

21 June 2023

## **ASX ANNOUNCEMENT**

### **2023 Blackall Coal Project Exploration Programme**

AustChina Holdings Limited (ASX: AUH) is pleased to provide further information to its ASX release of 5 June 2023 (ASX: AustChina Holdings Limited 2023 Exploration Activities Update) regarding the 2023 Exploration programme at its Blackall Coal Project in Queensland.

AUH holds two Exploration Permits for Coal in Queensland (EPCs 1719 and 1993). The permits are located approximately 20 kilometres south of Blackall in Central Queensland. In compliance with Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) the permits are estimated to contain an Indicated Coal Resource of 30 million tonnes and an Inferred Coal Resource of 1.3 billion tonnes. (ASX: Updated Coal Resource Statement for Blackall Project 16 June 2020).

There have been no material changes to the applicable geological information available and the resources reported above remain as reported in the 16 June 2020 announcement above.

As previously advised, the primary objectives of the current drilling programme are to:

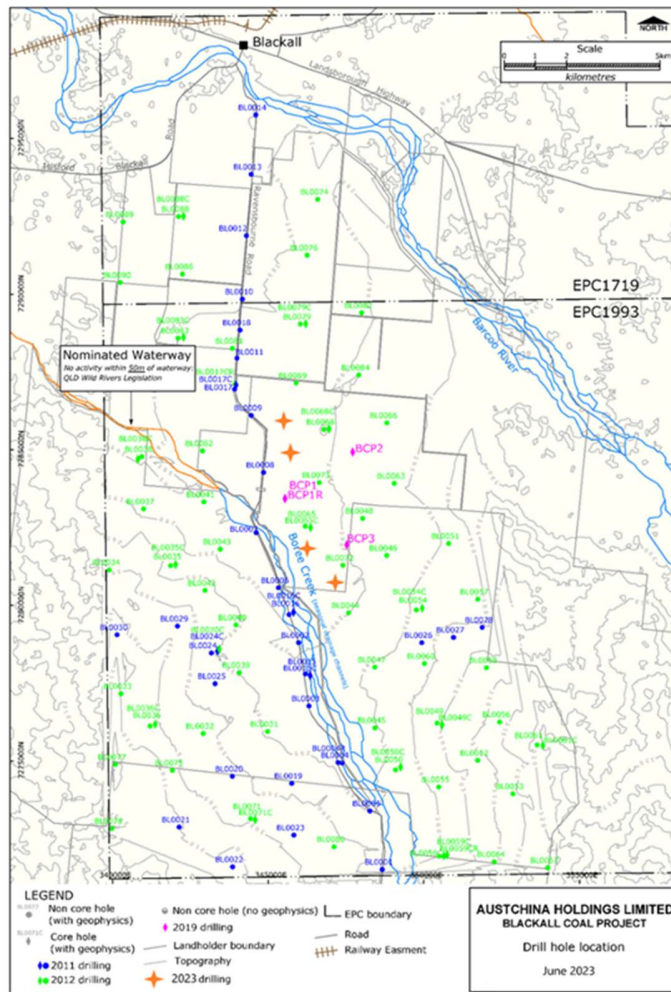
- (a) increase the level of confidence in the Resource based and the extent of the Mineral Resource that is classified in the Indicated category by closing up the spacing of the drill hole spacings, which is a necessary step to applying for a mineral development license (rather than exploration permit) and future development of the project; and
- (b) obtain additional samples that can be used for evaluating alternate uses for the coal through new processes or technologies other than traditional methods such as for use in coal fired power stations.

The company is in ongoing discussions with current landowners with regard to the Conduct and Compensation Agreement (CCA) for land access for the preferred planned drill hole sites as shown in Figure 1.

The finalisation of the CCA is delayed due to the passing of one of the landowners and the ensuing issues that arise from that. The company is working with all landowners to resolve and progress the matter. Should the company reach agreement in a timely manner, it is positioned to mobilise drill contractors to commence the current programme.

If access is not granted in a timely manner, the company will commence CCA discussions with regard to the 4 hole drill programme with a neighbouring property still within the target zone to achieve the primary objective as noted above.

Figure 1 shows the spread of holes drilled in EPCs 1719 and 1993 to date, as well as the locations of the planned drilling locations for 2023. As stated in AustChina's 22 December 2022 announcement "AustChina Holdings Limited 2023 Exploration Activities" four holes are planned to provide infill drilling within the existing drilling grid.



### Figure 1: Drill hole location

Drill Engineering and Pastoral Co. Pty Ltd (DEPCO) has been contracted to undertake the drilling programme. Target seam horizons will be cored. A core diameter of 100mm (4C) has been selected to provide increased sample quantities for analysis compared to the 63mm (HQ) diameter utilised in previous drilling programmes.

Analysis will be carried out at the Mitra PTS laboratories in Rockhampton and Gladstone and will consist of standard coal industry tests (Proximate Analysis, Gross Calorific Value, Total Sulphur, Relative Density, Moisture Holding Capacity and Chlorine), on individual plies with additional tests on composite samples targeted to match potential mining section groupings. Further work will include float-sink testing. In addition to the standard tests, composite and “floats” samples will include Ultimate Analysis, Ash Analysis, Ash Fusion testing, Hardgrove Grindability Index testing and Trace Element Analysis. Petrographic work will be carried out on selected samples. Additional samples will be reserved for further coal utilisation testing as may be required.

Drill holes will be geophysically logged to assist conformity with compliance with the JORC code.

The field component of the exploration component commenced in early May with site visits including completion of cultural heritage inspections of the sites on 24 May 2023. The drilling component is expected to take approximately 10 days.

Laboratory analysis is anticipated to take 3-4 months. Once analytical data is to hand, geological modelling and interpretation will follow and it is expected that an update on the JORC resource status of the Blackall Coal Project will be available by the end of calendar 2023.

The updated geological models and analytical data resulting from the 2023 exploration programme will contribute valuable information for future concept studies including mining, coal utilisation and commercial aspects, ahead of prefeasibility/feasibility studies depending on the outcomes of the concept studies.

Activities within the 2023 Exploration Programme are anticipated to be completed by the end of calendar 2023, as detailed more fully in the below table.

The exploration programme is expected to cost approximately \$390,000 (including land access, cultural heritage clearances, site safety and health requirements, earthworks, programme management, drilling, geophysical logging, sample analysis and reporting, and geological interpretation).

As advised in the Company's announcement of 5 June 2023 (ASX: "Exploration Activities Update") the funding for this exploration programme has been included in the budgets and the company will not be requesting new funds from shareholders to undertake the programme.

#### Summary of Exploration Programme

Item	Timeframe
Land Access (incl. CCA schedule payments per hole)	Estimated completion of CCA 23/6/2023.
Cultural Heritage Inspection	Completed - 24/5/2023
Site Safety and Health (SSE)	Throughout programme.
Earthworks/consumables	Throughout programme.
Drilling	10-day programme (weather dependent) commencing mid-June 2023
Geophysical logging	During last 3 days of site work
Sample analysis and reporting	3-4 months from completion of site work
Project management (including geologists)	Across whole programme
Geological Modelling and Resources estimation	2 months from completion and validation of coal analysis.

## Competent Person's Statement

I **Rowan Johnson** confirm that I am the Competent Person for the Competent Person Report from which the information to be publicly released has been obtained and also confirm that:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition), the 2014 Edition of the Australian Guidelines for the Estimation and Classification of Coal Resources and the relevant sections of Chapter 5 and Guidance Note 31 from the ASX Listing Rules.
- I am a Competent Person as defined by the JORC Code 2012 Edition, having 35 years of experience that is relevant to the coal types, quality and potential mining method(s) of the deposit(s) described in the Report. In addition, I have 25 years of experience in the estimation, assessment and evaluation of Coal Resources, the activity for which I am accepting responsibility.
- I am a Member of The Australasian Institute of Mining and Metallurgy.
- I have reviewed the Report or Excerpt from the Report to which this Consent Statement applies.

I am a consultant working for **McElroy Bryan Geological Services** and have been engaged by AustChina Holdings Limited to prepare the documentation for the **Blackall Coal Project – Inverness Deposit** on which the Report is based.

In addition:

- I have disclosed to AustChina Holdings Limited the full nature of the relationship between myself and the company, including any issues that could be perceived by investors as a conflict of interest.
- I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Coal Resources.
- I consent to the release of the Report and this Consent Statement by the directors of **AustChina Holdings Limited**.

Yours faithfully,

**Daniel Chan - Chairman**

Authorised for release by Chairman of the Board

Further information: Andrew Fogg - Chief Executive Officer