



QUARTERLY ACTIVITIES REPORT – JUNE 2024

Strandline Resources Limited (ASX: STA) (Strandline or the Company) provides an update on its operational, development and corporate activities for the quarter ended 30 June 2024 (June 2024 Quarter).

KEY POINTS

Coburn Mineral Sands Project - Western Australia

- No lost time injuries for the quarter and Total Recordable Injury Frequency Rate of 3.21 per million hours worked.
- 45,544 tonnes of Heavy Mineral Concentrate (HMC) produced in the June 2024 Quarter (March 2024 Quarter production was 35,180 tonnes).
- Continued improvements made in management of tailings storage and Dozer Mining Unit (DMU) availability resulted in a record month of HMC production in May 2024 of 16,267 dry tonnes.
- Sales in the June 2024 Quarter totalled 40,886 tonnes (March 2024 Quarter sales - 32,693 tonnes).
- Stockpiles held at Coburn and Geraldton Port as at 30 June 2024 totalled 20,427 tonnes of HMC.
- Subsequent to the end of the June 2024 Quarter 15,553 tonnes of HMC were sold in early July 2024.

Mineral Sands Projects – Tanzania

- In May 2024, Strandline agreed to sell its Tanzanian mineral sands projects to a subsidiary of Shenghe Resources Holding Co., Ltd (Shenghe).
- Strandline will receive total consideration of ~A\$43 million split between ~A\$27.2 million for the sale of its shares in the UK holding company of the Tanzanian projects and ~A\$15.8 million for the assignment of the inter-company loans Strandline has provided to fund its Tanzanian projects, with proceeds to repay super senior debt facility.
- The Company expects to complete the sale in September 2024 Quarter.

Corporate

- Consolidated Cash of A\$3.95m as at 30 June 2024.
- On 4 July 2024, the Company announced it had agreed a standstill arrangement with its financiers (NAIF, National Australia Bank and Nordic Bondholders) on certain near-term interest payments, repayment obligations and covenant waivers. The Company has undertaken to work with its lenders to implement a comprehensive restructure of the Company's debt position.
- Discussions with lenders regarding the debt restructure are still in progress. Given these discussions, the Company's shares will remain suspended.
- In April 2024, highly accomplished executive, Robert Ierace, and experienced mining professional, Robert Stevenson, were appointed as Chief Financial Officer and General Manager Operations for Coburn.



COBURN MINERAL SANDS PROJECT

Operational performance

Monthly HMC production volumes increased during the Quarter in accordance with the mine plan.

Item	June 2024 Quarter	March 2024 Quarter
DMU mined (tonnes)	3,658,491	3,299,342
Mined grade (%)	1.39	1.04
HMC Produced (tonnes)	45,544	35,180
Sales (tonnes)	40,886	32,693
HMC Realised Price (A\$/t HMC) ¹	731	602
C1 cost (A\$/t HMC produced) ²	784	931
Closing Stockpiles	20,427	15,386

Notes:

1 – Realised sale price per tonne net of sea freight costs (FOB).

2 - C1 cash costs include mining, processing, general and admin and HMC road transport costs.

Subsequent to the end of the June 2024 Quarter, Strandline completed a shipment of 15,553 tonnes of HMC in early July 2024.

Production update

HMC production improved during the June 2024 Quarter (with 14,847 tonnes in April, 16,267 tonnes in May and 14,430 tonnes in June 2024).

June 2024 Quarter recorded the highest-ever quarterly HMC production since the start of commissioning.

June 2024 Quarter shipments

Stockpiles held at Coburn and Geraldton Port as at 30 June 2024 totalled 20,427 tonnes of which 15,553 tonnes was shipped in early July 2024.

