

31 July 2023

ACTIVITIES REPORT FOR QUARTER ENDED 30th JUNE 2023

Coal Projects

During the June quarter AustChina (ASX: AustChina Holdings Limited) completed the preparatory field work for its planned exploration drilling programme with the completion of the cultural heritage inspection of the proposed drill sites.

Contracts were let for the drilling of 4 partly cored boreholes. Land Access Agreements (CCA) were agreed and executed. Downhole geophysical logging and coal analysis laboratory services are also in hand.

The exploration programme in EPCs 1719 and 1993 as shown in Figure 1 allows for the company to firm up the resource base with increased Indicated Resources (under the JORC Code) by closing up the drill hole spacings.

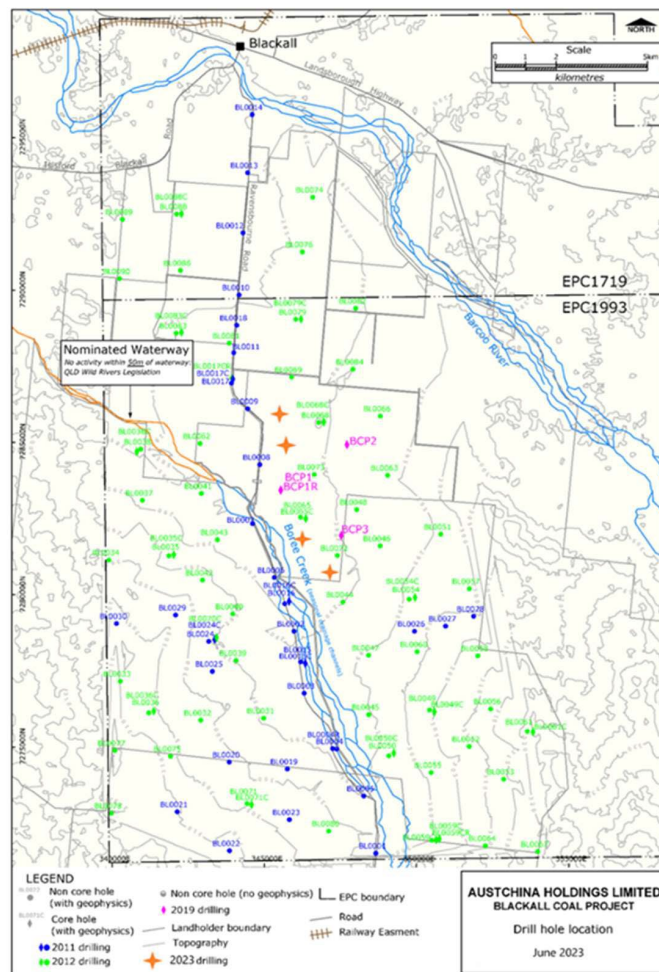


Figure 1: Drill hole location

This is necessary ahead of any decision as to an application for a Mineral Development Licence (a higher level of tenure under the Minerals Resources Act 1989) as a step towards development of the tenement. Additional samples will be obtained for evaluating alternative uses for the coal through new processes or technologies other than traditional methods such as use in coal fired power stations.

Post end of quarter, the drilling contractor has mobilised to site and the programme is in progress.

The company is drilling a core diameter of 100mm (4C) drilling 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.

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 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

AustChina holds 24.71% of Queensland based bioenergy developer Utilitas Group Pty Ltd.

Utilitas advised the infrastructure scale bio Refinery product offering has been met with successful market engagement, achieving early commitment from project partners.

Utilitas has announced a pre-IPO funding round, engaging sophisticated investors unlocking development funding on the first three projects including flagship at Bundaberg and kickstarting development of their pipeline of bio Refinery assets in Australia.

Investment in Revolver Resources Holdings Limited (ASX: RRR)

Revolver Resources continues exploration of its Osprey and Dianne Copper projects. Large scale Heli-Em surveying at its Osprey project has been completed and a further 2,000m of diamond drilling has commenced at its Dianne Copper project.ⁱ

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

Payments to Related Parties

A total of \$19,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 30 June 2023.

Authorised by the Board.

Yours faithfully,

Daniel Chan – Chairman

Further information:
Andrew Fogg – Chief Executive Officer

References:

¹ Revolver Resources Holdings Ltd. ASX: RRR, ASX Release 24 July 2023, Quarterly Activities Report

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")

30 JUNE 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) exploration & evaluation (if expensed)	-	(35)	
(b) development	-	-	
(c) production	-	-	
(d) staff costs	(24)	(149)	
(e) administration and corporate costs	(42)	(366)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	8	26	
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)	(100)	
GST refunds	11	63	
1.9 Net cash from / (used in) operating activities	(72)	(561)	
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)	(128)	(128)	
(e) investments	-	-	
(f) other non-current assets	-	-	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(128)	(128)

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	-	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(250)
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	-	(252)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,463	3,204
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(72)	(561)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(128)	(128)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(252)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,263	2,263

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	41	9
5.2 Call deposits	2,222	2,454
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)	2,263	2,463

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
19
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)	(72)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(128)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(200)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,263
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,263
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	11.3
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 July 2023

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.