



 **AustChina**

**Holdings Limited**

**ANNUAL REPORT**  
**For the year ended**  
**30 June 2024**

# AustChina Holdings Limited

## ABN 20 075 877 075

### Annual Report – 30 June 2024

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## CORPORATE DIRECTORY

<b>Directors</b>	Anthony Chan (Chairman) George Lam (Deputy Chairman) Daniel Chan Mena Habib Andrew Macintosh Peter Tsang
<b>Executives</b>	Andrew Fogg (Chief Executive Officer)
<b>Company Secretary</b>	Suzanne Yeates
<b>Registered Office</b>	c/- Piper Alderman Level 26, Riparian Plaza 71 Eagle Street Brisbane QLD 4000
<b>Principal Place of Business</b>	Level 7 344 Queen Street Brisbane QLD 4000
<b>Share Register</b>	Link Market Services Limited Level 19, 324 Queen Street Brisbane QLD 4000 +61 1300 554 474
<b>Auditor</b>	Nexia Brisbane Audit Pty Ltd Level 28, 10 Eagle Street Brisbane QLD 4000 (07) 3229 2022
<b>Bankers</b>	Westpac Banking Corporation 388 Queen Eagle Street Brisbane QLD 4000
<b>Stock Exchange Listing</b>	AustChina Holdings Limited shares are listed on the Australian Securities Exchange – using the stock code 'AUH'.
<b>Website Address</b>	<a href="http://www.austchinaholdings.com">www.austchinaholdings.com</a>

## COMPETENT PERSON'S STATEMENT – BLACKALL COAL PROJECT

I **Rowan Johnson** confirm that I am the Competent Person for the Competent Person Report from which the information to be publicly released has been obtained and also confirm that:

- I have 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.
- I am 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, I have 25 years of experience in the estimation, assessment and evaluation of Coal Resources, the activity for which I am accepting responsibility.
- I am a Member of The Australasian Institute of Mining and Metallurgy.
- I have reviewed the Report or Excerpt from the Report to which this Consent Statement applies.

I am a consultant working for **McElroy Bryan Geological Services** and have 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:

- I have disclosed to AustChina Holdings Limited the full nature of the relationship between myself and the Company, including any issues that could be perceived by investors as a conflict of interest.
- I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Coal Resources.
- I consent to the release of the Report and this Consent Statement by the Directors of **AustChina Holdings Limited**.

## **COMPETENT PERSON'S STATEMENT - CHENENE LITHIUM PROJECT**

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.

George van der Walt is employed by The MSA Group (Pty) Ltd 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.

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## CHAIRMAN'S REPORT

On behalf of the AustChina Board, I am pleased to introduce the Company's 2024 Annual Report.

The company reported an upgraded JORC Mineral Resource Estimate (MRE) for the Blackall Coal Project on 27 February 2024.<sup>1</sup> The upgraded MRE reflects the results of the Company's 2023 drilling campaign at the Project and has provided an appropriate level of geological certainty to nearly double the Indicated coal resource to 55 million tonnes.

Maintaining its resources and energy focus, AustChina continued to consider 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. In 3<sup>rd</sup> Quarter FY2024, AustChina sent selected samples from the 2023 drilling campaign to laboratories in the USA as part of baseline studies in microwave processing.

Along with exploring alternative technologies, the company commissioned a mining study to identify optimal mining locations and mining methods for the Blackall coal deposit. The outcomes of the study will assist the Company when evaluating alternatives for development.

On 7<sup>th</sup> March 2024, the company announced a Binding Heads of Agreement with Cassius Mining Limited (ASX:CMD) (Cassius) and its wholly owned subsidiary Cassius Mining (T) Limited (CMT) to which it was 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.<sup>2</sup>

As part of its due diligence process in respect of the Option, AustChina has completed a drilling programme to test high-priority targets at the Chenene Project. Initial interim assay results received in August 2024 indicated that the presence of lithium-bearing minerals and associated lithium grades were thin and discontinuous. As such, the company decided not to proceed with the option to acquire the shares in Cassius Mining (T) Limited and terminated the Heads of Agreement with the Project vendors.

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.

AustChina has long valued exposure to development of mineral projects with high potential to provide much needed natural resources including copper for the increasing rate of electrification in the world. AustChina holds 2.5million shares in Revolver Resources Holdings Ltd, whose assets include projects around a former copper mine in North Queensland, and tenements in the North-West Minerals province in Queensland.

On 4 October 2023, the Company was pleased to announce the appointment of Mr. Mena Habib as a Non-Executive Director following the resignation of David Morris who resigned due to other professional commitments.

On 22 December 2023, the Board welcomed back Mr. Anthony Chan as Chairman, replacing Daniel Chan who continues as a Non-Executive Director.

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<sup>1</sup> ASX:AUH 27 Feb 2024 "Coal Resource Upgrade for the Blackall Coal Project".

<sup>2</sup> ASX:AUH 7 Mar 2024 "Option to acquire Chenene Lithium Project"

Mr. Peter Tsang was also appointed in December 2023 as a non-executive Director following resignations of James Dick and of the Hon. Bernard Ripoll. The Board and Management thanked them for their service and wished them all the best in the future.

On behalf of the Board, I thank existing shareholders for your continued support and welcome new shareholders to the Company as we explore new avenues to develop the Company.

I also take this opportunity to thank the Board of Directors and Management for their contributions to the Company during the year.

A handwritten signature in black ink, appearing to read 'Anthony Chan', with a long horizontal line extending to the right.

**Anthony Chan**  
Chairman

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# CEO'S REPORT AND OPERATIONAL REVIEW

## ENERGY PORTFOLIO

### AustChina's Blackall Coal Project

A schedule of the Exploration Permits held as of 30 June 2024 by AustChina is provided in **Table 1**.

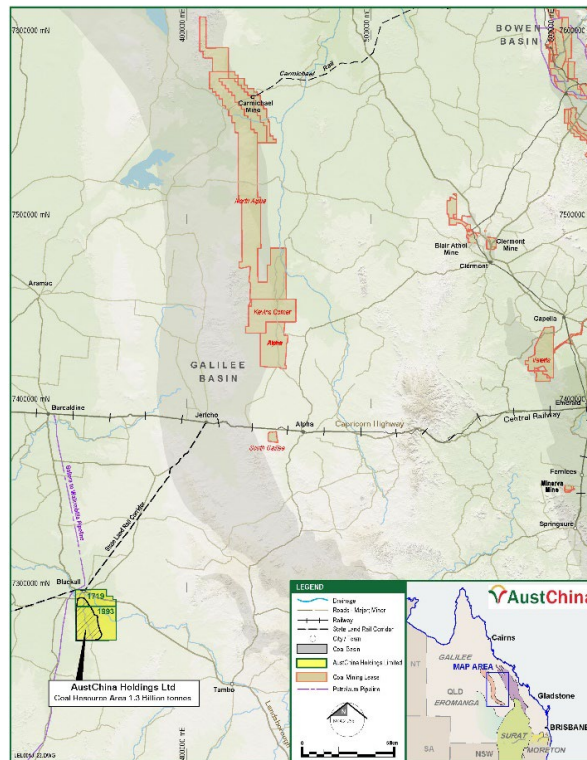
Tenement	Project Name	Ownership %	Date Granted	Expiry Date
EPC 1719	BARCOO RIVER-BLACKALL RAIL	100	28/07/2010	27/07/2025
EPC 1993	BLACKALL SOUTH CORNER	100	17/03/2010	16/03/2026

**Table 1: AustChina Holdings Limited Tenement Portfolio**

Exploration Permits for Coal 1719 and 1993 are located near Blackall in Central Queensland and remain within a single project-based administration area approved by the Department of Resources. AustChina's coal exploration footprint is shown in Figure 1, with its focus on the Blackall Coal Project contained within EPCs 1719 and 1993 to the south of the township of Blackall.

In June 2024 81 sub-blocks were voluntarily relinquished from EPC 1719. The 81 sub-blocks relinquished lie within the eastern portion of the EPC where it is believed that the Winton Formation is not present and are outside the JORC coal resource area within the EPC. They are not required for any potential development of the resource.

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**Figure 1: AustChina Coal Exploration Portfolio in Queensland 30<sup>th</sup> June 2024.**



At the end of the 2023 financial year AustChina's 2023 coal exploration drilling programme was about to commence, with the primary objectives being to:

- (a) increase the level of confidence in the Resource base by closing the spacing of the drill holes. This was targeted to increase the extent of the resource classified in the Indicated category, a necessary step in consideration for an application for a mineral development license and for future development of the project; and
- (b) obtain additional samples that can be used for evaluating alternate uses for the coal through new processes or technologies other than traditional uses such as for use in coal fired power stations.

Field drilling operations were carried out in July 2023, with all four planned cored holes successfully drilled and geophysically logged, and the drill rig demobilised.<sup>3</sup>

Core samples were delivered to the laboratory for analysis with the bulk of the undertaken during the December 2023 Quarter.

### ***Mineral Resources and Reserves***

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 model.<sup>4</sup>

Figure 2 shows the drill hole location plan for the project.

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

The upgraded Resource statement reflects that the in-fill drilling in 2023 has provided the appropriate level in geological certainty to nearly double the Indicated coal resource to 55 million tonnes. Table 2 provides the updated Summary Coal Resources for the Blackall Coal Project (EPCs 1719 and 1993).

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<sup>3</sup> ASX: AUH 11 August 2023: "2023 Blackall Coal Project Field Work Completed"

<sup>4</sup> ASX: AUH 27 February 2024: "Coal Resource Upgrade for the Blackall Coal Project".

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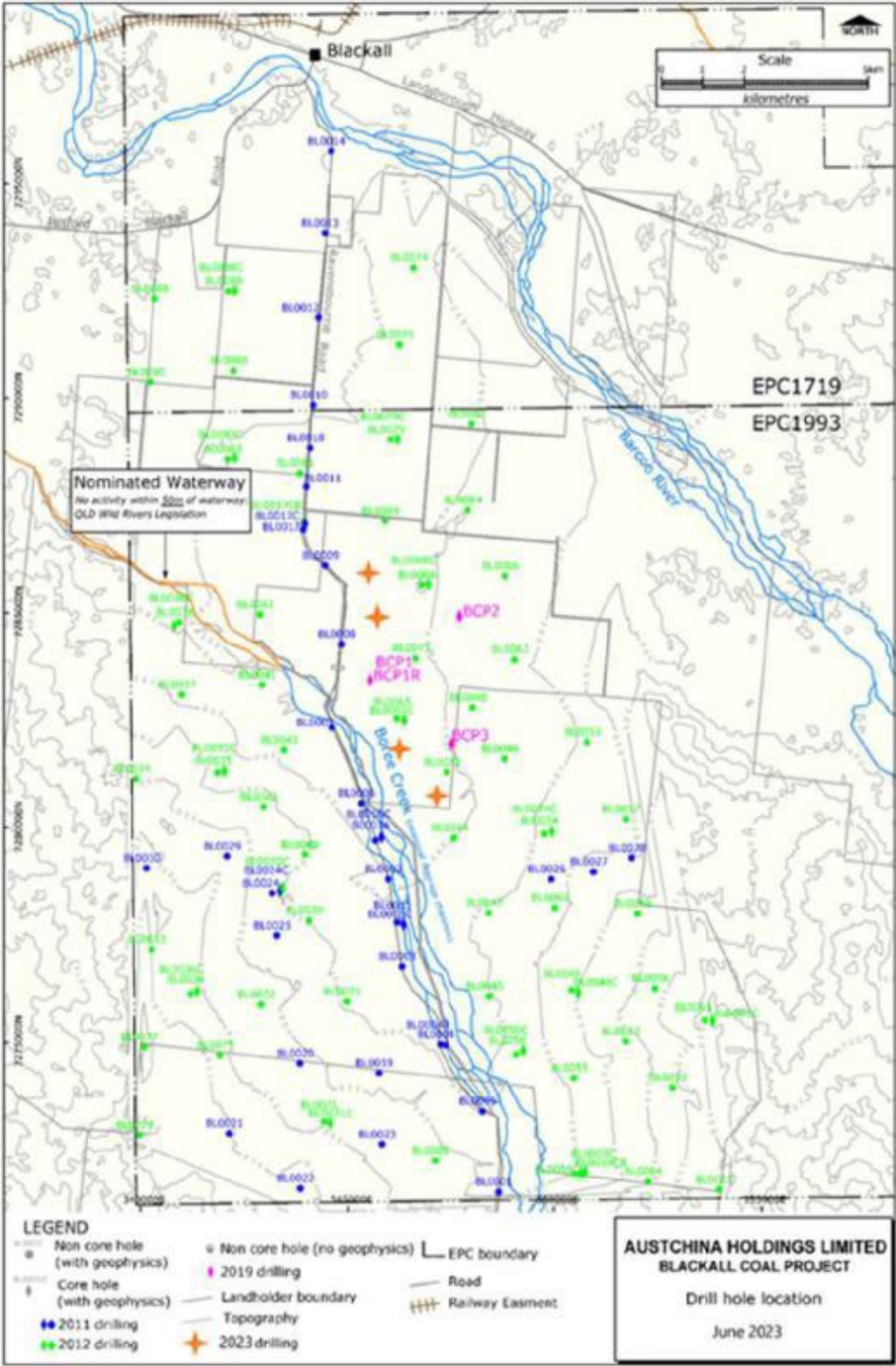


