

30 April 2024

ASX ANNOUNCEMENT

Quarterly Activities Report for Quarter Ended 31 March 2024

HIGHLIGHTS

- Exclusive option to acquire a 100% interest in the Chenene Lithium Project comprising four contiguous prospecting licenses for lithium covering 300km² in central Tanzania.
- The Chenene Lithium Project has two prime exploration target areas, with pegmatite rock chips assayed to 1.08% Li₂O in Target #1.¹
- Subsequent to the Quarter, the Company announced the imminent commencement of drilling at the Chenene Lithium Project to test multiple high priority targets.
- Resource Statement updated for the Blackall Coal project² nearly doubling the indicated coal resource to 55 million tonnes. Currently moving towards commissioning a mining study.
- The Company explored alternative technologies for value extraction from its coal tenements, including low-carbon processes and research into microwave processing.

Chief Executive Officer, Andrew Fogg, commented: “The March quarter was a key period for the Company, with AustChina entering an exclusive option agreement to acquire a 100% interest in the Chenene Lithium Project in Tanzania. With drilling now imminent at four prime exploration locations, we look forward to the results from the initial drilling campaign and using the data from our assessment to drive the decision to potentially exercise the option to acquire the project. With pegmatite rock chips assayed to 1.08% Li₂O in Target #1, we are confident in the potential of the exploration and look forward to updating shareholders”

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

² ASX Announcement – “Coal Resource Upgrade for the Blackall Coal Project” – 27 February 2024

OVERVIEW

AustChina Holdings Limited (**ASX:AUH**) (“AUH”, the “Company” or “AustChina”) is pleased to provide an overview of the Company’s quarterly activities for the period ended 31 March 2024 (“Quarter”, “Reporting Period”).

CHENENE LITHIUM PROJECT

Option to Acquire Chenene Lithium Project

On 7 March 2024, AustChina announced it had entered into 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.

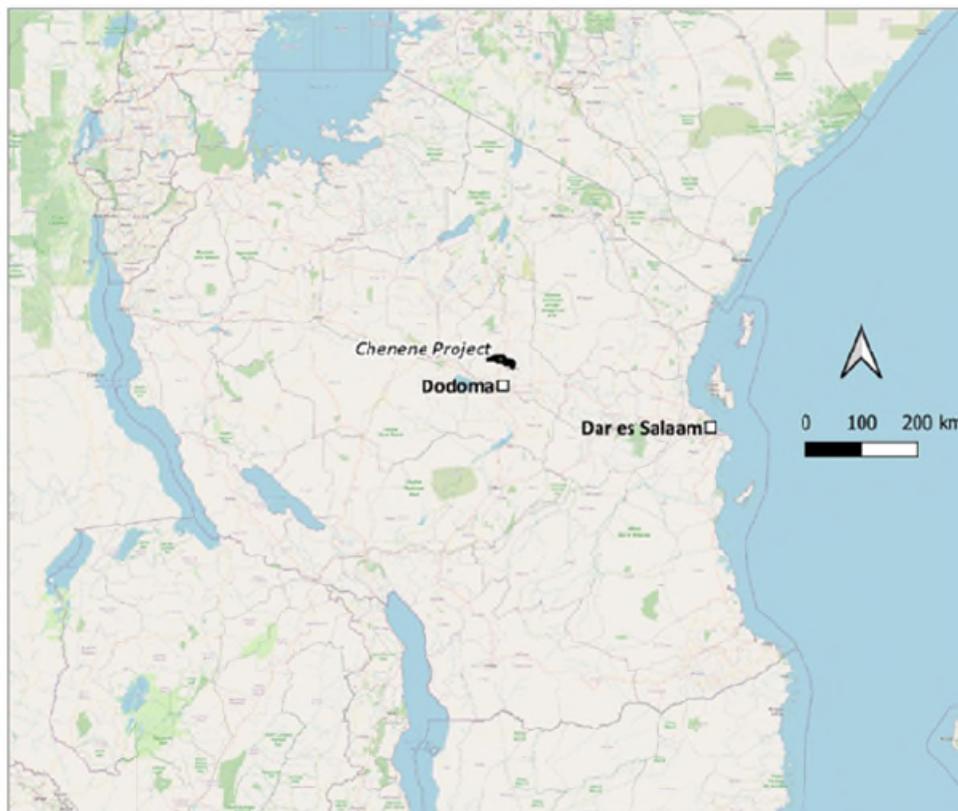


Figure 1: The Location of the Chenene Project in Tanzania

While the Company continues exploration at the existing Blackall Project, the Board views the acquisition of the Chenene Lithium Project as a potential value driver for shareholders as it will allow the Company to regenerate and diversify its existing asset portfolio through exposure to lithium assets.

