



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

STRANDLINE STARTS PRODUCTION AND CASHFLOW AT COBURN MINERAL SANDS PROJECT IN WA

Construction and commissioning of Coburn's downstream Mineral Separation Plant advanced with first concentrate to be processed in March quarter

HIGHLIGHTS

Coburn Mineral Sands Project - Western Australia

- **Overall Coburn project construction reached ~99% complete** by the end of the quarter
- **First shipment of Heavy Mineral Concentrate (HMC) completed** (6,766t wet) as part of ore commissioning and ramp up of the Wet Concentration Plant (WCP)
- **Second shipment of HMC completed** (8,605t wet) subsequent to the quarter, with HMC stockpiles building ready for feed into the Mineral Separation Plant (MSP) and future sales
- **Strong mineral sands market sees HMC sales exceed DFS price assumptions**, with total proceeds of the two HMC shipments being ~A\$14.5m CIF
- **Selling HMC is in accordance with Strandline's accelerated cashflow and ramp-up plan**, and provides a robust operational basis to transition to ore commissioning of the downstream MSP in March quarter
- **Focus remains on increasing production throughput** of the mine and WCP towards design rates, improving plant availability and optimising product recoveries
- **Scoping study progressed on evaluating the potential to expand Coburn** by up to 50 per cent throughput

Mineral Sands Projects – Tanzania

- **New Mining Licence** granted to Nyati Mineral Sands Ltd for the development the Fungoni mineral sands project, as per the JV Framework Agreement with the Tanzanian Government; other approvals progressing
- Strandline-Nyati completed an update to the Resettlement Action Plan for the Tajiri mineral sands project and re-submitted to the government for approval as part of the Special Mining License (SML) application

Corporate

- **Consolidated Cash of A\$66.7m** as at 31 December 2022
- **NAB Working Capital Facility of A\$15m** completed as part of Coburn senior finance facilities
- **Strandline's 2nd edition Sustainability Report (2022)** was released
- **Company Executive appointments** of Ms Belinda Murray as Head of Commercial and Strategic Developments and Mr Jamie Cann as General Counsel and Head of Risk and Compliance
- **Total Recordable Injury Frequency Rate** of 1.1 per million hours worked, increase from 0.0



Strandline Managing Director Luke Graham said: *“It was a transformational quarter for Strandline with the start of production and cashflow at Coburn. The imminent start of production at the MSP plant will drive further increases in cashflow. At the same time, we are advancing the study on expanding Coburn. This would enable us to take further advantage of the project’s large resource, long mine life, existing infrastructure and strong global demand for our products”.*

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

COBURN MINERAL SANDS PROJECT, WA

Strandline’s Coburn project is one of the largest new mineral sands development projects in the world, underpinned by an attractive high-value product suite, conventional design and long life operation. Coburn is 100% owned by the Company and situated close to key port, road and services infrastructure of Geraldton.

Construction at Coburn commenced in May 2021 and has now reached ~99% complete, with the Company achieving commercial production of Heavy Mineral Concentrate (HMC) from the concentrator on 18 November 2022.

Mining operations commenced in the northern area of Coburn deposit (in the east and central pits) with mining starting from surface. Subsequent to the month, the Dozer Mining Units have been repositioned to their next mining block and deeper into the deposit, resulting in higher mining faces and improving production rates.

Ore mined for the quarter was 1,069,056 million tonnes and the average heavy mineral (HM) grade of ore mined was 1.02%. Total HMC production for the quarter was 10,119 tonnes. Sand tailings was deposited into the temporary off path tailings storage facility.

Importantly, ore grade and mineral assemblage has reconciled well with Ore Reserve assumptions to date, as has the higher-than-average slimes and oversize content measured in the shallower zones of the deposit.

Other key project progress during the December quarter includes:

- Trucking of HMC product to port storage facilities progressed, under contract with Qube Bulk
- First shipment of HMC completed (6,766t wet, valued at ~A\$6.5m) as part of ore commissioning and ramp up of the Wet Concentration Plant (WCP)
- Second shipment of HMC completed subsequent to the quarter (8,605t wet, valued at ~A\$8.0m), with HMC stockpiles building ready for feed into the Mineral Separation Plant (MSP) and future sales
- Construction of the MSP was substantially complete during the quarter and commissioning commenced in earnest in preparation for introduction of ore to the MSP expected during the March quarter
- Strandline plans to progressively introduce HMC product into the MSP next quarter, while continuing to ramp-up production rates from the mine and WCP towards nameplate capacity.