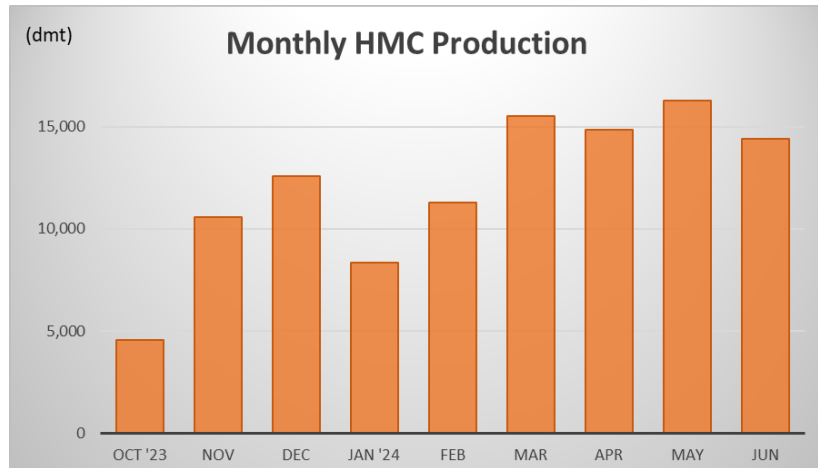
Funds for the June 2024 Quarter shipments were received in June 2024 Quarter.

The Company continued to engage with customers on HMC supply based on improved quality. The improved quality of the HMC has resulted in improved prices being obtained by the Company from various customers.

Operations update

The record May 2024 HMC production level of 16,267 dry tonnes is ~84% of the nominal design rate.

The graph below shows the HMC production levels between October 2023 and June 2024.



Mineral Separation Plant (MSP) trial completed

Further to the Company's announcements of 29 May 2024 and 7 July 2024, the MSP trial was completed in June 2024 for a two-week period. The focus of the MSP trial was to collect data to inform the capital program required to maximise separation into final products. This MSP trial was carried out with high quality HMC which has had improved attritioning and improved Valuable Heavy Mineral content.

The results of the trial will be finalised upon review of the final outstanding assay information, which are expected to be received in September 2024 Quarter. The outcomes of the trial will inform the MSP modifications and the timing to restart the MSP.



Ilmenite produced during the MSP trial

TANZANIA MINERAL SANDS PROJECTS

During the June 2024 Quarter, the Company announced it had agreed to sell its Tanzanian mineral sands projects to a subsidiary of Shenghe Resources Holding Co., Ltd (Shenghe). Strandline will receive total consideration of ~A\$43 million split between ~A\$27.2 million for the sale of its shares in the UK holding company of the Tanzanian projects and ~A\$15.8 million for the assignment of the inter-company loans Strandline has provided to fund its Tanzanian projects.

The Company expects to complete the sale in September 2024 Quarter. Strandline will apply the consideration received to repay existing super senior indebtedness and for working capital.

The purchaser (Ganzhou Chenguang Rare Earths New Material Co, Ltd) is a subsidiary of Shenghe, a company incorporated in the People's Republic of China and listed on the Shanghai Stock Exchange. Shenghe is a leading rare earths and mineral sands developer, miner and processor.



CORPORATE

Cash & Investments

The Company's consolidated cash was A\$3.95m as at 30 June 2024 (31 March 2024: A\$4.5m) and total concentrate stockpiles of HMC on hand at the end of the June 2024 Quarter were 20,427 tonnes (31 March 15,836 tonnes). Subsequent to the end of the June 2024 Quarter, a total of 15,553 tonnes of HMC were shipped in early July 2024.

Receipts for the quarter included:

- A\$30.8m from three shipments sold in the June 2024 Quarter comprising 40,886 tonnes (March 2024 Quarter sales comprised 32,693 tonnes).
- Bondholder funding of A\$7.5m received in the June 2024 Quarter pursuant to the agreement with the Nordic Bondholders announced in March 2024. A further A\$2.5m received from NAIF during the quarter.

Material costs for June 2024 Quarter included:

- A\$30.9m in operating costs for production (including A\$1.0m for Government royalties).
- A\$4.7m of corporate and administration costs including restructuring costs.
- A\$1.9m of Coburn project capital expenditure.
- A\$0.5m of expenditure relating to Tanzanian licenses.

During the June 2024 Quarter, the Company continued to optimise staffing resources at the Perth office and engaged additional technical and operational support to assist with ramp up and commissioning of Coburn.

Executive and management update

On 9 April 2024, the Company announced that Mr Robert Ierace has been appointed Chief Financial Officer of the Company and Mr Robert Stevenson has been appointed General Manager Operations.

Loan Facilities

On 4 July 2024, the Company announced that it had agreed with its lenders a deferral of all interest and principal due to be paid on 30 June 2024 under its debt arrangements with its lenders until 30 September 2024. The next payment of principal and interest due under Strandline's debt arrangements is 30 September 2024. The Company continues debt and restructure negotiations with its lenders.

Extension of Suspension from Official Quotation

Discussions with lenders regarding debt restructuring are still in progress. Given these discussions, the Company's shares will remain suspended.

Health, Safety and Sustainability

There were no lost time injuries during the June 2024 Quarter and the Company has a Lost Time Injury Frequency Rate (LTIFR) of 0.0 per million hours worked. There was 1 restricted work day case during the June 2024 Quarter and the Company's Total Recordable Injury Frequency Rate (TRIFR) is 3.21 per million hours worked (31 March 2024: 1.3 per million hours worked).

ASX Additional Information

1. ASX Listing Rule 5.3.1: Payments relating to Exploration and Evaluation Expenditure during the June 2024 Quarter were A\$457,000. Full details of exploration activity during the June 2024 Quarter are set out in this report.
2. ASX Listing Rule 5.3.2: Details of its mining production and development activities during the June 2024 Quarter are set out in detail in this report and a summary of the expenditure incurred on those activities is as follows:

Activities	A\$
Expenditure on Mining production activities during the June 2024 Quarter	\$30,903,000
Expenditure on development activities during the June 2024 Quarter	\$1,942,000

3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the June 2024 Quarter: A\$327,000 - The Company advises that this relates to non-executive director's fees and executive directors' salaries and entitlements as well as retention payments to the Managing Director. Please see Remuneration Report in the Annual Report for further details on Directors' remuneration as well as ASX announcement dated 15 March 2024 which refers to an amendment to the Managing Director's remuneration.

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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FORWARD LOOKING STATEMENTS

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

A number of important factors could cause Strandline's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including (without limitation) the Australian and global

economic environment and capital market conditions, with many of these factors being beyond Strandline's control. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

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

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

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

Location	Name	Interest
Australia	Coburn Mineral Sands Project	
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%

During the quarter the Company surrendered E09/939. There were no other tenements surrendered during the quarter and no farm-in or farm-out agreements entered into or held during the June 2024 Quarter for the tenements located in Australia.

The following tenure in Tanzania is the subject a sale agreement with Shenghe as announced on 20 May 2024 (see ASX announcement):

Location	Name	Interest
Tanzania	Mineral Sands Projects	
ML 678/2022	Fungoni	84%
PL 12218/2023	Fungoni	84%
PL 12211/2023	Sudi	84%
PL 12217/2023	Bagamoyo	84%
PL 12209/2023	Pangani	84%
PL 12222/2023	Fungoni West	84%
PL 12220/2023	Fungoni South	84%
PL 12212/2023	Bagamoyo	84%
PL 12221/2023	Sudi Central	84%
PL 12219/2023	Kitunda RIO	84%
PL 12207/2023	Rushungi South	84%
PL 12206/2023	Sudi East RIO	84%
PL 12213/2023	Temeke & Mkuranga	84%
PL 12214/2023	Temeke	84%
PL 12208/2023	Sakaura (South of Tajiri)	84%
PL 12216/2023	Mwasonga	84%
PL 12215/2023	Sharifu	84%
PL 12210/2023	Tanga- Pangani	84%
SML 00607/2022 (granted)	Tajiri	84%

There were no tenements surrendered during the quarter and no farm-in or farm-out agreements entered into or held during the June 2024 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 Resources Limited

ABN

32 090 603 642

Quarter ended ("current quarter")

