

Strandline moves to complete funding for Coburn mineral sands project in WA

Strong progress made in discussions with multiple lenders for Coburn's commercial debt facility; The selected commercial facility will stand alongside the approved A\$150m NAIF loan; Port access agreement signed and other major construction contracts awarded

Coburn Mineral Sands Project, Western Australia

- Strandline advanced the commercial debt options for the development of Coburn, progressing detailed discussions with several potential sources
- The commercial debt tranche will stand alongside the already-approved 15-year A\$150 million loan facility from the Commonwealth Government's Northern Australia Infrastructure Facility (NAIF)
- Port access and services agreement signed with the Mid West Ports Authority, which operates the Port of Geraldton in WA, to export 100% of the products from Coburn over an initial 10-year term
- Appointment of Contract Power as preferred contractor to build, own and operate Coburn's power station, integrating gas-fuelled power generation with solar renewable energy and battery storage
- Appointment of Woodside-EDL joint venture (WEJV) as preferred contractor to supply trucked LNG for power generation to Coburn
- Progressed Front End Engineering Design with Primero Group operating in strategic partnership with Mineral Technologies to further optimise the processing plant design in preparation for construction

Fungoni and Tajiri Mineral Sands Projects, Tanzania

- Strandline continued to progress its portfolio of high-quality mineral sands assets in Tanzania, including the development-ready Fungoni project and the emerging Tajiri project
- As part of finalising project financing for Fungoni, Strandline and the Government of Tanzania (GNT) have been working to implement the GNT's equity interest in the proposed mine operation
- A comprehensive Framework Agreement has been developed by the Parties and has now reached a mature, final draft form, pending a final approvals process by the parties
- Finalising the Framework Agreement with the GNT is one of Strandline's key conditions under the previously announced Nedbank US\$26m Project Finance Facility Agreement for Fungoni
- Strandline released the results of its Tajiri mineral sands project Scoping Study, based on the JORC Resources of 268Mt @ 3.3% THM, underpinning its long-term production outlook in Tanzania
- Study shows Tajiri will deliver strong financial returns over a 23-year life, with EBITDA of US\$0.9 billion

Corporate

- Cash on hand of A\$17.3m and no debt as at 31 December 2020



Strandline Resources Limited (**Strandline** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ending 31 December 2020. The Company is approaching development decisions on two zircon-titanium rich deposits in WA and Tanzania, and is also progressing exploration and evaluation activities across a series of mineral sands assets in Tanzania, including the large scale Tajiri Project.

Coburn Mineral Sands Project – Western Australia

During the Quarter, Strandline 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).

The commercial debt options under discussion are subject to finalisation of the definitive finance documents, due diligence reviews and final approvals by the parties (including NAIF). Strandline intends to negotiate and close out these remaining finance options as soon as practical with a view to selecting the most attractive commercial terms. The NAIF facility and the proposed commercial debt tranche will account for the majority of Coburn’s total estimated development capital cost of A\$260 million, excluding financing costs (refer ASX announcement dated 4 June 2020).

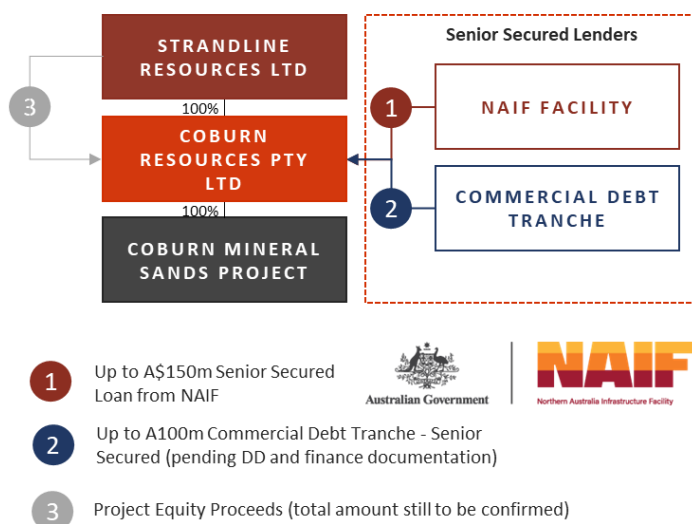


Figure 1 Coburn Project - Indicative Financing Structure

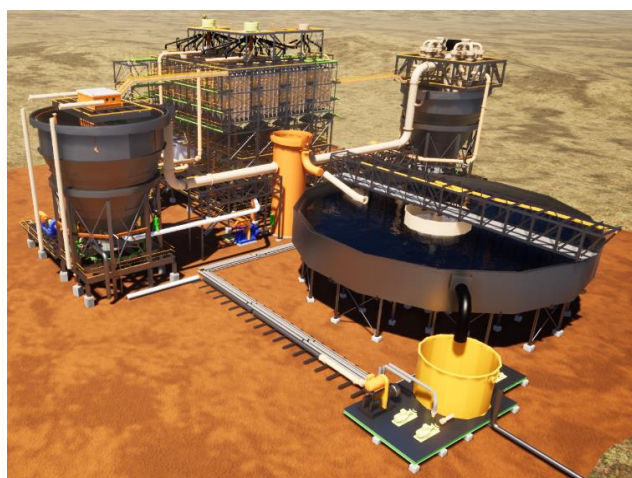


Figure 2 Preliminary 3D model images of Coburn’s WCP and MSP process infrastructure, by preferred EPC contractor Primero Group operating in strategic partnership with Mineral Technologies



Quarterly Report for the period ending 31 December 2020

During the quarter Strandline advanced a range of major contract packages in preparation for project development, including, but not limited to:

- 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); and
- 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).

The proposed power generation facilities and LNG supply contract with Contract Power and WEJV respectively, enables Strandline to source power at less than forecast in the DFS published in June 2020.



Figure 3 Port of Geraldton (where 100% of Coburn's annual production will be exported to the global mineral sands market)

Also, during the quarter, 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).



Quarterly Report for the period ending 31 December 2020

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).

The Coburn project has all key development approvals in place for the commencement of construction.

The Coburn Definitive Feasibility Study (DFS), released 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 first quartile 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 Amy 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.



Figure 4 Coburn Mineral Sands Project Location Map

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



Quarterly Report for the period ending 31 December 2020

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).

The Coburn Project is most sensitive to movements in foreign exchange (AUD:USD) and commodity prices, particularly zircon, as ~55% of revenue is expected to be generated from contained zircon.

During the next quarter, Strandline will progress the debt funding and early works development activities for Coburn, including the commercial debt facility and associated finance documentation, award remaining construction contracts and continue to review its strategic partner options.

For more information on the Coburn mineral sands project, refer to the ASX Announcement dated 10 June 2020 for 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.