Figure 2: Drill Hole Location Plan – Blackall Coal Project

**Table 2:** Summary of Coal Resources for the Blackall Coal Project (EPCs 1719 and 1993)

COAL RESOURCES											
<i>A: Coal Resources Within Mine Plan Area</i> 26 February 2024											
Mining Method	Depth Interval (m)	Measured (A)			Indicated (B)			(A+B)	Inferred		
		Tonnes (Mt)	Quality		Tonnes (Mt)	Quality		Tonnes (Mt)	Tonnes (Mt)	Quality	
			CV (kcal/kg)	Ash (%)		CV (kcal/kg)	Ash (%)			CV (kcal/kg)	Ash (%)
OC	0 – 50	-			-			-	-		
OC	50 – 100	-			-			-	-		
OC	100 – 150	-			-			-	-		
<b>Total</b>		-	-	-	-	-	-	-	-	-	-

<i>B: Coal Resources Outside Mine Plan Area</i> 26 February 2024											
Mining Method	Depth Interval (m)	Measured (A)			Indicated (B)			(A+B)	Inferred		
		Tonnes (Mt)	Quality		Tonnes (Mt)	Quality		Tonnes (Mt)	Tonnes (Mt)	Quality	
			CV (kcal/kg)	Ash (%)		CV (kcal/kg)	Ash (%)			CV (kcal/kg)	Ash (%)
OC	0 – 50	-			47.4	3590	22.8	47.4	761	3820	19.7
OC	50 – 100	-			7.3	3920	18.5	7.3	416	3900	19.1
OC	100 – 150	-			-	-	-	-	43	4270	15.3
<b>Total</b>		-			54.7	3640	22.2	54.7	1220	3850	19.5

<i>C: Total Coal Resources (Inclusive of Resources modified to produce Reserves)</i> 26 February 2024											
Mining Method	Depth Interval (m)	Measured (A)			Indicated (B)			(A+B)	Inferred		
		Tonnes (Mt)	Quality		Tonnes (Mt)	Quality		Tonnes (Mt)	Tonnes (Mt)	Quality	
			CV (kcal/kg)	Ash (%)		CV (kcal/kg)	Ash (%)			CV (kcal/kg)	Ash (%)
OC	0 – 50	-			47.4	3590	22.8	47.4	761	3820	19.7
OC	50 – 100	-			7.2	3920	18.5	7.2	416	3900	19.1
OC	100 – 150	-			-	-	-	-	43	4270	15.3
<b>Total</b>		-	-	-	54.7	3640	22.2	54.7	1220	3850	19.5

**Table 2: Tables A, B & C – EPC1719 and EPC1993 Summary Coal Resources, by Mining Method and Depth at the Blackall Project.**

There are no Mineral Reserves pertaining to the Company's tenements.

The Inverness Deposit is situated within a broad synclinal structure trending north-northwest throughout the 25-kilometre length of the deposit. The coal seams are relatively flat-lying and the upper seams sub-crop locally, controlled by the gentle structure.

Over 800Mt of the resources were estimated at less than 50 metres depth.

The updated geological models and analytical data resulting from the 2023 exploration programme will contribute valuable information for future concept studies including mining, coal utilisation and commercial aspects, ahead of prefeasibility/feasibility studies depending on the outcomes of the concept studies.

This preliminary work will assist any decision for an application for a Mineral Development Licence (a higher level of tenure than an Exploration Permit under the Minerals Resources Act 1989) or a Mining Lease as a step towards development of the tenement.

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

In Q4 FY 2024, the Company commissioned a mining study to identify the optimal mining locations and mining methods best suited to the nature of the deposit.

### **Alternate Uses for Coal**

The Company has been considering novel means of extracting value from its coal tenements using low-carbon technology, with the goal of identifying alternative technologies to utilise its coal on-site, including research into these technologies where appropriate.

In early 2024, 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. The samples were of a range of densities for testing aimed at identifying an optimal ash cutoff for product from a future mining operation should this process be adopted. Tests examine the release of key syngas components (hydrogen, carbon monoxide, carbon dioxide and methane).

Initial testing involved gasification of 11 samples selected from laboratory reserves from the 2023 Blackall drilling programme at 8000C using air as gasifying agent. Additional testing of an 18.4% ash sample was carried out using a mix of steam and air as the gasifying agent, and with CO<sub>2</sub> as the gasifying agent. It is anticipated that further testing will be carried out at a time yet to be determined.

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## **MINERALS PORTFOLIO**

### **REVOLVER RESOURCES INVESTMENT**

AustChina has long valued exposure to development of mineral projects with high potential to provide much needed natural resources for the increasing rate of electrification in the world.

AustChina holds 2.5million shares in Revolver Resources Holdings Ltd, whose assets include:

- The Dianne Project which is located in the proven polymetallic Hodgkinson Province in North Queensland around the Dianne Mine which produced high grade copper during its operation between 1979 and 1983, and
- Project Osprey which lies within the North West Minerals Province, one of the world's richest mineral producing regions. The principal targets are Mount Isa style copper deposits.

Revolver has been undertaking a well-managed, systematic exploration programme across its projects, with particular emphasis on the Dianne Project. For further information [www.revolverresources.com.au](http://www.revolverresources.com.au)

In its investor presentation in May 2024 Revolver Resources updated the market on the continued advancement of its copper-focussed businesses, presenting its roadmap to copper production from its Dianne Copper Mine Project in the first half of 2025.<sup>5</sup>

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

## CHENENE LITHIUM PROJECT

### Background - 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.<sup>6</sup>

The Chenene Project consists of four contiguous prospecting licenses (PL11920, PL11921, PL11720 and PL11721), covering a total area of 300 km<sup>2</sup>, that are located approximately 50 km north of Dodoma, the capital of Tanzania, and are prospective lithium-bearing pegmatites. The details of the project are shown in Figure 3 and Table 3.

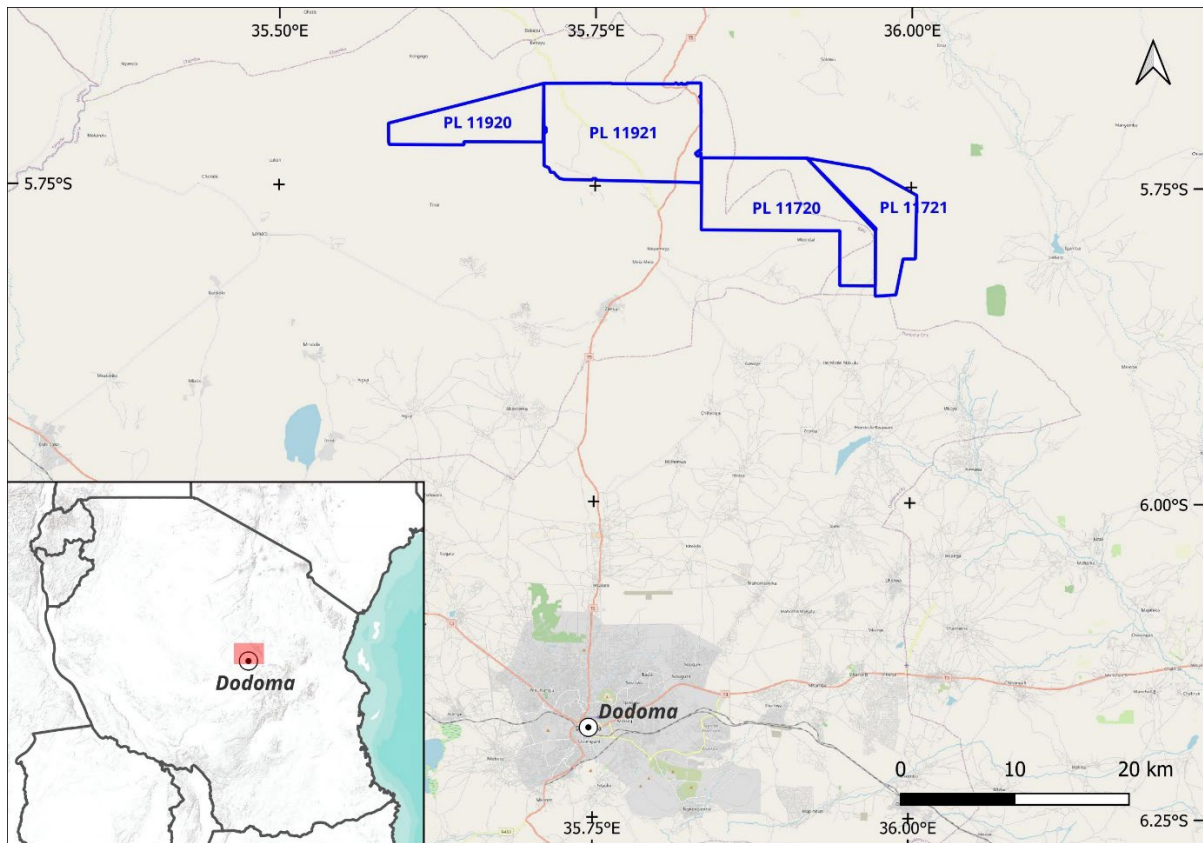


Figure 3: Location of the Chenene Project in Tanzania

<sup>5</sup> ASX:RRR 7 May 2024: ASX “RRR- RIU Sydney Resources Round-up Investor Presentation”

<sup>6</sup> ASX:AUH 7 March 2024: “Option to Acquire Chenene Lithium Project”

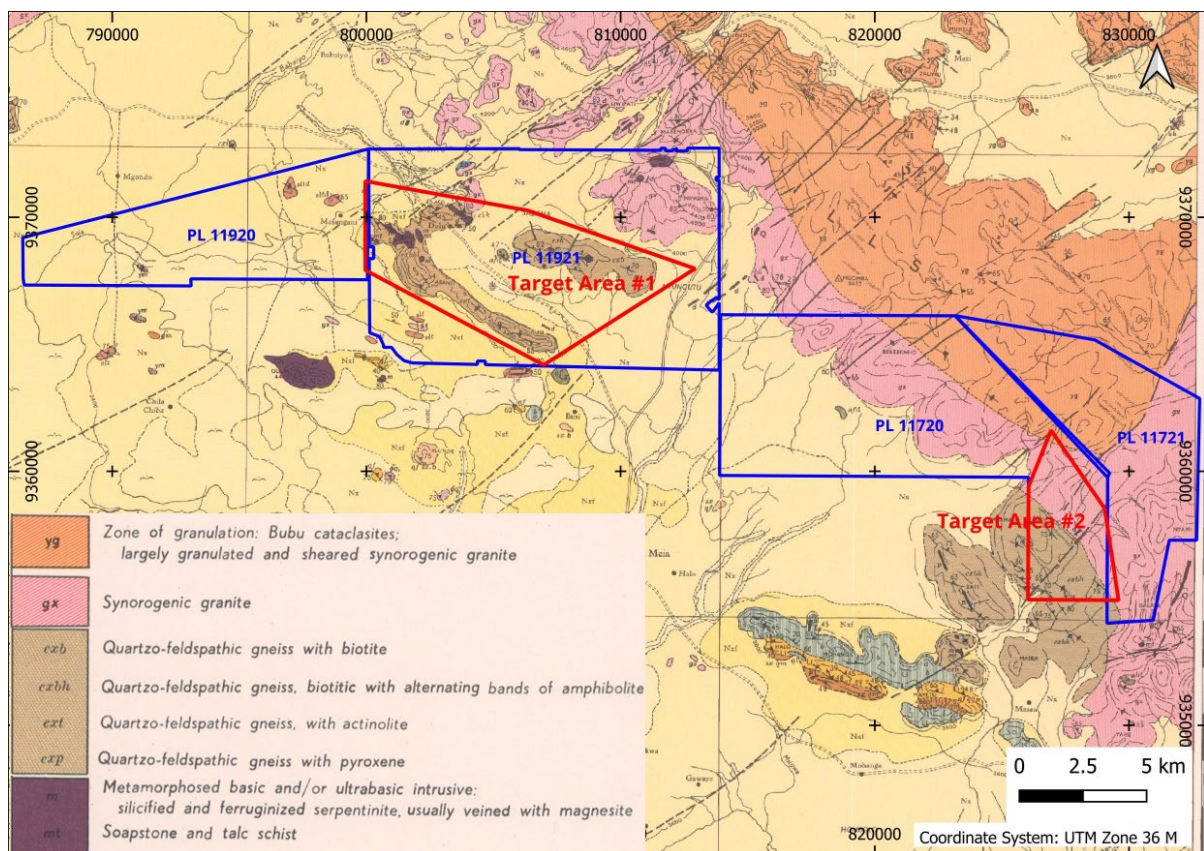
Prospecting Licence	Holder	Interest	Type	Commodity	Grant Date	Expiry Date	Area (km <sup>2</sup> )
PL11720	CMT	100%	Prospecting (Exploration)	Lithium	29/03/2022	03/10/2025	92.63
PL11721	CMT	100%	Prospecting (Exploration)	Lithium	29/03/2022	03/10/2025	45.55
PL11920	CMT	100%	Prospecting (Exploration)	Lithium	13/05/2022	12/05/2026	47.00
PL11921	CMT	100%	Prospecting (Exploration)	Lithium	13/05/2022	12/05/2026	115.40

**Table 3: Prospecting License details of CMT relevant to the Chenene Project**

### Project Geology

Pegmatites are hosted in metamorphosed mafic and ultramafic (amphibolitic) schists within the quartzo-feldspathic gneisses of the Meso- to Neo-Archaean (3200 – 2500 Ma) Dodoman Terrane within the Tanzanian Craton. The main features are the NW-trending Chenene Hills that form a belt of outcrops along the margins of sheared synorogenic granites exposed intermittently above granitic soil plains.

Two primary exploration target areas (Target Area #1 and Target Area #2) were identified by CMT within PL 11921 and PL 11720 respectively (Figure 4).<sup>7</sup>



**Figure 4: Geology of the Chenene Project area and primary target locations**

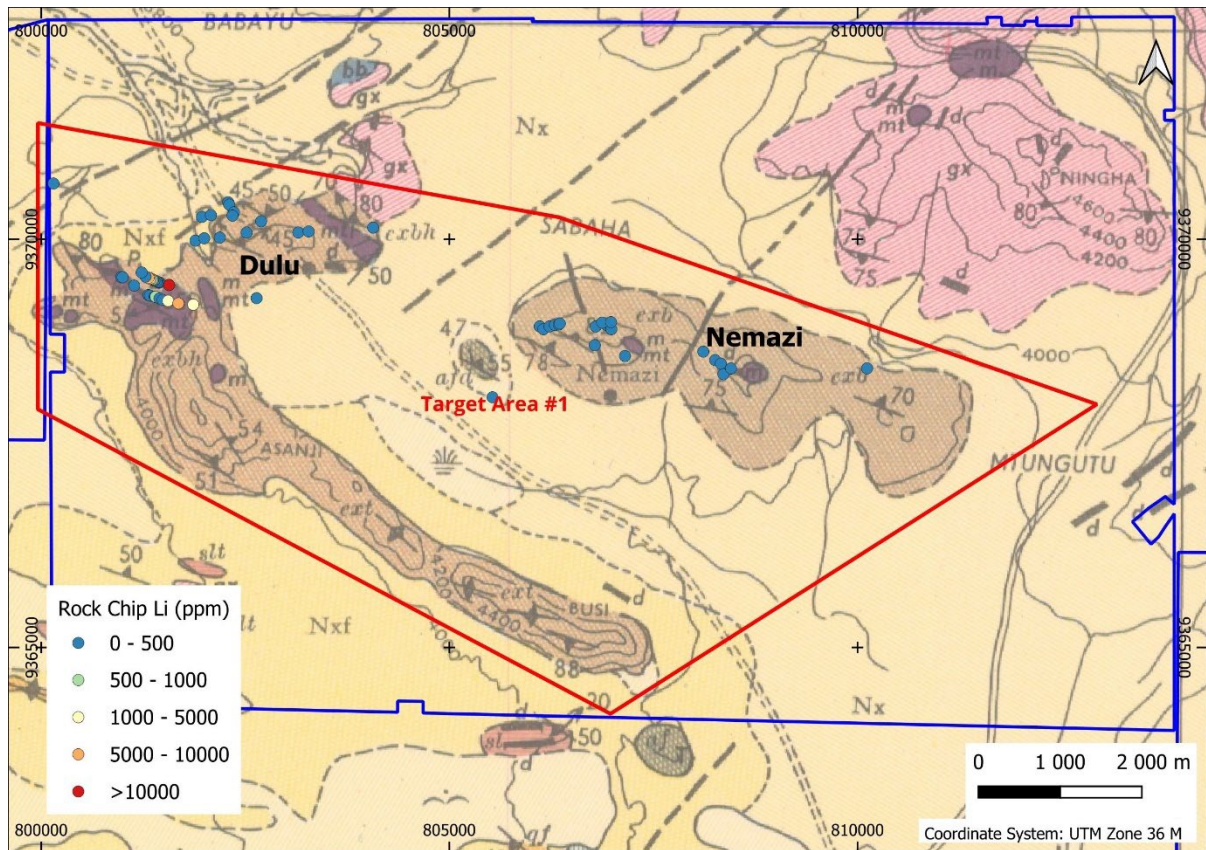
### Work Completed by CMT

Most of the work completed by CMT was focused on Target #1 in PL 11921, where two main areas of interest have been identified namely, Dulu and Nemazi. Pegmatite rock chip samples taken by CMT

<sup>7</sup> ASX: CMD Release 16 Feb 2023 “Chenene Lithium Project – Rock Sample Assays to 1.08%Li<sub>2</sub>O” This release includes a Competent Persons Statement.

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returned grades up to 1.08% Li<sub>2</sub>O, 2,782 ppm caesium and 181 ppm tantalum mainly from the Dulu area<sup>8</sup> (Figure 5).



**Figure 5: Geology of the Chenene Project area and primary target locations**

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.

### Due Diligence Drill Programme by AustChina

As a key part of its due diligence process in respect of the Option, AustChina commenced a drilling programme in June 2024 to test the high-priority Dulu area in Target #1 at the Chenene Project.

The Company engaged Tier-1 geological consultants, The MSA Group, to manage the drilling programme and data quality. SGS was appointed to undertake sample preparation and laboratory analysis at its laboratories in Tanzania and South Africa respectively.

Drilling was undertaken using HQ (63.5 mm) diamond core equipment. By 30 June 2024 six holes had been completed.<sup>9</sup> Fieldwork was finalised in July 2024 (post the end of the 2023 Financial Year) with 9 cored holes completed (increased from an initial 8 planned holes). A total of 403.8 metres were drilled to an average depth per hole of 45 metres. Samples were taken at 1 m nominal sampling intervals over the pegmatite zones and sent for analysis.<sup>10</sup>

<sup>8</sup> ASX: CMD Release 16 Feb 2023 “Chenene Lithium Project – Rock Sample Assays to 1.08%Li<sub>2</sub>O” This release includes a Competent Persons Statement.

<sup>9</sup> ASX:AUH 4 July 2024 “Drilling progressing at Chenene Lithium Project, Tanzania”

<sup>10</sup> ASX:AUH 19 July 2024 “Drilling Completed at Chenene Lithium Project”

Figure 6 shows the drill hole locations, and drill hole coordinates, orientation and total depths are provided in Table 4. Figure 7 shows the rig at work at the Chenene project.

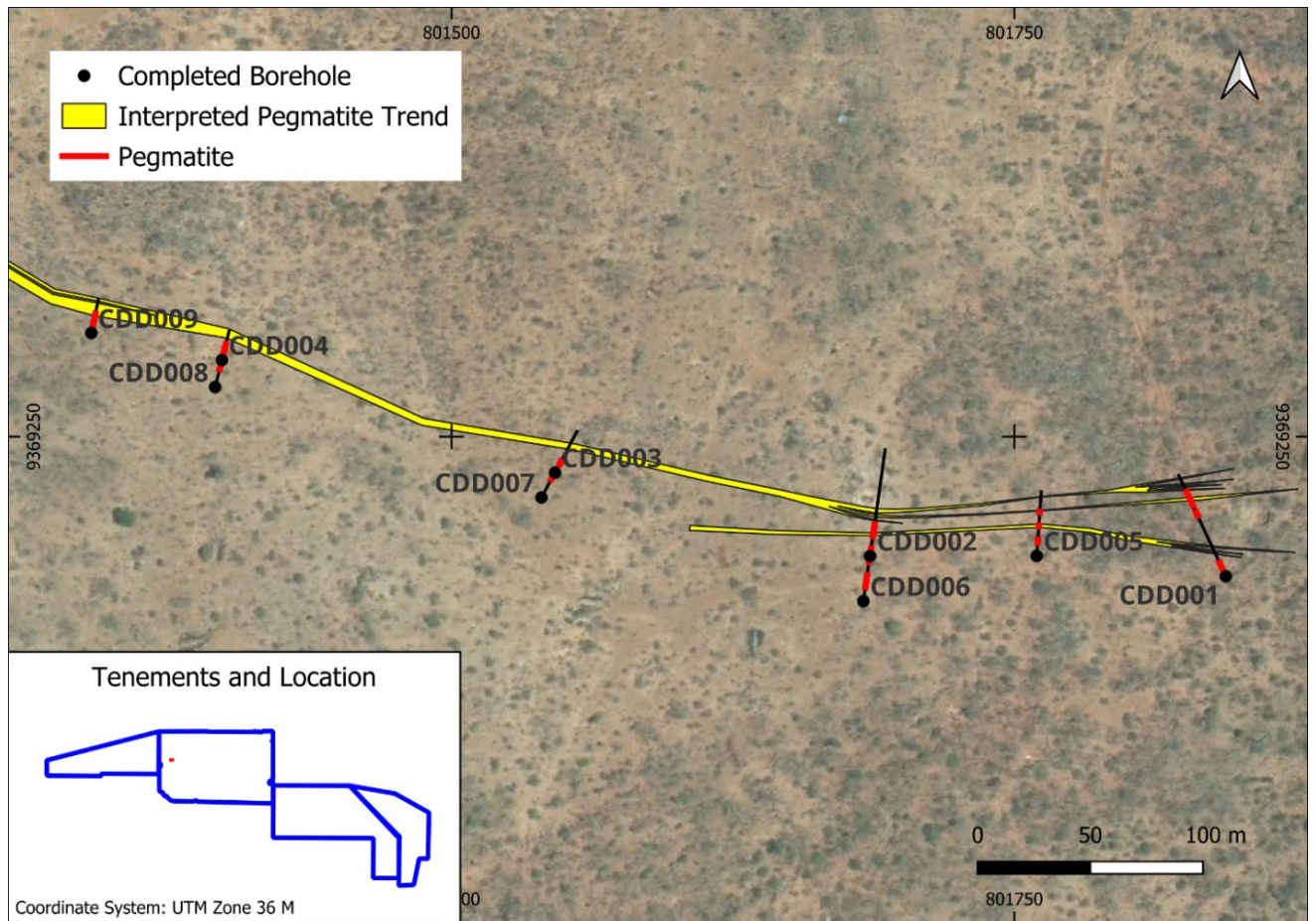


Figure 6: Plan showing the completed borehole locations at the Chenene Lithium Project.

Borehole ID	X	Y	Z	Dip	Azimuth	EOH (m)
CDD001	801844	9369188	1260	-55	335	86.2
CDD002	801687	9369199	1255	-50	8	74.2
CDD003	801546	9369234	1255	-50	28	32.2
CDD004	801398	9369284	1258	-60	14	26.3
CDD005	801751	9369198	1257	-50	4	44.2
CDD006	801680	9369175	1255	-50	8	56.2
CDD007	801540	9369223	1255	-50	28	26.2
CDD008	801395	9369272	1258	-60	14	32.3
CDD009	801340	9369302	1260	-55	12	26

GPS Coordinates: WGS84, UTMZone 36M

Table 4: Borehole Coordinates, Dips, Azimuths and End of Hole Depths from Chenene Project drilling

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**Figure 7: Drilling at Chenene Lithium Project.**

Initial interim assay results received in August 2024 indicated that the presence of lithium-bearing minerals and associated lithium grades were thin and discontinuous. The interim assay results did not meet the minimum lithium intersection and grade criteria stipulated under AustChina’s due diligence process. As such, the company decided not to proceed with the option to acquire the shares in Cassius Mining (T) Limited and terminated the Heads of Agreement with the Project vendors.

### **Operations Outlook**

Development potential for the Blackall Coal Project leans towards the adoption of alternative technologies to produce high value products on site. The Company will progress its understanding of the deposit through the mining study currently under way to identify optimal mining locations and mining methods. In parallel with this it is expected that further examination of the suitability of Blackall coal for the application of alternative technologies will continue.

AustChina seeks to build a platform for wider exposure to developing energy markets through targeted technology in conjunction with its minerals and energy focus. The company also continues to evaluate and review a number of additional value adding mineral assets.



**Andrew Fogg**  
*Chief Executive Officer*

## DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of AustChina Holdings Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2024.

### DIRECTORS

The following persons were Directors of AustChina Holdings Limited during the whole of the year and up to the date of this report (unless otherwise stated):

A Chan (appointed 22 December 2023)  
D Chan  
M Habib (appointed 4 October 2023)  
G Lam  
J Dick (resigned 27 November 2023)  
A Macintosh  
David Morris (resigned 4 October 2023)  
Bernard Ripoll (resigned 22 December 2023)  
Peter Tsang (appointed 22 December 2023)

### PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of exploration and investment in energy and resources.

### REVIEW OF OPERATIONS

The operating loss after income tax of the Group for the year was \$1,410,317 (2023: loss \$1,171,949).

Information on the operations of AustChina Holdings Limited and its business strategies and prospects is set out in the CEO's Report and Review of Operations on pages 7 to 16 of this annual report.

### MATERIAL BUSINESS RISKS

#### Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Company's projects (**Projects**) are successfully explored, evaluated, developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully evaluate and develop the Projects and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's Existing Shareholders will be diluted.

### **Exploration and development risk**

There can be no assurance that exploration of the Projects or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (i) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (ii) access to adequate capital throughout the acquisition/discovery and project development phases;
- (iii) securing and maintaining title to mineral exploration projects;
- (iv) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- (v) accessing the necessary experienced operational staff, the appropriate financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration on the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

### **Resource estimates**

Whilst the Company intends to undertake exploration activities with the aim of defining a resource on Projects, no assurance can be given that the exploration will result in the determination of new or additional resources on any Tenement. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

If the Company successfully delineates a resource or reserve on any of the tenements (or where the Projects have defined resources), resource or reserve estimates are expressions of judgment based on knowledge, experience and industry practice.

Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, resource estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### **Results of studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in relation to its Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the subject Projects within certain limits. There can be no guarantee that any of these studies will confirm the economic viability of the subject Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ from the results of a scoping study).

Even if a study confirms the economic viability of a Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

### **Tenement conditions**

The Company's projects will be subject to various tenement conditions (including, without limitation, minimum work requirements). Failure to comply with such conditions may lead to forfeiture. The tenements will also be subject to renewal. If any of the tenements are not renewed for any reason the Company could suffer damage through loss of opportunity to explore and develop those tenements. The Directors are not aware of any reason why renewal of the tenements will not occur.

### **Title and tenure**

The Company's Projects only currently permit exploration activities. If the Company successfully delineates an economic resource on any of these exploration permits or implements a technology aimed at extraction of resources, it will need to apply for a mining permit to undertake development and mining. There is no guarantee that the Company will be granted a mining permit if one is applied for, as such grants are discretionary.

Exploration permits are subject to annual review and periodic renewal. The renewal of the term of a granted exploration permit is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the permits comprising the Company's Projects. While it is the Company's intention to

satisfy the conditions that apply to the tenements, there can be no guarantees that, in the future, the tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the tenements will be satisfied. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Projects that adversely impact the Company.

If a tenement holder fails to comply with the terms and conditions of a tenement, the Minister may impose a fine or order that the tenement be forfeited. In most cases, an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement.

### **Native Title and Aboriginal heritage**

Where Native Title does or may exist over any of the Company's tenements, the ability of the Company to convert such tenements or part thereof into a valid mining lease (for example in the event of the Company making a discovery) will be subject to the Company reaching a commercial agreement with the holders of or applicants for Native Title or on the Company obtaining a determination from the National Native Title Tribunal that the mining lease be granted in the absence of such an agreement. The negotiation of such a commercial agreement or proceedings in the courts could materially delay the grant of such a mining lease and substantially add to the Company's costs; failure to reach such an agreement could result in the Company being unable to obtain a mining lease.

Irrespective of whether Native Title exists in the relevant areas, in order to conduct exploration activities on the tenements, the Company will usually need to undertake clearance activities in conjunction with the appropriate Aboriginal parties, anthropologists and archaeologists to ascertain whether any sites of significance to Aboriginal parties exist in the relevant areas. Undertaking and completing such site clearance procedures can cause delays to the implementation of exploration activities. Delays in completing such clearance activities can impede or prevent the Company from satisfying the minimum expenditure conditions on the relevant tenements, with the result that the Company may in some instances need to seek whole or partial exemptions from expenditure under the relevant mining legislation in order to keep the relevant tenements in good standing. There is no certainty that such exemptions will be granted in all instances.

Where such significant sites do exist, the Company's ability to conduct exploration on those areas may be subject to obtaining relevant consents under the Aboriginal heritage laws.

AustChina Holdings Limited has a Cultural Heritage Management Agreement in place with the Bidjara People under which exploration activities on its coal exploration permits are conducted.

### **Land access and compensation**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Native Title parties and land-owners/occupiers are generally required before the Company can access land for exploration or mining activities. The Company will experience delays and cost overruns if it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, harvesting, government legislation, landholder or community activities or other factors.

Access to land often depends on the Company being successful in negotiating with landholders or other stakeholders. There is no assurance that the Company will obtain all the permissions required as and when required or that new conditions will not be imposed in connection therewith. To the extent such permissions are not obtained, the Company's current and future exploration and development activities may be curtailed or their continuation prohibited.

#### **Acquisitions and commercialisation risks**

The Company is pursuing a strategy to acquire technologies that compliment its mineral projects. Should the Company acquire new technology or assets, its ability to generate revenue will depend on the Company being successful in developing and commercialising these new technologies and assets. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the one or more of its mineral projects or investments in technologies is successfully developed and commercially exploited.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

#### **Environmental risks**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The Company's activities are expected to have an impact on the environment. It is the intention of the Company to adhere to its environmental obligations, including compliance with environmental laws. Further, events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges to the environment, or non-compliance with environmental laws or regulations.

#### **Regulatory risks**

The Company's activities are subject to extensive laws and regulations relating to numerous matters including licences and approvals, environmental compliance and rehabilitation, taxation, health and worker safety, waste disposal, protection of the environment, native title and heritage matters and other matters. Whilst the Company believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing licences, approvals and agreements applicable to the Company or its future projects. This could have a material adverse impact on the Company's future and planned operations in respect to the BSS Project.

#### **DIVIDEND**

The Directors do not recommend the payment of a dividend. No dividend was paid during the year.

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Group during the financial year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year the Company has decided not to proceed with the option to acquire the shares in Cassius Mining (T) Limited and has terminated the Heads of Agreement with the Project vendors.

No other matters or circumstances have arisen since 30 June 2024 which significantly affected the group's operations, results or state of affairs, or may do so in future years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS FROM OPERATIONS

Comments on expected results of certain operations of the Group are included in this annual report under the CEO's Report and Review of Operations on pages 7 to 16.

## ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation in respect of its exploration activities in Australia and is committed to undertaking all its operations in an environmentally responsible manner.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

## INFORMATION ON DIRECTORS

### A Chan

*Non-executive Director (from 22 December 2023)*

<i>Experience and expertise</i>	Mr Chan has extensive experience in managing both listed and unlisted entities, engaged in the resource industry commercial and residential development and early childhood education. Mr Chan is also actively involved in community services and organisations.
<i>Other current directorships</i>	Nil
<i>Former directorships in last 3 years</i>	Nil
<i>Special responsibilities</i>	Chairman.
<i>Interests in shares and options</i>	Indirect interest in 927,114,671 Ordinary Shares

<b>D Chan CFA, MRICS</b>	
<i>Non-executive Director</i>	
<i>Experience and expertise</i>	Mr Chan has extensive experience in the financial and investment arena and holds a Masters Degree in Finance from the Imperial College London and Chartered Financial Analyst (CFA) and is a member of the Royal Institute of Chartered Surveyors (MRICS). Mr Chan has over 13 years' experience in China real estate investment.
<i>Other current directorships</i>	Nil
<i>Former directorships in last 3 years</i>	Nil
<i>Special responsibilities</i>	Member of the Audit and Risk Management Committee and Member of the Remuneration Committee. Mr Chan is also AustChina's representative Director on Utilitas Group Pty Ltd.
<i>Interests in shares and options</i>	Indirect interest in 927,114,671 Ordinary Shares

<b>M Habib Independent Non-executive Director</b>	
<i>Experience and expertise</i>	Mr Habib is an experienced and results-focused executive and business development management professional whose current and recent roles are in the mineral resources industry.
<i>Other current directorships</i>	Managing Director of Power Minerals Limited (ASX: PNN). Non-executive Director of Adelong Gold Limited (ASX: ADG)
<i>Former directorships in last 3 years</i>	Executive Director of Pepinnini Minerals Limited (ASX: PNN) (2021 to 2023) Non-executive Director of Equinox Resources Limited (ASX: EQN) (2021 to 2023)
<i>Special responsibilities</i>	Nil
<i>Interests in shares and options</i>	Direct interest in 20,000,000 options over ordinary shares Indirect interest in 2,000,000 ordinary shares



**G Lam BSc, MSc, MBA, DPA, MPA, LLB (Hons), LLM, PCLL, PhD, FHKIoD, FHKI Arb, FCMA, FCPA(Aust.) Independent Non-executive Director**

<i>Experience and expertise</i>	<p>Dr. George Lam has over 40 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and asset management. He is Chair of the United Nations ESCAP Sustainable Business Network (ESBN) and Chair of the ESBN Finance Task Force. He has also held a number of leadership positions in banking and finance, professional services and the innovation and technology sector in Hong Kong and the Asia Pacific region, and is the immediate past Chairman of Cyberport, Hong Kong's digital technology flagship and FinTech and GreenTech hub.</p> <p>Dr. Lam is a member of the Hong Kong Special Administrative Region Government Green Technology and Finance Development Committee and Hong Kong Growth Portfolio Governance Committee. He is also a member of the Belt and Road and Greater Bay Area Committee of the Hong Kong Trade Development Council, Advisor to Our Hong Kong Foundation, Advisor to the Hong Kong Investor Relations Association, Senior Advisor to the Australian Chamber of Commerce in Hong Kong and Macau, and a Board member and Chairman of the Permanent Commission on Economic and Financial Issues of the World Union of Small and Medium Enterprises.</p>
<i>Other current directorships</i>	Nil
<i>Former directorships in last 3 years</i>	Nil
<i>Special responsibilities</i>	Chairman of the Audit and Risk Management Committee and Chairman of the Remuneration Committee
<i>Interests in shares and options</i>	Indirect interest in 20,000,000 options over ordinary shares

**A Macintosh Independent Non-executive Director**

<i>Experience and expertise</i>	<p>Mr Macintosh holds an MBA (Finance, Economics) and a Bachelor of Science (Computer Science, Mathematics).</p> <p>Mr Macintosh is non-executive Chairman of Acorus Investment Management, a China-Africa private equity fund and has extensive experience in investment banking and finance, both in Australia and overseas.</p>
<i>Other current directorships</i>	Nil
<i>Former directorships in last 3 years</i>	Nil
<i>Special responsibilities</i>	Nil
<i>Interests in shares and options</i>	Direct interest in 20,000,000 options over ordinary shares

<b>P Tsang</b>	
<i>Independent Non-executive Director</i>	
<i>Experience and expertise</i>	Mr Tsang has over 30 years' of professional experience in Australian tax, auditing, corporate governance, due diligence projects and financial management. He introduced foreign investments to Australia and specialises in representing foreign investors in all facets of management.
<i>Other current directorships</i>	Nil
<i>Former directorships in last 3 years</i>	Nil
<i>Special responsibilities</i>	Nil
<i>Interests in shares and options</i>	Direct interest in 20,000,000 options over ordinary shares

### COMPANY SECRETARY

The company secretary is Suzanne Yeates CA, B.Bus. Suzanne was appointed to the position of Company Secretary in 2021. Suzanne is the Principal in a Chartered Accounting firm and holds the office of Company Secretary with other ASX listed companies.

### MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Meetings of Directors	
	A	B
Anthony Chan	4	5
Daniel Chan	9	10
James Dick	4	4
Mena Habib	7	7
George Lam	7	10
Andrew Macintosh	8	10
David Morris	1	3
Bernard Ripoll	5	5
Peter Tsang	5	5

*A Number of meetings attended*

*B Number of meetings held during the time the Director held office or was a member of the committee during the year.*

There were no meetings of the Remuneration Committee during the year.

## REMUNERATION REPORT (AUDITED)

The Directors are pleased to present AustChina Holdings Limited's 2024 remuneration report which sets out remuneration information for AustChina Holdings Limited's Non-executive Directors, Executive Directors, and other key management personnel.

The report contains the following sections:

- (a) Key management personnel disclosed in this report
- (b) Remuneration governance
- (c) Use of remuneration consultants
- (d) Executive remuneration policy and framework
- (e) Relationship between remuneration and AustChina Holdings Limited's performance
- (f) Non-executive Director remuneration policy
- (g) Voting and comments made at the Company's 2023 Annual General Meeting
- (h) Details of remuneration
- (i) Service agreements
- (j) Details of share-based compensation and bonuses
- (k) Equity instruments held by key management personnel
- (l) Loans to key management personnel
- (m) Other transactions with key management personnel

### (a) *Key management personnel disclosed in this report*

*Non-executive and Executive Directors (see pages 22-25 for details about each Director)*

Name	Position
A Chan	Non-executive Chairman – appointed 22 December 2023
D Chan	Non-executive Director – appointed 22 November 2013
M Habib	Independent Non-executive Director – appointed 4 October 2023
G Lam	Independent Non-executive Director – appointed 22 November 2013
J Dick	Independent Non-executive Director – resigned 27 November 2023
A Macintosh	Independent Non-executive Director – appointed 4 July 2019
D Morris	Independent Non-executive Director – resigned 4 October 2023
B Ripoll	Independent Non-executive Director – resigned 22 December 2023
P Tsang	Independent Non-executive Director – appointed 22 December 2023

*Other key management personnel*

Name	Position
Andrew Fogg	Chief Executive Officer – appointed 2 December 2013

There have been no changes in key management personnel since the end of the financial year.

## REMUNERATION REPORT (AUDITED) (CONTINUED)

### **(b) Remuneration governance**

The Board is responsible for:

- the over-arching executive remuneration framework
- operation of the incentive plans which apply to the executive team, including key performance indicators and performance hurdles
- remuneration levels of executive directors and other key management personnel, and
- non-executive directors' fees.

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

### **(c) Use of remuneration consultants**

The Group has not engaged the services of any remuneration consultants during the current or prior financial years.

### **(d) Executive remuneration policy and framework**

The combination of base pay and superannuation make up the executives' fixed remuneration. Base pay for the executives is reviewed annually to ensure the executive's pay is competitive with the market. Executive pay is linked to the performance of the Company through the issue of performance rights and share options. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management.

#### *Long-term incentives*

Refer to section (j) of the Remuneration Report below for details regarding the Group's long-term incentives.

### **(e) Relationship between remuneration and AustChina Holdings Limited's performance**

During the year, the Group has generated losses from its principal activity of exploration and investment in energy and resources. As the Group is still in the exploration and development stage, the link between remuneration, Group performance and shareholder wealth is tenuous. Share prices are subject to the influence of coal prices and market sentiment towards the sector, and as such increases or decreases may occur quite independent of executive performance or remuneration.

## REMUNERATION REPORT (AUDITED) (CONTINUED)

During the current and previous financial years the Group has generated losses from its exploration and evaluation activities. Given the nature of the Group's activities and the consequential operating results, no dividends have been paid. There have been no returns of capital in the current or previous financial periods.

### *Additional information*

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
EBIT	(1,430,285)	(1,198,246)	(413,960)	(1,139,709)	(490,776)
EBITDA	(1,430,285)	(1,198,246)	(413,960)	(1,139,709)	(490,776)
Profit (loss) after income tax	(1,410,317)	(1,171,949)	(415,583)	(1,118,036)	(413,867)

	2024 Cents	2023 cents	2022 Cents	2021 Cents	2020 Cents
Share price at financial year end (cents per share)	0.20	0.40	0.60	1.20	0.30
Total dividends declared (cents per share)	0.00	0.00	0.00	0.00	0.00
Basic earnings per share (cents per share)	(0.07)	(0.06)	(0.02)	(0.07)	(0.03)

### **(f) Non-executive Director remuneration policy**

Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board. Non-executive Directors do not receive performance-based pay.

Share options are issued to Non-executive Directors at the discretion of the Board and following shareholder approval.

The current base fees were last reviewed with effect from 1 April 2019 when they were reduced.

Non-executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$400,000 in aggregate and was approved by shareholders at the annual general meeting on 9 November 2009.

The following fees have applied:

<b>Base fees</b>	<b>\$</b>
Chair	24,000
Other Non-executive Directors	16,000

## REMUNERATION REPORT (AUDITED) (CONTINUED)

### **(g) Voting and comments made at the Company's 2023 Annual General Meeting**

At the Company's 2023 Annual General Meeting the shareholders voted 99.23% in favour of the advisory remuneration report resolution on a poll.

### **(h) Details of remuneration**

#### *Amounts of remuneration*

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of AustChina Holdings Limited are set out in the following tables.

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**REMUNERATION REPORT (AUDITED) (CONTINUED)**

*Key management personnel of AustChina Holdings Limited*

<b>2024</b>	<b>Short-term benefits</b>	<b>Post-employment benefits</b>	<b>Share-based payments</b>			
<b>Name</b>	<b>Cash salary and fees</b>	<b>Superannuation</b>	<b>Options</b>	<b>Total</b>	<b>A</b>	<b>B</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>
<b><i>Non-executive Directors</i></b>						
A Chan, Chairman	6,593	-	-	6,593	100%	-
D Chan	21,802	-	-	21,802	100%	-
<b><i>Independent Non-executive Directors</i></b>						
J Dick	10,505	1,156	-	11,661	100%	-
M Habib	6,665	-	25,200	31,865	21%	79%
G Lam	16,000	-	25,200	41,200	39%	61%
A Macintosh	16,000	1,760	25,200	42,960	41%	59%
D Morris	8,132	895	-	9,027	100%	-
B Ripoll	11,604	1,276	-	12,880	100%	-
P Tsang	4,396	484	25,200	30,080	16%	84%
<b>Sub-total Non-executive Directors</b>	<b>101,697</b>	<b>5,571</b>	<b>100,800</b>	<b>208,068</b>	<b>52%</b>	<b>48%</b>
<b><i>Other key management personnel</i></b>						
A Fogg – Chief Executive Officer	125,000	-	25,200	150,200	83%	17%
<b>Total KMP compensation</b>	<b>226,697</b>	<b>5,571</b>	<b>126,000</b>	<b>358,268</b>	<b>65%</b>	<b>35%</b>

*A Proportion of remuneration that is fixed remuneration*

*B Percentage of remuneration that is share-based payment*

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

<b>2023</b>	<b>Short-term benefits</b>	<b>Post-employment benefits</b>	<b>Share-based payments</b>			
<b>Name</b>	<b>Cash salary and fees</b>	<b>Superannuation</b>	<b>Options</b>	<b>Total</b>	<b>A</b>	<b>B</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>
<b><i>Non-executive Directors</i></b>						
D Chan, Chairman	24,000	-	-	24,000	100%	-
<b><i>Independent Non-executive Directors</i></b>						
G Lam	16,000	-	-	16,000	100%	-
J Dick	9,174	983	-	10,157	100%	-
A Macintosh	16,000	1,720	-	17,720	100%	-
D Morris	16,000	1,720	-	17,720	100%	-
B Ripoll	16,000	1,720	-	17,720	100%	-
<b>Sub-total Non-executive Directors</b>	<b>97,174</b>	<b>6,143</b>	<b>-</b>	<b>103,317</b>	<b>100%</b>	<b>-</b>
<b><i>Other key management personnel</i></b>						
A Fogg – Chief Executive Officer	125,000	-	-	125,000	100%	-
<b>Total KMP compensation</b>	<b>222,174</b>	<b>6,143</b>	<b>-</b>	<b>228,317</b>	<b>100%</b>	<b>-</b>

A Proportion of remuneration that is fixed remuneration

B Percentage of remuneration that is share-based payment



## REMUNERATION REPORT (AUDITED) (CONTINUED)

### (i) Service agreements

The Company has a service agreement with NABJA Consulting Services Pty Ltd for the services of Mr Andrew Fogg, Chief Executive Officer. The service agreement was for an initial period of 5 years and commenced on 1 December 2013. The base fees were \$15,833 per month. The contract includes a change of control clause which is triggered if Treasure Wheel Global Limited ceases to hold 25% or more of AustChina Holdings Limited. Under the change of control clause a compensation amount equal to one year remuneration is payable. In addition, under the contract the contractor or his nominee is entitled to receive five million performance rights in the Company, once the share price equals or exceeds two cents for five consecutive trading days. The initial contract term expired on 1 December 2019 and in accordance with the provisions of the contract it was extended for an indefinite term.

### (j) Details of share-based compensation and bonuses

#### Options

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Number Under option	Exercise price	Value per option at grant date	Performance achieved	% vested
07/06/2024	07/06/2024	24/06/2027	100,000,000	\$0.005	\$0.00126	100%	100%

The options carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of AustChina Holdings Limited.

The table below shows a reconciliation of options held by each Key Management Personnel from the beginning to the end of the financial year. No options were forfeited during the year.

2024 Name & Grant dates	Balance at the start of the year	Granted as compensation	Lapsed	Vested		Balance at the end of the year
	Vested			Number	%	Vested & exercisable
D Chan 30 Nov 2020	20,000,000	-	(20,000,000)	-	-	-
M Habib 7 June 2024	-	20,000,000	-	20,000,000	100%	20,000,000
A MacIntosh 30 Nov 2020	20,000,000	-	(20,000,000)	-	-	-
7 June 2024	-	20,000,000	-	20,000,000	100%	20,000,000
G Lam 30 Nov 2020	20,000,000	-	(20,000,000)	-	-	-
7 June 2024	-	20,000,000	-	20,000,000	100%	20,000,000
P Tsang 7 June 2024	-	20,000,000	-	20,000,000	100%	20,000,000
A Fogg 30 Nov 2020	5,000,000	-	(5,000,000)	-	-	-
7 June 2024	-	20,000,000	-	20,000,000	100%	20,000,000

## REMUNERATION REPORT (AUDITED) (CONTINUED)

The options carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of AustChina Holdings Limited.

### *Shares provided on exercise of remuneration options*

There were no ordinary shares in the Company issued on the exercise of remuneration options during the financial year (2023: nil).

### **Performance rights**

There were no performance rights over ordinary shares in the Company provided as remuneration during the financial year (2023: nil).

### *Shares provided on exercise of performance rights*

There were no ordinary shares in the Company issued to key management personnel during the financial year from the exercise of performance rights.

### **(k) Equity instruments held by key management personnel**

The tables below show the number of shares in the Company that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

#### *Shareholdings*

2024 Name	Balance at the start of the year	On market trades	Other changes during the year	Balance at the end of the year
<b>Ordinary shares</b>				
<b>Directors</b>				
A Chan	927,114,671	-	-	927,114,671
D Chan #	927,114,671	-	-	927,114,671
M Habib	-	2,000,000	-	2,000,000
G Lam	-	-	-	-
J Dick	-	-	-	-
A Macintosh	-	-	-	-
D Morris	-	-	-	-
B Ripoll	-	-	-	-
P Tsang	-	-	-	-
<b>Other key management personnel</b>				
A Fogg	17,500,000	-	-	17,500,000

# A Chan, father of D Chan, is a director and shareholder of Loyal Strategic Investment Ltd, the holding company of Treasure Wheel Global Limited, which is the registered holder of the 927,114,671 shares.

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

***(l) Loans to key management personnel***

There were no loans to key management personnel during the financial period.

***(m) Other transactions with key management personnel***

There were no other transactions with key management personnel during the financial period.

**This is the end of the remuneration report (audited).**

### Shares under Option

Unissued ordinary shares of AustChina Holdings Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price	Number under option
7 June 2024	24 June 2027	\$0.005	120,000,000
24 June 2024	7 June 2026	\$0.014	23,600,000

### Shares Issued on the Exercise of Options

There were no fully paid ordinary shares issued on the exercise of options during the financial year. No ordinary shares of AustChina Holdings Limited issued since the end of the year ended 30 June 2024 on the exercise of options.

### Insurance of Officers

During the financial year AustChina Holdings Limited paid a premium to insure the directors and officers of the Company. The policy prohibits disclosure of details of the cover and the amount of premium paid.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

### Agreement to Indemnify Officers

AustChina Holdings Limited is party to an agreement to indemnify the directors and officers of the Company.

The indemnity relates to any liability:

- (a) incurred in connection with or as a consequence of the directors and officers acting in the capacity including, without limiting the foregoing, representing the Company on any body corporate, and
- (b) for legal costs incurred in defending an action in connection with or as a consequence of the director or officer acting in the capacity.

No liability has arisen under these indemnities as at the date of this report.

### **Indemnity of auditors**

AustChina Holdings Limited has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, AustChina Holdings Limited has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### **Proceedings on Behalf of Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 18 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* as there were no services engaged for other than directly associated with the year end audit or half-year review of the Group.

### **Officers of the Company who are former partners of Nexia Brisbane Audit Pty Ltd**

There are no officers of the Company who are former partners of Nexia Brisbane Audit Pty Ltd.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 37.

### **Auditor**

Nexia Brisbane Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



**A Chan**  
**Chairman**

Brisbane, 26 September 2024

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## **Auditor's Independence Declaration under section 307C of the Corporations Act 2001**

### **To the Directors of AustChina Holdings Limited**

As lead auditor for the audit of the financial report of AustChina Holdings Limited, I declare that to the best of my knowledge and belief, during the year ended 30 June 2024, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AustChina Holdings Limited and the entities it controlled during the year.

