



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2021

CONSTRUCTION RAMPS UP AT COBURN MINERAL SANDS PROJECT IN WA

*Strandline is on track to deliver critical minerals into
a rapidly tightening market next year*

COBURN MINERAL SANDS PROJECT, WESTERN AUSTRALIA

- Pivotal quarter for Strandline, with a series of major achievements culminating in the ramp up of project construction. Key milestones in the period included:
 - Funding of A\$338m secured, meaning Coburn is fully-funded through to production and cashflow
 - Favourable finance structure comprising combination of long-tenor debt provided by NAIF (A\$150m) and a US\$60m Bond Issue, together with the Company's strong cash position
 - Final Investment Decision (FID) taken to proceed with full development of Coburn
 - Signed final offtake contract; Strandline now has 100% of Coburn's forecast revenue secured under binding sales contracts, estimated to average ~US\$140m pa (~A\$200m, AUD: USD 0.70)
 - Construction at Coburn ramping up on several fronts, including installation of the first stage workers camp, main access road and bulk earthworks clearing and cut-to-fill works, as well as commissioning of the first production water bore
 - Detailed design, equipment procurement and fabrication progressed, including ordering of major processing plant equipment, dozer mining units and hybrid power station
- First production of heavy mineral concentrate (HMC) on track for December quarter, 2022

FUNGONI AND TAJIRI MINERAL SANDS PROJECTS, TANZANIA

- Strandline continued to progress its portfolio of high-growth mineral sands assets in Tanzania, advancing government agreement and strategic partner discussions

CORPORATE

- Cash position of A\$116.4m as at 30 June 2021
- Mineral sands market and commodity prices continue to strengthen due to lack of supply and increasing demand; providing strong fundamentals to support investment
- Technical and Sustainability Board committee established to support project development, drive innovation and implement of the Company's environmental and sustainability goals
- Appointment of Ms Alexandra (Alex) Atkins as a Non-executive Director



Strandline Resources (ASX: STA) is pleased to report on what was a pivotal quarter for the Company as it secured funding and ramped up construction of its Coburn mineral sands project in WA. The achievement of several key milestones in the quarter saw Strandline set itself up to be producing critical minerals at Coburn by late next calendar year.

Strandline Managing Director Luke Graham said it was a game-changing three months for the Company.

“Strandline has made the transition to an emerging mineral sands producer with a world-scale project in a tier-one jurisdiction,” Mr Graham said.

“Our forecast revenue is fully-underwritten by binding sales contracts and we are perfectly placed to capitalise on increasing demand and falling supply of zircon and titanium minerals following years of under-investment in the sector.

“Construction is ramping up in line with our plan, putting Strandline on track for production late next year.”

COBURN MINERAL SANDS PROJECT

During the quarter, Strandline made a Final Investment Decision (FID) to proceed with the full development of its world-scale Coburn mineral sands project, located in the Gascoyne region of Western Australia. The construction schedule has first production planned for the December quarter of 2022.

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. The FID was supported by the updated Definitive Feasibility Study (DFS), released in mid-2020, which confirmed robust economics for the project over an initial 22.5-year life, including:

- Pre-tax NPV of A\$705m (AUD:USD 0.70, 8% discount rate)
- High margin revenue-to-operating cost (C1) ratio of 2.4
- Projected revenue for the initial 22.5 years of Ore Reserves of A\$4.4b
- Average annual EBITDA of A\$104m

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 |

As part of Coburn’s funding structure, Strandline settled the senior secured Bond Issue, with a total of US\$60 million being transferred to the Company’s project Bond escrow account. The Bond proceeds, together with the A\$150 million loan facility from NAIF¹ (which reached contractual close during the quarter) and A\$130m of equity funds, means Strandline has completed the full funding requirement for Coburn development.

¹ The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government lending facility to finance projects to achieve growth in the economies and populations of northern Australia and encourage and complement private sector investment. (<http://www.naif.gov.au>)

During the quarter, Strandline awarded a series of major execution contracts to experienced contractors covering approximately 80-90% of the construction scope, with procurement advancing for the remaining project activities in accordance with the development plan.

Strandline and its contractors are committed to building a highly efficient and sustainable mining operation. The project is set to generate significant public benefit including job creation, high Australian industry participation, new local business and indigenous engagement opportunities, as well as capital inflows for Australia.

