

31 January 2024

ACTIVITIES REPORT FOR QUARTER ENDED 31st December 2023

Coal Projects

In addition to the company's update on 23rd June 2023, during the September quarter AustChina Holdings Limited (ASX: AUH) (the **Company** or **AustChina**) announced it had completed the drilling phase of its 2023 exploration programme. All four planned cored drill holes were successfully completed and geophysically logged, and the drill rig was demobilised. Drill Hole locations are shown in Figure 1.

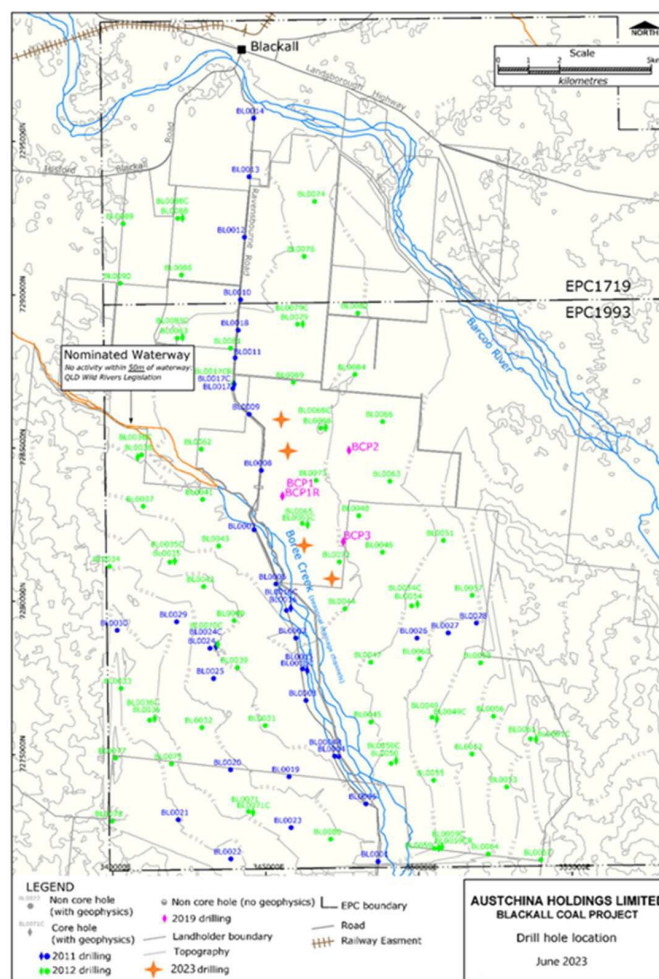


Figure 1: Drill hole location

Preliminary results for Stage I laboratory testing were received and put through a quality control process by AustChina's coal quality consultant. After confirmation of results, Stage II composites were selected for additional analysis following Float/Sink preparation at selected densities. The bulk of the Stage II analyses are to hand, apart from Trace Element analyses which are expected in February. This will allow the laboratory to issue its final report. Prior to this, the laboratory considers all analyses as preliminary. Once final quality results are received, they will be released to the market.

Work is well advanced on the review of the JORC resource following inclusion of the data from the most recent drill holes into the geological model, correlation of seams and running the resource modelling. An updated JORC resource statement is expected in mid-February 2024.

In early 2024, the Company intends to undertake a mining study and look to identify the optimal mining locations and mining methods best suited to the nature of the deposit. This will be commenced following receipt of final quality results from the 2023 exploration programme and finalisation of an updated JORC resource statement.

Alternate Uses of Coal

In line with the current market focus on clean energy and consistent with the Company's investment in Utilitas Group Pty Ltd (**Utilitas**), the Company has been considering novel means of extracting value from its coal tenements using low-carbon technology, with the goal of identifying processes for generation of energy and or other products based on coal processing technologies.

The Company considers that traditional energy markets revolve around the sale of energy in terms of \$/GJ for combustion in traditional high-pollution power stations and its goal is to enter the market using coal processed through low carbon technology.

In addition, the Company sees that developing opportunities which also support the clean energy sector, is as important as developing clean uses for coal.

The company continues to investigate alternative technologies to utilise its coal on-site, including research into these technologies where appropriate.

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 South Corner	100%

CORPORATE ACTIVITIES:

Investment in Utilitas

The Company holds 24.70% of Queensland based bioenergy developer Utilitas which operates in the bioenergy and bioproducts field in Australia. Utilitas and key project delivery partners have advanced bankable feasibility studies.

Investment in Revolver Resources Holdings Limited (ASX: RRR)

Revolver Resources continues exploration of its Osprey and Dianne Copper projects. Assays from reconnaissance diamond drilling, combined with re-assaying pf previous drill core, has returned vein-scale

endowment ranging from 0.1% to 3.7% copper, clearly evidencing proximity to a potential large-scale copper system.

These results strongly correlate with Revolver's new tenement-wide AI-assisted prospectivity model for Osprey, completed in collaboration with Mira Geosciences, that has sharply identified multiple high-potential Mt-Isa style and IOCG targets for planned future drilling ¹.

Revolver Resources advises the results provide multiple lines of evidence to support and identify a suitable and abundant source of copper.ⁱ

AustChina continues to see long term potential in the copper sector.

Change of Directors

The Company was pleased to announce on 22 December 2023 the appointment of Mr Anthony Chan as Chairman replacing Mr Daniel Chan, who has continued as a Non-Executive Director.

Mr Anthony Chan was previously a Non-Executive Director and Chairman of the Company from 2013 to 2019. Mr Chan has extensive experience in managing both listed and unlisted entities engaged in the resource industry.

The Company also appointed Mr Peter Tsang as a Non-Executive Director to replace Mr Bernard Ripoll. The Board and Management thanked Mr Ripoll for his service and wished him all the best for the future.

Mr Peter Tsang has over 30 years of professional experience in Australian tax, auditing, corporate governance, due diligence projects and financial management. He introduced foreign investments to Australia and specialises in representing foreign investors in all facets of management.

Payments to Related Parties

A total of \$28,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 31 December 2023.

Authorised by the Board.

Yours faithfully,

Anthony Chan – Chairman

Further information:
Andrew Fogg – Chief Executive Officer

References:

¹ Revolver Resources Holdings Ltd. ASX: RRR, ASX Release 8 November 2023 – Scale of Copper System Potential Emerging at Osprey.

Appendix 5B

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

Name of entity

AUSTCHINA HOLDINGS LIMITED

ABN

20 075 877 075

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(56)	(111)
(e) administration and corporate costs	(135)	(298)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	13
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):		
Payments for business development	(25)	(50)
Net GST refunds	31	33
1.9 Net cash from / (used in) operating activities	(179)	(413)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(50)	(319)
(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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements (Security Deposits)	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(50)	(319)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,760	2,263
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(179)	(413)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(319)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,531	1,531

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	6	31
5.2	Call deposits	1,525	1,729
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)	1,531	1,760

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
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

28

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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

Payments to directors include accrued salaries, director fees and superannuation guarantee.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(179)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(50)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(229)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,531
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,531
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	6.7
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: N/A	
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: N/A	
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: N/A	

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: 31 January 2024

Authorised by: The Chairman of the 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.