

31 October 2019

ACTIVITIES REPORT FOR QUARTER ENDED 30 SEPTEMBER 2019

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

During the quarter no new field activities were undertaken at the Blackall Coal Project.

Planning has commenced for field activities at AustChina Holdings Limited's (AUH's) Blackall Coal Project. Activities will include a drilling programme to increase resource knowledge including the obtaining of coal quality samples. It is targeted to conduct these activities in the coming months.

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 field exploration activities completed to date in 2019 have included a 4 hole 2,700m diamond drilling program completed in July, a ground-based gravity survey over a large section of the tenements and detailed electromagnetic surveys in and around the final hole drilled prior to the end of the 2019 exploration season. Analysis and interpretation of data continue, along with laboratory analysis of core samples obtained.

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. This quarter Utilitas welcomed an existing shareholder taking up new shares at 65c per share.

Appointment of new Non-Executive Director

On 4 July 2019 AUH appointed Mr Andrew Macintosh as an independent Non-Executive Director. Mr Macintosh brings a wealth of experience and expertise to the Board. A detailed biography was lodged with ASX on the date of his appointment.

Placement

On 31 July 2019 AUH announced that it had completed a placement of 277,105,649 ordinary fully paid shares to a sophisticated investor, Icon Venture Group Limited, at \$0.003 to raise a total of \$831,317 for working capital.

Sector Convertible Note

On 27 September 2019 AUH announced that it had entered into an agreement with Sector Projects Pty Ltd to extend the maturity date of the \$1m Convertible Note which was due for repayment by Sector Projects Pty Ltd on 28 September 2019. The Convertible Note now matures on 28 December 2019.

In accordance with the agreement to extend the repayment date Sector Projects Pty Ltd paid all accrued interest on the note to 28 September 2019 and prepaid future interest to 28 December 2019.

AUH's rights under the Note are unaffected.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer