



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2022

# **RAPID CONSTRUCTION PROGRESS ENSURES COBURN REMAINS ON TRACK FOR FIRST PRODUCTION IN DECEMBER QUARTER THIS YEAR**

*Mineral sands market continues to strengthen, with spot prices now at least 35% above the assumptions contained in the Coburn DFS*

## **COBURN MINERAL SANDS PROJECT, WESTERN AUSTRALIA**

- Construction at Coburn reached 65% complete as at 1 April 2022, ensuring the project remains on-budget and on-time for production of heavy mineral concentrate (HMC) later this year
- Priority moved to construction of the wet concentration plant (WCP) and supporting process and power infrastructure, which are well underway
- Mining contractor commenced mobilising to site, several months ahead of schedule, providing further flexibility in the construction timetable and the countdown to first production
- Mineral sands market continues to strengthen, with spot prices now at least 35% above the assumptions contained in the Coburn Definitive Feasibility Study (DFS) of June 2020
- DFS forecast average annual EBITDA of A\$104 million over the estimated 22.5-year initial life-of-mine

## **FUNGONI AND TAJIRI MINERAL SANDS PROJECTS, TANZANIA**

- Strandline and the Tanzanian Government completed the formation of JV company, Nyati Mineral Sands Limited, which will hold Strandline's Tanzanian mineral sands assets
- First project planned to progress to development is the high-margin Fungoni mineral sands project near Dar es Salaam, followed by the world-scale Tajiri mineral sands project near the port of Tanga
- Environmental Certificate received for the Tajiri Project, paving the way for securing the special mining license (SML) and progression to the next phase of project evaluation
- Fungoni and Tajiri are forecast to generate a total of more than US\$1 billion of EBITDA over ~30 years based on published Production Targets

## **CORPORATE**

- Cash of A\$89.6m as at 31 March 2022
- A\$50 million placement completed (subsequent to the quarter) to accelerate Strandline's mineral sands growth projects, including development of Fungoni and advancing key feasibility studies and approvals for Tajiri and the potential future expansion of the Coburn project in WA
- No lost-time injuries (LTI) or reportable environmental incidents were recorded during the quarter



Strandline Resources (ASX:STA) (**Strandline** or the **Company**) is pleased to provide an update on its activities and cashflow for the quarter ended 31 March 2022.

### COBURN MINERAL SANDS PROJECT, WA

The Coburn project is one of the largest new mineral sands projects in the world, underpinned by an attractive high-value zircon-titanium product suite, conventional mine design and low-cost operation.

Coburn is situated close to key port, road and services infrastructure of Geraldton and the dominant mineral sands market of Asia.

Construction at Coburn is advancing in line with budget and schedule, ensuring Strandline remains on-track to achieve first production of HMC in the December quarter, 2022. By the end of the quarter, the overall project progress reached 65% complete – refer ASX announcement dated 1 April 2022.

Coburn's development capital of A\$338m has been secured, meaning that the project is fully funded through to production. The finance structure comprises a combination of long-tenor debt provided by the Northern Australian Infrastructure Facility (NAIF, up to A\$150m), a US\$60m Bond tranche and cash provided by the Company.

Key milestones for the Coburn Project construction include:

- Zero lost time injury (LTI) and medical treatment injury (MTI) reported to date
- Early mobilization of the mining contractor personnel and equipment commenced, along with construction of site offices, buildings, and workshops for operations
- Site-wide bulk earthworks and roads neared completion, with the focus shifting to the construction of the North West Coastal Highway intersection, bitumen sealing, punch listing and progressive handover
- Vertical construction of the processing plant structures advanced rapidly, with concrete installation 90% complete; key steel and platework fabrication is complete, assembly of WCP spiral modules underway, with progressive deliveries of mechanical-electrical equipment and materials
- Fabrication and supply of three dozer mining units (DMUs) progressed strongly, with factory testing and delivery of units to site expected on-schedule in May 2022
- Installation of sitewide overhead power lines, HDPE field piping and water bore installation all advanced in accordance with the plan
- All site accommodation rooms and key support facilities were commissioned (272 rooms in total) ahead of the construction workforce approaching peak level; current site headcount of ~250
- Construction of the hybrid power station is also advanced on-schedule, which includes the multi-work front installation of the 10MW solar farm, LNG storage and engine hall complexes
- Commissioning planning and establishment of key operational systems, maintenance procedures and workforce plans ramped up, with a key focus on local recruitment, workforce diversity and indigenous engagement opportunities.

As Coburn approaches peak activity and manning on site, the Company continues to focus on managing the various risk factors associated with development of the project. This includes, but not limited to, HSE risks, potential impacts of COVID-19, inclement weather, contractor performance and contractual claims. The capital expenditure (Capex) forecast to complete the project, including an assessment of contractual claims received to date, is regularly evaluated by the Company's technical, financial and legal experts. The project forecast remains within the overall Capex budget.

The Company has secured six major binding offtake contracts covering 100% of Coburn's forecast mineral sands production, estimated at ~US\$140m per annum (A\$200m at AUD: USD 0.70), based on the pricing structures contained in the agreements and commodity price forecast assumptions contained in the Coburn DFS (see ASX release dated 4 Jun-2020).

The offtake contracts are with some of the world's largest mineral sands consumers, with ~80% of production to be sold to major American and European customers and the balance sold into Asia.

The Coburn mine life currently sees mining continue until 2045 (based on mining the initial 22.5-year JORC compliant Ore Reserves), with the potential to extend to 2060 (total 37.5 years mine life) by converting Mineral Resources which exist immediately north and along strike of existing Ore Reserves.



Figure 1 Selection of Recent Coburn Project Progress Photos

The Coburn project is set to capitalise on its robust margins, the strengthening minerals sands commodity pricing outlook, its tier-1 location, and the growing demand for critical minerals.

Key project metrics are detailed in Table 1.

**Table 1** Coburn updated DFS and Scoping Study Extension Case Financial Evaluation (Jun-2020)

Category	Updated DFS – Final Product Case (Jun-2020)	Scoping Study Extension Case integrated with updated DFS (Jun-2020)
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



**Figure 2** Selection of Recent Coburn Project Photos

Subsequent to Quarter end, the Company initiated a scoping study on the potential to increase the planned production rate by up to 50 per cent at its 100%-owned Coburn minerals sands project in WA. The production

increase would be aimed at enabling Coburn to capitalise further on its world-class resource, long mine life, high mineral sands prices and strong demand for offtake among leading customers in the US, Europe and China.

Any expansion is expected to be funded out of future Coburn cashflow and leverage significantly off Coburn's infrastructure (currently being constructed), especially the inherent design capacity within the processing plant circuitry. Preliminary investigations highlight the potential compelling capital and operating cost efficiencies of scaling-up the project, further enhancing Coburn's already strong competitive position.

*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. 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.*

## TANZANIA MINERAL SANDS GROWTH PROJECTS

Strandline owns multiple mineral sands growth assets along the highly prospective coastline of Tanzania.

During the Quarter, Strandline and the Tanzanian Government completed the formation of the joint venture company, Nyati Mineral Sands Limited (**Nyati**), which will hold all Strandline's Tanzanian mineral sands assets, including but not limited to the advanced Fungoni and Tajiri projects.



The ownership being 84% Strandline and 16% free-carry interest of the Tanzanian Government respectively. During the Quarter, the Nyati Board of Directors was formed, and corporate governance protocols established, including appointment of two senior-level Government representatives.

The Tanzanian Fungoni and Tajiri projects are forecast to generate more than US\$1 billion of EBITDA over ~30 years based on published Production Targets (or A\$1.43 billion at AUD: USD 0.70). Refer previously announced engineering studies and cautionary statements in Annexure E.

Nyati will produce critical minerals of zircon, titanium, and monazite containing rare earths, as well as garnet concentrates. With falling global supply of mineral sands and increasing commodity prices, Strandline-Nyati's growth pipeline leaves it well placed to capitalise on this opportunity.

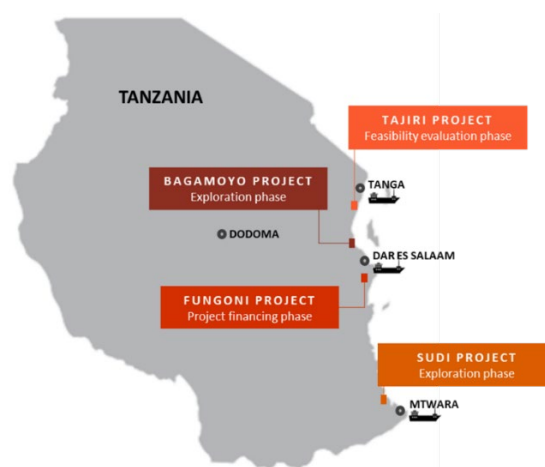


Figure 3 Strandline's portfolio of mineral sands assets along the coastline of Tanzania

### Fungoni Mineral Sands Project - Tanzania

Fungoni is earmarked as Strandline's high-margin "starter" project in Tanzania, situated 25km from the port of Dar es Salaam.

The Fungoni project is based on conventional open pit dry mining and process beneficiation to produce premium quality zircon sand, chloride ilmenite, rutile and monazite containing rare earths. Fungoni's mineral assemblage is exceptionally rich and the orebody starts from surface with mining predicated on progressive backfill of the mining void and full rehabilitation.

During the Quarter, Strandline worked with local government authorities and project stakeholders to achieve the Fungoni project "cut-off" approval for the land access process. This key endorsement highlights the continued strong support for the development of Fungoni.

In parallel, Nyati commenced updating the Fungoni project financial evaluation (previously released in October 2018 as part of the Fungoni DFS). This review will incorporate the latest financial information on the project, including updated mineral sands price forecasts, which have increased substantially in recent years.

Strandline previously announced that it signed a US\$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni, accounting for a significant portion of Fungoni's US\$35m capital requirement (excluding financing and corporate costs). The Nedbank facility is also under review and will be subject to updating due diligence and credit approvals.

The Fungoni DFS demonstrates strong financial metrics including project pre-tax NPV<sup>10</sup> of US\$48.7m (real, no debt), an IRR of 61% and LOM EBITDA of US\$115m (avg annual US\$18.5m), based on the commodity prices assumptions from TZMI. The mining license and environmental certificate have previously been granted by the Tanzanian authorities and there are a host of socio-economic benefits recognised with the project.

### Tajiri Mineral Sands Project – Tanzania

The Tajiri project comprises a series of higher-grade mineral sands deposits stretching along 30kms of coastline in northern Tanzania, near the port city of Tanga. Strandline released the results of the Engineering Scoping Study in the December quarter 2020 which shows that Tajiri will generate strong financial returns over a long life:

During the Quarter, the Company secured the Environmental Certificate for Tajiri which represents a major milestone in the project's approval process. The Environmental Certificate is a key pre-requisite for the granting of a special mining licence (SML). A SML is required for Tajiri due to its national significance, supported by its large-scale and ability to generate significant socio-economic benefits over a multi-decade mine life.

The Fungoni and Tajiri deposits both benefit from their proximity to existing port and services infrastructure of Dar es Salaam and Tanga respectively. The projects are predicated on providing significant long-term employment and career development opportunities, as well as a range of local enterprise opportunities. For the regional communities, Nyati's projects provide an opportunity to diversify and grow their economy. Where possible, labour and supplies will be sourced locally. For every direct job created by the project, more indirect jobs are created in the local economy as employees consume goods and services (typically up to 3 times the number of direct jobs).

The dashboard below summarises the key financial metrics of the Fungoni and Tajiri projects.

**Table 2** Financial Evaluation Summary of Fungoni DFS and Tajiri Engineering Scoping Study

Category	Fungoni DFS (Nov-2018)	Tajiri Engineering Scoping Study (Oct-2020)
Mine Life / Production Targets	6.2yrs	23.4yrs
Tonnes Mined	12.3Mt	185Mt
Throughput (Steady State)	2.0Mtpa	8Mtpa
Capital Expenditure (Pre-production excluding financing costs)	US\$35M	US\$125M
Revenue (LOM)	US\$184.2M	US\$1.61B
Total Opex (C1)	US\$66.1M	US\$0.66B
Total All-in Sustaining Costs (AISC)	US\$74.9M	US\$0.76B
Revenue-to-operating cost (C1) ratio (RC)	2.8	2.4
NPV (pre-tax, real, no debt, 10% DCF discount Rate)	US\$48.7M	US\$205M
EBITDA	US\$114.8M	US\$0.9B
Avg. annual EBITDA	US\$18.5M	US\$36.8M
IRR (pre-tax, real, no debt)	61%	36%

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.

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. Refer to the Cautionary Statement in Annexure E.