30 June 2024

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	30,831	86,440
1.2	Payments for		
	(a) exploration & evaluation	(474)	(1,735)
	(b) development	-	-
	(c) production	(30,903)	(130,476)
	(d) staff costs	(1,311)	(8,120)
	(e) administration and corporate costs	(4,687)	(10,307)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	215
1.5	Interest and other costs of finance paid	(1,138)	(4,791)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	451
1.8	Other (provide details if material)	(473)	(251)
1.9	Net cash from / (used in) operating activities	(8,151)	(68,574)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(43)	(108)
	(d) exploration & evaluation	-	-
	(e) investments	-	-

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
(f)	other non-current assets		
-	Mine properties in development Coburn Project	(1,888)	(19,390)
-	Mine properties in development Fungoni Project	(11)	(12,349)
2.2	Proceeds from the disposal of:		
(a)	entities	-	-
(b)	tenements	-	-
(c)	property, plant and equipment	-	-
(d)	investments	-	-
(e)	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,942)	(31,847)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	36,570
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	-	(1,863)
3.5	Proceeds from borrowings	10,000	30,000
3.6	Repayment of borrowings	(366)	(1,428)
3.7	Transaction costs related to loans and borrowings	-	(85)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	9,634	63,194

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,525	41,301
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,151)	(68,574)

Appendix 5B

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
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,942)	(31,847)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,634	63,194
4.5	Effect of movement in exchange rates on cash held	(114)	(122)
4.6	Cash and cash equivalents at end of period	3,952	3,952

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	3,894	4,467
5.2	Call deposits	58	58
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)	3,952	4,525

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	327
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	91,855	(91,855)
Loan facilities – NAIF Facility ²	135,000	(130,000)
Loan facilities – Working Capital Facility ³	15,000	(15,000)
Loan facilities – NAIF Facility Super Senior ⁴	15,000	(12,500)
Loan facilities – Bond Facility Super Senior ⁵	20,000	(17,500)
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	276,855	(266,855)
7.5 Unused financing facilities available at quarter end		10,000
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 September 2024 (in an amount of US\$12.75m), then quarterly amortisation of US\$4.25m from 20 December 2024 to 20 June 2025, then amortisation of US\$2.25m at 20 September 2025 and 20 December 2025. Note that the first amortisation payment in March 2024 was deferred to September 2024. 50% bullet at the Maturity Date. • The Company 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). • 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, Group Liquidity, minimum product output and minimum product sales. • 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 (Facility B and Facility C1) and NAB loan facility. • US\$60m (A\$90.58m at AUD: USD 0.6624 as at 30 June 2024). <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 20 March 2028 or 3 months after the Bond or any Bond refinancing is repaid. Thereafter, quarterly principal repayments of Facility B and Facility C2 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 (Facility B): Up to A\$130m towards the construction of Coburn's core mine process and non-process infrastructure. • Second NAIF Loan Tranche (Facility C1): Up to A\$5m provided towards financing the Airstrip Project. • Third NAIF Loan Tranche (Facility C2): Up to A\$15m towards financing Project remediation costs including costs of expansion of the tailings storage capacity of the Project and "truck and shovel" costs related or incidental to such expansion. Note that this facility is super senior and ranks pari passu with the Bond Facility Super Senior listed below. • Comprehensive senior security package over assets and rights of Coburn project, pari passu (with respect to Facility B and Facility C1) with the Bond and NAB facility. Facility C2 ranks pari passu with Bond Facility Super Senior, and super senior to other secured lenders. • Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales. 		

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

³NAB Working Capital Facility - \$15m

- 12 month revolving facility for working capital purposes.
- Comprehensive senior security package over assets and rights of Coburn project, pari passu with the NAIF (Facility B and Facility C1) and Bond financing.
- Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.

