

31 January 2020

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT AND QUARTERLY CASH FLOW REPORT

Please find attached the Quarterly Activities Report and Quarterly Cash Flow Report (Appendix 5B) for quarter ended 31 December 2019.

Authorised by the Board

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

31 January 2020

ACTIVITIES REPORT FOR QUARTER ENDED 31 DECEMBER 2019

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

During the quarter a drilling programme was undertaken at AustChina Holdings Limited's (AUH's) Blackall Coal Project.

The programme was targeted to add to the structural and coal quality information available for the Project. Three sites were selected to close the existing drill hole spacing. Following analysis of the coal samples obtained from coal seams intersected, the new lithological, structural and coal quality data will be added to the existing geological models for the resource.

A revision of the resource status under JORC guidelines will be undertaken to assess whether a proportion of the coal resource can be allocated to Indicated status.

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.

Sector's recent 2,700m diamond drill program completed in July 2019, included sampling and assaying of selected drill core samples. Two types of analysis were completed on the collected samples:

1. Laboratory analysis of the geochemistry and composition of 33 common mineral types,
2. Petrographic analysis of rock to determine alteration and fluid flows in the rock mass.

The results obtained showed the presence of copper mineralisation (predominantly chalcopyrite) encountered in each drill hole. In particular, one drill hole continuously encountered obvious and visible chalcopyrite over a 500m continuous length of core. The drill core samples tested recorded with multiple intersections of copper metal quantities of greater than 2%.

The ground-based gravity survey over a large section of the tenements and the detailed electromagnetic surveys were encouraging but not conclusive and it is intended to undertake further geophysical work.

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:

Investment in Utilitas

The Utilitas Group Pty Ltd (Utilitas) (AUH 25.14%) remains focussed on bringing the first bioHub projects in its portfolio through the final steps to achieve financial close. Utilitas is now negotiating co-development arrangements for the Company's first two bioHubs sites.

Sector Convertible Note

On 20 December 2019, the company entered into an agreement with Sector Projects Pty Ltd (Sector) to extend the maturity date of the \$1m Convertible Note which was due for repayment by Sector on 28 December 2019.

Under the Agreement Sector will repay \$250,000 of the Convertible Note on or before 28 February 2020 and the remaining \$750,000 will be extended for a further 6 months and now matures on 28 June 2020.

Sector prepaid all interest which would accrue to 28 June 2020 to the company. The company's rights under the Note are not affected.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

AUSTCHINA HOLDINGS LIMITED	
ABN	Quarter ended ("current quarter")
20 075 877 075	31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(61)	(100)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(282)	(399)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	138
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(310)	(361)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets (security deposits)	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) subsidiary company	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Refund of security deposits	10	10
2.6 Net cash from / (used in) investing activities	10	10

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	831
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - Repayment of convertible note	-	-
3.10 Net cash from / (used in) financing activities	-	831

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	846	66
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(310)	(361)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	10	10
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	831
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	546	546

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	45	117
5.2 Call deposits	501	729
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	546	846

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6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	18
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	170
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	220

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 31 January 2020

Print name: Leni Stanley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.