Figure 1 Coburn Project – Trucking of HMC product to Geraldton port



Figure 2 Coburn Project – First Load of HMC at Berth 4 Port of Geraldton WA, (December 2022)



Figure 3 Coburn Project – First Ship loading of HMC into Vessel (December 2022)



Figure 4 Coburn Project – Strandline's Luke Graham (Managing Director) and Mike Ferraro (Technical and Marketing Director) at Port of Geraldton



Figure 5 Coburn Project – Dozer Push Mining of Free-flowing Sand

The focus remains on increasing production throughput of the WCP towards design rates, improving plant availability and optimising product recoveries. While ramp up of the WCP continues, commissioning teams advanced preparations for ore commissioning of the downstream MSP, which is forecast to commence in early February 2023.

The Company plans to provide production and operating cost guidance once ore commissioning and ramp up of the Coburn project (including the MSP) is further progressed and prior to the start of the new financial year FY2024.



Figure 6 Coburn Project – MSP Construction Complete and Commissioning Underway



Figure 7 Coburn Project WCP and HMC stockpile

During the quarter, the Company continued early scoping study activities on the potential to increase the planned production rate by up to 50 per cent. 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, especially the inherent design capacity within the processing plant circuitry.

With Coburn construction nearing completion and operations ramping up, the Company continues to focus on managing the various risk factors associated with development of the project. This includes HSEC risks,

inclement weather, contractor performance, technical commissioning and ramp-up risks, commodity price and foreign exchange rate fluctuations, cost inflation, and contractual claims and disputes.

During the quarter, contractor TMM Group (Operations) Pty Ltd, a subsidiary of Macmahon Holdings initiated legal proceedings in the Supreme Court of Western Australia against Strandline’s subsidiary Coburn Resources Pty Ltd claiming that Coburn owes TMM an amount in the order of \$13.5 million. Strandline rejects the basis of the claims, intends to defend the matter vigorously and bring its own counterclaims against TMM. TMM were involved in the construction of site wide civil bulk earthworks and roads and demobilised from site in May 2022.

TANZANIA MINERAL SANDS GROWTH PROJECTS

Strandline owns multiple major mineral sands growth projects along the highly prospective coastline of Tanzania, including the Fungoni and Tajiri projects, and a series of exploration tenure.

In December 2021, Strandline and the Government of Tanzania (GNT) signed a binding Framework Agreement under which they established a joint venture entity named Nyati Mineral Sands Ltd (Nyati). The Framework Agreement outlines the key joint venture ownership and operating terms for the development of the Fungoni mineral sands project near the port of Dar es Salaam and the Company’s other emerging Tanzanian mineral sands assets, including the titanium dominated, large-scale Tajiri project. Strandline is the operator of Nyati and owns 84%, with the GNT obtaining a 16% non-dilutable free-carried interest in accordance with Tanzanian law.

During the quarter, a new Fungoni mining licence was granted to Nyati by the Tanzanian Ministry of Minerals Mining Commission in accordance with the Framework Agreement. Following this, work progressed on reassigning Strandline’s other project assets, licences and permits into Nyati from Strandline’s other Tanzanian subsidiaries. Refer to the tenement listing in Annexure A.

The Company also received Government approval for the Fungoni valuation schedules relating to land access and compensation of Project Affected People (PAP). The total compensation costs have increased to ~US\$8.1m since the last social baseline exercise (up from the previous ~US\$4.4m estimate). Nyati-Strandline is now focusing on finalising several other key government-related approvals and authorisations, as well as completing the necessary technical, financial and legal workstreams required for a final investment and development decision.

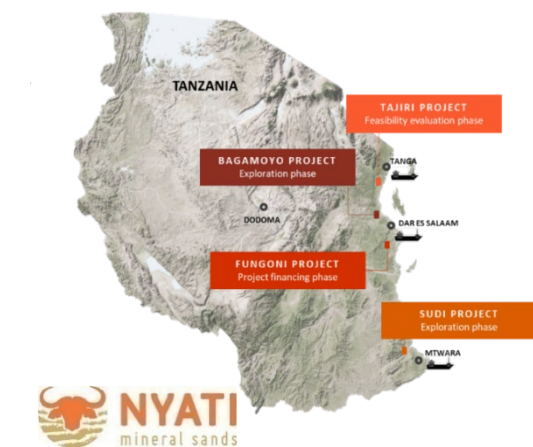


Figure 8 Strandline’s portfolio of mineral sands assets along the coastline of Tanzania

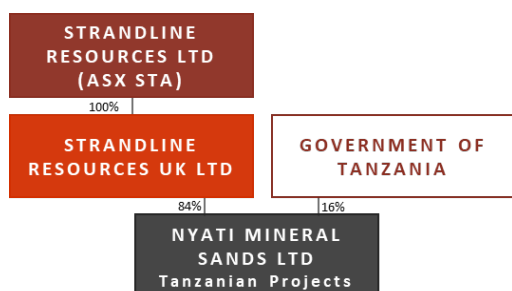


Figure 9 Corporate Structure for Strandline’s Tanzania Project Portfolio

During the quarter, Strandline-Nyati completed an update to the Resettlement Action Plan (RAP) for the Tajiri mineral sands project and submitted the RAP to the Government for approval as part of the Special Mining License (SML) application. Strandline have been advised by the Government that the SML is under review and requires endorsement by the Government Cabinet, due to the projects scale and national importance.

CORPORATE

Cash & Investments

The Company’s consolidated cash was A\$66.7m as at 31 December 2022 (30 September 2022: A\$94.0m).

During the quarter, most of the expenditure was incurred on the Coburn project to complete site construction and ramp up commissioning activities. The Company received its first sales proceeds from the initial HMC shipment as part of development, ore commissioning and ramp up of the WCP. Full details of cash flows for the quarter are set out in the attached Appendix 5B.

At the end of the quarter, Strandline held 0.79m shares in Coda Minerals Limited valued at A\$0.2m. Payments during the quarter to related parties included in the Appendix 5B were A\$7k of fees paid to MPH Lawyers, being a Director related entity and A\$276k for Directors' remuneration.

Loan Facilities

Coburn Resources Pty Ltd (a 100%-owned subsidiary of Strandline) reached Financial Close on the Coburn's senior finance facilities (total of ~A\$230m) in 2021, which enabled loan drawdowns to progress on the Coburn project.

The final loan drawdowns have been completed in accordance with the Coburn development plan, with A\$130m fully drawn under the NAIF facility and US\$60m fully drawn under the Bond Facility (refer to Appendix 5B for further details). As part of the original project finance structure and approvals, a working capital tranche was included to stand alongside the NAIF and Bond facilities.

During the quarter, a A\$15m working capital facility was approved by NAB with finance documents also completed during the period (ready for drawdown). The working capital facility is a 12-month revolving cash advance facility, senior secured and subject to customary conditions precedent for a facility of this nature. There were no drawdowns of the working capital facility during the quarter.

Equity

During the quarter the Company issued 3,500,000 fully paid ordinary shares through the conversion of unlisted options. A total of A\$1.3m was received through the conversion of 2,500,000 unlisted options at \$0.22 each into fully paid ordinary shares and 3,000,000 unlisted options at \$0.26 each into fully paid ordinary shares.

Table 1 Strandline Securities at the end of the Quarter

Class of securities	Number
Fully paid ordinary shares	1,252,888,665
Unlisted performance rights expiring 15/08/23	5,496,388
Unlisted performance rights expiring 15/08/24	6,144,958
Unlisted Options – expiring 28/11/2023 and exercisable at \$0.26 per option	2,500,000
Unlisted Options – expiring 30/11/2023 and exercisable at \$0.30 per option	3,000,000

Mineral Sands Market

A highlight for the month was the sale of Strandline's maiden HMC shipment comprising of 6,766t wet tonnes.

Despite increasing world economic pressures and volatility, demand and pricing for mineral sands products were reported to hold up relatively well through the quarter. As reported previously, pricing for Strandline's suite of products continues to remain significantly above Strandline's feasibility study assumptions.

Titanium Market

COVID-19 restrictions in China resulted in a softening in demand for titanium feedstock related to pigment production during the quarter. Some curtailment in TiO₂ pigment production has also been reported particularly in European sulphate route pigment production. More favoured chloride route production continues to operate at close to full production, which augers well for Coburn products of chloride-grade ilmenite and rutile, both of which feed chloride route pigment production. Towards the end of the quarter, COVID-19 restrictions were lifted in China and an immediate lift in demand and slight price correction was evident.

COBURN'S FUNDING STRUCTURE

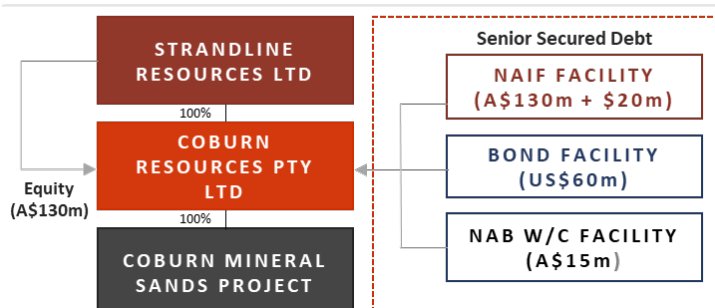


Figure 10 Coburn Project Funding Structure

Following commissioning of the Coburn MSP, plans are in place to supply Coburn's two main titanium customers, Chemours (USA) and Venator (USA), in a business as usual manner for the year. Overall pricing for the year is expected to slightly increase from the relatively strong current position for chloride feedstock.

Zircon Market

During the quarter, reduced zircon demand in China continued to be predominantly driven by the ongoing COVID-19 related lockdowns. By quarter end, with the restrictions lifting an improvement in demand and slight correction in prices was observed. Zircon prices in China and Europe remain above a healthy level of US\$2,000 per tonne. Demand in India is strong and some zircon sales are observed to be occurring in the range US\$2,200 to US\$2,500 per tonne. In general, end consumer use in Europe is subdued driven by economic uncertainty, but this is may be offset by the improving conditions in China, constrained supply chains, and inventory replenishment by major producers (with inventory stockpiles currently at extreme low levels), resulting in zircon prices expected to remain stable over the coming quarter.

Health, Safety and Sustainability

The Company had its first medical treatment injury during the quarter. The injury was minor and the employee recovered quickly and has returned to full duties. The Company's Total Recordable Injury Frequency Rate (TRIFR) increased to 1.1 per million hours worked (up from 0.0 previous quarter).

The Company issued its annual environmental compliance reports to regulatory authorities – there were no instances of non-compliance leading to any fines or enforcement actions. A comprehensive native seed collection campaign continued during the quarter, ready for commencement of the mine rehabilitation program during 2023.

During the quarter, the Company released the 2022 Sustainability Report, a copy can be accessed at www.strandline.com.au.



Figure 11 2022 Sustainability Report



Figure 12 Coburn Seed Collection

The Company continues to closely monitor the COVID-19 pandemic and its impact on the Company's business, people and stakeholders. Strandline has managed to maintain continuity across all its operational and strategic workstreams without any material disruption and continues to follow the guidance of recognised health authorities and the WA Government.

Annual General Meeting

The Annual General Meeting of the Company was held on 24 November 2022 and all resolutions were passed on a poll.

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.

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 critical minerals 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.

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.



Figure 13 Strandline's Global Mineral Sands Exploration and Development Projects

ANNEXURE A – MINING TENEMENTS HELD AS AT THE END OF THE QUARTER

Location	Name	Interest
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%
R09/4	Shark Bay District, Western Australia	100%
E09/2355 (Pending)	Shark Bay District, Western Australia	100%
L09/99	Shark Bay District, Western Australia	100%
L09/101	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 for the tenements located in Australia

