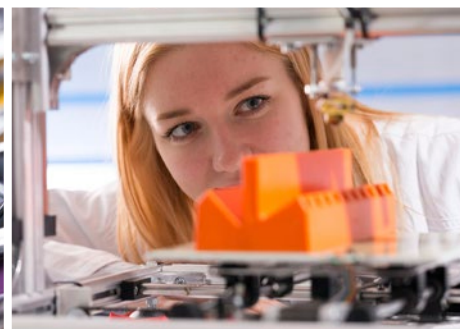


INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2020



STRANDLINE
resources limited



STRANDLINE
resources limited

CORPORATE DIRECTORY

Board of Directors

Didier Murcia	Independent Non-Executive Chairman
Luke Edward Graham	Managing Director and CEO
Peter Richard Watson	Executive Director
John Russell Hodder	Non-Executive Director
Ernest Thomas Eadie	Independent Non-Executive Director
Mark David Hancock	Independent Non-Executive Director

Company Secretary

Mr Flavio Lino Garofalo

Registered and Principal Office

Level 9, 216 St Georges Terrace
Perth, Western Australia 6000

Tel: (61 8) 9226 3130

Fax: (61 8) 9485 2070

Email: enquiries@strandline.com.au

PO Box 7127

Cloisters Square PO, Western Australia, 6850

Website

www.strandline.com.au

Country of Incorporation

Strandline Resources Limited is domiciled and incorporated in Australia

Auditors

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco, Western Australia 6008

Share Registry

Computershare Investor Services Pty Limited

Level 11, 172 St George's Terrace
Perth, Western Australia 6000

Tel: (61 8) 9323 2000

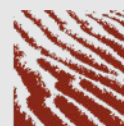
Fax: (61 8) 9323 2033

Home Stock Exchange

Australian Securities Exchange Limited

Level 40, Central Park
152-158 St George's Terrace
Perth, Western Australia 6000

ASX Code: STA



Directors' Report	2
Auditor's Independence Declaration	14
Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Notes to the Consolidated Financial Statements	20
Directors' Declaration	27
Independent Auditor's Report	28

COBURN IS A WORLD-CLASS MINERAL SANDS PROJECT





The Directors of Strandline Resources Limited (“**Strandline**” or “the **Company**”) submit the Financial Report on the Consolidated Entity (“the **Group**”) consisting of Strandline Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The names of the Company’s directors in office during the or since the end of the half year are:

Didier Murcia AM

Independent Non-Executive Chairman, B.Juris, LL.B, appointed 1 March 2016

Luke Edward Graham

Managing Director & Chief Executive Officer, A.Dip (Hons) (Elec Eng), MAICD, appointed 19 September 2016

Peter Richard Watson

Executive Director, BEng (Hons) (Chem), GAICD, FIEAust, Dip (Acct), appointed 10 September 2019

Ernest Thomas Eadie

Non-Executive Director, B.Sc (Hons), M.Sc., F.AusIMM. appointed 9 October 2015

John Russell Hodder

Non-Executive Director, B.Sc, B.Com, MBA, appointed 8 June 2016

Mark David Hancock, Independent

Non-Executive Director, B.Bus, CA, FFin. appointed 12 August 2020

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the half-year was mineral exploration and evaluation in Australia and Tanzania, with a focus on mineral sands. The Company portfolio comprises several high quality zircon-titanium rich assets, providing project development optionality, geographic diversity, and scalability. This includes the development-ready Coburn project in Western Australia and advanced Fungoni and Tajiri projects in Tanzania.



Figure 1: Strandline’s world-wide mineral sands exploration & development projects



REVIEW OF OPERATIONS

The focus during the half year was advancing the Company's two zircon-titanium rich, 'development-ready' projects: the Fungoni Project in Tanzania and the large Coburn Project in Western Australia.

In parallel, Strandline progressed exploration and evaluation activities across a series of high-grade targets spread along the highly prospective Tanzanian coastline, including the large-scale Tajiri Mineral Sands Project in northern Tanzania.

Mineral Sands Projects – Australia

Coburn Project

The Coburn Definitive Feasibility Study (DFS), released in mid-2020, confirmed robust economics over an initial 22.5 year life, with a pre-tax NPV of A\$705 million (AUD: USD 0.70, 8% discount rate), pre-tax IRR of 37% and high margin revenue-to-operating cost (C1) ratio of 2.4. The projected revenue for the initial 22.5 years of ore reserves is A\$4.4b, with an average annual EBITDA of A\$104m (refer ASX Announcement 4 June 2020).

Coburn's estimated capital expenditure is A\$260m, excluding financing and corporate costs. Financing costs are expected to include interest during construction, financing establishment and commitment fees, a cost overrun facility, project working capital and additional project contingency.

Strong potential exists to further increase Coburn's ore reserves and returns, through further economic evaluation of resources extending north and along strike of the DFS Ore Reserves. A Scoping Study "Extension Case" assessment of Amf South Indicated and Inferred material was undertaken concurrently with the DFS.

The Extension Case confirms the potential to add 15 years of Production Targets to the mine life (total 37.5 life of mine) and generate an additional A\$3.58b of project revenue. The Extension Case, when integrated with the DFS Final Products Case, shows a pre-tax NPV8 of A\$825m and total project EBITDA of A\$4.54b.

Table 1 Coburn updated DFS and Scoping Study Extension Case Financial Evaluation

Category	Updated DFS – Final Product Case (Jun-20)	Scoping Study Extension Case integrated with updated DFS (Jun-20)
Mine Life	22.5yrs	37.5yrs
Tonnes Mined	523Mt	876.8Mt
Throughput	23.4Mtpa	23.4Mtpa
Capital Expenditure (Pre-production)	A\$260M	A\$260M
Revenue	A\$4.37B	A\$7.94B
Total Opex (C1)	A\$1.80B	A\$3.00B
Total All-in Sustaining Costs (AISC)	A\$2.08B	A\$3.50B
Revenue-to-operating cost (C1) ratio (RC)	2.4	2.6
NPV (pre-tax, real, no debt, 8% discount Rate)	A\$705M	A\$825M
EBITDA	A\$2.35B	A\$4.54B
Avg. annual EBITDA	A\$104M	A\$121M

The Company has executed four major sales contracts have been signed covering ~72% of Coburn's forecast revenue for the first five years of production.

The agreements cover 100% of ilmenite, 100% of zircon concentrate and the substantial portion of the premium finished zircon product and are with some of the leading consumers across Europe, America and China (Refer Announcement 20 April 2020 and 02 July 2020 for binding offtake contracts).

OUR VISION: ENRICHING EVERYDAY LIFE



Since the release of the Coburn DFS, the Company has made strong progress towards project financing and construction readiness activities. The Company has continued to work towards finalising the debt funding for the development of Coburn and undertake early works in preparation for ramp-up of construction.

As part of this process, the Company is progressing detailed discussions with several shortlisted lenders including investment banks, specialist mining credit funds and senior secured bond issuers from which it could secure the commercial debt tranche of the overall project finance.

The commercial debt tranche is expected to be up to A\$100m for a nominal 5 to 7 year tenor and will stand alongside the already-approved 15-year A\$150 million loan facility from the Commonwealth Government's Northern Australia Infrastructure Facility (NAIF).

The NAIF Facility was approved in June-2020 and will be drawn down in two stages, A\$130m allocated towards the construction of Coburn's core mine infrastructure and A\$20m to fund a potential future northern access road linking the project more directly to the Denham community in Shark Bay (refer ASX Announcement 22 June 2020).

During the half-year, the Company announced a range of advances in preparation for the project development including:

- Signed Port access and services agreement with the Mid West Port Authority (MWPA) with the Mid West Ports Authority, which operates the Port of Geraldton in WA. The Agreement enables Strandline to export 100% of the mineral sands products produced at its Coburn project over an initial 10-year term. The Port of Geraldton is a well-established and reliable mineral export port and its proximity to Coburn provides an efficient and cost-effective port solution (see ASX announcement 13 Nov 2020);
- Appointed Contract Power Australia (Contract Power) as preferred contractor to build own and operate (BOO) the power generation facilities for the project. The purpose-designed power infrastructure is based on low-cost, low-emission solution integrating natural gas fuelled generation with state-of-the-art solar and battery storage technology. As preferred contractor, the parties are now working to compile final contract documentation to the satisfaction of Strandline and Coburn's lenders (see ASX announcement 3 Nov 2020);
- Appointed Woodside Energy (LNG Fuels and Power) Pty Ltd and EDL LNG Fuel to Power Pty Ltd in joint venture (WEJV) as preferred contractor to supply LNG to Coburn's power generation facilities. LNG will be supplied via road train from Woodside's Pluto LNG Truck Loading Facility near Karratha, WA over a 10-year term (see ASX announcement 4 Nov 2020);
- Appointed Primero Group (Primero), operating in strategic partnership with Mineral Technologies, as preferred contractor to build the processing facilities for Coburn. The scope includes the detailed engineering, procurement, construction and commissioning of the processing plants, including Wet Concentration Plant and Mineral Separation Plant. The parties progressed early contractor involvement (ECI) and Front End Engineering Design (FEED) activities during the quarter aimed at further optimising delivery strategies and designs in readiness for construction (see ASX announcement 29 Sept 2020); and



Figure 2 Coburn Project location map



- Awarded a fixed-price contract to supply in-pit dozer mining units for Coburn. The contract is with leading mineral sands mining and equipment specialist Piacentini & Son. The scope includes the design, procurement, construction and commissioning of three dozer mining units capable to reliably receive, screen and pump ore from the mine to the processing facilities.

The Company progressed a range of project early works activities including, but not limited to, in-fill production control drilling (for the first 2-year detailed mine production plan), detailed site geotechnical analysis, additional confirmatory metallurgical, ore pumping/rheology and slimes/thickener test work (to finalise equipment and vendor selections) and ongoing environmental monitoring and heritage surveys (in accordance with current environmental approvals).

Strandline also secured several key operational licences, including the water extraction licence (for the mining production demand) and statutory approvals to align with the optimised mine plan, including an updated Mining Proposal and Mine Closure Plan, Project Management Plan and updated mine disturbance area (under a new Section 45c approval).

For more information on the Coburn mineral sands project, refer to the ASX Announcement dated 16 April 2020 on details of the material assumptions underpinning the production target and financial results for the Coburn Project DFS, Ore Reserve and Mine Life Extension Case Scoping Study. The Company confirms that all the material assumptions underpinning the production target and financial results continue to apply and have not materially changed.

Mineral Sands Project - Tanzania

Fungoni Project

Fungoni is Strandline's 100%-owned, high-margin project in Tanzania, situated 25km from the port of Dar es Salaam. Development of Fungoni will pave the way for a succession of major mineral sands projects along the coastline of Tanzania, as well as establish a new industry in Tanzania. The project is based on a capital efficient and proven execution strategy, with a fixed price EPC contract signed with international contractor, GR Engineering Services, that underpins a 12-month build phase to first production.

The Fungoni DFS demonstrates strong financial metrics including project pre-tax NPV10 of US\$48.7m (real, no debt), an IRR of 61% and LOM EBITDA of US\$115m (avg annual US\$18.5m), based on TZMI price forecast. The mining licence and environmental certificate have been granted by the Tanzanian authorities and there are a host of socio-economic benefits recognised with the project, including capital inflows to Tanzania, high local content, significant job creation, knowledge transfer and community engagement programs.

With key development approvals in place, 100 per cent of the product pre-sold via offtake, strong government support, major contractors appointed and project financing nearing completion, Strandline is well positioned to commercialise its first project in Tanzania and capitalise on the growing mineral sands market.