Chenene Lithium Project Overview

The Chenene Lithium Project has two prime exploration target areas that have been identified (Figure 2).

Within Target #1, pegmatite rock chips assayed to **1.08% Li₂O**, **2,782 ppm Caesium** and **181 ppm Tantalum**.¹ Four prime exploration locations have been identified that will be drilled initially.

Target #2 in the adjacent PL 11720 to the East lies within ~2.5km of the known spodumene-bearing pegmatites in the Hombolo area, within an adjacent 3rd party license.

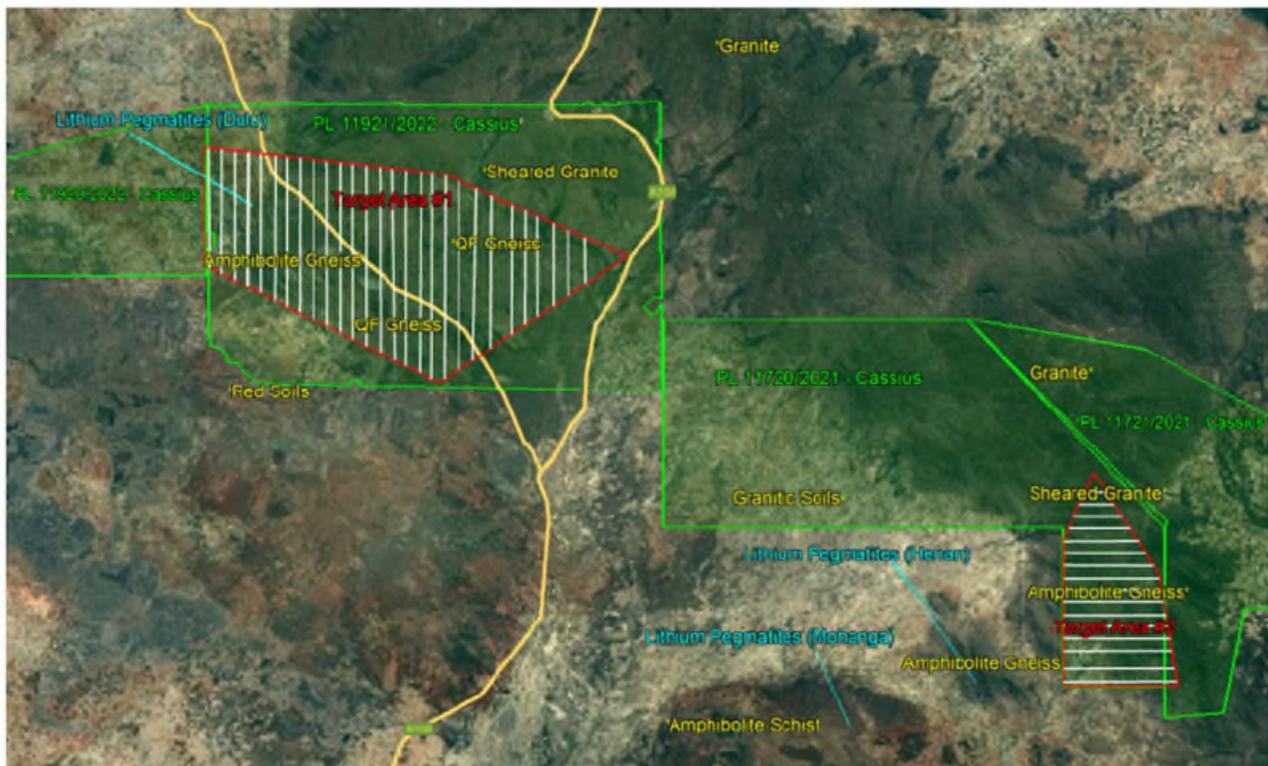


Figure 2: CMT's PL's (green shaded) showing Targets #1 and #2 with N-S and E-W traverse lines respectively.

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.

Drill Program Imminent

Subsequent to the Reporting Period, the Company announced the imminent commencement of drilling at the project to test multiple high priority targets³, following Cassius receiving all necessary governmental and regulatory approvals to permit drilling.

A drilling contractor has been engaged with the drill rig mobilising to site, with the Company in the final stages of negotiating an agreement with a reputable geological company in South Africa to oversee the onsite drilling program.

Drilling will be for an initial 8 holes, with potential to expand the program based on drill core visuals and assay results.

