

4 July 2024

ASX ANNOUNCEMENT

Drilling Progressing at Chenene Lithium Project, Tanzania

HIGHLIGHTS

- AustChina's drilling program at the Chenene Lithium Project in Tanzania is progressing with 6 holes completed.
- Initial diamond core drilling (first of 4 high-priority lithium exploration targets) consists of 8 holes¹ and is expected to be completed by mid-July 2024.
- Initial batch of drilling samples sent to SGS Mwanza laboratory for preparation ahead of analysis at SGS South Africa with results anticipated to be available during August 2024.
- AustChina entered an Exclusive Binding Heads of Agreement to conduct due diligence to ascertain if they wish to move forward and acquire the 4 licences from Cassius Mining.²

Chief Executive Officer, Andrew Fogg, commented: "We are pleased with the strong progress to date of our drilling program with six holes completed at the Chenene Lithium Project in Tanzania. The program team and on ground personnel continue to be energised and we are looking forward to receiving the assay results of the drilling samples from SGS South Africa during August 2024."

¹ ASX Release, "Drilling Commences at Chenene Lithium Project, Tanzania – Amended Announcement", 21 June 2024.

² ASX Release, "Option to acquire Chenene Lithium Project", 7 March 2024.

AustChina Holdings Limited (ASX:AUH) (“AUH”, the “Company” or “AustChina”) is pleased to announce six holes of the initial eight hole drilling program have been completed at Chenene Lithium Project in Tanzania, targeting multiple high-priority lithium targets. The Company may expand the program to increase the total number of holes to be drilled. The drilling program is expected to be completed by mid-July 2024 with results from SGS South Africa anticipated to be available during August 2024.

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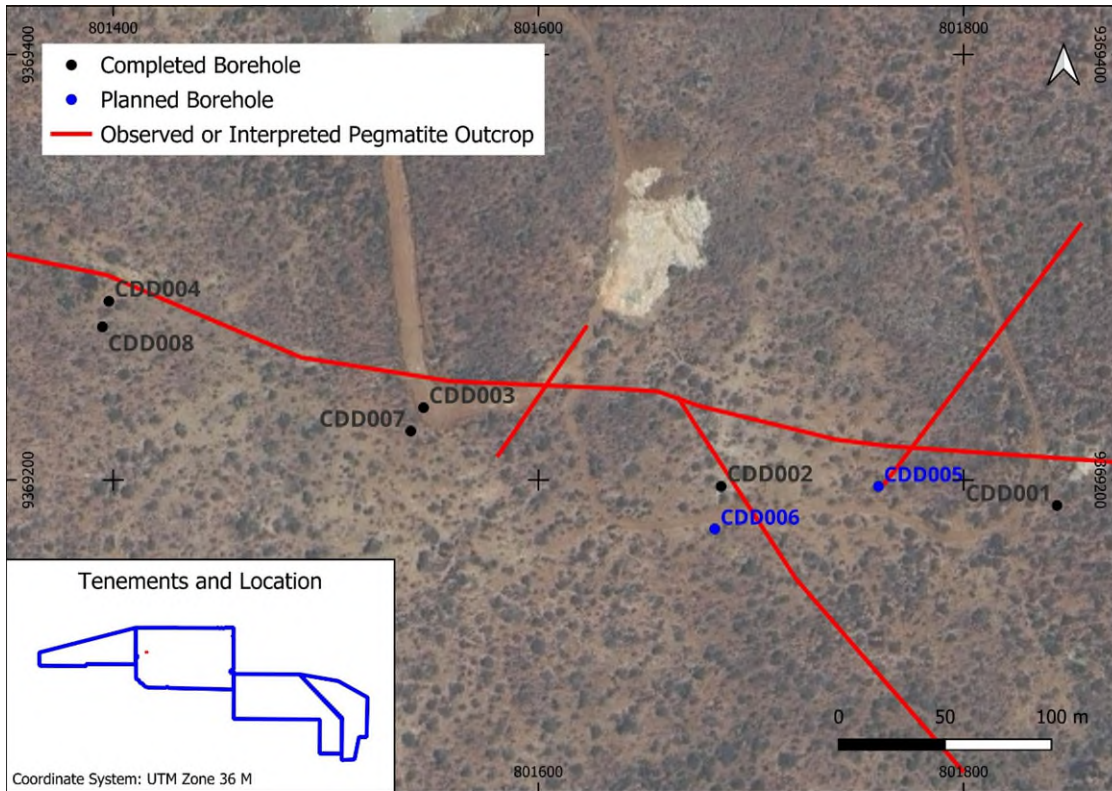
Figure 1 shows the rig at work at the Chenene Lithium project.