*Nexia Brisbane Audit Pty Ltd*

**Nexia Brisbane Audit Pty Ltd**



**Gavin Ruddell**  
Director

Date: 26 September 2024

## **Advisory. Tax. Audit.**

Registered Audit Company 299289

Nexia Brisbane Audit Pty Ltd (ABN 49 115 261 722) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	Consolidated	
		2024	2023
		\$	\$
Interest income		20,553	26,297
Loss on fair value of investments		(135,000)	(337,500)
Gain on derecognition of convertible note liability		-	151,733
Tenement expenditure expensed		(431,619)	-
Professional services expenses		(215,186)	(264,400)
Corporate overhead expenses		(390,392)	(241,874)
Directors' remuneration		(106,888)	(103,317)
Finance and interest costs		(585)	-
Share based payments expense		(151,200)	-
Share of loss from equity accounted investment	24	-	(81,534)
Impairment of equity accounted investment	24	-	(321,354)
Loss before income tax	5	(1,410,317)	(1,171,949)
Income tax expense	6	-	-
Net loss for the year		(1,410,317)	(1,171,949)
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,410,317)</b>	<b>(1,171,949)</b>
		Cents	Cents
<b>Loss per share attributable to the ordinary equity holders of AustChina Holdings Limited:</b>			
Basic loss per share	23	(0.07)	(0.06)
Diluted loss per share	23	(0.07)	(0.06)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Notes	Consolidated	
		2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	702,331	2,262,628
Trade and other receivables	8	24,845	30,211
Total current assets		727,176	2,292,839
<b>Non-current assets</b>			
Investments at fair value through profit or loss	9	140,000	275,000
Exploration and evaluation assets	10	16,264,251	15,799,132
Other assets	11	8,200	8,200
Total non-current assets		16,412,451	16,082,332
Total assets		17,139,627	18,375,171
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	132,870	149,582
Total current liabilities		132,870	149,582
<b>Non-current liabilities</b>			
Other financial liabilities	13	1,500,000	1,500,000
Total non-current liabilities		1,500,000	1,500,000
Total liabilities		1,632,870	1,649,582
<b>Net assets</b>		<b>15,506,757</b>	<b>16,725,589</b>
<b>EQUITY</b>			
Issued capital	14	70,658,852	70,618,567
Reserves	15(a)	3,917,243	3,766,043
Accumulated losses	15(b)	(59,069,338)	(57,659,021)
<b>Total equity</b>		<b>15,506,757</b>	<b>16,725,589</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	Issued Capital \$	Share- based payment reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 30 June 2022</b>		70,518,509	3,766,043	(56,487,072)	17,797,480
Loss for the year		-	-	(1,171,949)	(1,171,949)
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss</b>		-	-	(1,171,949)	(1,171,949)
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs	14	100,058	-	-	100,058
<b>Balance at 30 June 2023</b>		70,618,567	3,766,043	(57,659,021)	16,725,589
Loss for the year		-	-	(1,410,317)	(1,410,317)
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss</b>		-	-	(1,410,317)	(1,410,317)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of placement options, net of transaction costs	14	(27,515)	-	-	(27,515)
Shares issued for brokers services	14	67,500	-	-	67,500
Share-based payments, options issued		-	151,200	-	151,200
<b>Balance at 30 June 2024</b>		70,658,852	3,917,243	(59,069,338)	15,506,757

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	Consolidated	
		2024	2023
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts in the course of operations		8,163	63,482
Payments to suppliers		(1,151,074)	(617,203)
Interest paid		(585)	-
Interest received		20,553	26,297
<b>Net cash outflows from operating activities</b>	20	<u>(1,122,943)</u>	<u>(527,424)</u>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation assets		<u>(410,139)</u>	<u>(162,508)</u>
<b>Net cash inflows from investing activities</b>		<u>(410,139)</u>	<u>(162,508)</u>
<b>Cash flows from financing activities</b>			
Proceeds from option issue		11,800	-
Repayment of convertible note		-	(250,000)
Payment of security issue expenses		<u>(39,015)</u>	<u>(2,114)</u>
<b>Net cash inflows (outflows) from financing activities</b>		<u>(27,215)</u>	<u>(252,114)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		(1,560,297)	(942,046)
Cash and cash equivalents at the beginning of the financial year		2,262,628	3,204,674
<b>Cash and cash equivalents at the end of the financial year</b>	7	<u>702,331</u>	<u>2,262,628</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

This financial report covers the Consolidated Entity of AustChina Holdings Limited (the “Company”) and its controlled entities (together referred to as the “Consolidated Entity” or “Group”).

The separate financial statements of the Parent Entity, AustChina Holdings Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial report was authorised for issue on 26 September 2024.

### Note 1 Summary of material accounting policy information

#### (a) Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### *Going concern*

This financial report has been prepared on a going concern basis which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Group has recorded a loss for the year of \$1,410,317, has net cash outflows from operations of \$1,122,943 and retains accumulated losses of \$59,069,338 on its balance sheet.

The Directors believe the going concern basis of preparation of the financial statements remains appropriate due to the nature of the Groups operations, being an exploration and evaluation entity within the extractive resources industry. Consequently, to continue the Group's future operations the Directors will find it necessary to periodically obtain additional funds from a variety of sources which may include, but not necessarily be limited to the following:

- Raising of equity capital;
- Sale of exploration assets where increased value has been created through previous exploration activity;

#### **Note 1 Summary of material accounting policy information (continued)**

- Disposal of non-core assets;
- Farm-in arrangements with joint venture partners.

Specifically, as at 30 June 2024 the Group held cash reserves of \$702,331 which the Directors considered sufficient to meet its working capital requirements for at least 12 months from the date of approval of these financial statements and consequently the Group will be able to pay its debts as and when they fall due.

As a result, the Directors are satisfied there is no material uncertainty in respect of the Group's ability to continue as a going concern for the period assessed above due primarily to the level of its current cash holdings. Nevertheless, in the event the Group fails to achieve its planned outcomes it is therefore possible the Group may not be able to pay its debts as and when they fall due and therefore be unable to continue as a going concern.

These financial statements do not include any adjustments relating to the classification and recoverability of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

#### **(b) Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

## Note 1 Summary of material accounting policy information (continued)

### (c) Income taxes

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

## Note 1 Summary of material accounting policy information (continued)

### (c) Income taxes (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

To the extent that uncertainty exists as it relates to the acceptability by a taxing authority of the company's tax treatments, the company estimates the probability of acceptance by the taxing authority and, where acceptance is not probable, recognises the expected value of the uncertainty in either income tax expense or other comprehensive income, as appropriate.

#### **Tax Consolidation**

The company and its wholly-owned Australian resident entities have formed a tax-Consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is AustChina Holdings Limited. The members of the tax-consolidated Group are identified in Note 22. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax-consolidated Group). Due to the existence of a tax funding agreement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

**Note 1 Summary of material accounting policy information (continued)**

**(d) Exploration and evaluation assets**

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(e) Impairment of non-financial assets**

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amounts are determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

**(f) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually have 30 day payment terms.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Note 1 Summary of material accounting policy information (continued)

### (h) Goods and Services Tax (“GST”)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or payables in the Consolidated Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (i) Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

#### Classification and subsequent measurement

##### *Financial liabilities*

All of the Group’s financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.



**Note 1 Summary of material accounting policy information (continued)**

**(i) Financial instruments (continued)**

The Group does not have any financial liabilities classified as held for trading, designated as fair value through profit or loss or any financial guarantee contracts.

A financial liability cannot be reclassified.

*Financial assets*

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or Recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

## Note 1 Summary of material accounting policy information (continued)

### (i) Financial instruments (continued)

#### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

#### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

## Note 1 Summary of material accounting policy information (continued)

### (i) Financial instruments (continued)

#### Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments.

#### *Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

#### *Recognition of expected credit losses in financial statements*

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

There are no expected credit losses in the Group's financial assets.

## Note 1 Summary of material accounting policy information (continued)

### (j) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

### (k) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. In addition, the Group's share of the profit or loss and other comprehensive income is included in the consolidated financial statements.

## Note 1 Summary of material accounting policy information (continued)

### (k) Investments in associates (continued)

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 128 : Investments in Associates and Joint Ventures and AASB 9 : Financial Instruments are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 : Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The groups investment in its associate has been impaired to nil.

### (l) Foreign Currency Transactions and Balances

#### Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the Parent Entity's functional currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

**Note 1 Summary of material accounting policy information (continued)**

**(l) Foreign Currency Transactions and Balances (continued)**

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

**(m) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(n) New and Amended Accounting Policies Adopted by the Group**

*AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The Group adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of ‘material accounting policy information’ rather than significant accounting policies’ in an entity’s financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures.

The adoption of the amendment did not have a material impact on the financial statements.

*AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

AASB 2022-7 makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2. It also formally repeals the superseded and redundant Australian Accounting Standards set out in Schedules 1 and 2 of this standard.

The adoption of the amendment did not have a material impact on the financial statements.

**(o) New and Amended Accounting Policies Not Yet Adopted by the Group**

The AASB has issued a number of new and amended accounting standards and interpretation that are not mandatory for the first time in the reporting period ended 30 June 2024. The Group has assessed these standards and interpretations and determined that there are no standards or amendments to standards that are not yet effective that are expected to have a material impact on the Group in future reporting periods.

The Group does not intend to early adopt any of the new standards or interpretations. It is expected that where applicable, these standards and interpretation will have an immaterial impact to the Groups financial report.

## Note 2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies.

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period and future periods if the revision affects both current and future periods. There were no key adjustments during the year which required estimates and/or judgements.

### Key judgements and estimates

(i) *Carrying value of exploration and evaluation assets, refer Note 10.*

The Group has capitalised exploration expenditure of \$16,264,251 (2023: \$15,799,132). This amount includes costs directly associated with exploration. These costs are capitalised until assessment and/or drilling of the permit is complete and the results have been evaluated. These costs include employee remuneration, materials, rig costs, delay rentals and payments to contractors. The expenditure is carried forward until such a time as the area of interest moves into the development phase, is abandoned, sold or sub-blocks relinquished.

Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the interests in the tenements. There are no factors or circumstances which suggest that the carrying amount of remaining exploration and evaluation assets may exceed recoverable amount.

(ii) *Fair value of the financial liabilities, refer Note 13.*

The Group has agreements with Oliver Lennox-King (Lennox-King), whereby Lennox-King has paid a net \$1.5 million to the Group and in return the Group has agreed to pay Lennox-King a royalty equal to 1% of the gross value of coal sold from the tenements currently held by the Group, in the areas of the Moreton Energy Coal Project in the Clarence-Moreton Basin. The liability was initially recognised at fair value. Post initial recognition, the financial liability is accounted for in accordance with the Group policy for financial instruments set out in Note 1(i).

The royalty is only payable in the event of future production of coal.

## Note 2 Critical accounting estimates and judgements (continued)

The Group's exploration and evaluation activities have not progressed to a stage to allow more reliable measurement of any future royalty payment obligations. As such, the Board is of the view that the fair value at the time of the receipt of the funds remains the appropriate measure of fair value at reporting date.

### (iii) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

### (iv) Recovery of deferred tax assets, refer Note 6.

Deferred tax assets are recognised for deductible temporary difference only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### (v) Carrying value of investment in associate, refer Note 24

The Company's investment in its associate has been reduced to nil. The Company continues to monitor the activities and financial capacity of its associate ('Utilitas'). Until such time as Utilitas is capable of capitalizing upon its project activities the value of the investment is likely to remain at nil.



### Note 3 Financial risk management

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk and cash flow interest rate risk.

The totals for each category of financial instruments, measured in accordance with AASB9: Financial Instruments as detailed in the accounting policies to these financial statements are as follows:

	Note	Consolidated	
		2024	2023
		\$	\$
<b>Financial assets</b>			
Financial assets and amortised cost			
Cash and cash equivalents	7	702,331	2,262,628
Trade and other receivables	8	4,742	10,245
Security deposits	11	8,200	8,200
		<u>715,273</u>	<u>2,281,073</u>
Financial assets at fair value through profit and loss			
Held for trading investments	9	140,000	275,000
<b>Total financial assets</b>		<u>855,273</u>	<u>2,556,073</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	12	132,870	149,582
Other financial liabilities	13	1,500,000	1,500,000
		<u>1,632,870</u>	<u>1,649,582</u>
<b>Total financial liabilities</b>		<u>1,632,870</u>	<u>1,649,582</u>

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

There have been no substantive changes to the Group's exposure to financial instruments, its objectives, policies and processes for managing risks from previous periods.

#### Credit risk

Credit risk is managed on a Group basis. Credit risk arises primarily from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

**Note 3 Financial instruments (continued)**

	Consolidated	
	2024	2023
	\$	\$
<b>Cash at bank and short-term bank deposits</b>		
AA-	702,228	2,262,525
A	103	103
	702,331	2,262,628

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Group at the end of the reporting period.

*Financial liability and financial asset maturity analysis*

The table below analyses the Group's financial liabilities and financial assets into relevant maturity groupings.

30 June 2024	Within 1 year	Between 1 and 5 years	Over 5 years	Total
	\$	\$	\$	\$
<i>Financial liabilities due for payment</i>				
Trade and other payables	(132,870)	-	-	(132,870)
Other financial liabilities	-	-	(1,500,000)	(1,500,000)
Total expected outflows	(132,870)	-	(1,500,000)	(1,632,870)
<i>Financial assets – cash flows realizable</i>				
Cash and cash equivalents	702,331	-	-	702,331
Trade and other receivables	4,742	-	-	4,742
Security deposits	-	8,200	-	8,200
Held-for-trading investments	140,000	-	-	140,000
Total expected inflows	847,073	8,200	-	855,273
<b>Net (outflow)/inflow on financial instruments</b>	714,203	8,200	(1,500,000)	(777,597)

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**Note 3 Financial instruments (continued)**

<b>30 June 2023</b>	<b>Within 1 year</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Financial liabilities due for payment</i>				
Trade and other payables	(149,582)	-	-	(149,582)
Other financial liabilities	-	-	(1,500,000)	(1,500,000)
<b>Total expected outflows</b>	<b>(149,582)</b>	<b>-</b>	<b>(1,500,000)</b>	<b>(1,649,582)</b>
<i>Financial assets – cash flows realizable</i>				
Cash and cash equivalents	2,262,628	-	-	2,262,628
Trade and other receivables	10,245	-	-	10,245
Security deposits	-	8,200	-	8,200
Held-for-trading investments	275,000	-	-	275,000
<b>Total expected inflows</b>	<b>2,547,873</b>	<b>8,200</b>	<b>-</b>	<b>2,556,073</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>2,398,291</b>	<b>8,200</b>	<b>(1,500,000)</b>	<b>906,491</b>

Other financial liabilities of \$1,500,000 (2023: \$1,500,000) relate to a royalty agreement as outlined in Note 13. At this stage there is no known cash outflow arising from this liability.

**Market risk**

The Group is exposed to equity securities price risk. This arises from investments held by the Group in Revolver Resources Limited (ASX: RRR) and classified on the statement of financial position as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk.

