevant to the coal types, quality and potential mining method(s) of the deposit(s) described in the Report. In addition, he has 25 years of experience in the estimation, assessment and evaluation of Coal Resources, the activity for which he is accepting responsibility.
- He is a Member of The Australasian Institute of Mining and Metallurgy.
- He has reviewed the Report or Excerpt from the Report to which this Consent Statement applies.

He is a consultant working for **McElroy Bryan Geological Services** and has been engaged by AustChina Holdings Limited to prepare the documentation for the **Blackall Coal Project – Inverness Deposit** on which the Report is based.

In addition:

- He has disclosed to AustChina Holdings Limited the full nature of the relationship between himself and the company, including any issues that could be perceived by investors as a conflict of interest.
- He verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Coal Resources.

*He consents to the release of the Report and this Consent Statement by the directors of **AustChina Holdings Limited**.*

30 million tonnes of Indicated coal resource were identified, with the drilling completed in December 2019 confirming the shallow and relatively flat-lying nature of the Inverness Deposit.

Over 800Mt of the overall 1.3 billion tonnes coal resource are estimated to be at less than 50 metres depth.

Expenditure during the quarter related to internal management of the coal analysis, geological model update and resource evaluation activities following the drilling programme that was completed in December.

There were no substantive mining production or development activities undertaken during the quarter.

### **Sector Resources (AUH 5%)**

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

No new field work was undertaken during the quarter.

### **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**

EPC1625 expired on 28 April 2020. EPCs 1719 and 1993 remain within AUHs approved Project Administration Area.

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%) settled on the acquisition of the 3.5ha Bundaberg (QLD) bioHub site, with works now underway preparing the master planned biomanufacturing precinct for new tenants. The Company has been engaged by “anchor tenants” in two other bioHubs (VIC & NSW) to carry out Concept Validation.

### **Sector Convertible Note**

On 16 June 2020, the company advised that it had entered into an agreement with Sector Projects Pty Ltd (Sector) to extend the maturity date of the \$750,000 Convertible Note which was due for repayment by Sector on 28 June 2020.

Under the Agreement Sector paid \$250,000 of the Convertible Note to AUH on 28 June 2020. Another instalment of \$250,000 will be paid on 30 September 2020 and the \$250,000 balance will be paid by 21 December 2020. Sector will pay all interest that would accrue for each quarter in advance with each instalment.

The company’s rights under the Note are not affected.

### **Payments to Related Parties**

Item 6.1 of Quarterly Cash Flow Report - includes an amount of \$37,520 which is payment of directors’ fees and associated superannuation representing 6 months of entitlements.

Yours faithfully,

**Daniel Chan – Chairman**

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Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer