

3 June 2024

ASX ANNOUNCEMENT

AustChina Mobilises for Maiden Drilling at Chenene Lithium Project

HIGHLIGHTS

- Drill rig has mobilised on site for the maiden drilling program, targeting multiple high-priority lithium targets.
- Four prime exploration targets have been identified, with pegmatite rock chips assayed to 1.08% Li₂O in Target 1¹.
- Johannesburg-based geological company The MSA Group have been appointed to oversee the onsite drilling program.
- Initial drilling will consist of 8 holes, with potential expansion based on drill core visuals and assay results.
- Cassius Mining (T) Limited has received final government and regulatory approvals for drilling.
- SGS South Africa appointed to undertake laboratory analysis.
- AustChina entered an Exclusive Binding Heads of Agreement to conduct due diligence to ascertain if they wish to move forward and acquire Cassius Mining (T) Limited which holds 4 prospecting licences for lithium.

Chief Executive Officer, Andrew Fogg, commented: “We are thrilled to have mobilised for the maiden drilling program, targeting four defined sites with promising rock chip samples assaying up to 1.08% Li₂O. We eagerly anticipate drilling these targets to confirm the presence of lithium mineralization. Furthermore, we are pleased to collaborate with highly reputable local geological companies, ensuring the highest standards of expertise and oversight in our operations.

¹ ASX:CMD Release 16 Feb 2023 – “Chenene Lithium Project – Rock Sample Assays to 1.08% Li₂O”
This release includes Competent Persons Statement.

OVERVIEW

AustChina Holdings Limited (**ASX:AUH**) (“**AUH**”, the “**Company**” or “**AustChina**”) is pleased to announce the mobilization of the drill rig for the maiden drill program. The program aims to test multiple high-priority lithium targets. The drilling program will be for an initial 8 holes targeting four prime exploration targets which have been identified, with pegmatite rock chips assayed to 1.08% Li_2O in Target 1¹.

Based on core visuals and assay results, there is potential to expand the program by continuing holes to a greater depth and to increase the total number of holes to be drilled. Recognising the importance of local expertise, AustChina has engaged The MSA Group, a Johannesburg-based geological company, to oversee the onsite drilling program. Additionally, SGS South Africa has been appointed to undertake sample preparation at Mwanda, Tanzania and analysis at their Randfontein laboratory in South Africa.