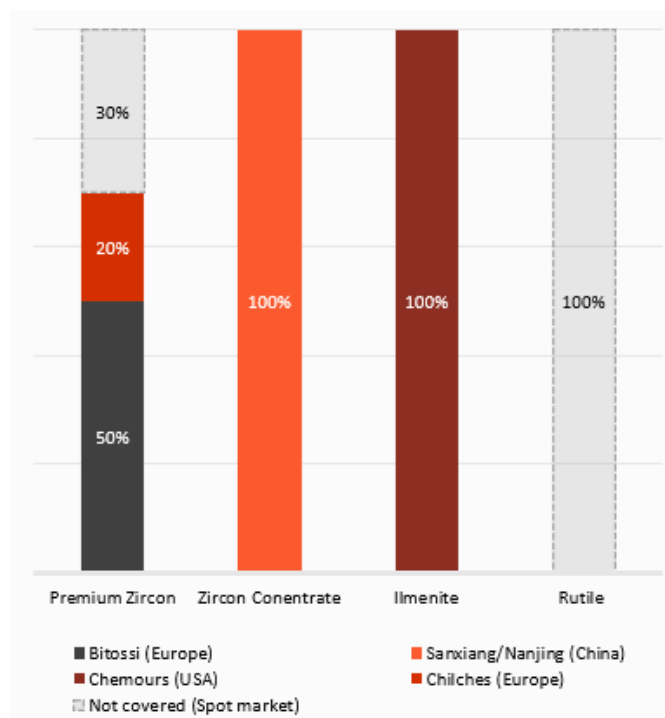


Figure 5 Coburn Products Covered by Offtake Agreements

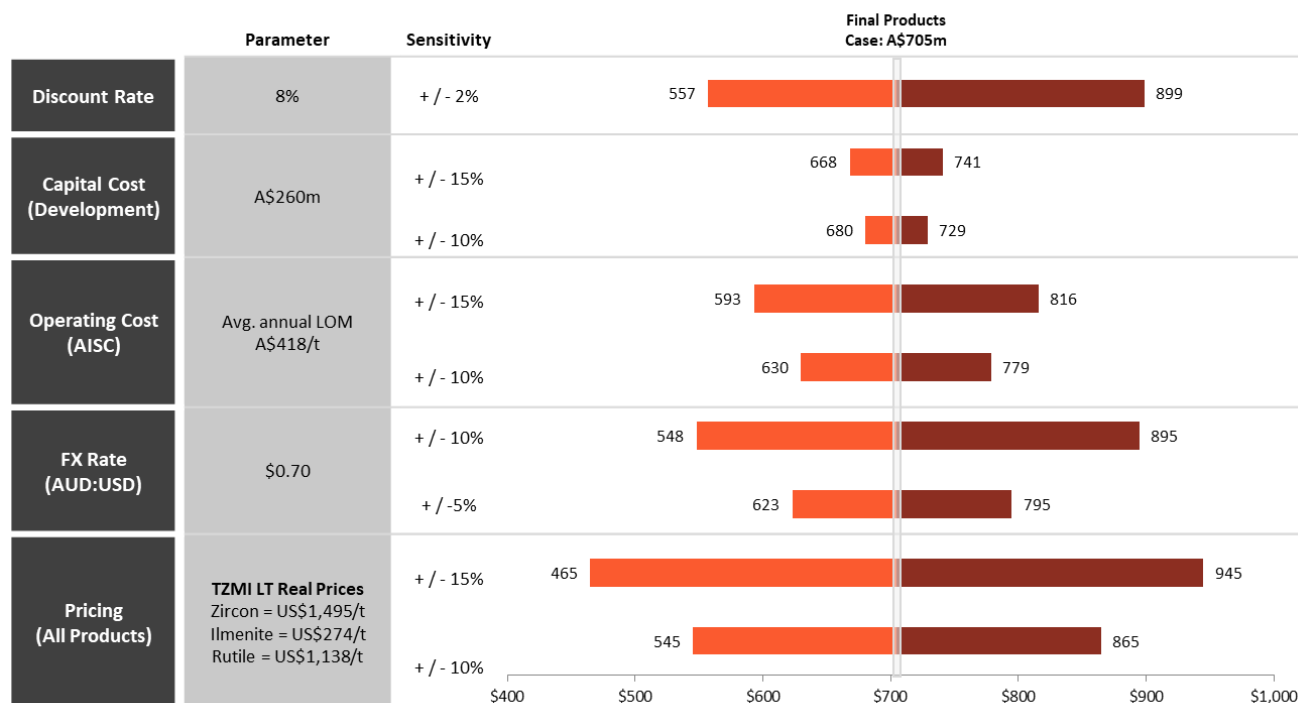


Figure 6 Coburn Project Updated - Project Sensitivity Analysis (based on Pre-tax NPV⁸ of A\$705 million)

The Company confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies, continue to apply and have not materially changed.



Figure 7 Image of the landscape at Coburn project orebody and dunal system

Fungoni Mineral Sands Project - Tanzania

Fungoni is Strandline's 100%-owned, high-margin "starter" project in Tanzania, situated 25km from the port of Dar es Salaam. Development of Fungoni is expected to pave the way for a succession of major mineral sands projects along the coastline of Tanzania, including the large-scale Tajiri project in northern Tanzania .

During the quarter, discussions continued with the Government of the Republic of Tanzania for their share interest in Strandline's Tanzanian project subsidiary Jacana Resources (T) Ltd (Jacana). Jacana is the owner and operator of the Fungoni project and a portfolio of other emerging mineral sands projects along the Tanzanian coastline (refer ASX announcement dated 06 October 2020).

A comprehensive Framework Agreement has been developed by the Parties and has reached a mature, final 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.

As part of the project financing, Strandline has signed a US\$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni. The Nedbank facility accounts for most of Fungoni's US\$35m capital requirement (excluding financing costs) and remains subject to finalisation of the remaining finance documents and conditions precedent to first drawdown.

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.

Once the above-mentioned Framework Agreement is completed, the Company will evaluate Fungoni's development timetable and execution strategies with special consideration to potential impacts from the COVID-19 pandemic.

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 2018 (Updated DFS) for details of the material assumptions underpinning the production target and financial results. The Company confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies, continue to apply and have not materially changed.



Tajiri Mineral Sands Project – Tanzania

During the quarter, Strandline released the results of the Engineering Scoping Study on its 100%-owned Tajiri mineral sands project in northern Tanzania. The Study shows the Tajiri project will generate strong financial returns over a long life:

- Tajiri comprises a series of higher-grade mineral sands deposits stretching along 30kms of coastline in northern Tanzania, near the port city of Tanga;
- 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



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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.



Figure 8 Tajiri Project Site Layout and Scoping Study Production Targets

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.



Quarterly Report for the period ending 31 December 2020

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.

Bagamoyo Mineral Sands Project - Tanzania

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Limited exploration activity took place during the quarter.

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 2018). 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

Strandline has a 1% net smelter royalty interest in the Fowlers Bay project located in the Western Gawler region of South Australia, which is owned and managed by Western Areas Ltd (**ASX: WSA**). There was no material exploration activity completed during the Quarter.

CORPORATE

Cash & Investments

The Company's consolidated cash on hand was A\$17.3 million as at 31 December 2020 (30 September 2020: A\$20.2million) with no corporate debt. The majority of exploration and evaluation expenditure during the quarter was incurred on the Coburn project and included expenditure on front end detailed engineering design, procurement tendering and the development of finance facility documentation with NAIF.

Strandline holds 4.2 million shares in Torrens Mining Limited (**Torrens**) which was acquired as part consideration from the sale of the Mt Gunson Project in 2016 (now referred to as the Elizabeth Creek Project by Torrens) (refer ASX Announcement 22 March 2016). In addition to the shares received, Strandline was eligible to receive a further deferred consideration of A\$1,000,000 once Torrens makes a formal decision to mine in connection with the Project. If, prior to a decision to mine, Torrens project assets become listed on the Australian Securities Exchange (**ASX**), then A\$250,000 of the deferred consideration, or at Torrens' election, an equivalent value in Torrens' shares calculated at Torrens' IPO price of 20 cents per share, will become payable within 60 days and the remaining amount of the deferred cash consideration will convert to a 2% net smelter royalty (capped at A\$1.25M). The royalty right may be bought back by Torrens for A\$750,000 cash. Torrens was admitted to the official list of ASX on 6 January 2021 and as a result, the A\$250,000 deferred consideration is due and payable (in cash or shares at Torrens' election) by 7 March 2021.



Quarterly Report for the period ending 31 December 2020

COVID-19 Update

Strandline has continued to maintain continuity across all its operational and strategic workstreams without any major disruption and will continue to evaluate the potential impact of the pandemic on markets and its project development plans.

Equity

The Company issued 4,426,512 Performance Rights under the Long Term Incentive Plan approved at the annual general meeting on the 10 November 2020. At the end of the Quarter, the Company has 522,895,557 fully paid ordinary shares on issue, 13,649,528 unlisted Performance Rights and 10,500,000 unlisted options.

Table 4 Strandline Capital Structure

Class of securities	Number
Fully paid ordinary shares	522,895,557
Unlisted performance rights expiring 15/08/21	5,281,892
Unlisted performance rights expiring 15/08/22	6,141,695
Unlisted performance rights expiring 15/08/23	2,225,941
Unlisted Options – expiring 28/11/2021 and exercisable at \$0.18 per option or 40% above the average 60 day VWAP share price at the time of grant, whichever is higher	3,500,000
Unlisted Options – expiring 28/11/2022 and exercisable at \$0.22 per option or 60% above the average 60 day VWAP share price at the time of grant, whichever is higher	3,500,000
Unlisted Options – expiring 28/11/2023 and exercisable at \$0.26 per option or 80% above the average 60 day VWAP share price at the time of grant, whichever is higher	3,500,000

2020 Annual Report and Annual General Meeting

The Company's Annual General Meeting was held at the London House Conference Room, 216 St Georges Terrace, Perth WA, 6000 on Tuesday 10 November 2020 at 11:00 am. The results of the meeting were released on the ASX on the 10 November 2020 with all resolutions passed.

Other

During the Quarter, the Company paid a total of \$55K to related parties comprising of fees paid to MPH Lawyers, being a Director related entity.

