



STRANDLINE LAUNCHES \$30 MILLION PLACEMENT AND \$5 MILLION SPP

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HIGHLIGHTS

- Strandline launches \$30 million institutional Placement to support continued ramp-up at Coburn towards steady-state production and accelerate its various growth initiatives
- Upon settlement of the Placement, Strandline will be well-capitalised with a pro-forma 30 June 2023 cash balance of \$71 million (before costs)
- The Placement follows the Company's seventh shipment of HMC from Coburn, with ~65,000t of HMC exported since production commenced in November 2022, generating ~\$69m of revenue
- Ramp-up of mining and commissioning of the MSP at Coburn remains ongoing and is expected to accelerate towards nameplate during 2H-2023
- Multiple growth options available and currently being progressed, including a potential expansion of Coburn to +320ktpa HMC production and the potential development of the Company's Tanzanian mineral sands projects
- SPP for eligible existing shareholders to be launched to raise up to \$5 million at the same price as the Placement (\$0.18 per share)

Strandline Resources Limited (ASX: **STA**) ("**Strandline**" or the "**Company**") is pleased to announce that it has launched a \$30 million institutional placement through the issue of approximately 166.7 million new fully paid ordinary shares ("**New Shares**") at an offer price of \$0.18 per New Share ("**Offer Price**") ("**Placement**"). In addition to the Placement, the Company will also be undertaking a Share Purchase Plan ("**SPP**") at the same price as the Placement, to raise up to \$5 million. The Placement and SPP will raise total gross proceeds of up to \$35 million before costs ("**Offer**").

Commenting on the Offer, Strandline's Managing Director, Luke Graham, said:

"The Offer marks another key step towards delivering on the Company's goal of creating a globally significant critical minerals business.

*The Placement strengthens the Company's balance sheet and places it in a strong position to complete ramp-up at Coburn to steady-state production, including the processing of Heavy Mineral Concentrate ("**HMC**") into final saleable products via the Mineral Separation Plant ("**MSP**"). Additionally, the Placement ensures the Company is well-capitalised to accelerate its various growth ambitions, including a Scoping Study evaluating the potential expansion of Coburn to +320ktpa HMC production which is targeted to be released later this year.*



The Placement demonstrates support for Coburn as a world-class project and provides a strong endorsement of the significant work undertaken by the Company to de-risk its development. The Company has plans in place to improve equipment and plant availability, enhance mine and tails deposition planning and increase mineral recoveries, all of which are expected to fast-track ramp-up in the September 2023 quarter and the Company looks forward to delivering this.

In addition to the Placement, we are also pleased to offer our existing eligible shareholders the opportunity to participate in the equity raising at the same offer price via the SPP. On behalf of the Strandline Board and management, I wish a warm welcome to our new shareholders and thank all our existing shareholders for their continued support.”

USE OF PROCEEDS

The Company intends to use the proceeds from the Placement for the following purposes:

1. Provisional Coburn commissioning and working capital:
 - Working capital to support transition to MSP; and
 - Other costs of commissioning and ramp-up.
2. Growth projects
 - Studies on the Coburn expansion plans (~50% production to +320ktpa HMC) and extension resource drilling; and
 - Progression of Tanzanian growth projects, including expenditure relating to Fungoni land access, compensation and resettlement.
3. Additional working capital, corporate and Offer costs
 - Strengthened balance sheet to support operating flexibility;
 - General corporate costs; and
 - Offer costs including Joint Lead Manager fees and legal fees.

PLACEMENT DETAILS

The Company will issue approximately 166.7 million New Shares under the Placement at a fixed price of \$0.18 per share, which represents an:

- 18.2% discount to the last closing price of \$0.22 per share on Thursday, 27 July 2023, being the last trading date prior to the date of this announcement; and
- 17.8% discount to the 5-day volume weighted average price of \$0.2191 per share up to and including Thursday, 27 July 2023, being the last trading date prior to the date of this announcement.

The Placement will take place in a single tranche using the Company’s available Placement capacity under ASX Listing Rule 7.1. The New Shares will rank equally with the Company’s existing fully paid ordinary shares on issue.