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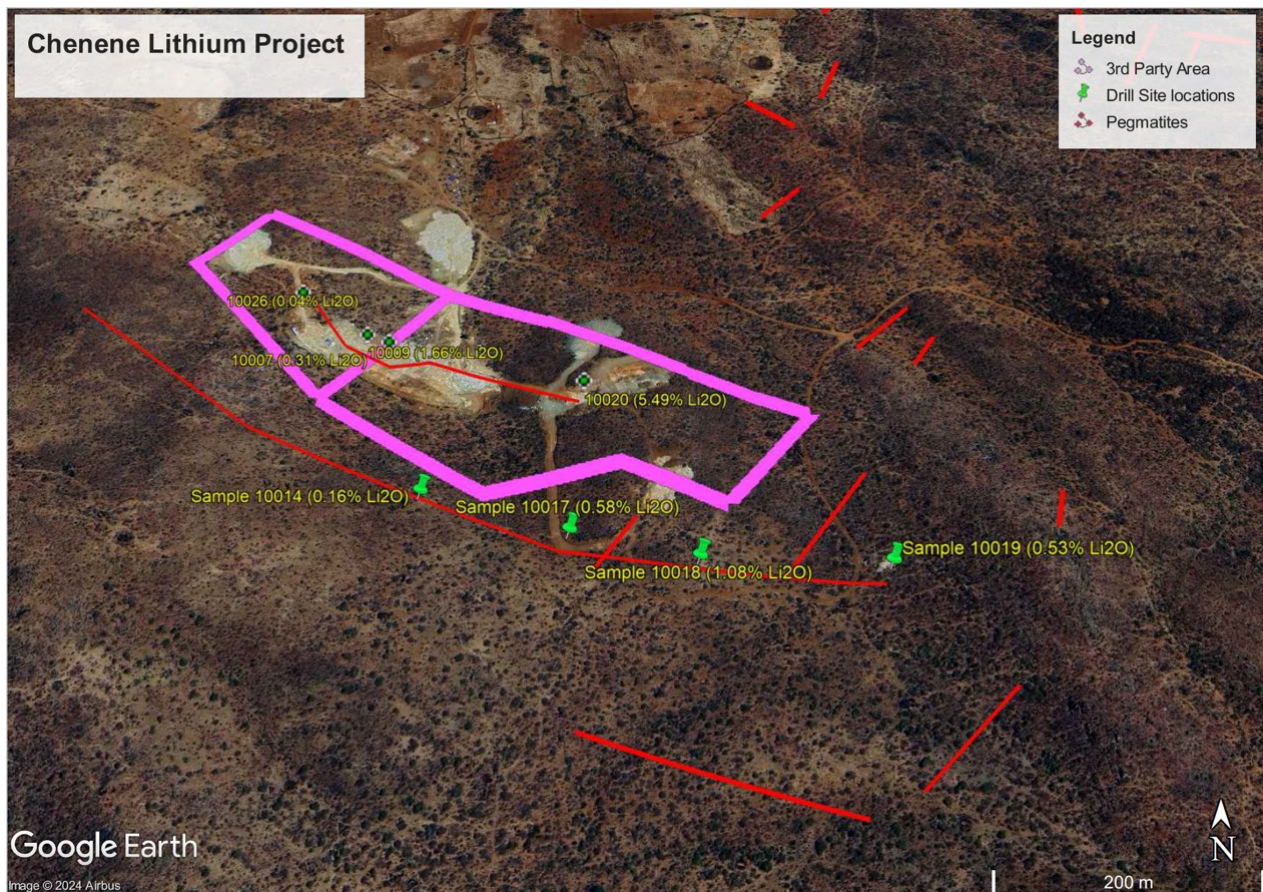


Figure 1: The initial four targets to be drilled with pegmatite rock chip assays up to 1.08% Li_2O .

As announced on 7 March 2024, the Company entered a Binding Heads of Agreement with Cassius Mining Limited (**ASX:CMD**) (**Cassius**) and its wholly owned subsidiary Cassius Mining (T) Limited (**CMT**) pursuant to which it has been granted an exclusive and binding option to acquire (**Option**) 100% of the issued capital in CMT, the holder of four prospecting licences which comprise the Chenene Lithium Project in Tanzania.

Based on the results from the maiden drill program, the Company can elect to proceed with the acquisition of the tenements, which would require indicative grades of approximately 1% Li₂O over a 10-metre intercept.