### 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 and evaluation 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 (ref ASX release 17 September 2018). This target together with the Sudi project in southern Tanzania provides significant exploration upside for Nyati over time.

A further drill program will be required to test the veracity of the Exploration Target. Refer to the Cautionary Statement in Annexure E.

## CORPORATE

### Cash & Investments

The Company's consolidated cash was A\$89.6m as at 31 March 2022 (31 Dec 2021: A\$61.2m).

During the quarter, the majority of expenditure was incurred on project procurement and site construction for the Coburn project, with the project reaching 65% complete during the quarter (refer to ASX announcement on 1 April 2022). Full details of cash flows for the quarter are set out in the attached Appendix 5B.

At the end of the quarter, Strandline held 3.45m shares in Torrens Mining Limited (Torrens) valued at A\$0.5m as at 31 March 2022. Payments during the quarter to related parties included in the Appendix 5B were A\$8k of fees paid to MPH Lawyers, being a Director related entity and A\$262k for Directors' remuneration.

### Loan Facilities

The Company reached Financial Close on Coburn's senior finance facilities last year (total of ~A\$230m) and the first loan draw down was completed in the December 2021 quarter.

During the quarter, the second loan draw down was completed for A\$57m under the NAIF Facility and US\$26.25m under the Bond Facility. Loan funds still available for utilisation total ~A\$78m, which underpin Coburn development through to production (refer to Appendix 5B for further details).

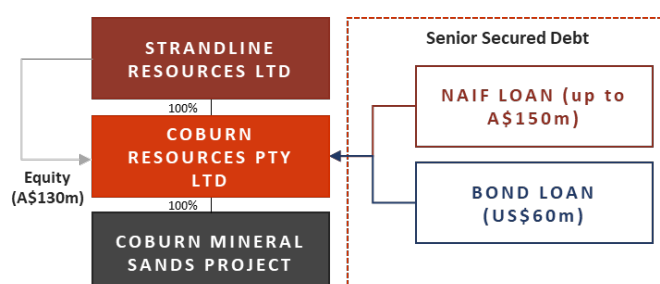


Figure 4 Coburn Project Funding Structure

### Equity

On 5 April 2022, the Company completed a share placement to institutional, professional and sophisticated investors at \$0.43 per share raising A\$50m (before costs). The Company received significant demand during the Placement bookbuild providing a strong endorsement of Strandline's mineral sands growth portfolio. The proceeds will be used primarily to fund the near-term development of Strandline's Fungoni mineral sands project in Tanzania, while in parallel advancing key feasibility studies and approvals for the large-scale Tajiri mineral sands project in Tanzania and the potential future expansion at Strandline's Coburn mineral sands project in WA, which is currently under construction (see ASX release dated 4 April 2022).

Table 3 Strandline Securities at the end of the Quarter

Class of securities	Number
Fully paid ordinary shares	1,123,899,502
Unlisted performance rights expiring 15/08/22	6,141,695
Unlisted performance rights expiring 15/08/23	5,758,209
Unlisted performance rights expiring 15/08/24	6,428,102

Class of securities	Number
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
Unlisted Options – expiring 30/11/2022 and exercisable at \$0.26 per option	3,000,000
Unlisted Options – expiring 30/11/2023 and exercisable at \$0.30 per option	3,000,000

### Mineral Sands Market

The mineral sands market remains very strong for high-grade titanium feedstock (chloride ilmenite and rutile) and zircon sand products which will be produced from Strandline’s Coburn project. Current spot prices are at least 35% above the assumptions contained in the Coburn DFS released in June 2020.

Robust demand is driven by continued strength across most end-use industrial sectors and regions, including ceramic tiles, refractory, foundry and titanium dioxide (TiO<sub>2</sub>) pigment applications. This demand, combined with limited supply options and low inventories, has resulted in a tight market dynamic and significant upward pressure on pricing. Strandline utilises independent market intelligence data and mineral sands commodity forecasting from TZ Minerals International Pty Ltd (TZMI) (refer [www.tzmi.com](http://www.tzmi.com)) for financial modelling.

### Health, Safety and Sustainability

The Company had no lost time injuries or reportable environmental incidents recorded during the quarter (or in the past, at Coburn). Strandline continues to closely monitor the potential impacts of the COVID-19 pandemic and other risk factors on the Company’s business, operations, people and stakeholders. The Company has managed to maintain continuity across all its operational and strategic workstreams without any material disruption and will continue to follow the guidance of recognised health authorities and the WA Government.