Results are expected before the conclusion of the initial 60-day due diligence period, following Cassius receiving all necessary governmental and regulatory approvals to permit drilling.

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 at least 1% Li₂O over a 10-metre intercept.

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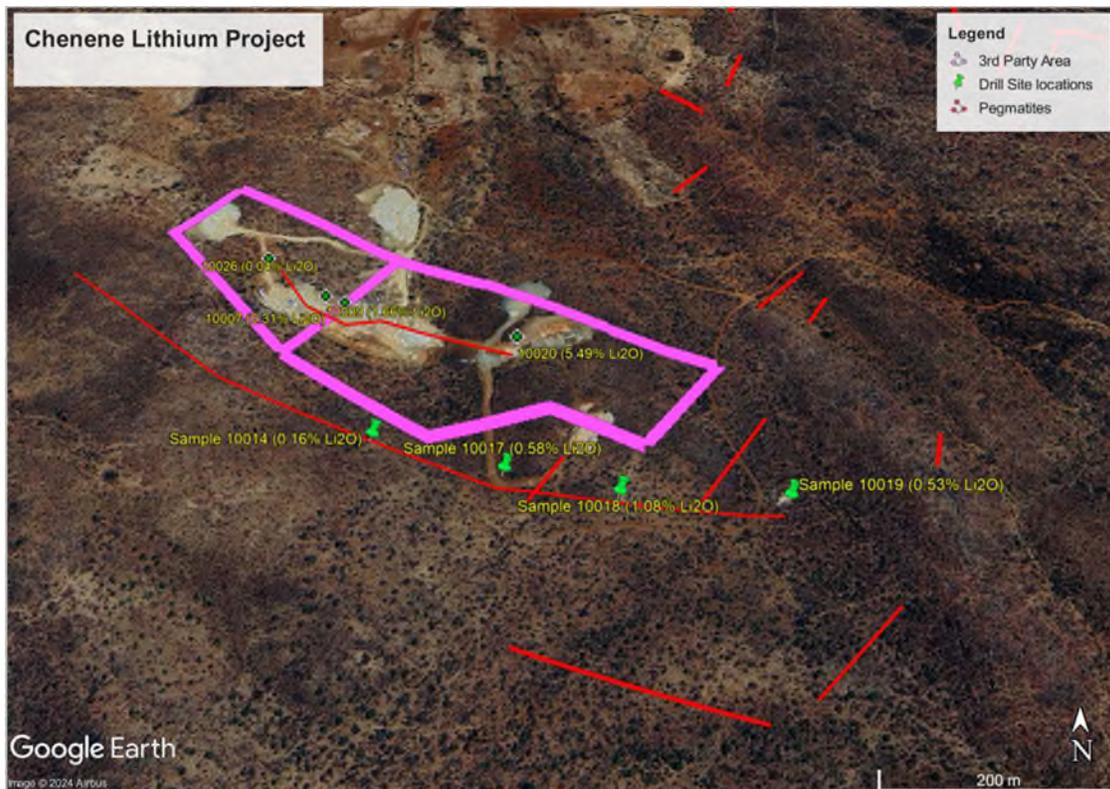


Figure 3: The initial four targets to be drilled with pegmatite rock chip assays up to 1.08% Li₂O.

³ ASX Announcement – “Drilling to Commence at Chenene Lithium Project” – 29 April 2024

COAL PROJECTS

During the September 2023 Quarter AustChina completed the drilling phase of its 2023 exploration programme. During the December 2023 Quarter, the bulk of the laboratory testing of coal samples obtained from the four cored drill holes was carried out.

In the Reporting Period, the remaining planned laboratory analyses were completed, and on 27 February 2024 AustChina announced an upgrade to its Resource Statement with the additional data obtained during the 2023 drilling programme being incorporated into the resource models².

Drill Hole locations are shown in Figure 4 below.