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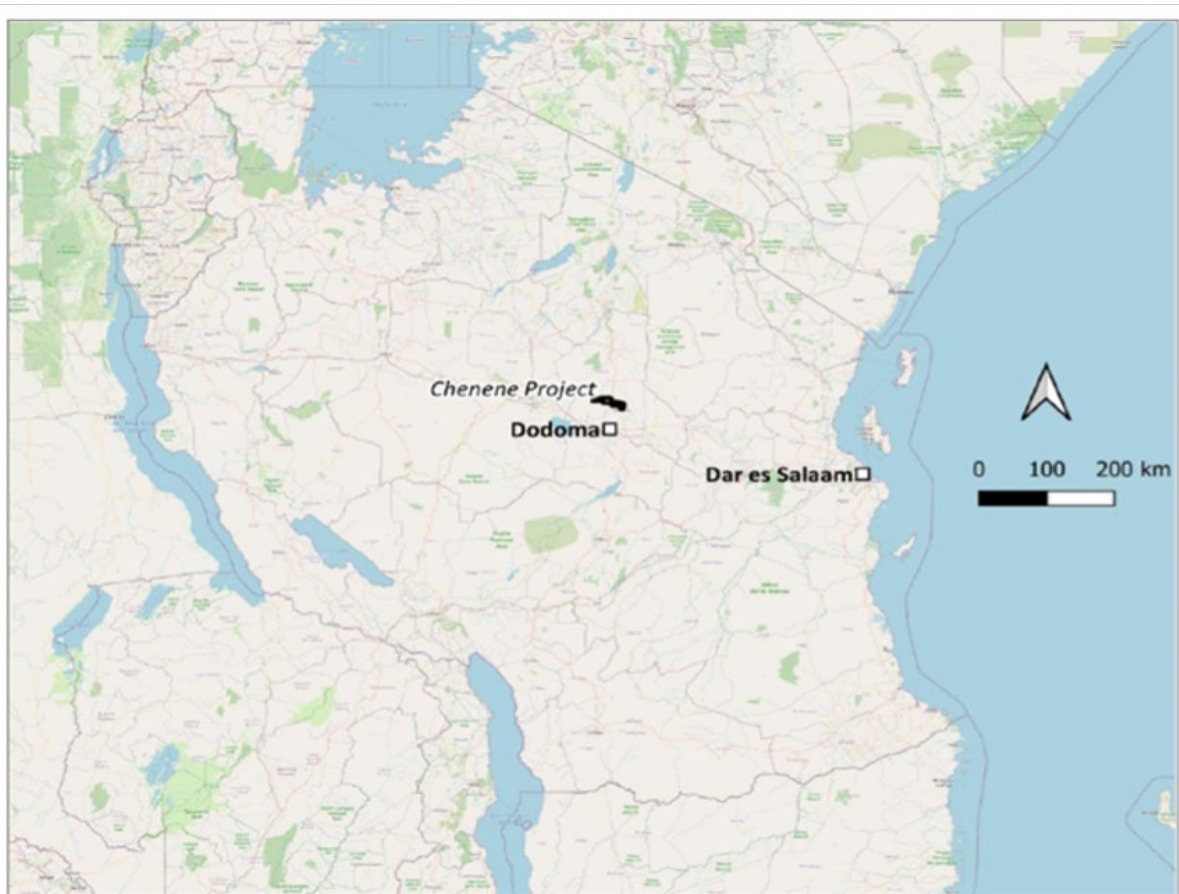


Figure 2: The Location of the Chenene Project in Tanzania

As shown in Figure 1, the green pins and lithium grades represent the Company’s drill targets, while the grades within the pink boundary correspond to results from a small, 0.14 km² Primary Mining Licence (PML) held by a third party and is wholly contained within PL11921.

Cassius conducted approved sampling within this third-party tenement with rocks chip assayed to **5.49% Li₂O with 7,624 ppm Caesium and 4,870 ppm Tantalum**¹ in a pegmatite exposure parallel to a similar outcrop in PL11921. The exposure in the mining licence has strong potential to extend ~150m along strike in both directions, as well as ~100m down dip into the Company’s license¹.

The 300km² of the 4 contiguous licenses is outlined (Figure 3) adjoining the licenses to the southeast are 3 independently held, lithium focused licenses.

