

28 January 2022

ACTIVITIES REPORT FOR QUARTER ENDED 31 DECEMBER 2021

Coal Projects

The potential of the Blackall Coal Project is considered to lie in alternative technologies for the use for the coal on-site to produce products including ammonia, methanol, hydrogen, and energy, with other by-products. The company is looking to take advantage of opportunities within the developing “hydrogen economy”. The company’s focus is the long-term production of energy products.

In addition to the developing hydrogen economy opportunities, on 15 October 2021, AUH announced it had entered into a non-binding Memorandum of Understanding with Fortress Capital Limited to conduct due diligence on a new technology that could enhance AustChina’s energy portfolio through the conversion of solid fuels including coal, municipal household and commercial waste, biomass, and other material to generate cleaner environmentally responsible electricity. This process has the potential to reduce carbon emissions and utilise fuel sources such as coal, municipal household and commercial waste that would otherwise go to landfill to produce energy for its own purposes or for sale to the electricity grid.

There were no substantive mining production or development activities undertaken during the quarter. No field activities were scheduled or carried out during the quarter.

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 Sth Corner	100%

CORPORATE ACTIVITIES:

Investment in Utilitas

AustChina holds 25.12% of Queensland, Australia based bioenergy developer Utilitas Group Pty Ltd, and is well positioned in the bioenergy and bioproducts field in Australia. Utilitas and key project counterparts, have advanced Bankable Feasibility Studies on its top three priority projects Bundaberg, Hunter & Dandenong, and continue to add to its future pipeline of projects.

The 9.5 acre repurposed sewerage treatment plant site, now the Bundaberg bioHub development located in Queensland was successfully fully tenanted and subsequently sold to property developer Smart Capital, unlocking the first bioHub concept that showcases several businesses synergistically operating on the site.

Community support for biogas and related industries has continued to strengthen and is being reflected within local governments and businesses. Initiatives such as the Bundaberg Bioeconomy Conference have had a positive social impact which has extended beyond the Bundaberg region, Utilitas presented and showcased an update at this conference.

The two other priority projects for Utilitas are Dandenong in Victoria and Hunter Valley in New South Wales are tracking into feasibility and are well positioned to secure commercial agreements to shore up project economic viability.

Investment in Sector Projects Pty Ltd, now Revolver Resources Holdings Limited (ASX: RRR)

Through the sale of its subsidiary Surat Gas Pty Ltd which completed on 28 September 2018, AustChina acquired 5% of the issued capital of Sector Projects Pty Ltd ('Sector').

On 23 September 2021, Sector merged with Dianne Mining Corporation Pty Ltd and listed on the ASX as Revolver Resources Holdings Limited ('Revolver'; **ASX: RRR**).

Revolver successfully raised \$12.7m through the issue of 63,622,633 shares at an issue price of \$0.20. AustChina owns 2.5m shares in Revolver.

Revolver's portfolio consists of 2 projects, Project Osprey (formerly owned by Sector) and the Dianne Project.

- The Dianne Project is a near-term production prospect north-west of Cairns comprising 6 mining leases and an exploration permit covering 116km².
- The Osprey Project consists of 6 exploration permits north of Mount Isa with established prospectivity for Iron Oxide Copper Gold and Mount Isa style targets covering approximately 765km².

Revolver has continued with its exploration of the Dianne Project through IP electrical geophysical surveying. Revolver reported in December 2021 a series of priority anomalies proximate to the Massive Sulphide Body, potentially representing further concealed untested sulphide mineralisation.

AUH sees long term potential in the copper sector.

Payments to Related Parties

A total of \$22,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 31 December 2021.

Authorised for release by the Chairman of the Board.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

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 2021

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	(18)	(48)	(307)
(e) administration and corporate costs	(162)		
1.3 Dividends received (see note 3)	-	-	-
1.4 Interest received	-	-	-
1.5 Interest and other costs of finance paid	-	(1)	
1.6 Income taxes paid	-	-	-
1.7 Government grants and tax incentives	-	-	-
1.8 Other (provide details if material):			
Payments for business development	(24)	(48)	
GST refunds	15	33	
1.9 Net cash from / (used in) operating activities	(189)	(371)	
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)	(42)	(111)	
(e) investments	-	-	-
(f) other non-current assets	-	-	-

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	(42)	(111)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	980
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	-	(59)
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	-	921

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,061	391
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(371)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(111)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	921

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	830	830

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	44	50
5.2	Call deposits	786	1,011
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)	830	1,061

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
22
0

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.</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 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)	(189)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(42)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(231)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	830
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	830
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.6
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: 28 January 2022

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.