The completed borehole positions are indicated in the table and map below:

Table 1 shows the borehole position details at the Chenene Lithium project.

BH_ID	X	Y	Y_RL	DIP (°)	AZI (°)	EOH (m)
CDD001	801844	9369188	1260	-55	335	86.2
CDD002	801686	9369197	1255	-50	8	50
CDD003	801546	9369234	1255	-50	28	32.2
CDD004	801398	9369284	1258	-60	14	26.3
CDD007	801540	9369223	1255	-50	28	26.2
CDD008	801395	9369272	1258	-60	14	32.3

Coordinate System: WGS84, UTM Zone 36 M



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Figure 2: Plan showing the drilled and planned borehole positions at the Chenene Lithium project.

The specific mineral assemblages and quantities contained in the pegmatite have not been determined yet. Confirmation of mineral types and quantities in the core samples will not be available until analytical results are available, which are expected by end July 2024, once SGS South Africa has completed laboratory analysis.

Visual estimates of mineral abundance should never be considered as a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations.

On 7 March 2024, the Company entered 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 in Tanzania.³

Recognising the importance of local expertise, AustChina has engaged the MSA Group (Pty) Ltd (**MSA**), a Johannesburg-based geological company, to provide technical oversight for the drilling program. The Competent Person for MSA is George van der Walt, who has extensive experience with lithium-hosted pegmatites in South Africa, Nigeria, Brazil, DR Congo and Ivory Coast. Additionally, SGS South Africa has

³ ASX Release, "Option to acquire Chenene Lithium Project", 7 March 2024.

been appointed to undertake sample preparation at Mwanza, Tanzania and analysis at their Randfontein laboratory in South Africa.

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.

Competent Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Resources is based on information compiled by George van der Walt, a Competent Person who is a Member of the South African Council for Natural Scientific Professions (**SACNASP, member number 400306/07**), a Recognised Professional Organisation (**RPO**) included in a list that is posted on the ASX website from time to time.

4 George van der Walt is employed by MSA and has no direct interest in the business of AustChina.

George van der Walt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. George van der Walt consents to the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears.

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

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APPENDIX 1: JORC Code Table 1 (2012 Edition)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Samples are being collected by wireline diamond core drilling using HQ (63.5 mm) size core diameter to account for variations in mineral grain size. The core is being logged according to lithological intervals, with samples selected at nominal 1-metre intervals, adjusted to lithological contacts where necessary (minimum 30 cm, maximum 2 metres). Samples are to be cut as half-core (except for quarter core duplicates) with the remaining half to be kept in the core trays for future reference. Where appropriate, estimations of the relative percentage of important minerals will be recorded, but these will not be used to estimate potential grades – only analytical results will be reported. Sample preparation will be undertaken by SGS Laboratory, a globally accredited laboratory services group.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling is being undertaken by wireline core drilling using a Sandvik DE710 drill rig with HQ (63.5 mm) core diameter.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether 	<ul style="list-style-type: none"> Core depths are marked on the core relative to the driller's run markers and the recoveries are recorded on a core recovery sheet. Drilling under normal ground conditions is expected to achieve greater than 95% recovery. Non-representative recoveries are noted in the sampling sheet.

Criteria	JORC Code explanation	Commentary
	<p><i>sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<ul style="list-style-type: none"> The HQ core size was chosen to achieve more representivity from the larger mineral grain sizes occurring in pegmatites. No sample analysis results have been received yet to assess the relationship between sample recovery and grade or the possibility of bias.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> All (100%) of the core is logged using standardised logging codes and descriptions to account for changes in lithology, alteration and structure. The depths are recorded against the depth markers and core losses are noted.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Full core is cut into half core using a diamond blade core splitter, except for Field Duplicates, which are cut to quarter core. The core splitter is checked to ensure that it is cutting the core halves evenly and adjustments are made, if necessary. The samples are taken at nominal 1-metre intervals and adjusted to lithological contacts where appropriate, with minimum sample length of 30 cm and maximum sample length of 2 m. The sampling of HQ core for pegmatites is considered appropriate for the style on mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks)</i> 	<ul style="list-style-type: none"> Samples are to be prepared for analysis at SGS Laboratory in Mwanza, Tanzania and analysed at SGS Laboratory in Johannesburg, South Africa. Trace element analysis will be carried out using a sodium peroxide fusion / combined ICP-OES and ICP-MS package. Blanks, Standards and Field Duplicates will be inserted at a minimum rate of 5% (1 in 20) per sample type. No geophysical or hand-held analytical tools are being used at this time.

