

25 February 2025

ASX ANNOUNCEMENT

AustChina completes Due Diligence to acquire Gold-Antimony and Base Metals Project Portfolio

HIGHLIGHTS

- Due diligence successfully completed in respect of the proposed acquisition of 100% of the Issued Capital of Penwortham Exploration Pty Ltd (PEN)
- PEN has a 100% holding in the Sulphide Creek Gold Antimony Project (EL16/2022) and under application the Mersey Volcanogenic Massive Sulphide (VMS) Base Metals and Gold Project (EL6/2021) in north-west Tasmania
- AustChina has agreed to waive a condition precedent being the granting of EL6/2021 – the Mersey Project – and will now move forward to complete the acquisition
- On completion of the acquisition AustChina plans to commence targeted exploration initially at the Sulphide Creek project.
- Consideration for the acquisition is outlined as follows:
 - Cash payment to the shareholders of PEN of \$38,000; and
 - Issue of 300m fully paid AUH shares to PEN shareholders. Shares will subject to a voluntary escrow for a period six months from the date of issue and will be issued pursuant to AUH's placement capacity under Listing Rule 7.1

AustChina Holdings Limited (**ASX: AUH**) (“**AUH**”, the “**Company**” or “**AustChina**”) is pleased to announce the successful completion of due diligence for its acquisition of a portfolio of gold-antimony and base metals exploration assets including copper in active tier-1 mineral districts in north-west Tasmania (Figure 1).

AustChina entered a binding agreement (**Acquisition Agreement**) to acquire 100% of the shares in Penwortham Exploration Pty Ltd (**PEN**) earlier this month (ASX announcement 4 February 2025).

PEN has a 100% holding in the **Sulphide Creek** Gold Antimony Project (EL16/2022) in the Queenstown mining precinct in western Tasmania, and under application EL6/2021, the **Mersey** Volcanogenic Massive Sulphide (VMS) Base Metals and Gold Project in north-west Tasmania.



Completion of the acquisition is subject to the satisfaction (or waiver) of a number of conditions, which the Company expected to be completed in the near future.

