

31 January 2023

ACTIVITIES REPORT FOR QUARTER ENDED 31st DECEMBER 2022

Coal Projects

The company outlined its exploration programme for 2023 for its Blackall Coal Project. Resource upgrade planning will incorporate the results of the mining scoping study which will assist in designing a drilling programme in Q3 2023 to upgrade the current JORC resource data for the project. The programme will provide infill drilling within the existing drilling grid over an area to be identified during the mining scoping study.

Laboratory analysis is planned to continue to year's end ahead of a JORC resource upgrade anticipated in Q1 2024.

Austchina Holdings Limited - Blackall Coal Project Exploration Activities 2023												
	2023											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Review of geological database												
Mining scoping study												
Resource upgrade planning												
Drilling programme on site												
Coal quality testing												

At the appropriate times, tenders will be sought for the respective components of the 2023 exploration programme.

The company continues to investigate alternative technologies to utilise its coal on-site which could produce products including hydrogen, energy and other by-products. These technologies look to take advantage of the developing "hydrogen economy" and alternate energy production markets. The company's focus is the long-term production of energy related products.

In addition to the developing hydrogen economy opportunities, AUH continues to advance its terms with Fortress Capital on a technology that the Company hopes will 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.

If it proves to be effective, this scalable process has the potential to reduce carbon emissions with the added benefit being the production of energy for its own purposes or for sale to the electricity grid. It will also have the added benefit of reducing waste that would normally go to landfill and converts that waste to energy.

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 South Corner	100%

CORPORATE ACTIVITIES:

Convertible Note Liability

The company advised that the \$500,000 Convertible Note on issue was fully repaid in December 2022. The Convertible Note had been partly converted to shares (\$250,000) and partly paid out in cash (\$250,000).

The company is pleased to advise that it has fully repaid all debt.

Investment in Utilitas

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

The company successfully undertook an assessment identifying a new significantly larger scale project model it calls a Biorefinery, which is approximately scale magnitude of ten to the previous model. This has now become the default project size with the company's pipeline adapting to the new larger scale. This adaptation boasts significantly better returns and lower a feedstock risk profile. Support for the sector and Utilitas projects continues to strengthen, prompting more intensive project funding activities.

The Bundaberg bioHub development continues to progress forward housing the Utilitas flagship Biorefinery.

Investment in Revolver Resources Holdings Limited (ASX: RRR)

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

Revolver updated the market in December 2022 advising of maiden Copper Mineral Resource at Dianne Mine. The resource combines a shallow high-grade Primary and Supergene sulphide component encompassed within a broad near surface lower grade halo of supergene oxide mineralisation. This mineralization is amenable to low-

cost heap leach processing with the sulphide mineralization amenable to floatation to produce potentially saleable copper and zinc concentrates.¹

AUH congratulates Revolver on these results and continues to see long term potential in the copper sector.

Payments to Related Parties

A total of \$23,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 31 December 2022.

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 5 December 2022, Initial Metallurgical Test Work Completed at Dianne

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 2022

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)	(1)	(1)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(46)	(77)
	(e) administration and corporate costs	(124)	(256)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	11
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)	(50)
	GST refunds	9	44
1.9	Net cash from / (used in) operating activities	(179)	(329)

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)	-	-
	(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	-	-

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,054	3,204
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(179)	(329)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(252)	(252)

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	2,623	2,623

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	17	26
5.2	Call deposits	2,606	3,028
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)	2,623	3,054

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**

23

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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)	(179)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(179)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,623
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,623
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	14.7
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 January 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.