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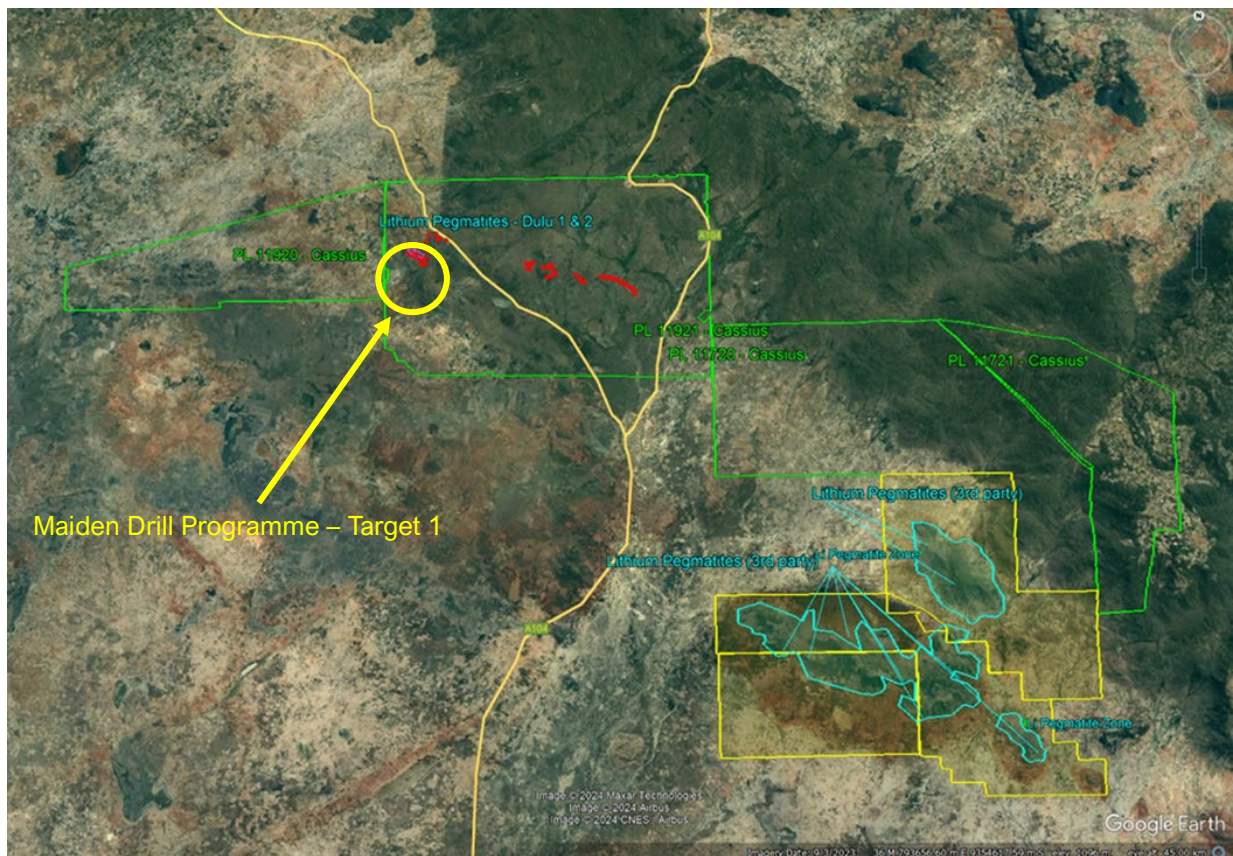


Figure 3: Overview of licenses showing initial drill program target zone.

¹ ASX:CMD Release 16 Feb 2023 – “Chenene Lithium Project – Rock Sample Assays to 1.08% Li₂O”

This release includes Competent Persons Statement.

Geology

The main features are the NW-trending Chenene Hills of sheared granite within rolling plains formed mainly of eroded granitic soils. A belt of metamorphosed amphibolite schists and amphibolite gneiss rocks outcrops along the margins of the sheared granites within the Licences, exposed intermittently above granitic soil plains.

This announcement has been approved for release by the Chairman of the Board

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Competent Person Statement – Chenene Lithium Project

Information in this ASX Announcement relating to Exploration Targets, Exploration Results and Mineral Resources were contained within an ASX Announcement by Cassius Mining Limited - ASX:CMD Release 16 Feb 2023 – “Chenene Lithium Project – Rock Sample Assays to 1.08% Li₂O”. This 16 February 2023 announcement contained the relevant Competent Person Statement and the Company is not aware of any new information or data that would materially affect the information included in the announcement made by CMD on 16 February 2023.

