

30th August 2024

ASX ANNOUNCEMENT

Chenene Lithium Project Update

HIGHLIGHTS

- AustChina has completed its due diligence drilling program at Chenene Lithium Project in Tanzania which was a core component of the Company's due diligence in respect of its option to acquire the Chenene Project.
- Initial interim assay results have been received and indicate that the presence of lithium-bearing minerals and associated lithium grades is thin and discontinuous.
- The interim assay results have not met the minimum lithium intersection and grade criteria stipulated under AustChina's due diligence process.
- As such, AustChina 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.

AustChina Holdings Limited (**ASX: AUH**) ("**AUH**", the "**Company**" or "**AustChina**") provides the following update on its due diligence programme in respect of its option to acquire (**Option**) the Chenene Lithium Project in Tanzania.

Background

AustChina entered a Binding Heads of Agreement with Cassius Mining Limited (**ASX: CMD**) (**Cassius**) and its wholly owned subsidiary Cassius Mining (T) Limited (**CMT**) in March 2024, pursuant 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 in Tanzania¹. Any decision by AustChina to exercise the Option and complete the acquisition of the Chenene Project was subject to successful completion of due diligence by AustChina, a core component of which was a drilling program to test high priority targets within the Project.²

A key criterion was at least one consecutive 10m interval with assays to a minimum of 1% Li₂O within the Dulu 1 pegmatite target.

¹ ASX Release, "Option to acquire Chenene Lithium Project", 7 March 2024.



Due Diligence Outcome

Drilling has been completed, and the initial batch of interim assay results has been received, however there are some analytical results outstanding.

AustChina further advises that ahead of the current Option Period expiry date of 28th August 2024, it requested that the Project vendors grant a 14-day extension from this date to allow for final assays results to be received. The Binding Heads of Agreement allows for up to 4 extensions of 1 month of the Option Period, but only if an Option Renewal Fee of \$100,000 fee is paid each time, or otherwise agreed by the vendor.

This request was denied by the vendor, who determined that the terms of the Binding Heads of Agreement (outlined in AustChina's ASX announcement of 7 March 2024) need to be followed.

Given that the initial interim assay results received to date were well below expectation and with no timeframes known as to when the final assay results would be received, the Company decided not to extend the Initial Option Period for another month.

As consequence, **the Company has decided that it will not exercise its Option to acquire the shares in Cassius Mining (T) Limited and has advised Cassius Mining Limited, the Heads of Agreement in respect of the transaction are terminated.**

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Ongoing Activities

AustChina will continue to assess opportunities to broaden its exposure to developing energy markets through targeted minerals and energy-focused investments.

Work continues on understanding potential mining aspects of the Blackall Coal Project.

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

For further information

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About AustChina Holdings

AustChina Holdings (ASX: AUH) is a junior ASX-listed energy and mineral resources focused company, with a strategy to build a platform for wider exposure to developing energy markets through targeted minerals and energy-focused investments. Its current projects include the Blackall Coal Project in Queensland, investment interests in copper exploration and a holding in Organic Waste developer Utilitas Group Pty Ltd.