Following the receipt of credit approval from Nedbank CIB for a five-year US\$26 million a comprehensive Framework Agreement has been developed by the Parties and has reached a mature draft form, pending a final approvals process by the Parties. The Framework Agreement will provide a stable arrangement between the GNT and Strandline (and Jacana) through the Fungoni development cycle, as well as allowing for Strandline's future mineral sands projects in Tanzania. The Facility accounts for the majority of Fungoni's total estimated capital cost of US\$35 million including taxes, levies and excluding financing costs.

The main areas of focus now rest with the finalisation of land access compensation and resettlement agreements, secondary-level government approvals (including, conforming documentation for the Tanzanian Government's 16% free carried interest in the project) and satisfying the equity shortfall. As part of this process, Strandline is engaging with international finance institutions interested in strategic equity investment (at Project and/or Company level).

For more information on the Fungoni mineral sands project, refer to the ASX Announcement dated 06 October 2017 (Original DFS) and subsequent update on 01 November 2019 (Updated DFS) for details of the material assumptions underpinning the production target and financial results. The Company confirms that all the material assumptions continue to apply and have not materially changed.



Tajiri Project

Strandline's 100%-owned Tajiri mineral sands project comprises a series of higher-grade mineral sands deposits stretching along 30kms of coastline in northern Tanzania, near the port city of Tanga. A JORC-compliant Mineral Resource was announced in the last financial year of 268Mt at 3.3% THM, containing 8.8Mt of Heavy Mineral, which includes in-situ rutile (580,000t), zircon (335,000t), ilmenite (5,206,000t) and almandine garnet (1,477,000t).

During the half year, Strandline released the results of the Engineering Scoping Study as detailed below:

- Project pre-tax NPV of US\$205m (pre-debt, real, 10% discount rate);
- Project pre-tax IRR of 36%, with a high-margin revenue-to-operating cost (C1) ratio of 2.4;
- JORC-compliant Mineral Resources of 268Mt @ 3.3% Total Heavy Mineral forms the basis of the Study;
- Conventional mineral sands processing technology capable of producing a high-value product suite of ilmenite, HiTi (rutile-leucoxene), zircon, monazite and garnet concentrates;
- 18-month design and construct duration to achieve first ore to process plant;
- Development capital of US\$125m to establish an open-pit mining and processing operation;
- Opportunities to grow and optimise Production Targets, further increasing financial returns;
- Tajiri is expected to generate significant socio-economic benefits, employment and local enterprise opportunities; and
- In addition, Tajiri benefits from its proximity to existing infrastructure and supports a range of key regional development initiatives in north-east Tanzania

Table 2 Tajiri Project – Engineering Scoping Study Financial Evaluation

Category	Engineering Scoping Study (Oct-20)
Mine Life	23.4yrs
Tonnes Mined –Production Targets	185Mt
Throughput	8Mtpa
Capital Expenditure (Pre-production)	US\$125M
Revenue	US\$1.61B
Total Opex (C1)	US\$0.66B
Total All-in Sustaining Costs (AISC)	US\$0.76B
Revenue-to-operating cost (C1) ratio (RC)	2.4
Average Annual C1 Cost per product tonne	US\$124/t
Average Annual AISC ("A") per product tonne	US\$143/t
Average Annual Basket Price ("B") per product tonne	US\$303/t
Average Cash Margin (B-A) per product tonne	US\$160/t
Total EBITDA	US\$0.9B
Average Annual EBITDA	US\$36.8M
NPV (discount rate of 10%, pre-tax, real, no debt)	US\$205M
IRR (pre-tax, real, no debt)	36%

Notes:

¹ The NPV has been calculated using project related costs only and does not consider Strandline's corporate costs. Scoping Study capital and operating costs have been developed in accordance with a ±30% accuracy

Table 3 Tajiri Project – Engineering Scoping Study Average Production

Production Category	Average Annual Production (LOM)
HMC Production from WCP	261.2Ktpa
HiTi (rutile-leucoxene) Production from MSP ¹	16.0Ktpa
Ilmenite Production from MSP ²	150.1Ktpa
Zircon Concentrate Production (incl. zircon, monazite, garnet & titanium minerals) from MSP ²	60.7Ktpa

Notes:

¹ Exported as container cargo ² Exported as bulk cargo



The Tajiri Scoping Study provides a strong foundation to advance to the next phase of project economic evaluation and permitting. For more information on the material assumptions underpinning Tajiri's production target and financial results, refer to the ASX Announcement dated 7 October 2020.

Strandline confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Engineering Scoping Studies continue to apply and have not materially changed.

Scoping Study Cautionary Statement

The Tajiri project Scoping Study is a preliminary technical and economic study of the potential viability of developing the project's mine and associated infrastructure. The Scoping Study is based on lower level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised.

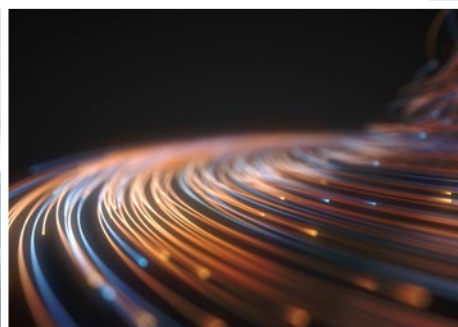
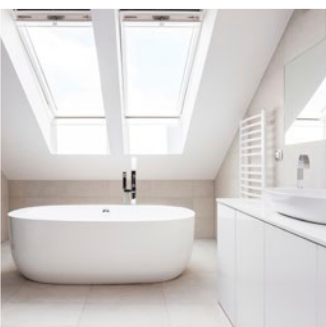
Approximately 90% of the total Mineral Resources for the Tajiri Project and approximately 91% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Measured and Indicated Resources. Approximately 10% of the total Resources for the Tajiri Project and approximately 9% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Inferred Resources in the remaining 2 years. There is a lower level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the potential mine development outcomes indicated in the Scoping Study, initial funding in the order of US\$125 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed, however the Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project.