If the share price of Revolver Resources Limited had increased / decreased by 25% from balance date fair value, with all other variables held constant, the Group's post-tax profit for the year would have been \$35,000 lower/higher (2023: \$68,750).

**Cash flow and fair value interest rate risk**

As the Group has interest-bearing cash assets, the company's income and operating cash flows are exposed to changes in market interest rates. The company manages its exposure to changes in interest rates by using fixed term deposits.

At 30 June 2024 if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax loss for the year would have been \$7,023 lower/higher (2023 – change of 100 bps: \$22,626 higher/lower), as a result of higher/lower interest income from cash and cash equivalents.

**Fair Value**

The carrying value of all other assets and liabilities approximate their fair value.

#### **Note 4 Segment information**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia and Tanzania. Operating segments are determined on the basis of financial information reported to the Board, which is at the Group level. The Group does not have any products/services where it derives revenue.

In the prior year the group management identified the consolidated entity as having only one reportable segment, being exploration of coal, with all activities being carried out in Australia.

#### **Basis of accounting for purposes of reporting by operating segments**

##### **a. Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

##### **b. Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

##### **c. Segment liabilities**

Liabilities are allocated to segments where there is a direct nexus between the incurrance of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

##### **d. Unallocated items**

The following items for revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income
- Corporate administrative and other expenses
- Income tax expense
- Corporate share-based payments
- Corporate marketing and project development expenses
- Research and development tax incentive

**Note 4 Segment information (continued)**

**e. Segment information**

**Segment performance**

	Australia \$	Tanzania \$	Unallocated \$	Total \$
<b>2024</b>				
Interest revenue	-	-	20,553	20,553
Other income	-	-	-	-
Total group income	-	-	20,553	20,553
Segment net profit / (loss) before tax	(135,000)	(431,619)	(843,698)	(1,410,317)

**Segment assets**

	Australia \$	Tanzania \$	Unallocated \$	Total \$
30 June 2024	16,437,296	-	702,331	17,139,627

**Segment liabilities**

	Australia \$	Tanzania \$	Unallocated \$	Total \$
30 June 2024	1,500,000	25,213	107,657	1,632,870

**Geographical Segments**

For the purposes of segment reporting, all segment activities relating to Lithium are carried out in Tanzania and all segment activities relating to exploration for coal and investment in energy and resources are carried out in Australia.

**Note 5 Expenses**

	Consolidated	
	2024 \$	2023 \$
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Employee benefits expense</i>	106,210	62,309
<i>Superannuation expense</i>	11,757	10,344
<i>Finance costs</i>		
Interest paid	585	-

**Note 6 Income tax expense**

	Consolidated	
	2024	2023
	\$	\$
<b>(a) Income tax expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
Aggregate income tax expense	-	-
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
(Loss) Profit from operations before income tax expense	(1,410,317)	(1,171,949)
Tax at the Australian tax rate of 30% (2022: 30%)	(423,095)	(351,585)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	45,360	-
Other	597	167
	(377,138)	(351,418)
Increase (decrease) in unrecognised deferred tax assets	377,138	351,418
Income tax expense	-	-
<b>(c) Deferred Tax Liabilities</b>		
The balance comprises temporary differences attributable to:		
Exploration expenditure	4,879,275	4,739,740
Total deferred tax liabilities	4,879,275	4,739,740
Set-off of deferred tax assets pursuant to set-off provisions	(4,879,275)	(4,739,740)
Net deferred tax liabilities	-	-

**Note 6 Income tax expense (continued)**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>(d) Deferred Tax Assets</b>		
The balance comprises temporary differences attributable to:		
Tax losses	20,758,195	20,231,863
Accruals	21,508	19,624
Investments	566,664	526,165
Total deferred tax assets	21,346,367	20,777,652
Set-off of deferred tax liabilities pursuant to set-off provisions	(4,879,275)	(4,739,740)
Net adjustment to deferred tax assets not recognised	(16,467,092)	(16,037,912)
Net deferred tax assets	-	-
<b>(e) Unrecognised net deferred tax assets</b>		
Unused tax losses for which no deferred tax asset has been recognised	54,890,306	53,459,705
Potential tax effect at 30% (2023: 30%)	16,467,092	16,037,912

Following the proportional takeover by Treasure Wheel Global Limited, the Group failed the Continuity of Ownership Test (COT). Unused tax losses are therefore carried forward under the Same Business Test (SBT). Management and the Directors are satisfied that the Group passes SBT on the basis that coal exploration has always been, and continues to be, the core focus of the business.

Unused losses which have not been recognised as an asset, will only be obtained if:

- (i) the group derives future assessable income of a nature and of an amount sufficient to enable the losses to be realised;
- (ii) the group continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the group in realising the losses.

**(f) Tax consolidation legislation**

AustChina Holdings Limited and its wholly owned Australian subsidiaries have implemented the income tax consolidation legislation from 1 August 2010. AustChina Holdings Limited is the head entity of the tax consolidated group for the year ended 30 June 2024.

**Note 7 Current assets – Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Cash at bank and on hand	29,737	40,587
Deposits at call	672,594	2,222,041
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows	702,331	2,262,628

**(a) Risk exposure**

The Group's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

**(b) Deposits at call**

All deposits are at call bearing an interest rate of 0% (2023 – 0% to 1.55%).

**Note 8 Current assets – Trade and other receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Trade and other receivables	24,845	30,211
	24,845	30,211

**Note 9 Non-current assets – Investments at fair value through profit or loss**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Australian listed equity securities – at fair value	140,000	275,000
	140,000	275,000
<i>Australian listed equity securities</i>		
Balance at the beginning of the year	275,000	612,500
Increment/(decrement) on revaluation	(135,000)	(337,500)
Balance at the end of the year	140,000	275,000



**Note 9 Non-current assets – Investments at fair value through profit or loss (continued)**

Through the sale of its subsidiary Surat Gas Pty Ltd which completed on 28 September 2018, AustChina acquired 5% of the issued capital of Sector Projects Pty Ltd (Sector), an unlisted corporation. On 23 September 2021, Sector merged with Dianne Mining Corporation Pty Ltd and listed on the ASX as Revolver Resources Holdings Limited.

**Note 10 Non-current assets – Exploration and evaluation assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Exploration assets – at cost</b>	<b>16,264,251</b>	<b>15,799,132</b>

The capitalised exploration assets carried forward above have been determined as follows:

Balance at the beginning of the year	15,799,132	15,636,624
Expenditure incurred during the year - additions	465,119	162,508
Balance at the end of the year	<u>16,264,251</u>	<u>15,799,132</u>

The ultimate recoupment of costs carried forward for exploration assets is dependent upon the successful development and commercial exploitation or alternatively sale of the interests in the tenements.

**Note 11 Non-current assets – Other assets**

	<b>Consolidated</b>	
	<b>2024</b>	2023
	\$	\$
Security deposit	8,200	8,200

Security deposits represent amounts lodged with the Queensland Department of Natural Resources and Mines as security for tenements.

**Note 12 Current liabilities – Trade and other payables**

	<b>Consolidated</b>	
	<b>2024</b>	2023
	\$	\$
<i>Unsecured</i>		
Trade and other payables at amortised cost	132,870	149,582

**Note 13 Non-current liabilities – Other financial liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	2023
	\$	\$
Other financial liabilities at amortised cost	1,500,000	1,500,000

The Group has agreements with Oliver Lennox-King (Lennox-King), whereby Lennox-King has paid a net \$1.5 million to the Group and in return the Group has agreed to pay Lennox-King a royalty equal to 1% of the gross value of coal sold from certain tenements currently held by the Group. The liability was initially recognised at fair value. Post initial recognition, the financial liability is accounted for in accordance with the Group policy for financial instruments set out in Note 1(l).

The royalty is only payable in the event of future production of coal.

There has been no movement in the balance of the liability.

The Group's exploration and evaluation activities have not progressed to a stage to allow more reliable measurement of any future royalty payment obligations.

**Note 14 Issued capital**

			Consolidated	
	2024 Shares	2023 Shares	2024 \$	2023 \$
<b>(a) Share capital</b>				
<i>Ordinary shares</i>				
Fully paid	2,100,383,635	2,077,883,635	70,686,067	70,618,567
<i>Other equity securities</i>				
Placement options*	-	-	(27,215)	-
	<u>2,100,383,635</u>	<u>2,077,883,635</u>	<u>70,658,852</u>	<u>70,618,567</u>

\*A total of \$11,800 was raised during the year on account of the placement options at a total cost of \$39,015.

**(b) Movements in ordinary share capital:**

Date	Details	Number of Shares	Issue Price (cents)	\$
1 July 2022	Balance	<u>2,036,832,732</u>		<u>70,518,509</u>
14 Dec 2022	Part conversion of convertible note	(c) 41,050,903	0.6	250,000
	Value of conversion rights of convertible notes converted / paid out during the year		-	(147,828)
	Share issue costs		-	(2,114)
30 Jun 2023	Balance	<u>2,077,883,635</u>		<u>70,618,567</u>
28 Mar 2024	Broker shares	(d) 22,500,000	0.3	67,500
	Placement Options	(e) -		11,800
	Share issue costs		-	(39,015)
		<u>2,100,383,635</u>		<u>70,658,852</u>

**(c) Conversion of convertible note**

During the prior year the note holder, Treasure Wheel Global Limited, elected to convert \$250,000 of the convertible note to shares.

**(d) Broker shares**

The issue of a total of 22,500,000 fully paid ordinary shares to Lynx Advisors Pty Ltd in accordance with a Facilitation Agreement pursuant to which the Company agreed to engage Lynx Advisors Pty Ltd to introduce and facilitate transactions between the Company and various third parties. The value of the services provided was \$135,000 and was settled 50% cash and 50% through the issue of shares.

#### **Note 14 Issued capital (continued)**

##### **(e) Placement options**

The issue of a total of 23,600,000 under the Option Prospectus dated 7 June 2024 at an issue price of \$0.0005 per option. Options are exercisable at \$0.014 each on or before 7 June 2026.

##### **(f) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

##### **(g) Options**

At balance date there are 143,600,000 options over ordinary shares of AustChina Holdings Limited on issue.

##### **(h) Capital risk management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.

The Group monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Group will continue to use capital market issues and joint venture participant funding contributions to satisfy anticipated funding requirements.

The Group has no externally imposed capital requirements. The Group's strategy for capital risk management is unchanged from prior years.

**Note 15 Reserves and accumulated losses**

	Consolidated	
	2024	2023
	\$	\$
<b>(a) Reserves</b>		
Share-based payments reserve	3,917,243	3,766,043
<i>Movements:</i>		
Balance 1 July	3,766,043	3,766,043
Share-based payments	151,200	-
Balance 30 June	3,917,243	3,766,043
<b>(b) Accumulated losses</b>		
Balance 1 July	(57,659,021)	(56,487,072)
(Loss) profit for the year	(1,410,317)	(1,171,949)
Balance 30 June	(59,069,337)	(57,659,021)

**Nature and purpose of reserves**

*Share-based payments reserve*

The share-based payments reserve is used to recognise:

- (i) the grant date fair value of options issued to directors / contractors and vendors of assets
- (ii) the grant date fair value of performance rights issued to directors / contractors

## Note 16 Parent entity information

The following information relates to the parent entity, AustChina Holdings Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1 where applicable.

	2024 \$	2023 \$
Current assets	725,557	2,292,737
Non-current assets	9,282,241	8,952,121
<b>Total assets</b>	<b>10,005,798</b>	<b>11,244,858</b>
Current liabilities	131,349	149,581
Non-current liabilities	1,500,000	1,500,000
<b>Total liabilities</b>	<b>1,631,349</b>	<b>1,649,581</b>
Issued capital	70,658,852	70,618,567
Accumulated losses	(66,199,646)	(64,789,333)
Share based payment reserve	3,917,243	3,766,043
<b>Total equity</b>	<b>8,376,449</b>	<b>9,595,277</b>
<b>Profit (loss) for the year</b>	<b>(1,410,317)</b>	<b>(1,171,949)</b>
<b>Total comprehensive income</b>	<b>(1,410,317)</b>	<b>(1,171,949)</b>

### Guarantees

AustChina Holdings Limited has not guaranteed any debts of its subsidiaries.

### Contingent liabilities

The parent entity has no contingent liabilities as at 30 June 2024 and 30 June 2023.

### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

**Note 17 Director and key management personnel disclosures**

**Key management personnel compensation**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
Short-term employee benefits	226,697	222,174
Post-employment benefits	5,571	6,143
Share-based payments	126,000	-
	<u>358,268</u>	<u>228,317</u>

**Note 18 Remuneration of auditors**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
During the year the following fees were paid, payable or accrued for services provided by the auditor or, its related practices and non-related audit firms:		
<i>Audit services</i>		
Audit and review of financial reports – Nexia Brisbane Audit Pty Ltd	44,500	42,200
<b>Total auditor remuneration</b>	<u>44,500</u>	<u>42,200</u>

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## Note 19 Related parties

### (a) Parent entities

The parent entity and ultimate Australian parent entity within the group is AustChina Holdings Limited. The ultimate parent entity is Treasure Wheel Global Limited which at 30 June 2024 owned 44.1% (2023: 44.6%).

### (b) Subsidiaries

Interests in subsidiaries are set out in Note 22.