Criteria	JORC Code explanation	Commentary
	<i>and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Sampling intervals were verified by the Competent Person during a site visit conducted on 19 and 20 June 2024. No twin holes have been drilled. All data is being captured into Excel spreadsheets using drop-down menus for entries. No assay data have been received yet.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> All positioning is currently being located by hand-held GPS, which usually has an accuracy of ± 5 m. Hole collar positions will be fixed by DGPS survey prior to any modelling exercise. The coordinate system being used is WGS84 UTM 36M. No digital terrain models or other topographic controls have been acquired yet.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Continuous sampling will be conducted over mineralised intervals. The current spacing of drilling is 120 m – 150 m along strike, which would be insufficient to demonstrate geological or grade continuity for estimation Mineral Resources or Reserves. No sample compositing will be applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Drilling is being oriented (in dip and azimuth) to intersect the pegmatites orthogonally, however there has been insufficient drilling to establish true width corrections (if necessary). True width corrections could be applied at a time when these factors can be established with confidence.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples are collected under the supervision of the Project Geologist and aggregated into sealed batches. The samples are then dispatched by the Project Geologist to the laboratory using the appropriate submission forms, which are signed on delivery.

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Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews have been conducted. The Competent Person conducted a site visit on 19 and 20 June 2024 to check the logging and sampling.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> Tenement details and target locations are listed in Item 1 and Item 2 below this table.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Limited surface sampling and mapping has been reported by the current license holder, Cassius Mining Limited (https://www.cassiusmining.com/operations/tanzania/).
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> 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. Pegmatites are hosted in these metamorphosed rocks of the Dodoma formation within the 'Hombolo- Msangani belt', a NW-SE trending belt approximately 35 km long and 13 km wide. Folding was later deformed by NW shearing. Pegmatites were emplaced prior to the shearing.
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres)</i> 	<ul style="list-style-type: none"> Drilling has commenced only recently and there has been insufficient drilling to report any data that is material to the project. A follow-up disclosure will be made once logging and sample analysis has been completed and verified, which is expected to be towards the end of July 2024.

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Criteria	JORC Code explanation	Commentary
	<p><i>of the drill hole collar</i></p> <ul style="list-style-type: none"> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> <ul style="list-style-type: none"> ● <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	
Data aggregation methods	<ul style="list-style-type: none"> ● <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> ● <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● No data aggregation methods are being applied. ● No metal equivalents will be reported, all assay data will be based on original laboratory analysis results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> ● There has been insufficient drilling at this time to establish the geometry of the deposit with any confidence. ● Down hole length and true width are not known at this time.
Diagrams	<ul style="list-style-type: none"> ● <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> ● Drilling has recently commenced and there has been insufficient data collection for reporting of results. ● Planned drilling positions are indicated on Figure 1 of this news release. ● A follow-up disclosure will be made once logging and sample analysis has been completed and verified, which is expected to be towards the end of July 2024.
Balanced reporting	<ul style="list-style-type: none"> ● <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and</i> 	<ul style="list-style-type: none"> ● No assay results have been received yet.

Criteria	JORC Code explanation	Commentary
	<i>high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> No other exploration data is applicable at this time. Drill planning is being guided by surface sampling and mapping information provided by Cassius Mining Limited: (https://www.cassiusmining.com/operations/tanzania/)
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Current drilling is focused on testing positions along the strike and dip of pegmatite occurrences identified through surface mapping and sampling. A decision to undertake further work in this regard will be made on the basis of results received from this round of drilling.

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Item 1 - Licences

Licence	Holder	Interest	Type	Expiry Date	Grant Date	Area (km)	Commodity
11720	CMT	100%	Prospecting (Exploration)	03 Oct 2025	29 Mar 22	92.63	Lithium
11721	CMT	100%	Prospecting (Exploration)	03 Oct 2025	29 March 22	45.55	Lithium
11920	CMT	100%	Prospecting (Exploration)	12 May 2026	13 May 22	47.00	Lithium
11921	CMT	100%	Prospecting (Exploration)	12 May 2026	13 May 22	115.40	Lithium

Item 2 – Target Locations

Sample #	Easting – WGS 84 datum (UTM Zone 36M)	Northing – WGS 84 datum (UTM Zone 36M)
10014	801401.9	9369295.5
10017	801553.9	9369245.5
10018	801680.9	9369214.5
10019	801862.9	9369199.5