It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to provide alternative funding options including project finance. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

MINERAL SANDS DEVELOPER WITH A FOCUS ON TITANIUM AND ZIRCON PRODUCTS





Bagamoyo Project

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Outstanding assays received from the maiden drilling program during the September 2019 Quarter confirm Bagamoyo as a major mineral sands discovery.

The Company has estimated a maiden Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM (see ASX release dated 17 September 2019). Minor field activity was performed during the quarter and a further drill program is required to test the veracity of the Exploration Target.

Strandline would caution the reader that the potential quantity and grade of the combined Exploration Target is conceptual in nature and there has been insufficient exploration to define a JORC compliant Mineral Resource. It is also uncertain if further exploration and resource development work will result in the determination of a Mineral Resource.

Fowlers Bay Nickel-Gold Project

Exploration activities are being funded by Western Areas Limited (Western Areas), which covers Strandline's 700km² Fowlers Bay Project in the Western Gawler region of South Australia. During the half year, the Company converted its interest in the project into a 1% net smelter royalty.

Financial

Financial Results

The Group incurred a loss after tax for the half-year of \$6.25 million (31 December 2019: \$4.43 million) which includes exploration costs and corporate expenses expensed during the period. As the Group is still in the exploration and evaluation stage, revenue streams mainly consist of interest earned on investing surplus funds from capital raising and research and development rebates received from the Australian government.

Funds received from the Revenue for the period included interest received of \$0.03 million and exploration and evaluation expenditure for the period was \$4.95 million (31 December 2019: \$2.31 million).

Financial Position

The Group's net asset position as at 31 December 2020 was \$24.4 million (30 June 2020: \$12.7 million) and consolidated cash on hand as at 31 December 2020 was \$17.3 million (30 June 2020: \$5.2million).

The consolidated financial statements have been prepared on the going concern basis as the Directors believe, amongst other things, that they will continue to be successful in securing additional funds through issue of shares, the disposal of assets and/or farm-outs.

SUBSEQUENT EVENTS

On 12 February 2021, as part of the Strategic partnership between Primero and Mineral Technologies for the ECI and Front-End Design activities (as announced on the ASX 29 September 2020), Strandline has signed a supply agreement with Mineral Technologies for the manufacture and supply of Coburn's process plant spiral equipment.

On 3 March 2021, Strandline announced the signed offtake agreement with Venator Materials for 100% of the rutile to be produced at Coburn over the first 5 years (as announced on the ASX 29 September 3 March 2021)

Other than that mentioned above, there has not been any matter or circumstance that has arisen since the end of the half year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.



AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration is set out separately in this Interim Financial Report.

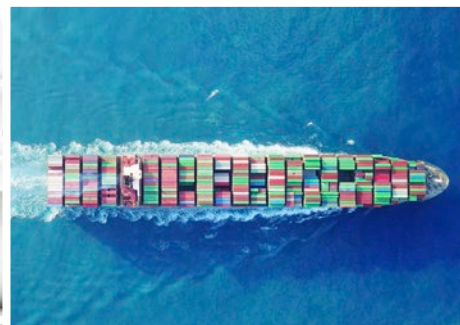
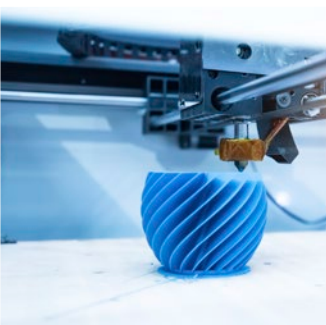
This Directors' Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors

Luke Graham
MANAGING DIRECTOR

8 March 2021
Perth, Western Australia

OUR VISION: ENRICHING EVERYDAY LIFE





ANNEXURE A – MINERAL RESOURCE DATA

MINERAL RESOURCES – The Company's mineral resource estimates and ore reserves are summarised in the tables below.

Table A Mineral Resource Statement for Fungoni at May 2017

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources⁽¹⁾					VHM assemblage⁽²⁾					
Deposit	Mineral Resource Category	Tonnage	In situ HM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	8.77	0.4	4.3	43.3	4.3	18.3	1.0	19	7.0
FUNGONI	Indicated	12.97	0.2	1.8	36.7	4.3	14.6	1.4	24	7.0
	Total⁽³⁾	21.74	0.6	2.8	40.7	4.3	16.9	1.2	22	7.0

Notes:

(1) Mineral Resources reported at a cut-off grade of 1.0% THM

(2) Valuable Mineral assemblage is reported as a percentage of in situ THM content

(3) Appropriate rounding applied

Refer ASX announcement 2 May 2017 for full details of the Fungoni Mineral Resource Estimate. Mineral Resources were converted to Ore Reserves in accordance with the JORC Code 2012 Edition based on the pit designs, recognising the level of confidence in the Mineral Resource Estimation, and reflecting modifying factors. Refer ASX announcement 6 October 2017 for full details of the Fungoni Ore Reserve statement.

Table B Ore Reserve Statement for Fungoni Project at October 2017

ORE RESERVES SUMMARY FOR FUNGONI PROJECT						
Deposit	Reserve Category	Ore	Slimes		Heavy Mineral	
		(Mt)	(Mt)	(%)	In Situ HM (kt)	THM (%)
FUNGONI	Proved	6.9	1.2	18	341	4.9
FUNGONI	Probable	5.4	1.0	19	138	2.6
	Total*	12.3	2.3	19	480	3.9

*Note totals may deviate from the arithmetic sum due to rounding.