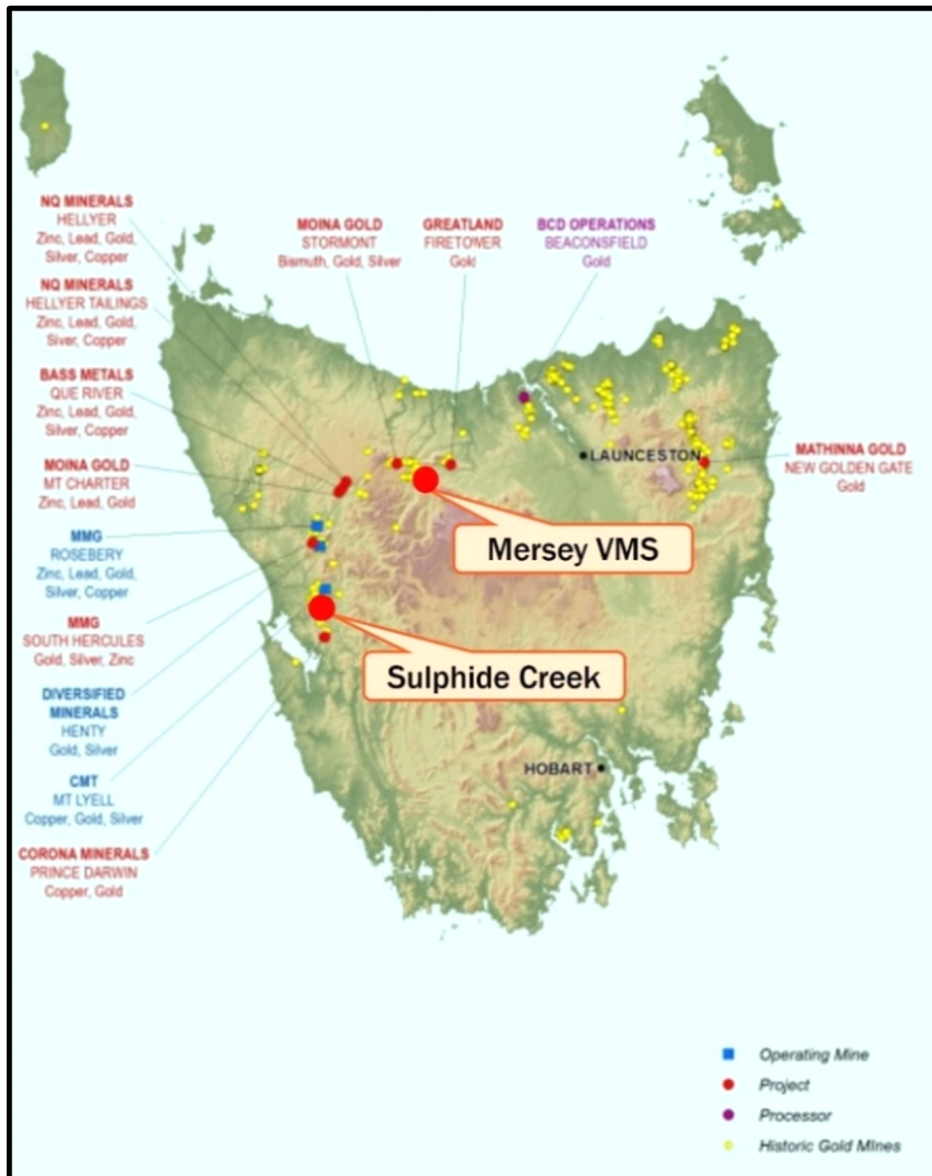


Figure 1. Project location map showing Sulphide Creek and Mersey Projects plus other significant operations in Tasmania.

Following completion of the acquisition, the Company plans to commence targeted field work programs initially at Sulphide Creek in the short term, with the objective to commence maiden drilling programs within six months of acquisition (subject to exploration results and requisite approvals).

AustChina Holdings Chief Executive Officer, Andrew Fogg, commented:

“We are pleased to have successfully completed due diligence over both the Sulphide Creek and Mersey Projects. The due diligence process has confirmed our positive view of the project portfolio, and we now look forward to completing the acquisition and commencing targeted field work programs.

Both projects have strong exploration upside in high-demand commodities – gold and antimony – plus VMS base metals potential including copper, and are located in long-established, active mineral belts in Tasmania. ”

Further details on the new projects is provided in ASX announcement of 4 February 2025.

Next Steps

Subject to the successful completion of the acquisition (and any requisite approvals), AustChina plans to commence exploration at the new projects. Initial work at the Sulphide Creek Project is planned to include data compilation of historic production and exploration reports, geology, geochemistry and geophysics.

A LIDAR (Light Detection and Ranging) survey to map the historic workings and key structures over main Harvey Creek Fault system at Sulphide Creek is also planned. Litho-structural interpretation will be undertaken to help define target areas, which will be followed-up by on-ground exploration with initial drilling currently planned for within six months of completing the acquisition.

When the Mersey Project is granted, extensive soil sampling and rock chip litho-geochemistry programs are planned to vector mineralisation for drill hole targeting, particularly around the gold prospective areas of at the western end of the tenure, where a LIDAR survey will also be completed. A detailed airborne electro-magnetic (EM) survey over the entire Mersey Project area is also planned to help identify massive sulphide targets.

Transaction Summary

AustChina has entered a binding agreement to acquire 100% of the shares in PEN.

PEN is the 100% owner of:

- EL16/2022 - Sulphide Creek Project; and
- Application EL6/2021 - Mersey Project.

As consideration for the acquisition, AustChina proposes to issue the following to PEN shareholders;

- A cash payment of \$38,000; and
- An aggregate of 300 million fully paid AUH shares (at a deemed value of \$0.001 per share). Shares will subject to a voluntary escrow for a period six months from the date of issue and will be issued pursuant to AUH's placement capacity under Listing Rule 7.1.

Completion of the acquisition is subject to, amongst other things:

- EL16/2021 being granted to PEN as the sole and exclusive owner of EL6/2021;
- Completion of a 20 business-day period of due diligence to be conducted by AustChina over EL6/2021 and EL16/2022.

This announcement is intended to lift the voluntary suspension of AUH's securities.

ENDS

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

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