Figure 5 Strandline is committed to a sustainable future and to aligning its strategy with the UN Sustainable Development Goals

### Tenement Holdings

A detailed listing of tenement holdings is included in Annexure A.

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

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## ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging producer of heavy mineral sands 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 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, currently under construction, and the exciting Tanzanian growth projects Fungoni and Tajiri.



**Figure 6** Strandline's Global Mineral Sands Exploration and Development Projects

**ANNEXURE A – MINING TENEMENTS HELD AS AT 31 MARCH 2022**

	Name/Location	Interest
<b>Tanzania</b>		
<b>Mineral Sands Projects</b>		
PL 9969/2014	Sudi JV*	100%
PL 10265/2014	Bagamoyo	100%
ML 580/2018	Fungoni	100%
PL 7754/2012	Fungoni	100%
PL 11442/2020	Pangani	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%
PL 11689/2021	Tanga- Pangani	100%
SML00603/2020	Tajiri	100%
<b>Australia</b>		
<b>Coburn Mineral Sands Project</b>		
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%
R09/4	Shark Bay District, Western Australia	100%
E09/2355	Shark Bay District, Western Australia	100%
L09/99 (Pending)	Shark Bay District, Western Australia	100%
E09/2644 (Pending)	Shark Bay District, Western Australia	100%
E09/2645 (Pending)	Shark Bay District, Western Australia	100%
P09/500 (Pending)	Shark Bay District, Western Australia	100%
P09/501 (Pending)	Shark Bay District, Western Australia	100%

There were no tenements surrendered during the quarter and no farm-in or farm-out agreements entered into or held during the quarter.

## ANNEXURE B – MINERAL RESOURCE DATA

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

### Coburn Mineral Sands Project – Western Australia

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

Resource Category	Ore <sup>(1)</sup>			Valuable HM Grade (In-Situ) <sup>(2)</sup>					
	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
<b>Total</b>	<b>1606</b>	<b>19.6</b>	<b>1.2</b>	<b>48</b>	<b>7</b>	<b>22</b>	<b>5</b>	<b>3</b>	<b>2</b>

**Table B** 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
	<b>Total<sup>1</sup></b>	<b>523</b>	<b>5.83</b>	<b>1.11</b>

Notes:

- Total may deviate from the arithmetic sum due to rounding

### Fungoni Mineral Sands Project - Tanzania

**Table C** Mineral Resource Statement for Fungoni at May 2017

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources <sup>(1)</sup>					VHM assemblage <sup>(2)</sup>					
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
	<b>Total<sup>(3)</sup></b>	<b>21.74</b>	<b>0.6</b>	<b>2.8</b>	<b>40.7</b>	<b>4.3</b>	<b>16.9</b>	<b>1.2</b>	<b>22</b>	<b>7.0</b>

Notes:

- Mineral Resources reported at a cut-off grade of 1.0% THM
- Valuable Mineral assemblage is reported as a percentage of in situ THM content
- 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 D** 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
	<b>Total*</b>	<b>12.3</b>	<b>2.3</b>	<b>19</b>	<b>480</b>	<b>3.9</b>

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

### Tajiri Mineral Sands Project - Tanzania

Table E 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
		<b>Total</b>	<b>74</b>	<b>2.5</b>	<b>3.4</b>	<b>27</b>	<b>9</b>	<b>48</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>30</b>
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
		<b>Total</b>	<b>165</b>	<b>5.4</b>	<b>3.3</b>	<b>36</b>	<b>6</b>	<b>64</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>13</b>
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		<b>Total</b>	<b>29</b>	<b>0.9</b>	<b>3.0</b>	<b>30</b>	<b>12</b>	<b>64</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>2</b>
		<b>Grand Total</b>	<b>268</b>	<b>8.8</b>	<b>3.3</b>	<b>33</b>	<b>7</b>	<b>59</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>17</b>

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 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.

## ANNEXURE C – 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 mineralisation 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 mineralisation 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 mineralisation 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.

## **ANNEXURE D – 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.

## **ANNEXURE E – CAUTIONARY STATEMENTS**

### ***Tajiri 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\$125m 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 Exploration Target Cautionary Statement***

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.