Table C Tanga South (Tajiri) Project Mineral Resource Estimate (July 2019)

Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage	Insitu HM	THM	SLIMES	OS	Ilmenite	Zircon	Rutile	Leucoxene	Garnet
			(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
T3	1.70%	Measured	19	0.6	3.4	37	6	64	4	7	0	5
TC	1.70%	Measured	55	1.9	3.5	23	10	42	2	5	0	38
		Total	74	2.5	3.4	27	9	48	3	5	0	30
Tajiri T1	1.50%	Indicated	36	1.3	3.7	34	4	71	6	10	0	3
Tajiri North	1.70%	Indicated	60	1.7	2.8	47	4	75	4	6	1	1
T2	1.70%	Indicated	17	0.5	2.8	32	11	58	4	7	0	18
T3	1.70%	Indicated	3	0.1	2.8	39	4	66	5	8	1	4
T4	1.70%	Indicated	14	0.4	3.0	24	6	61	4	8	0	12
TC	1.70%	Indicated	35	1.4	4.1	27	9	46	3	6	0	36
		Total	165	5.4	3.3	36	6	64	4	7	0	13
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		Total	29	0.9	3.0	30	12	64	4	7	1	2
		Grand Total	268	8.8	3.3	33	7	59	4	7	0	17



Notes:

¹ Mineral Resources reported at various THM cut-offs

² Mineral Assemblage is reported as a percentage of insitu THM content

³ Appropriate rounding applied

Refer to the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project.

Table D Coburn Project JORC 2012 Global Mineral Resources – Amy South and Amy North

Resource Category	Ore ⁽¹⁾			Valuable HM Grade (In-Situ) ⁽²⁾					
	Material (Mt)	In situ THM (Mt)	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Slimes (%)	Oversize (%)
Measured	119	1.5	1.3	45	5	24	6	3	6
Indicated	607	7.7	1.3	48	7	22	5	3	3
Inferred	880	10.4	1.2	49	7	21	4	3	1
Total	1,606	19.6	1.2	48	7	22	5	3	2

Notes:

1. Mineral Resources reported at a cut-off grade of 0.8% THM

2. Valuable Mineral assemblage is reported as a percentage of in situ THM content

3. Appropriate rounding applied

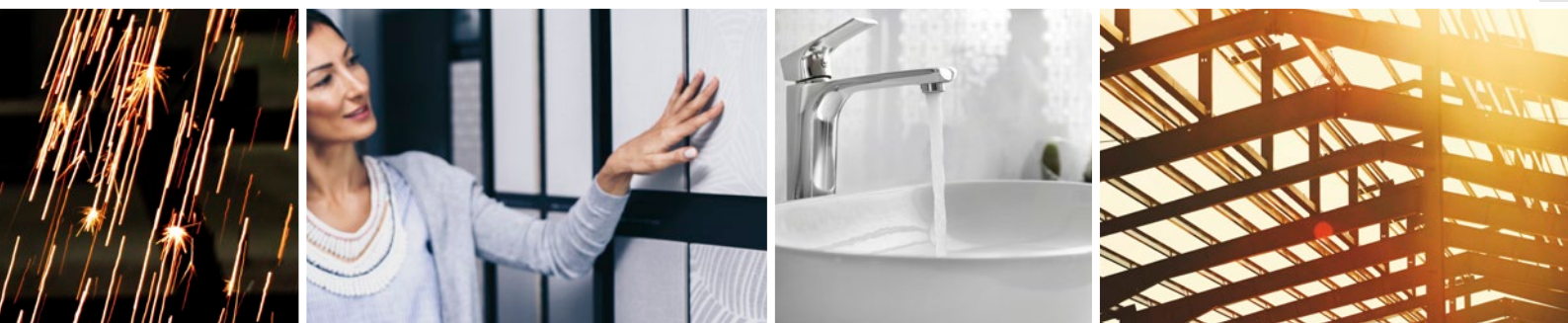
Table E Coburn Project JORC 2012 Ore Reserve Statement April 2019

ORE RESERVES SUMMARY FOR COBURN PROJECT				
Deposit	Reserve Category	Ore	Heavy Mineral	
		(Mt)	In Situ HM (Mt)	THM (%)
Coburn - Amy South	Proved	106	1.16	1.10
Coburn - Amy South	Probable	417	4.66	1.12
	Total¹	523	5.83	1.11

Notes:

1. Total may deviate from the arithmetic sum due to rounding

Refer to the ASX announcement dated 16 April 2019 for full details of the Ore Reserve and Mineral Resource estimates for the Coburn Project.





MINERAL SANDS COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, Chief Geologist and employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been 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". Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Strandline Resources.

Tanga South (Tajiri) Mineral Resources

The information in this report that relates to Mineral Resources for Tanga South (Tajiri) is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australasian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the drill database, geological model interpretation and completed the site inspection. Mr Jones is the Competent Person for the resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Tanga South (Tajiri) Scoping Study Production Targets (No ore reserves declared)

The information in this report that relates to the production targets considered within the Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC Consultants Pty Ltd. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Tanga South (Tajiri) Resource announcement dated 09 July 2019.

Fungoni Mineral Resources

The information in this report that relates to Mineral Resources for Fungoni is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australasian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the drill database, geological model interpretation and completed the site inspection. Mr Jones is the Competent Person for the mineral resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Fungoni Ore Reserves

The information in this report that relates to the Fungoni Ore Reserves are based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the Ore Reserve estimate are drawn from contributions provided by various sources. Significant contributors to this report are identified in Table 5 (ASX 6/10/2017) together with their area of contribution.



Coburn Mineral Resources

The information in this report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and Mr Brendan Cummins (Chief Geologist and employee of Strandline). Mr Jones is a member of the Australasian Institute of Mining and Metallurgy and Mr Cummins is a member of the Australian Institute of Geoscientists and both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cummins is the Competent Person for the provision of the drill database, and completed the site inspection. Mr Jones is the Competent Person for the data integration and resource estimation. Mr Jones and Mr Cummins consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Coburn Ore Reserves

The information in this report that relates to the Coburn Ore Reserves is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the Ore Reserve estimate are drawn from contributions provided by various sources. Significant contributors to this report are identified in Table 5 (ASX announcement 16/04/2019) together with their area of contribution.

Coburn Scoping Study Production Targets (No ore reserves declared)

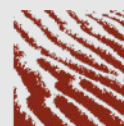
The information in this report that relates to the Mine Extension Case Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC Consultants Pty Ltd. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Coburn Ore Reserve announcement dated 16 April 2019.

FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Strandline only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Strandline does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.



AUDITOR'S INDEPENDENCE DECLARATION



STRANDLINE
resources limited



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Subiaco, WA 6008
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Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF STRANDLINE RESOURCES LIMITED

As lead auditor for the review of Strandline Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Strandline Resources Limited and the entities it controlled during the period.

Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 8 March 2021

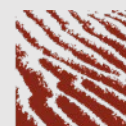
BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Notes to the Consolidated Financial Statements	20

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



STRANDLINE
resources limited

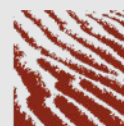
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		31 Dec 2020	31 Dec 2019
	Notes	\$	\$
Other Income	3	498,165	48,238
Employee benefits expense	2	(640,197)	(821,925)
Depreciation and amortisation expense	2	(72,001)	(6,423)
Share based payment expense	2/9	(388,465)	(970,061)
Exploration and evaluation expenditure		(4,948,763)	(2,305,599)
Other expenses		(701,850)	(378,288)
Loss before income tax		(6,253,111)	(4,434,058)
Income tax benefit		-	-
Loss after income tax for the period		(6,253,111)	(4,434,058)
Changes in the fair value of financial assets	7	(630,000)	-
Exchange differences arising on translation of foreign operations		(532,312)	91,523
Other comprehensive income/(Loss) for the period, net of income tax		(1,162,312)	91,523
Total comprehensive loss for the period		(7,415,423)	(4,342,535)
Loss attributable to:			
Owners of Strandline Resources Limited		(7,415,423)	(4,342,535)
		Cents per share	Cents per share
Basic and diluted loss per share (cents per share)		(1.25)	(1.17)

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 31 DECEMBER 2020

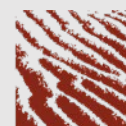


STRANDLINE
resources limited

		31 Dec 2020	30 Jun 2020
	Notes	\$	\$
Current assets			
Cash and cash equivalents	4	17,286,304	5,241,516
Other receivables		391,610	241,296
Total current assets		17,677,914	5,482,812
Non-current assets			
Prepayments		109,997	6,484
Property, plant and equipment	6	466,035	25,228
Exploration and evaluation expenditure	5	7,072,900	7,555,665
Financial assets at fair value through Other Comprehensive income	7	840,000	210,000
Total non-current assets		8,488,932	7,797,377
Total assets		26,166,846	13,280,189
Current liabilities			
Trade and other payables	8	1,139,909	472,856
Borrowings and Lease Liability	6	150,287	-
Provisions		200,157	142,387
Total current liabilities		1,490,353	615,243
Non-Current Liabilities			
Borrowings and Lease Liability	6	276,662	-
Provision		1,988	-
Total Non-current liabilities		278,650	615,243
Total liabilities		1,769,003	615,243
Net assets		24,397,843	12,664,946
Equity			
Contributed equity	9	100,580,640	81,862,239
Reserves	10	3,640,406	4,372,799
Accumulated losses		(79,823,203)	(73,570,092)
Total equity		24,397,843	12,664,946

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



STRANDLINE
resources limited

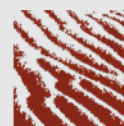
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed Equity \$	Share based payment s reserve \$	Revaluation Reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	75,020,276	2,737,643	-	813,345	(65,434,114)	13,137,150
Comprehensive income for the period						
Loss for the period	-	-	-	-	(4,434,057)	(4,434,057)
Foreign currency translation difference for foreign operation	-	-	-	91,523	-	91,523
Total comprehensive loss for the period	-	-	-	91,523	(4,434,057)	(4,342,535)
Issue of ordinary shares	60	-	-	-	-	60
Share issue costs	(6,835)	-	-	-	-	(6,835)
Recognition of share- based payments	296,038	674,024	-	-	-	970,061
Performance rights vested into shares	373,762	(373,762)	-	-	-	-
Balance at 31 December 2019	75,683,301	3,037,905	-	904,868	(69,868,171)	9,757,903
Balance at 1 July 2020	81,862,239	3,409,359	-	963,440	(73,570,092)	12,664,946
Comprehensive income for the period						
Loss for the period	-	-	-	-	(6,253,111)	(6,253,111)
Re-valuation of Available for sale investments			630,000			630,000
Foreign currency translation difference for foreign operation	-	-	-	(532,312)	-	(532,312)
Total comprehensive loss for the period	-	-	630,000	(532,312)	(6,253,111)	(6,155,423)
Issue of ordinary shares	18,459,675	-	-	-	-	18,459,675
Share issue costs	(959,820)	-	-	-	-	(959,820)
Recognition of share- based payments	167,272	221,193	-	-	-	388,465
Performance rights vested into shares	1,051,274	(1,051,274)	-	-	-	-
Balance at 31 December 2020	100,580,640	2,579,278	630,000	431,128	(79,823,203)	24,397,843

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

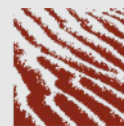


STRANDLINE
resources limited

	Notes	31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities			
Payments for exploration and evaluation		(4,636,012)	(2,055,568)
Joint Venture contributions less payments for exploration		-	32,596
Payments to suppliers and employees		(1,338,723)	(1,194,469)
Interest Received		39,665	31,031
Research and development grant received		396,445	-
Other income		73,799	14,659
Net cash (used in) operating activities		(5,464,826)	(3,171,751)
Cash flows from investing activities			
Payments for property, plant and equipment		9,902	(3,467)
Net cash (used in) investing activities		9,902	(3,467)
Cash flows from financing activities			
Proceeds from issues of shares		18,459,674	60
Payment for share issue costs	8	(959,818)	(6,834)
Net cash inflow provided by financing activities		17,499,856	(6,774)
Net decrease in cash and cash equivalents		12,044,932	(3,181,992)
Cash and cash equivalents at the beginning of the period		5,241,516	6,065,323
Effects of foreign exchange movement on opening cash balance		(144)	2,698
Cash and cash equivalents at the end of the period	4	17,286,304	2,886,029

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1. Significant accounting policies

a) Reporting Entity

Strandline Resources Limited is a company domiciled in Australia. These consolidated half-year financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the exploration and development of heavy mineral sands resources.

b) Statement of compliance

The consolidated half-year financial statements are a general purpose financial statement prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Strandline Resources Limited during the half-year period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

c) Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for financial assets and financial liabilities that are recognised initially at fair values and subsequently measured at amortised cost or at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

d) Adoption of new and revised Accounting Standards

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new or amended standards has not resulted in any change to the entity's accounting policies.