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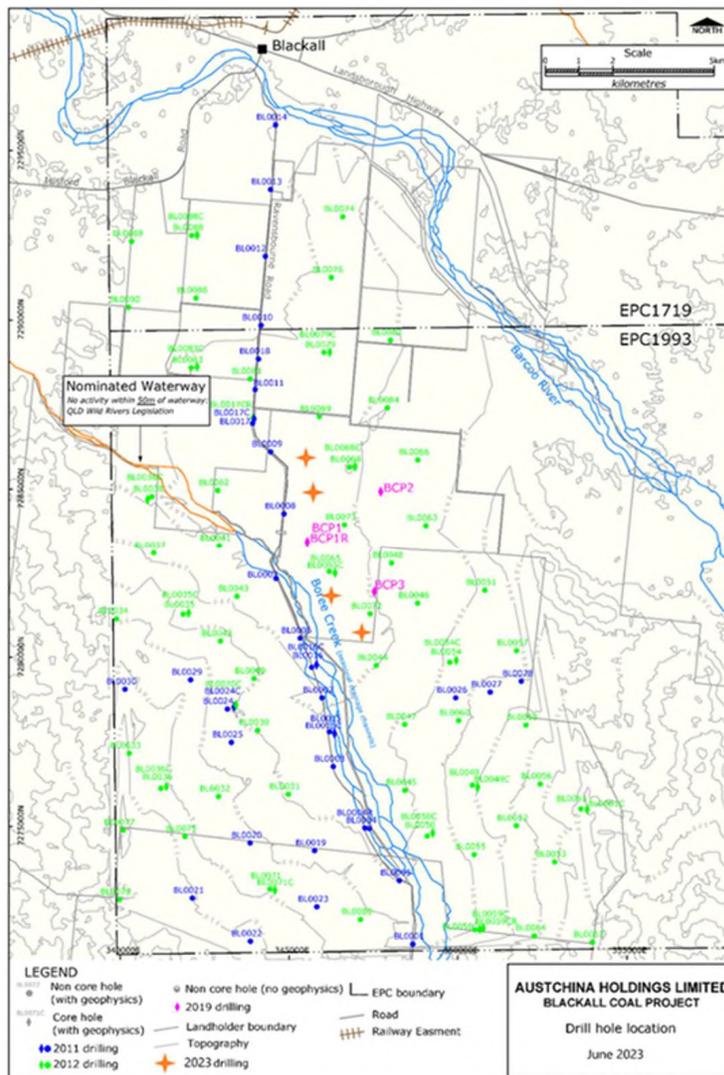


Figure 4: Drill Hole Locations

The assessment incorporated material results from the geological and analytical data generated from the drilling programme.

The upgraded Resource statement reflects that the drilling in 2023 has provided the appropriate level in geological certainty to nearly double the Indicated coal resource to 55 million tonnes. Tables 1 and 2 provide the updated Summary Coal Resources by Seam, Category and Depth for EPCs 1719 and 1993 respectively.

Table 1 – EPC 1719 SUMMARY COAL RESOURCES by SEAM CATEGORY and DEPTH on the BLACKALL PROJECT.

Seam Name	Block Area (km ²)	Coal Area (km ²)	Coal Thickness (m)	In Situ Density (g/cc) ⁽¹⁾	Raw Ash (%) ⁽²⁾	Specific Energy (kcal/kg) (a.d.) ⁽³⁾	Specific Energy (kcal/kg) ⁽²⁾	Total Sulphur (%) ⁽²⁾	Inferred Resources (Mt)			
									Subcrop-50m	50-100m	100-150m	Total
F	8.93	6.40	0.8	1.54	34	3140	2690	0.60	10	1	-	11
E	12.93	5.60	0.4	1.44	20	4330	3810	0.35	14	17	-	31
D	16.72	7.80	0.4	1.42	17	4560	4050	0.46	17	28	-	45
C	13.84	5.71	0.3	1.40	15	4890	4250	0.43	12	5	0	7
B	22.60	6.98	0.3	1.43	18	4580	4010	1.20	4	10	3	17
Inferred subtotal for EPC1719									47	61	3	111
									Inferred Total for EPC1719			111
									Inferred Total for EPC1719 (Rounded)			100

Notes: 1 In Situ Density generated from Ash regression at 25% moisture basis

2 Raw coal quality parameters reported at In Situ Moisture basis (25%)

3. Specific Energy reported at air dried basis

Zeros represent small numbers that round to zero. Discrepancies in subtotals are due to rounding

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Table 2 - EPC 1993 SUMMARY COAL RESOURCES by SEAM CATEGORY and DEPTH on the BLACKALL PROJECT.