⁴NAIF Facility Super Senior - \$15m

- As noted above, the third NAIF Loan Tranche (Facility C2) is super senior and ranks pari passu with the Bond Facility Super Senior (listed below). Facility C2 is up to A\$15m towards financing Project remediation costs including costs of expansion of the tailings storage capacity of the Project and "truck and shovel" costs related or incidental to such expansion.
- A\$10m was drawn down in December 2023 and a further \$2.5M drawn in May 2024. An additional A\$2.5M drawn in July 2024.
- The completion of the sale of the Tanzanian Projects is expected in the September 2024 Quarter. Strandline will apply the consideration received to repay existing super senior indebtedness and for certain transaction costs.
- 100% bullet repayment at the Maturity Date (being the earliest of the (i) New LNSA Termination date which is 8 March 2025; (ii) 2 Business Days before the first scheduled repayment under the Bond Terms; and (iii) the Business Day before the date of the first schedule repayment under the NAB Working Capital Facility; (iv) completion of the sale of the Tanzanian Projects.
- Comprehensive senior security package over assets and rights of Coburn project, ranks pari passu with Bond Facility Super Senior, and super senior to other secured lenders.
- Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.

⁵Bond Facility Super Senior - \$20m

- 12 month tenor with a maturity date of 8 March 2025. No amortisation payments, 100% bullet at the Maturity Date.
- First Loan Tranche (Facility A) up to A\$10m, Second Loan Tranche (Facility B) up to A\$5m and Third Loan Tranche (Facility C) up to A\$5m, each subject to satisfaction of various conditions to the satisfaction of Bond Facility Super Senior Lenders in their discretion to be applied towards general corporate purposes or other such purposes as approved by the Agent.
- A\$17.5m has been drawn down as at 30 June 2024. The remaining \$2.5M was drawn in July 2024.
- The completion of the sale of the Tanzanian Projects is expected in the September 2024 Quarter. Strandline will apply the consideration received to repay existing super senior indebtedness and for certain transaction costs.
- Comprehensive senior security package over assets and rights of Coburn project, ranks pari passu with NAIF Facility C2 loan facility, and super senior to other secured lenders.

Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(8,151)
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)	(8,151)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,952
8.5	Unused finance facilities available at quarter end (item 7.5)	10,000
8.6	Total available funding (item 8.4 + item 8.5)	13,952
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.71

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.

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

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?

No - with expected improvements in sales prices and reduced operating costs are expected to lead to lower cash outflows. Subsequent to the end of the June 2024 quarter, 15,553 tonnes of HMC were sold in early July 2024 with further shipments being scheduled with customers in the September 2024 quarter.

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?

On 15 March 2024, the Company announced that a group of the Company's existing Nordic Bondholders have agreed to provide an additional debt facility of up to A\$20 million, with drawdowns subject to certain conditions. The key points of the additional facility are:

- Super senior finance facility agreed for up to A\$20M.
- A\$10M of the new facility drawn 8 March 2024 and a further A\$5M drawn in early April and a further A\$2.5M drawn in June 2024. Subsequent to the end of quarter the final A\$2.5M was drawn in July 2024.

In addition to the new facility, Strandline has agreed with its financiers (NAIF, National Australia Bank and Nordic Bondholders) to extend the standstill arrangement on certain interest payments and near-term repayments and covenant waivers, subject to certain conditions.

During the June 2024 Quarter, the Company announced it had agreed to sell its Tanzanian mineral sands projects to a subsidiary of Shenghe Resources Holding Co., Ltd (Shenghe). Strandline will receive total consideration of ~A\$43 million split between ~A\$27.2 million for the sale of its shares in the Tanzanian Projects and ~A\$15.8 million for the assignment of the inter-company loans Strandline has provided to fund its Tanzanian Projects.

The completion of the sale of the Tanzanian Projects is expected in September 2024 Quarter. Strandline will apply the consideration received to repay existing super senior indebtedness and for certain transaction costs.

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?

Presently management are negotiating with its debt financiers to restructure the Company's debt.. Pending successful outcome of these discussions then the Directors believe there are reasonable grounds to believe the operations and its business objectives will be met.

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

Compliance statement

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

Date:31 July 2024.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board

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

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.