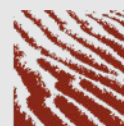
Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. 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 affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

2. Loss for the period

Loss for the period has been arrived at after charging the following items of expenses:

	31 Dec 2020 \$	31 Dec 2019 \$
Employee benefit expense		
Directors' fees	127,675	106,542
Wages and salaries	394,317	524,506
Superannuation expenses	85,111	111,392
Other employment costs	33,094	79,479
	640,197	821,925
Depreciation expense	72,001	6,423
Occupancy expenses	18,650	35,488
Share-based payments	388,465	970,061

3. Other Income

Other income includes the following Income items:

	31 Dec 2020 \$	31 Dec 2019 \$
Research and Development Grant	396,445	-
COVID-19 Government Grants	67,500	-

4. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in banks and deposits at call which are readily convertible into cash and used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

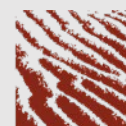
Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	31 Dec 2020 \$	30 Jun 2020 \$
Cash at bank	15,986,304	241,516
Cash on deposit	1,300,000	5,000,000
Cash and bank balances	17,286,304	5,241,516

5. Exploration and evaluation expenditure

	31 Dec 2020 \$	30 Jun 2020 \$
Carried forward exploration and evaluation expenditure	7,555,665	7,460,770
Foreign exchange movement	(482,765)	94,895
	7,072,900	7,555,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6. Right of Use Asset and Lease Liabilities

During the December 2020 Half-year Strandline entered a lease for its head-office building on the 1 August 2020. The non-cancellable period of the lease is 3 years with the option to extend the lease. The company as part of this lease was given early access to use the building for 6 months commencing on the 1st August 2020. Each year the lease payments are adjusted for every year based at a rate of 3% each year.

	31 Dec 2020 \$	30 Jun 2020 \$
Right of Use Asset		
Head Office	486,881	-
Accumulated Amortization	(57,908)	-
<i>Net Carrying Amount</i>	<u>428,973</u>	-
Lease Liability		
Current Head Office Lease Obligations	150,287	-
Non-Current Head Office Lease Obligations	276,662	-
<i>Total Lease Liability</i>	<u>426,949</u>	-

7. Financial Assets

The following financial assets are measured at fair value, using a three-level hierarchy, based on the lower level of input that is significant the entire fair value measurement being:

- Level 1: Quoted priced in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted market prices included in level 1 that are observable for reg asset or liability either direct or indirect.
- Level 3: Unobservable inputs which result in the best information available in the circumstances are utilised which may include estimates and assumptions.

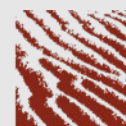
During the period Torrens Mining LTD (ASX: TRN) released an IPO for 20c per share on the 13 November 2020. The company holds 4,200,000 shares in Torrens Mining Ltd which were revalued to reflect this change in information available.

	31 Dec 2020 \$	30 Jun 2020 \$
Financial assets at fair value through Other Comprehensive Income	<u>840,000</u>	<u>210,000</u>

8. Current trade and other payables

	31 Dec 2020 \$	30 Jun 2020 \$
Trade payables	814,462	397,548
Accrued director fees	4,563	5,019
Other creditors and accruals	320,884	70,290
	<u>1,139,909</u>	<u>472,857</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

9. Issued capital

Fully paid ordinary shares

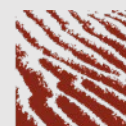
The issued capital at 31 December 2020 was 522,895,557 fully paid ordinary shares.

	31 Dec 2020 \$	30 Jun 2020 \$
522,895,557 fully paid ordinary shares (30 June 2020: 426,769,138)	100,580,640	81,862,239

The Company does not have a limited amount of authorised capital and issued shares do not have a par value

Fully paid ordinary shares	31 Dec 2020		30 June 2020	
	No.	\$	No.	\$
Balance at beginning of period	426,769,138	81,862,239	366,695,721	75,020,276
Issue of Shares to employees (100% of STI bonus taken as shares) Peter Watson	-	-	344,424	47,427
Issue of Shares to employees (50% of STI bonus taken as shares) Luke Graham	-	-	729,847	100,500
Issue of Shares to employees (50% of STI bonus taken as shares) - Employees	-	-	1,075,599	148,110
Performance Rights - expiring 15/8/18 vested – Employees	-	-	1,360,538	168,707
Performance Rights - expiring 15/8/18 vested – Luke Graham	-	-	2,291,667	165,000
Performance Rights - expiring 15/8/18 vested – Peter Watson	-	-	323,025	40,055
Share Issue	-	-	16,666,667	2,000,000
Rights Issue	-	-	37,281,650	4,473,798
Placement	85,858,950	18,459,675	-	-
Issue of Shares to employees (50% of STI bonus taken as shares) - Peter Watson (ii)	148,400	33,895	-	-
Issue of Shares to employees (67% of STI bonus taken as shares) – Employees	583,964	133,377	-	-
Performance Rights - expiring 15/8/20 vested – Employees	3,496,730	456,399	-	-
Performance Rights - expiring 15/8/20 vested – Luke Graham (i)	5,500,000	533,500	-	-
Performance Rights - expiring 15/8/20 vested – Peter Watson (iil)	538,375	61,375	-	-
Share issue costs for period	-	(959,820)	-	(301,634)
Balance at end of period	522,895,557	100,580,640	426,769,138	81,862,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

- (i) 5,500,000 shares issued to Mr Luke Graham pursuant to the Company's Long Term Incentive Plan, as approved by shareholders on 24 November 2016.
- (ii) 148,400 shares issued to Mr Peter Watson pursuant to the company's Long term incentive plan, as approved by shareholders on the 28 November 2019
- (iii) 538,675 shares issued to Mr Peter Watson pursuant to the Company's Short-term Incentive Plan, as approved by shareholders on 28 November 2019. The shares were issued in lieu of an equivalent cash payment.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

Performance Rights

Fair value of performance rights granted in the period

For performance rights with market conditions, the fair value of services received is measured using a binomial pricing model. For performance rights with non-market conditions, fair value is measured using the closing share price at grant date. Vesting is based on the performance conditions being met which are listed below.