Seam Name	Block Area (km ²)	Coal Area (km ²)	Coal Thickness (m)	In Situ Density (g/cc) ⁽¹⁾	Raw Ash (%) ⁽²⁾	Specific Energy (kcal/kg) (a.d.) ⁽³⁾	Specific Energy (kcal/kg) ⁽²⁾	Total Sulphur (%) ⁽²⁾	Indicated Resources (Mt)			
									Subcrop - 50m	50-100m	100-150m	Total
F	3.11	2.44	0.8	1.49	29	3520	3170	0.95	5.6	-	-	5.6
E	9.31	7.52	0.6	1.47	24	3800	3460	0.35	28.4	3.4	-	31.8
D	7.45	4.74	0.5	1.41	16	4390	4110	0.38	13.4	3.8	-	17.2
C	0.47	0.20	0.2	1.36	9	5040	4640	0.45	0.0	0.1	-	0.1
Indicated Subtotal for EPC1993									47.4	7.2	-	54.7
									Indicated Total for EPC1993 (Rounded)			55
F	29.03	20.58	0.5	1.47	25	3860	3410	0.58	42	1	-	43
E	44.20	27.40	0.4	1.43	19	4270	3850	0.35	223	23	-	247
D	145.23	66.66	0.4	1.43	19	4260	3870	0.58	276	100	-	376
C	168.74	59.38	0.4	1.42	18	4420	3960	0.41	127	99	0	227
B	183.16	61.70	0.3	1.44	21	4260	3780	1.25	35	114	9	158
A	58.50	17.65	0.4	1.40	13.3	4870	4360	1.32	140	18	31	58
Inferred Subtotal for EPC1993									714	355	40	1110
									Inferred Total for EPC1993			1110
									Inferred Total for EPC1993 (Rounded)			1100

Notes: 1. In Situ Density generated from Ash regression at 25% moisture basis

2. Raw coal quality parameters reported at In Situ Moisture basis (25%)

3. Specific Energy reported at air dried basis

Zeros represent small numbers that round to zero. Discrepancies in subtotals are due to rounding

The Company is currently moving to commission a mining study to identify the optimal mining locations and mining methods best suited to the nature of the deposit.

Alternate Uses of Coal

The Company has been considering novel means of extracting value from its coal tenements using low-carbon technology, with the goal of identifying processes for generation of energy and or other products based on coal processing technologies.

The Company continues to investigate alternative technologies to utilise its coal on-site, including research into these technologies where appropriate.

During the Quarter, AustChina sent selected samples from the 2023 exploration programme to the National Energy Technology Laboratory in West Virginia to be included in baseline studies in microwave processing.

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%

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CORPORATE ACTIVITIES

Investment in Revolver Resources Holdings Limited (ASX: RRR)

Revolver Resources continues exploration of its Osprey and Dianne Copper projects.

During the Quarter, Revolver announced it had secured a A\$1.3 million grant from Queensland Government’s Critical Minerals and Battery Technology Fund to fast-track key technical and design workstreams on its Dianne Copper Mine Project, towards the rapid targeted recommencement of mining operations. ⁴

AustChina continues to see 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 March 2024.

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

⁴. ASX: RRR Release 23 February 2024 “A\$1.3M Queensland Government Grant for Dianne Copper Mine Project.”

For further information

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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.

Competent Person’s Statement – Blackall Coal Project

Rowan Johnson confirms that he is the Competent Person for the Competent Person Report from which the information to be publicly released has been obtained and also confirms that:

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- He has 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.
- He is a Competent Person as defined by the JORC Code 2012 Edition, having 39 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, he has 25 years of experience in the estimation, assessment and evaluation of Coal Resources, the activity for which he is accepting responsibility.
- He is a Member of The Australasian Institute of Mining and Metallurgy.
- He has reviewed the Report or Excerpt from the Report to which this Consent Statement applies.

He is a consultant working for **McElroy Bryan Geological Services** and has 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:

- He has disclosed to AustChina Holdings Limited the full nature of the relationship between himself and the company, including any issues that could be perceived by investors as a conflict of interest.
- He verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Coal Resources.

He consents to the release of the Report and this Consent Statement by the directors of **AustChina Holdings Limited**.

The Company is not aware of any new information or data that would materially affect the information included in the announcement made by AustChina on 27 February 2024.

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 MARCH 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(79)	(190)
(e) administration and corporate costs	(128)	(426)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	18
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)	(75)
Net GST refunds	(38)	(5)
1.9 Net cash from / (used in) operating activities	(265)	(678)
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)	(18)	(337)
(e) investments	-	-
(f) other non-current assets	-	-

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 (9 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)	-	-
	Option and brokerage fee for potential acquisition of Cassius Mining (Tanzania).	(167)	(167)
2.6	Net cash from / (used in) investing activities	(185)	(504)
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	-	-
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	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,531	2,263
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(265)	(678)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(185)	(504)

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 (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,081	1,081

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	11	6
5.2	Call deposits	1,070	1,525
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)	1,081	1,531

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. 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)	(265)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(18)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(283)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,081
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,081
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.8
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: 30 April 2024

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.