

29 October 2021

ACTIVITIES REPORT FOR QUARTER ENDED 30 SEPTEMBER 2021

Coal Projects

AustChina continues to look into alternative strategies for the use of coal from the Blackall Project in site-based processes. On 15 October 2021 AustChina announced the signing of a Memorandum of Understanding with Fortress Capital (ASX: “MOU to Investigate Technology – Convert Solid Fuels to Energy”). AustChina is working through a due diligence process to evaluate the applicability of the technology to its portfolio.

Exploration expenditure of \$69,000 during the quarter continued consideration of mining method alternatives and strategies for coal utilisation for the Blackall resource.

There were no substantive mining production or development activities undertaken during the quarter. No field activities were scheduled or carried out during the quarter.

Mineral Projects

In an ASX announcement on 23 August 2021 (ASX: “Copper Investment to list on ASX through Revolver Resources”) AustChina announced that had agreed, subject to conditions precedent, to transfer its holding in Sector in return for shares in Revolver Resources Holdings Ltd (Holdings) which is the ultimate parent company of Sector. Holdings had lodged a prospectus with the ASX on 2nd August and was working towards a planned listing on the ASX.

Pat Williams, Managing Director of Revolver Resources commented:

“As a cost-effective conductive material, copper sits right at the heart of the new commodity super cycle.” He went on to say, *“By 2030, copper demand is forecast to grow 600-900% in green related industries.”*

Holdings subsequently listed on the ASX on 23 September 2021 (ASX: RRR), and AustChina views positively the increased exposure to copper potential through Holdings’ overall tenure position, which includes the historical Dianne Copper Mine and surrounding exploration permit.

As a result of the transfer its holding in Sector Projects Pty Ltd in return for shares in Revolver Resources Holdings Ltd, AustChina now holds 2.5million shares in that company.

AUH sees long term potential in the copper sector.

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%

Investment in Utilitas

The Utilitas Group Pty Ltd (Utilitas) (AUH 25.14%) during the quarter sold its Bundaberg bioHub industrial park to land developers who are preparing the site for 5 key tenancies including the Bundaberg biohydrogen project. This asset sale enables Utilitas to activate the planning and approvals of its first three utility-scale, commercial grade green gas projects.

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 30 September 2021.

Authorised by the Board.

Yours faithfully,

Daniel Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

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 SEPTEMBER 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(30)	(30)	(30)
(e) administration and corporate costs	(145)	(145)	(145)
1.3 Dividends received (see note 3)	-	-	-
1.4 Interest received	-	-	-
1.5 Interest and other costs of finance paid	(1)	(1)	(1)
1.6 Income taxes paid	-	-	-
1.7 Government grants and tax incentives	-	-	-
1.8 Other (provide details if material):			
Payments for business development	(24)	(24)	(24)
GST refunds	18	18	18
1.9 Net cash from / (used in) operating activities	(182)	(182)	(182)
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)	(69)	(69)	(69)
(e) investments	-	-	-
(f) other non-current assets	-	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(69)	(69)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	980	980
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	(59)	(59)
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	921	921

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	391	635
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(182)	(604)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	360
4.4	Net cash from / (used in) financing activities (item 3.10 above)	921	921

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,061	1,061

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	50	120
5.2 Call deposits	1,011	271
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)	1,061	391

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
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)	(182)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(69)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(251)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,061
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,061
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.2
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: 29 October 2021

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.