The Placement is not underwritten. Barrenjoey Markets Pty Limited, Shaw and Partners Limited and Morgans Corporate Limited are acting as Joint Lead Managers to the Placement. MPH Lawyers is acting as legal adviser to the Company.

Further details of the Placement are set out in the Company’s investor presentation lodged with the ASX today (“**Investor Presentation**”). The Investor Presentation contains important information including key risks of investing in Strandline and foreign selling restrictions with respect to the Placement.

SPP DETAILS

In addition to the Placement, the Company will offer eligible existing shareholders with a registered address in Australia or New Zealand who were holders of Strandline ordinary shares at 7:00pm (AEST) on Thursday, 27 July 2023 (the “**Record Date**”), the opportunity to apply for new Strandline ordinary shares at the same offer price as the Placement (being \$0.18 per share) and without incurring brokerage fees via a non-underwritten SPP. The Company may raise up to \$5 million under the SPP

Eligible existing shareholders will have the opportunity to apply for up to \$30,000 worth of new ordinary shares. The shares issued under the SPP will rank equally with existing ordinary shares of the Company.

As the SPP is not underwritten, the SPP may raise less than \$5 million. If the Company receives applications for more than \$5 million, the Company also retains the right to scale back applications (in whole or in part) at its absolute discretion, for example because the aggregate amount applied for under the SPP exceeds the Company’s requirements.

Any scale back will be applied to the extent and in the manner Strandline sees fit, which may include taking into account a number of factors such as the size of an applicant’s shareholding at the Record Date for the SPP, the extent to which the applicant has sold or purchased shares since the Record Date, whether the applicant may have multiple registered holdings, the date on which the application was made, and the total applications received from eligible Shareholders.

Further information in relation to the SPP, including the terms and conditions, is expected to be made available to eligible shareholders in the coming days, together with an SPP Offer Booklet. Eligible existing shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

Under the ASX listing rules, Strandline directors are entitled to participate in the Placement, subject to shareholder approval, and are permitted to participate fully in the SPP if they are Australian / New Zealand residents.

INDICATIVE TIMELINE

Event	Date
Record date for eligibility to participate in SPP	Thursday, 27 July 2023
Trading halt	Friday, 28 July 2023
Launch of Offer	Monday, 31 July 2023
Trading halt lifted and announcement of completion of Placement	Tuesday, 1 August 2023
Settlement of Placement shares	Friday, 4 August 2023
Allotment of Placement shares	Monday, 7 August 2023
Dispatch of SPP offer documents and SPP offer open date	Monday, 7 August 2023
SPP closing date	Monday, 21 August 2023
Allotment of SPP shares	Monday, 28 August 2023
Commencing of trading of SPP shares	Tuesday, 29 August 2023

The above timetable is indicative only and subject to change. Strandline reserves the right to amend these dates at its absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. The quotation of the New Shares and any shares to be issued pursuant to the SPP is subject to approval from the ASX.

All amounts are in Australian dollars unless otherwise specified.

This ASX announcement has been approved by Strandline's Board of Directors and authorised for release by Strandline's Managing Director Luke Graham.

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ABOUT STRANDLINE

Strandline Resources Limited (ASX: STA) is an emerging producer of heavy mineral sands with a portfolio of 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 in the sector. Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include the world-scale Coburn Project in WA and the exciting Tanzanian growth projects including Fungoni and Tajiri.

FORWARD LOOKING STATEMENTS

This announcement and the Investor Presentation contains certain forward looking statements and comments about future events, including statements about Strandline's expectations about the financial and operating performance of its business. Forward looking statements can generally be identified by the use of forward looking words including (without limitation) words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved.

A number of important factors could cause Strandline's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including (without limitation) the Australian and global economic environment and capital market conditions and the risk factors described in the "Risk Factors" section of the Investor Presentation, with many of these factors being beyond Strandline's control. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Forward looking statements involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Strandline. The forward-looking statements are based on information available to the Company as at the date of this announcement. Circumstances may change and the contents of this announcement may become out-dated as a result. As such, you are cautioned not to place any reliance on any forward looking statement.

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