#### ***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 mineralisation 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.

## Appendix 5B

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

Name of entity

Strandline Resourced Limited

ABN

32 090 603 642

Quarter ended ("current quarter")

March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for	-	-
(a) exploration & evaluation	(126)	(989)
(b) development	-	-
(c) production	-	-
(d) staff costs	(312)	(1,094)
(e) administration and corporate costs	(227)	(1,486)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	473
1.8 Other (GST)	(3,299)	(346)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,958)</b>	<b>(3,407)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(68)	(148)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets – Mine properties in development	(60,403)	(175,836)

## 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 (9 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 (Available for Sale Investments)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(60,471)</b>	<b>(175,984)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	630
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	92,954	152,180
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (USD Escrow and FX movement)	7	5,808
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>92,961</b>	<b>158,618</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	61,204	110,602
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,958)	(3,407)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60,471)	(175,984)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	92,961	158,618



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(163)	(256)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>89,573</b>	<b>89,573</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	89,515	61,146
5.2	Call deposits	58	58
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>89,573</b>	<b>61,204</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	270
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities – NAIF <sup>2</sup>	150,000	(93,000)
7.2 Credit standby arrangements	0	0
7.3 Other – Bond <sup>1</sup>	80,192	(59,180)
7.4 <b>Total financing facilities</b>	<b>230,192</b>	<b>(152,180)</b>
7.5 <b>Unused financing facilities available at quarter end</b>		<b>78,012</b>
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.		
<p><sup>1</sup> <u>Bond Facility – US\$60m</u></p> <ul style="list-style-type: none"> <li>• 5 year tenor with a maturity date of 20 March 2026</li> <li>• No amortisation until March 2024, then quarterly amortisation of USD 4.25 million from 20 March 2024 to 20 June 2025, then amortisation of USD 2.25 million at 20 September 2025 and 20 December 2025. 50% bullet at the Maturity Date</li> <li>• Strandline may buy back the debt on-market at any time or redeem the bonds early (subject to make whole payments and call premia depending on the time of the prepayment)</li> <li>• Conditions precedent to drawdown are customary for a loan facility of this nature, aligning with the NAIF loan facility, including but not limited to, completion of security documentation, Strandline contributing project equity and satisfaction of cost to complete test for each draw down</li> <li>• Financial covenants are customary for a loan facility of t-*/his nature, aligning with the NAIF loan facility, comprising a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio and minimum unrestricted cash balance requirement</li> <li>• To be listed on Oslo Børs, or other regulated markets within 12 months</li> <li>• Governing law is Norwegian law for Bond terms and Australian law for security package</li> <li>• Comprehensive senior security package over assets and rights of Coburn project, pari passu with the NAIF loan facility</li> <li>• US\$60m (A\$80.2m at AUD:USD 0.7482 as at 31 March 2022), US\$42.75m drawn down (A\$59.18m at AUD:USD of 0.7223 as at 31 March 2022)</li> </ul> <p><sup>2</sup> <u>NAIF Facility – A\$150m</u></p> <ul style="list-style-type: none"> <li>• Up to 15 year tenor with no principal repayments until the earlier of March 2028 or 3 months after the Bond or any Bond refinancing is repaid. Thereafter, quarterly principal repayments continue for a period of 7 years and 9 months. Additional sweep of a portion of available excess cashflow will also apply under certain circumstances.</li> <li>• First NAIF Loan Tranche: Up to A\$130 million towards the construction of Coburn's core mine process and non-process infrastructure</li> <li>• Second NAIF Loan Tranche: Up to A\$20 million for an airstrip and potential future northern access road linking the project more directly to the Denham community in Shark Bay (subject to feasibility assessment, permitting and approvals)</li> <li>• Comprehensive senior security package over assets and rights of Coburn project, pari passu with the Bond financing</li> </ul>		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,958)
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)	(3,958)
8.4 Cash and cash equivalents at quarter end (item 4.6)	89,573
8.5 Unused finance facilities available at quarter end (item 7.5)	78,012
8.6 Total available funding (item 8.4 + item 8.5)	167,585
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	42
<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	
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	
<i>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.</i>	

## Compliance statement

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

Date: 30 April 2022

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

### Notes

- 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.
- 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.

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

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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.