Location	Name	Interest
Tanzania	Mineral Sands Projects	
ML 580/2018 (surrendered), ML 678/2022 (granted)	Fungoni	84%
PL 7754/2012 (surrendered), PL22778/2022 (application)	Fungoni	84%
PL 9969/2014 (surrendered), PL 22785/2022 (application)	Sudi	84%
PL 10265/2014 (surrendered), PL22779/2022 (application)	Bagamoyo	84%
PL 11442/2020 (surrendered), PL 22787/2022 (application)	Pangani	84%
PL 11030/2017 (surrendered), PL 22774/2022 (application)	Fungoni West	84%
PL 10978/2016 (surrendered), PL 22776/2022 (application)	Fungoni South	84%
PL 11076/2017 (surrendered), PL 22784/2022 (application)	Bagamoyo	84%
PL 11131/2017 (surrendered), PL 22775/2022 (application)	Sudi Central	84%
PL 11270/2019 (surrendered), PL 22777/2022 (application)	Kitunda RIO	84%
PL 11267/2019 (surrendered), PL 22789/2022 (application)	Rushungi South	84%
PL 11266/2019 (surrendered), PL 22790/2022 (application)	Sudi East RIO	84%
PL 11412/2020 (surrendered), PL 22783/2022 (application)	Temeke & Mkuranga	84%
PL11413/2020 (surrendered), PL 22782/2022 (application)	Temeke	84%
PL 11376/2019 (surrendered), PL 11376/2019 (application)	Sakaura (South of Tajiri)	84%
PL11443/2020 (surrendered), PL 22780/2022 (application)	Mwasonga	84%
PL11441/2020 (surrendered), PL 22781/2022 (application)	Sharifu	84%
PL 11689/2021 (surrendered), PL 22786/2022 (application)	Tanga- Pangani	84%
SML00603/2020 (surrendered), SML 00607/2022 (application)	Tajiri	84%

In accordance with the Framework Agreement executed between Strandline and the Government of Tanzania, the Fungoni tenement (ML 580/2018) was granted to Nyati Mineral Sands Ltd and new tenement applications were made for the remaining Tanzanian tenements. There were no farm-in or farm-out agreements entered into or held during the quarter for the tenements located in Tanzania.

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")

December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6-months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,508	6,508
1.2 Payments for		
(a) exploration & evaluation	(64)	(174)
(b) development	(6,412)	(6,412)
(c) production	-	-
(d) staff costs	(768)	(1,846)
(e) administration and corporate costs	(785)	(1,937)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	298	360
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,281
1.8 Other (GST)	107	2,388
1.9 Net cash from / (used in) operating activities	(1,116)	168

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant, and equipment	(82)	(82)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets – Mine properties in development	(27,426)	(79,054)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6-months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Available for Sale Investments)	-	-
2.6	Net cash from / (used in) investing activities	(27,508)	(79,136)

3.	Cash flows from financing activities		
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	1,330	1,810
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	24,157
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (FX movement)	1	1
3.10	Net cash from / (used in) financing activities	1,331	25,968

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	94,036	119,645
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,116)	168
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(27,508)	(79,136)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,331	25,968

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6-months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(89)	9
4.6	Cash and cash equivalents at end of period	66,654	66,654

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	31,596	53,978
5.2	Call deposits	35,058	40,058
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)	66,654	94,036

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	283
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 - Bond Facility ¹	88,561	(88,561)
Loan facilities – NAIF Facility ²	150,000	(130,000)
Loan Facilities – Working Capital Facility ³	15,000	-
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 Total financing facilities	253,561	(218,561)
7.5 Unused financing facilities available at quarter end		35,000
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 and NAB loan facility • US\$60m (A\$88,861 at AUD:USD 0.6775 as at 31 December 2022) <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 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) • Comprehensive senior security package over assets and rights of Coburn project, pari passu with the Bond and NAB facility <p>³ <u>NAB Working Capital Facility - \$15m</u></p> <ul style="list-style-type: none"> • 12 month revolving facility for Coburn project operations • Comprehensive senior security package over assets and rights of Coburn project, pari passu with the NAIF and Bond financing 		

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)	(1,116)
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)	(1,116)
8.4 Cash and cash equivalents at quarter end (item 4.6)	66,654
8.5 Unused finance facilities available at quarter end (item 7.5)	35,000
8.6 Total available funding (item 8.4 + item 8.5)	100,538
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	90
<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: 31 January 2023

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

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.