KEY ACTIVITIES PLANNED FOR THE MARCH 2021 QUARTER

During the March 2021 Quarter, the Company plans to advance exploration and development activities across its portfolio of mineral sands projects in Australia and Tanzania. Key planned activities include:

- **Coburn Project:** continue to advance early development activities, advance the commercial debt tranche to stand alongside the A\$150m NAIF loan facility, award remaining key implementation contracts and review strategic partner options;
- **Fungoni Project:** work towards finalisation of conditions precedent to achieve Financial Close associated with the Nedbank Project Finance Facility Agreement, with a focus on completing the Framework Agreement with the Tanzania Government for its 16% Free Carried Interest in the project; and
- **Tajiri Project:** continue stakeholder engagement, project permitting activities, review strategic partnership options and evaluate external funding options to assist in the implementation of the project.

This announcement is authorised for release by the Board of Directors of Strandline Resources Limited.



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ABOUT STRANDLINE

Strandline Resources Limited (ASX: STA) is an emerging heavy mineral sands developer with a portfolio of 100%-owned development assets located in Western Australia and within the world's major zircon and titanium producing corridor in East Africa. Strandline's strategy is to develop and operate high margin, expandable mining assets with market differentiation and global relevance.

Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include two zircon-titanium rich, 'development ready' projects, being the large Coburn Project in Western Australia and the Fungoni Project in central Tanzania, as well as a series of titanium dominated exploration projects spread along the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.



Figure 9 Strandline's global mineral sands exploration and development projects



ANNEXURE A – MINING TENEMENTS HELD AS AT 31 December 2020

Tenement Number	Name/Location	Interest
Tanzania		
Mineral Sands Projects		
PL 9969/2014	Sudi JV	100%
SML /00603/2020	Tajiri	100%
PL 10265/2014	Bagamoyo	100%
ML 580/2018	Fungoni	100%
PL 7754/2012	Fungoni	100%
PL 11442/2020	Pangani	100%
PL 7960/2012	Tongoni	100%
PL 11030/2017	Fungoni West	100%
PL 10978/2016	Fungoni South	100%
PL 11076/2017	Bagamoyo	100%
PL 11131/2017	Sudi Central JV	100%
PL 11270/2019	Kitunda RIO JV	100%
PL 11267/2019	Rushungi South	100%
PL 11266/2019	Sudi East RIO JV	100%
PL11412/2020	Temeke&Mkuranga	100%
PL11413/2020	Temeke	100%
PL 11376/2019	Sakaura (South of Tajiri)	100%
PL11443/2020	Mwasonga	100%
PL11441/2020	Sharifu	100%
Australia		
Coburn Mineral Sands Project		
E09/939	Shark Bay District, Western Australia	100%
L09/21	Shark Bay District, Western Australia	100%
L09/43	Shark Bay District, Western Australia	100%
M09/102	Shark Bay District, Western Australia	100%
M09/103	Shark Bay District, Western Australia	100%
M09/104	Shark Bay District, Western Australia	100%
M09/105	Shark Bay District, Western Australia	100%
M09/106	Shark Bay District, Western Australia	100%
M09/111	Shark Bay District, Western Australia	100%
M09/112	Shark Bay District, Western Australia	100%
R09/02	Shark Bay District, Western Australia	100%
R09/03	Shark Bay District, Western Australia	100%

There were 3 Tanzanian tenements surrendered during the quarter, PL 10425/2014 PL 11374/2019 and PL 11375/2019 and no farm-in or farm-out agreements entered into or held during the Quarter.



ANNEXURE B – 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	In situ 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



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Refer to the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project and ASX Announcement dated 07 October 2020.

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	1606	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



Quarterly Report for the period ending 31 December 2020

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Strandline Resources Limited

ABN

32 090 603 642

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6-months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,709)	(4,693)
(b) development	-	-
(c) production	-	-
(d) staff costs	(343)	(630)
(e) administration and corporate costs	(332)	(632)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	396	396
1.8 Other (provide details if material)	30	71
1.9 Net cash from / (used in) operating activities	(2,932)	(5,446)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(10)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6-months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(10)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	18,460
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(960)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	17,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,222	5,242
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,932)	(5,446)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	17,500

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6-months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	17,286	17,286

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,986	16,472
5.2	Call deposits	1,300	3,750
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,286	20,222

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,932)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,932)
8.4 Cash and cash equivalents at quarter end (item 4.6)	17,286
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	17,286
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2021

Authorised by: the Board of Strandline Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.