Site construction work ramped up during the quarter, with the initial focus on installing the first stage workers camp, main access road and bulk earthworks clearing and cut-to-fill works, as well as commissioning of the first production water bore, amongst other activities. Detailed design, equipment procurement and fabrication also progressed as planned, including the ordering of major processing plant equipment, dozer mining units and hybrid power station.



Figure 1 Construction of Main Access Road



Figure 2 Preparing Construction Laydown Area



Figure 3 Village Bulk Earthworks Pad



Figure 4 First Production Bores



Figure 5 Construction of the Main Access Road



Figure 6 Pioneer Camp Accommodation

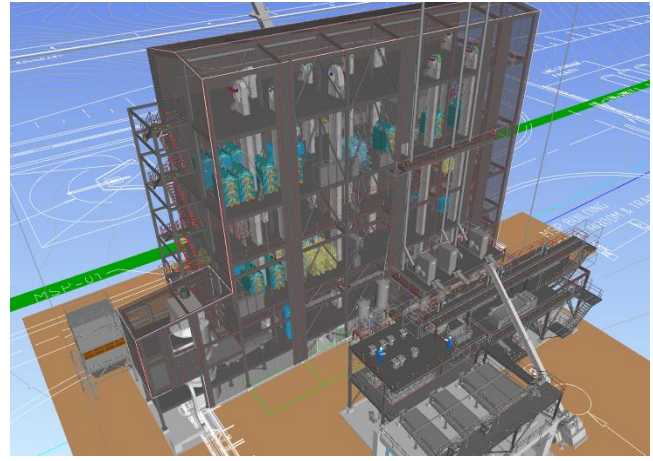


Figure 7 MSP Detailed Design Advancing

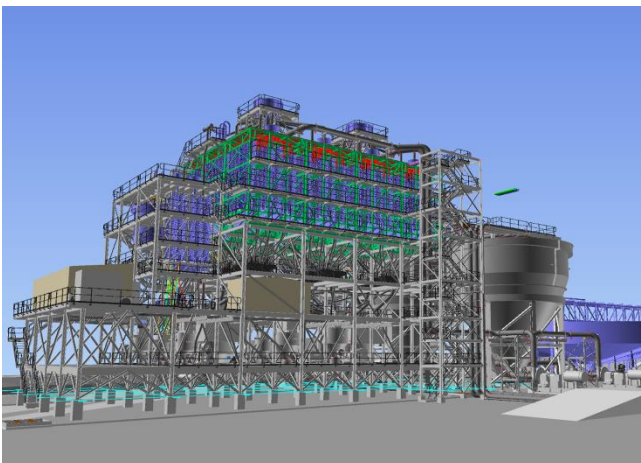


Figure 8 WCP Detailed Design Advancing



Figure 9 Manufacturing of Long-lead Spirals

Strandline signed its final binding offtake contract for premium zircon product with Mario Pilato BLAT S.A., a leading European raw material supplier to the ceramics, glass and refractory industries. Strandline has now 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 updated DFS (see ASX release dated 4 June 2020).

The offtake contracts are with some of the world's largest mineral sands consumers across America, Europe and Asia, de-risking the project, providing certainty in revenue streams and maximising returns to shareholders. 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.

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

During the quarter, the company continued to progress its strategy to unlock the immense value in its portfolio of mineral sands assets in Tanzania, including the high-margin Fungoni project and the emerging Tajiri project. The Company made positive and continued progress towards finalising a Framework Agreement (FWA) with the Government of the Republic of Tanzania (GNT).

The FWA is pivotal because it will pave the way for the Company to advance its portfolio of high-quality mineral sands assets in the country.

The FWA outlines the key joint venture ownership and operating terms for development of the advanced Fungoni project near Dar es Salaam and the Company's other emerging mineral sands assets along the Tanzanian coastline.

Similarly, to the Coburn project, Strandline's Tanzanian projects are designed to produce high-quality critical minerals of zircon, titanium and monazite containing rare earths. With falling supply of mineral sands and increasing commodity prices, Strandline's growth pipeline leaves it well placed to capitalise on this opportunity.

Further, as a strategic development option, Strandline is in discussions with reputable international funding partners concerning the potential for them to play a role in commercialising its Tanzanian projects. These discussions cover a range of possible outcomes, including the acquisition of a significant equity interest in Strandline's Tanzanian projects. They also include other possible funding and offtake arrangements in respect of its Tanzanian projects.

Following the Presidential appointment of Her Excellency Samia Suluhu Hassan in March 2021, strong efforts are being made to increase foreign investment and stimulate the next generation of mining activity. This includes the recent approval by the Tanzanian Cabinet of Ministers of long-awaited Special Mining Licences (SML), which bodes well for progressing the current Tajiri project SML approval process (noting that the Fungoni mining licence and environmental certificate is already secured).

Further, in a speech held on 05 April 2021, Her Excellency:

- Announced a plan to appoint a panel of experts to advise the government on a science-based approach to curb the spread of the coronavirus
- Requested the newly appointed Foreign Affairs Minister to establish and promote relations with foreign countries
- Ordered a review of regulations and taxes related to foreign investment and urged officials to "work hard to regain the trust of international business"

Through the Company's engagement with the Tanzanian Government, it is evident that the Government and Strandline have a shared vision to achieve long-term prosperity for Tanzania and investors, by supporting development of the Tanzanian mining industry to achieve significant and sustained growth.

Fungoni Mineral Sands Project - Tanzania

The Fungoni Definitive Feasibility Study (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 forecasts. 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.

In light of the improving investment sentiment in Tanzania and progress towards finalising the FWA, the Company is evaluating Fungoni's development timetable, execution strategies and financing structure, with special focus on finalising the current strategic partner process.

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

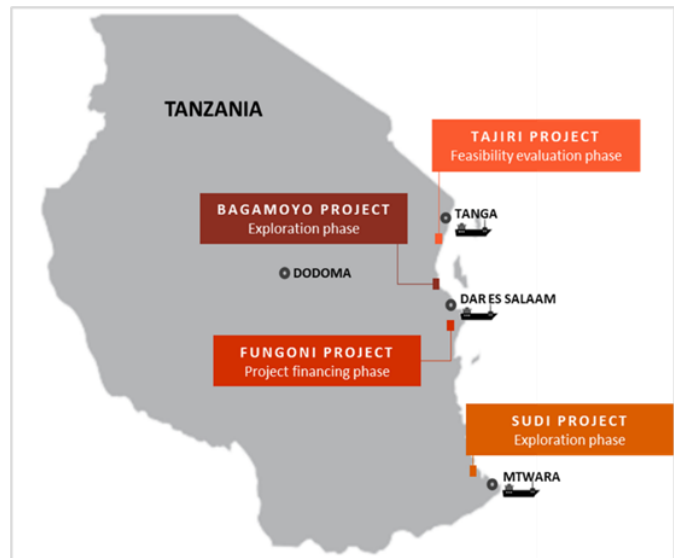


Figure 10 Tanzania Growth Projects Provide Optionality, Scalability and Diversity

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

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:

- 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 benefits from its proximity to existing infrastructure and supports a range of key regional development initiatives in north-east Tanzania

The Company is progressing the next phase of Tajiri project evaluation and permitting, including finalising its environmental and social impact assessment application with regulators and review of external funding options.

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 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). Minor activity was performed during the quarter and a further drill program is 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\$116.4m as at 30 June 2021 (31 March 2021: A\$13.0m) including A\$5.8m of Bond escrow funds which will be released in the September 2021 quarter.

The increase in cash over the period reflects the A\$122m in proceeds received from the capital raising launched in March 2021 as part of the funding requirement to develop Coburn into production and cashflow. The majority of expenditure during the quarter was incurred on the Coburn project site construction and details of cash flows are set out in the attached Appendix 5B.

Payments during the quarter to related parties included in the Appendix 5B were \$74K of fees paid to MPH Lawyers, being a Director related entity and \$266K for Directors' remuneration. Details of Directors' remuneration and fees are provided in the Remuneration Report of the Company's Annual Report.

At the end of the quarter, Strandline held 3.45m 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). During the quarter, Strandline sold 2 million shares in Torrens realising \$0.6 million. Strandline retains a 2% net smelter royalty (capped at A\$1.25m) on the Elizabeth Creek project.