### (c) Key management personnel

Disclosures relating to key management personnel are set out in Note 17.

### (d) Amounts payable to related parties

At 30 June 2024 Included in trade payables was an amount of \$27,380 (2023: \$27,760) which represented amounts payable to directors for unpaid directors' fees for the quarter ended 30 June 2024.

During the prior year, note holder Treasure Wheel Global Limited, elected to convert \$250,000 of the convertible note to shares and were repaid the remaining \$250,000. No interest was payable on the convertible note.

## Note 20 Cash flow information

### (a) Reconciliation of (loss) profit after income tax to net cash outflow from operating activities

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax	(1,410,317)	(1,171,949)
Impairment of equity accounted investment	-	321,354
Share of loss from equity accounted investment	-	81,534
Share based payments	151,200	-
Gain on fair value of non-current investment	135,000	337,500
Gain on derecognition of convertible note liability	-	(151,733)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	8,026	8,755
Increase/(decrease) in trade and other payables	(6,854)	47,115
Net cash outflow from operating activities	<u>(1,122,943)</u>	<u>(527,424)</u>



## Note 20 Cash flow information (continued)

### (b) Non-Cash investing and financing activities

During the year 22,500,000 ordinary shares valued at \$67,500 were issued to Lynx Advisors Pty Ltd in accordance with a Facilitation Agreement pursuant to which the Company agreed to engage Lynx Advisors Pty Ltd to introduce and facilitate transactions between the Company and various third parties.

## Note 21 Commitments for expenditure

	Consolidated	
	2024	2023
	\$	\$
<b>Exploration commitments</b>		
Commitments for payments under exploration permits for coal in existence at the reporting date but not recognised as liabilities payable is as follows:		
- payable within one year	84,167	53,750
- payable between one year and five years	32,500	116,667
	116,667	170,417

So as to maintain current rights to tenure of various exploration tenements, the Group will be required to outlay amounts in respect of tenement exploration expenditure commitments. These outlays, which arise in relation to granted tenements are noted above. The outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

Exploration commitments are calculated on the assumption that each of these tenements will be held for its full term. Expenditure commitments on prospective ground will be met out of existing funds, joint ventures, farm-outs, and new capital raisings.

## Note 22 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of entity	Principal Activities	Country of incorporation	Class of shares	Equity holding	
				2024	2023
				%	%
Tambo Coal & Gas Pty Limited	Coal exploration	Australia	Ordinary	100	100
Moreton Energy Pty Ltd	Coal exploration	Australia	Ordinary	100	100
Coalbank Qld Pty Ltd	Coal exploration	Australia	Ordinary	100	100

**Note 23 Earnings per share**

	2024 Cents	2023 Cents
<b>(a) Basic earnings per share</b>		
Total basic earnings per share attributable to the ordinary equity holders of the company	(0.07)	(0.06)
<b>(b) Diluted earnings per share</b>		
Total diluted earnings per share attributable to the ordinary equity holders of the company	(0.07)	(0.06)
<b>(c) Reconciliation of earnings used in calculating earnings per share</b>	2024 \$	2023 \$
<i>Basic earnings per share</i>		
Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share	(1,410,317)	(1,171,949)
<i>Diluted earnings per share</i>		
Loss attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	(1,410,317)	(1,171,949)
<b>(d) Weighted average number of shares used as the denominator</b>	2024 Number	2023 Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share</i>	2,083,678,156	2,059,101,441
<b>(e) Information concerning the classification of securities</b>		
<i>Options and rights</i>		
Options and rights on issue during the year are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2024. These options and rights could potentially dilute basic earnings per share in the future. Details relating to options and rights are set out in Note 14.		

**Note 24 Investment in Associate accounted for using equity method**

The company holds 24.7% (2023: 24.7%) of the issued capital of Utilitas Group Pty Ltd (“Utilitas”), a company that is engaged in the Biogas Renewable Energy Sector. Utilitas is incorporated in Australia and this is also its principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held.

AustChina Holdings Limited does not have any commitments or contingent liabilities in respect of its investment in Utilitas Group Pty Ltd.

	<b>Consolidated</b>	
	<b>30 June 2024</b>	30 June 2023
	\$	\$
<b>Opening carrying amount</b>	-	402,888
Share of loss from continuing operations after income tax	-	(81,534)
Impairment expense	-	(321,354)
Closing carrying amount	-	-

During the prior year, the Directors of AustChina Holdings Limited decided to impair the carrying value of its investment in Utilitas to nil. Until such time as Utilitas is in a position to capitalize upon the project activities, the Company’s investment is likely to remain at nil. Once Utilitas has been able to return to a positive net asset position, the Company will then determine whether a reversal of the impairment expense is appropriate.

Refer also to Critical accounting estimates and judgements Note 2(v).

**Note 25 Events after the reporting date**

Since the end of the financial year the Company has decided not to proceed with the option to acquire the shares in Cassius Mining (T) Limited and has terminated the Heads of Agreement with the Project vendors.

No other matters or circumstances have arisen since 30 June 2024 which significantly affected the group’s operations, results or state of affairs, or may do so in future years.

**Note 26 Share-based payments**

**Options**

A summary of movements of all options issued is as follows:

	Number	Weighted Average Exercise Price
<b>Options outstanding as at 1 July 2022</b>	<b>70,000,000</b>	<b>\$0.005</b>
Granted	-	-
Exercised	-	-
Expired	-	-
<b>Options outstanding as at 30 June 2023</b>	<b>70,000,000</b>	<b>\$0.005</b>
<b>Options exercisable as at 30 June 2023</b>	<b>70,000,000</b>	<b>\$0.37</b>
Granted	120,000,000	\$0.005
Exercised	-	-
Expired	(70,000,000)	\$0.005
<b>Options outstanding as at 30 June 2024</b>	<b>120,000,000</b>	<b>\$0.005</b>
<b>Options exercisable as at 30 June 2024</b>	<b>120,000,000</b>	<b>\$0.005</b>

120,000,000 options issued during the period. 100,000,000 of these were issued to KMP (20,000,000 each to Mena Habib, George Lam, Andrew MacIntosh, Peter Tsang and Andrew Fogg). The remaining 20,000,000 were issued to non-KMP employees. All options are exercisable at \$0.005 each and expire on 24 June 2027.

The weighted average remaining contractual life of options outstanding at year end was 3.0 years.

The fair value of the 120,000,000 options issued has been calculated using a Black Scholes option pricing model by applying the inputs below. The fair value of these options at grant date was \$151,200.

Number of options	120,000,000
Grant date	7 June 2024
Expiry date	24 June 2027
Volatility*	100%
Underlying share price	\$0.0025
Dividend yield	0%
Risk-free interest rate	3.902%
Fair value at grant date	\$0.00126

\* Volatility has been determined by looking at the historical volatility over the same period as the expected life of the option, long term average level of volatility, the length of time an entity's shares have been publicly traded, and the appropriate interval for price observations. The company does not have a reasonable history of share transactions by which to gauge the company's volatility. Due to this fact an average volatility of comparable companies share transactions over the same period of time have been used to calculate an appropriate volatility.

**Note 27 Fair Value Measurements**

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets held for trading;
- derivative financial instruments.

**a) Fair Value Hierarchy**

AASB 13 : *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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## Note 27 Fair Value Measurements (continued)

### Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

*Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

*Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.

*Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

**Note 27 Fair Value Measurements (continued)**

		30 June 2024			
	Note	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:					
-					
	9	140,000	-	-	140,000
<b>Total financial assets recognised at fair value</b>		<b>140,000</b>	<b>-</b>	<b>-</b>	<b>140,000</b>

		30 June 2023			
	Note	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Financial assets at fair value through profit or loss:					
-					
	9	275,000	-	-	275,000
<b>Total financial assets recognised at fair value</b>		<b>275,000</b>	<b>-</b>	<b>-</b>	<b>275,000</b>

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## CONSOLIDATED ENTITY DISCLOSURE STATEMENTS AS AT 30 JUNE 2024

The following table contains details of each entity within the company’s consolidated group:

Entity name	Entity Type	Place of incorporation	% of share capital held	Tax residency
AustChina Holdings Limited	Body Corporate	Australia	N/A	Australian
Moreton Energy Pty Limited	Body Corporate	Australia	100%	Australian
Tambo Coal & Gas Pty Limited	Body Corporate	Australia	100%	Australian
Coalbank Qld. Pty Ltd	Body Corporate	Australia	100%	Australian

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## DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards applicable to the entity, which, as state in Note 1(a) to the financial statements, constitutes compliance with International Financial Reporting Standards, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- (b) the consolidated entity disclosure statement is true and correct;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, for the reasons provided in Note 2(iv);
- (d) The directors have been given the declarations by the chief executive officer and the chief financial officer required by s295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'A Chan', with a long horizontal line extending to the right.

A Chan

Chairman

Brisbane, 26 September 2024

## Independent Auditor's Report to the Members of AustChina Holdings Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of AustChina Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that during the year the Group incurred a loss of \$1,410,317 (2023: \$1,171,949 loss) and net cash outflows from operations of \$1,122,943 (2023: \$527,424 outflow). As stated in Note 1, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Advisory. Tax. Audit.

Registered Audit Company 299289

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## Independent Auditor's Report to the Members of AustChina Holdings Limited (continued)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Carrying Value of Exploration and Evaluation Assets</b></p> <p>Refer to Note 10 Exploration and evaluation assets</p> <p>As at 30 June 2024 the carrying value of exploration and evaluation assets is \$16,264,251. The Group's accounting policy in respect of this is outlined in Note 1.</p> <p>As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. In particular:</p> <ul style="list-style-type: none"> <li>• Whether the conditions for capitalisation are satisfied;</li> <li>• Which elements of exploration and evaluation expenditures qualify for recognition; and</li> <li>• Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</li> </ul>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>• Selecting a sample of capitalised exploration and evaluation expenditure and obtaining documentation to support the amounts capitalised in line with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>;</li> <li>• Obtaining evidence as to whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;</li> <li>• Obtain evidence of the future intentions for the areas of interest, including making enquiries of management, assessing future budgeted expenditure and related work programs;</li> <li>• Obtained an understanding of the status of ongoing exploration programs, for the areas of interest;</li> <li>• Reviewed ASX announcements and directors' minutes to ensure that the Group had not decided to discontinue activities in applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.</li> </ul>

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## Independent Auditor's Report to the Members of AustChina Holdings Limited (continued)

### Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report, for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

**Independent Auditor's Report to the Members of AustChina Holdings Limited  
(continued)**

**Report on the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the remuneration report included in pages 26 to 34 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of AustChina Holdings Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Nexia Brisbane Audit Pty Ltd*

**Nexia Brisbane Audit Pty Ltd**



**Gavin Ruddell**  
**Director**

Level 28, 10 Eagle Street  
Brisbane, QLD, 4000

Date: 26 September 2024

## SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 4 September 2024.

### A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Class of equity security	
	Ordinary Shares	
1 – 1,000		11,059
1,001 – 5,000		107,239
5,001 – 10,000		1,125,005
10,001 – 100,000		16,945,509
100,001 and over		2,082,194,823
		<b>2,100,383,635</b>

There were no holders of less than a marketable parcel of ordinary shares.

### B. Equity security holders

#### *Twenty largest quoted equity security holders*

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number Held	Percentage (%) of issued shares
HSBC Custody Nominees (Australia) Limited	927,314,671	44.15
Blackcro Investments Pty Ltd	283,137,138	13.48
KAMS Brother Holdings Limited	128,093,700	6.10
Ms Sihol Marito Gultom	85,000,000	4.05
Julia Australia Pty Ltd	25,618,000	1.22
Group 4 Solutions Pty Ltd	17,500,000	0.83
Mr John Yacoub	17,000,000	0.81
Mrs Sissy McGrath & Mr Bradley McGrath	16,123,832	0.77
Mr Frank Music & Mrs Anna Music	15,400,000	0.73
Finclear Services Pty Ltd	15,058,648	0.72
Mr Tomislav Pandzic	11,660,000	0.56
Ties Group Pty Ltd	11,061,334	0.53
Joplin's Run Pty Ltd	10,000,000	0.48
Mr Dominic Furfaro & Mrs Josephine Furfaro	10,000,000	0.48
Mr Michael Yacoub	10,000,000	0.48
Mrs Shari Jane Kerr	9,000,000	0.43
Mr Casey Gomez	8,820,000	0.42
Mr Zeljko Kuzman	7,752,000	0.37
Mr Dane Shannon O'Callaghan	7,202,220	0.34
Mr Aaron Jermaine Proska	7,200,000	0.34
	<b>1,622,941,543</b>	<b>77.29</b>

**Unquoted equity securities**

	<b>Number on issue</b>	<b>Number of holders</b>
Share options	143,600,000	14

There were no Holders of more than 20% of unquoted share options on issue.

**C. Substantial shareholders**

Substantial shareholders in the company are set out below:

	<b>Number held</b>	<b>Percentage</b>
<b>Ordinary shares</b>		
Treasure Wheel Global Limited	927,114,671	44.14%
Blackcro Investments Pty Ltd	283,137,138	13.48%
Kam's Brother Holdings Limited	128,093,700	6.10%

**D. Voting rights**

The voting rights attaching to each class of equity securities are set out below:

a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

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