

30 April 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 March 2020.

Authorised by the Board

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Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

30 April 2020

## ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2020

### **ACTIVITIES RELATED TO ENERGY PROJECTS:**

#### **Coal Projects**

Field activities during the quarter comprised follow-up work to the drilling programme carried out at AustChina Holdings Limited's (AUH's) Blackall Coal Project in the previous quarter.

Rehabilitation of the drilling sites commenced and is expected to be completed in the next quarter. Surveying of the drill hole collars was completed.

Analysis of the coal samples from the coring programme continued with initial results expected early in the next quarter.

When the initial coal quality data is confirmed, 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.

Expenditure during the quarter of \$140,000 related to invoices received that flowed from components of the drilling programme that were completed in December together with those from minor components incurred during the current quarter.

There were no substantive mining production or development activities undertaken 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 undertook further geophysical exploration (IP) focussing on the area surrounding one drill hole from the recent 2,700m diamond drill program (completed in July 2019) which encountered obvious and visible chalcopyrite over a 500m continuous length of core. This work provides improved areal data additional to an earlier electromagnetic survey undertaken during the second half of last year that was inconclusive. Additional lines of IP proximate to the 2019 drill hole, and in the same regional area as the electromagnetic survey, have resulted in the definition of a zone of high conductivity approximately 400 metres south-west of the earlier drill hole. An obvious high priority drill target has resulted and will form a part of the next phase of drilling.

#### **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

During the quarter, the Utilitas Group Pty Ltd (Utilitas) (AUH 25.14%) secured investment (convertible note) to enable settlement on its Bundaberg bioHub site and complete planning approvals for its master planned biomanufacturing precinct. Utilitas moved quickly to put in place measures in response to COVID-19 and has experienced a drop off in revenues from early works and feasibility consulting.

### Sector Projects Payment

On 20 December 2019 AustChina Holdings Limited (ASX: AUH) advised that it had entered into an agreement with Sector Projects Pty Ltd for partial payment of \$250,000 of the \$1m Convertible Note on or before 28 February 2020 with a further extension of the remaining \$750,000 for a further six months which matures on 28 June 2020.

AUH advised on 3 March 2020 that it received the payment of \$250,000 from Sector Projects Pty Ltd on 28 February 2020 in accordance with the agreement.

This quarterly report was approved by the Board.

Yours faithfully,

**Daniel Chan – Chairman**

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Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>AUSTCHINA HOLDINGS LIMITED</b>
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ABN

Quarter ended ("current quarter")

<b>20 075 877 075</b>	<b>31 MARCH 2020</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(18)	(18)
(e) administration and corporate costs	(119)	(518)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	172
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(103)</b>	<b>(364)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(140)	(240)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements (Security Deposits)	(1)	9
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets (Convertible Note)	250	250
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>109</b>	<b>19</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	831
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>831</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	546	66
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(103)	(364)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	109	19
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	831

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>552</b>	<b>552</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	16	45
5.2	Call deposits	536	501
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>552</b>	<b>546</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1	0
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

**Current quarter  
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
Not applicable		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(103)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(140)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(243)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	552
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	552
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	2.3
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer:
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer:
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer:

**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.

Date: 30 April 2020

Authorised by: Board of Directors  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.