Equity

At the end of the quarter, the Company had 1,116,182,549 fully paid ordinary shares on issue, 13,649,528 unlisted Performance Rights and 10,500,000 unlisted options.

Table 2 Strandline Securities

| Class of securities | Number |
|--|---------------|
| Fully paid ordinary shares | 1,116,182,549 |
| 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 |

Technical and Sustainability Committee

During the quarter, the Company formed a technical and sustainability committee, made up of a selection of management and Directors. The committee will support project development and innovation initiatives and implementation of the Company's environmental and sustainability objectives.

| PEOPLE, HEALTH & SAFETY | ENVIRONMENT | COMMUNITY | SUSTAINABLE FUTURE |
|---|--|--|--|
| <ul style="list-style-type: none"> Relentless focus on health, safety & wellbeing Achieving Zero Harm by building capable people, high-quality plant & robust systems Embedding a high-performance culture Staying true to our values & behaviors in all situations Promoting diversity, inclusion & equal opportunities Investing in the success of our people & celebrating success | <ul style="list-style-type: none"> Striving for industry best practice & supporting emission reductions Minimising physical footprint Energy efficient mine design Conserving natural resources; Maximising renewable energy Reducing waste Environmentally sustainable material sourcing Climate risk management Rehabilitate & offset, fostering rich Biodiversity | <ul style="list-style-type: none"> Provide enduring benefits that enhance the communities in which we operate Proactively & transparently engage with stakeholders Prioritise indigenous engagement & local content Respecting the beliefs, customs, culture, sensitivities & the underlying rights of others Investing in community & social value-add initiatives | <ul style="list-style-type: none"> Strong governance & integrity across business functions Value creation to customers & shareholders Doing what's ethically & socially right provides a consistent grounding for decisions Drive low-cost per ton through innovation & continuous improvement Critical minerals play a key role in the "Green" Revolution Setting sustainability targets for the future |

Figure 11 Strandline is committed to Delivering a Sustainable Future

Board Appointment

The Company continued to strengthen and diversify its Board with the appointment of Ms Alexandra (Alex) Atkins as a Non-executive Director. Ms Atkins is a Mining Engineer, Geotechnical Engineer and Geologist with over 30 years of experience in the mining industry in Australia and PNG. Ms Atkins has an MBA (Finance) from the Australian Institute of Business, is a Chartered Professional Fellow of The Australasian Institute of Mining & Metallurgy (The AusIMM) and Fellow, National Registered Engineer and EngExec of Engineers Australia.

Alex has extensive non-executive director experience with ASX 200 listed Perenti Global Limited (ASX:PRN), International Women in Mining (IWIM) and formerly The AusIMM as well as various social purpose not for profits. Alex is also the Founder of her own mining risk and innovation consultancy.

Covid-19 Update

The Company 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.

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

For further information contact:

Luke Graham
CEO and Managing Director
Strandline Resources Limited
+61 8 9226 3130
enquiries@strandline.com.au

Media and broker enquiries:

Paul Armstrong
Read Corporate
+61 8 9388 1474
paul@readcorporate.com.au

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 12 Strandline's Global Mineral Sands Exploration and Development Projects

ANNEXURE A – MINING TENEMENTS HELD AS AT 30 JUNE 2021

| | Name/Location | Interest |
|---------------------------------------|---------------------------------------|----------|
| Tanzania | | |
| Mineral Sands Projects | | |
| PL 9969/2014 | Sudi JV | 100% |
| SML 00603/2020 (<i>Application</i>) | Tajiri | 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% |
| PL 11412/2020 | Temeke&Mkuranga | 100% |
| PL 11413/2020 | Temeke | 100% |
| PL 11376/2019 | Sakaura (South of Tajiri) | 100% |
| PL 11443/2020 | Mwasonga | 100% |
| PL 11441/2020 | Sharifu | 100% |
| PL 17022/2021 (<i>Application</i>) | Tanga - Pangani | 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% |
| R09/2355 (<i>Pending</i>) | Shark Bay District, Western Australia | 100% |
| R09/4 (<i>Pending</i>) | Shark Bay District, Western Australia | 100% |
| L09/99 (<i>Pending</i>) | 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 ⁽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 |

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 |
| | Total¹ | 523 | 5.83 | 1.11 |

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 ⁽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:

- 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 |
| | Total* | 12.3 | 2.3 | 19 | 480 | 3.9 |

*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)

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

Notes:

- 1 Mineral Resources reported at various THM cut-offs
- 2 Mineral Assemblage is reported as a percentage of insitu THM content
- 3 Appropriate rounding applied

Refer to 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 mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Tanga South (Tajiri) Resource announcement dated 09 July 2019.