A total of 4,426,512 performance rights were granted to KMP and Directors during the period.

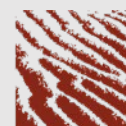
Total number granted	Grant date	Vesting/ Expiry date	Fair value at grant date \$ per right	Vesting conditions
2,225,941	10/11/2020	15/08/2023	0.159	Tranche 4
2,200,571	28/11/2020	15/08/2022	0.121	Tranche 5
4,426,512				

- Tranche 4 Period: 1 July 2020 – 30 June 2023
- Tranche 5 Period: 1 July 2020 – 30 June 2022

The performance rights will only vest if certain performance conditions are met. At the end of each tranche's performance measurement period, the Board will rank the Company's Total Shareholder Return (TSR) against a peer group of other companies as determined by the Board. The percentage of performance rights in each respective tranche that will vest will depend upon the Company's TSR performance relative to the companies in the peer group, which will constitute Category A, B or C TSR performance, as set out below:

- a) **Category A TSR performance:** If the Company's TSR is at/or below the 45th percentile of the peer group of companies' TSR, no PRs will vest.
- b) **Category B TSR performance:** If the Company's TSR ranks between the 46th and 50th percentile (inclusive) of the peer group of companies' TSR, for each percentile over the 45th percentile, 10% of the PRs will vest (up to a maximum of 50% for this Category).
- c) **Category C TSR performance:** For each 1% ranking at or above the 51st percentile of the peer group of companies TSR, an additional 2% of the PRs will vest (up to a maximum of 100%, which vest at or above the 75th percentile).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

10. Reserves

	31 Dec 2020	30 Jun 2020
	\$	\$
Share-based payments reserve	2,243,992	3,074,073
Revaluation Reserve	630,000	-
Options Reserve	335,286	335,286
Foreign currency translation reserve	431,128	963,440
	3,640,406	4,372,799
Share Based Payment Reserve		
Balance at beginning of period	3,074,073	2,737,642
Movement in reserve from previous reporting period (i)	(830,081)	336,431
Balance at end of period	2,243,992	3,074,073

The share-based payments reserve arises on the grant of performance rights to executives, employees, consultants and advisors. Amounts are transferred out of the reserve and into issued capital when the performance rights vest.

- (i) During the period, 5,500,000 performance rights relating to a prior year issue to Luke Graham converted into shares. Refer to Statement of changes in Equity for reconciliation of the total movement.
- (ii) During the period, 538,375 performance rights relating to a prior year issue to Peter Watson converted into shares. Refer to Statement of changes in Equity for reconciliation of the total movement.

11. Contingencies and Commitments

The Directors are not aware of any contingent liabilities as at 31 December 2020 (30 June 2020: \$nil) or any material changes to commitments since 30 June 2020. Please ref to the Note 14: Subsequent events for any material change since the 31st December 2020.

12. Related party transactions

Transactions with key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2020 annual financial report. Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

During the period:

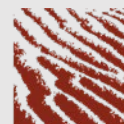
- Mr Luke Graham received 1,751,313 performance rights pursuant to the Company's Long Term Incentive Plan, as approved by shareholders on 28 November 2019.
- Mr Peter Watson received 474,628 performance rights pursuant to the Company's Long Term Incentive Plan, as approved by shareholders on 28 November 2019.
- Mr Flavio Garofalo received 1,145,931 performance rights pursuant to the Company's Long Term Incentive Plan

Mr Didier Murcia, Non-Executive Chairman, is a partner in the legal firm, Murcia Pestell Hillard. Fees totalling \$80,924 were paid to Murcia Pestell Hillard for general legal services (30 June 2020: \$85,151).

Mr Murcia is also the Chairman of Artemis Management Tanzania, a provider of corporate, administration, logistics, tenement management and evaluation and environment management services in Tanzania. Fees totalling \$nil were paid to Artemis Management Tanzania for rental, corporate and administration services (30 June 2020: \$116,178).

All transactions related to the services were based on normal commercial terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED



STRANDLINE
resources limited

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

13. Dividends

No dividends were paid or declared for the half-year ended 31 December 2020 and the Directors have not recommended the payment of a dividend.

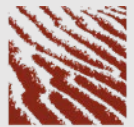
14. Subsequent Event

On 12 February 2021, as part of the Strategic partnership between Primero and Mineral Technologies for the ECI and Front-End Design activities (as announced on the ASX 29 September 2020), Strandline has signed a supply agreement with Mineral Technologies for the manufacture and supply of Coburn's process plant spiral equipment.

On 3 March 2021, Strandline announced the signed offtake agreement with Venator Materials for 100% of the rutile to be produced at Coburn over 5 years (as announced on the ASX 29 September 3 March 2021)

Other than that mentioned above, there has not been any matter or circumstance that has arisen since the end of the half year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION



STRANDLINE
resources limited

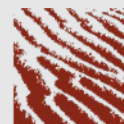
In the Directors' opinion:

- (a) the consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Luke Graham
Managing Director

8 March 2021
Perth, Western Australia



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Strandline Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Strandline Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

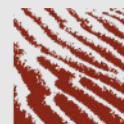
We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 8 March 2021



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