Fungoni Mineral Resources

The information in this report that relates to Mineral Resources for Fungoni is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Strandline and Geological Services Manager for IHC Robbins) and

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

Fungoni Ore Reserves

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

Coburn Mineral Resources

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

Coburn Ore Reserves

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

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 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.

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")

June 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (376) | (7,037) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (199) | (1,143) |
| (e) administration and corporate costs | (1,558) | (2,574) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 62 | 115 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 396 |
| 1.8 Other (provide details if material) | - | 74 |
| 1.9 Net cash from / (used in) operating activities | (2,071) | (10,169) |

| | | |
|---|----------|----------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | (1,644) |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets – Mine properties in development | (10,560) | (10,560) |

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 (12 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) | 280 | 280 |
| 2.6 | Net cash from / (used in) investing activities | (10,280) | (11,924) |

| | | | |
|-------------|---|----------------|----------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 121,630 | 140,090 |
| 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 | (5,822) | (6,783) |
| 3.5 | Proceeds from borrowings | 2,688 | 2,688 |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | (2,688) | (2,688) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (Bond Escrow) | (5,808) | (5,808) |
| 3.10 | Net cash from / (used in) financing activities | 110,000 | 127,499 |

| | | | |
|-----------|--|----------|----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 13,001 | 5,242 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (2,071) | (10,169) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (10,280) | (11,924) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 110,000 | 127,499 |

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 (12 months) \$A'000 |
|---|---|------------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | (48) | (46) |
| 4.6 | Cash and cash equivalents at end of period | 110,602 | 110,602 |

| 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 | 110,602 | 110,602 |
| 5.2 | Call deposits | - | - |
| 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) | 110,602 | 110,602 |

| 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 | 340 |
| 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. Financing facilities <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> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities – NAIF ² | 150,000 | 0 |
| 7.2 Credit standby arrangements | 0 | 0 |
| 7.3 Other – Bond ¹ | 79,808 | 2,688 |
| 7.4 Total financing facilities | 229,808 | 2,688 |
| 7.5 Unused financing facilities available at quarter end | | 227,120 |
| 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>¹ <u>Bond Facility – US\$60m</u></p> <ul style="list-style-type: none"> • 5 year tenor with a maturity date of 20 March 2026 • 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 • 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) • 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 • Financial covenants are customary for a loan facility of this 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 • To be listed on Oslo Børs, or other regulated markets within 12 months • Governing law is Norwegian law for Bond terms and Australian law for security package • Comprehensive senior security package over assets and rights of Coburn project, pari passu with the NAIF loan facility • US\$60m (A\$79.8m at AUD:USD 0.7518 as at 30 June 2021) <p>² <u>NAIF Facility – A\$150m</u></p> <ul style="list-style-type: none"> • 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. • First NAIF Loan Tranche: Up to A\$130 million towards the construction of Coburn's core mine process and non-process infrastructure • Second NAIF Loan Tranche: Up to A\$20 million for a potential future northern access road linking the project more directly to the Denham community in Shark Bay (subject to feasibility assessment, permitting and approvals) • Comprehensive senior security package over assets and rights of Coburn project, pari passu with the Bond financing • The NAIF loan facility is subject to facility documents being entered into between the parties and satisfaction of customary conditions precedent to drawdown. These include, but are not limited to: <ul style="list-style-type: none"> - Finalisation of the State's consideration of the Coburn project and its agreement for the approved funds to be advanced; and - Evidence of the balance of development funding being secured. | | |

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

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (2,071) |
| 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) | (2,071) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 110,602 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | 227,120 |
| 8.6 Total available funding (item 8.4 + item 8.5) | 337,722 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 163 |
| <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: 27 July 2021

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

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

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.