



Coburn mineral sands project poised for development after securing NAIF funding and binding offtake contracts

Updated DFS confirms Coburn is a world-class project with average annual EBITDA of A\$104m over initial 22.5-year mine life

Coburn Mineral Sands Project, Western Australia

- The Northern Australian Infrastructure Facility (NAIF) approved a A\$150m loan facility for the development of Coburn, comprising two tranches and based on a 15.5-year term:
 - First tranche of up to A\$130m towards construction of Coburn's core mine infrastructure
 - Second tranche of up to A\$20m to fund a potential future northern access road linking the project more directly to the Denham community in Shark Bay
- Updated DFS resulted in significant increases in forecast financial returns for Coburn including:
 - Project pre-tax NPV⁸ of A\$705m (up 28% from A\$551m)
 - Project pre-tax IRR rises to 37% and EBITDA of A\$2.3b over the first 22.5 years of Reserves
 - Scoping Study "Extension Case" shows a potential mine life expansion to 37.5 years, increasing NPV⁸ to A\$825m, through conversion of Resources immediately north of current Reserves
- Four binding offtakes signed with some of the world's leading consumers across Europe, America and China, resulting in ~72% of Coburn's revenue being secured for the first five years of production
- As part of finalising project funding, independent technical and economic due-diligence assessments confirm Coburn's robust fundamentals, with no development fatal flaws or residual high risks
- Macmahon appointed as preferred mining contractor and early engineering design commenced; Tendering of major contracts advanced in preparation for construction and Financial Close

Fungoni Mineral Sands Project, Tanzania

- Strandline and Nedbank CIB signed a US\$26m Project Finance Facility Agreement, accounting for most of Fungoni's US\$35m capital requirement (excl. financing costs) once Financial Close is achieved
- Fungoni is construction-ready pending finalisation of funding and secondary government approvals

Mineral Sands Exploration Growth Projects, Tanzania

- Scoping Study advanced on the Tajiri mineral sands project, based on the JORC Resources of 268Mt @ 3.3% Total Heavy Minerals, underpinning Strandline's long-term production outlook in Tanzania

Corporate

- Cash on hand of A\$5.24 million and no debt as at 30 June 2020

Quarterly Report for the period ending 30 June 2020

Strandline Resources Limited (**Strandline** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2020.

Coburn Mineral Sands Project – Western Australia

During the Quarter, Strandline achieved a major milestone with the Northern Australia Infrastructure Facility (NAIF)¹ approving an investment decision to provide A\$150m of debt funding for the Coburn mineral sands project, situated in the Gascoyne-Mid West regions of Western Australia.

The NAIF Facility will be provided in two stages, A\$130m allocated towards the construction of Coburn’s core mine infrastructure and A\$20m to fund a potential future northern access road linking the project more directly to the Denham community in Shark Bay (refer ASX Announcement 22 June 2020).

The NAIF facility is a critical part of Strandline’s funding strategy as it accounts for a major share of Coburn’s capital requirement and will assist in securing the remaining funding. The investment decision follows a detailed due-diligence process, including the completion of independent expert reports on the project, and is a recognition of the important socio-economic benefits that the project will bring. Strandline and NAIF are now working to finalise finance documentation and satisfy customary NAIF conditions precedent to drawdown.

KEY TERMS OF NAIF’S COBURN LOAN FACILITY

Facility Amount:	Up to A\$150 million, over two tranches based on a 15.5-year tenor: <ul style="list-style-type: none"> • <u>First NAIF Loan Tranche</u>: Up to A\$130 million towards the construction of Coburn’s core mine process and non-process infrastructure • <u>Second NAIF Loan Tranche</u>: 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)
Security:	Comprehensive senior security package over assets and rights of Coburn project, pari passu with a commercial lending tranche
Conditions Precedent: to Financial Close:	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"> • Conclusion of the Federal Minister’s consideration period as outlined in the NAIF Act 2016; • Finalisation of the State’s consideration of the Project and its agreement for the approved funds to be advanced; and • Evidence of the balance of development funding being secured.

The Company released an updated Definitive Feasibility Study (**DFS**) for the project resulting in significant increases in forecast financial returns (refer ASX Announcement 4 June 2020). The updated DFS reflects the latest information on the project, including the terms of binding offtake agreements, key technical and commercial optimisations and updated commodity price and exchange rate forecasts.

Project pre-tax **NPV⁸ increased to A\$705m** (AUD: USD 0.70, 8% discount rate, up from A\$551m), pre-tax **IRR of 37%** (up from 32%) and first quartile revenue-to-operating cost (C1) ratio of 2.4. The projected revenue for the initial 22.5 years of Reserves has increased to A\$4.4b (up from A\$3.9b), with an **average annual EBITDA of A\$104m**.

Strong potential exists to further increase Coburn project reserves, mine life and returns, through further economic evaluation of resources extending north and along strike of the DFS Ore Reserves. A Scoping Study “**Extension Case**” assessment of Amy South Indicated and Inferred material was undertaken concurrently with the DFS.

¹ NAIF is a Commonwealth Government A\$5 billion lending facility to finance projects via the governments of the Northern Territory, Queensland and Western Australia to achieve growth in the economies and populations of northern Australia and encourage and complement private sector investment.

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The Extension Case confirms the potential to **add 15 years of Production Targets** to the mine life (**total 37.5 life of mine**) and generate an additional A\$3.58b of project revenue. The Extension Case, when integrated with the DFS Final Products Case, shows a pre-tax **NPV⁸ of A\$825m** and total project **EBITDA of A\$4.54b**.

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, 8% discount Rate)	A\$705M	A\$825M
EBITDA	A\$2.35B	A\$4.54B
Avg. annual EBITDA	A\$104M	A\$121M

During the Quarter, the Company **signed four major sales contracts** with some of the world's leading consumers across Europe, America and China, resulting in ~72% of Coburn's revenue being secured for the first five years of production (see ASX releases dated 20 April 2020 and 02 July 2020).

The agreements cover 100% of ilmenite, 100% of zircon concentrate and the substantial portion of the premium finished zircon product to be produced at Coburn for the first five years.

The agreements have a forecast combined value of circa US\$475m (A\$680m at USD: AUD 0.70) over five years, based on the pricing structures contained in the agreements and commodity price forecast assumptions contained in the Coburn updated DFS.

The remaining Project revenue is expected to be from the balance of premium finished zircon and rutile product (representing ~28% of forecast revenue). Offtake agreements for these remaining products are advancing well.

Table 2 Coburn Average Annual Production Per Final Product Stream

Product ²	Updated Average Annual Production (Jan-2020) (tonnes)	Offtake Counterparty (% of product revenue)
Premium Zircon	34,000	Industrie Bitossi (~50%), Chilches Materials (~20%)
Zircon Concentrate	54,000	Sanxiang-Nanjing (100%)
Ilmenite	110,000	The Chemours Company (100%)
Rutile (HiTi)	24,000	Under negotiation
Total	222,000	~72% of revenue secured

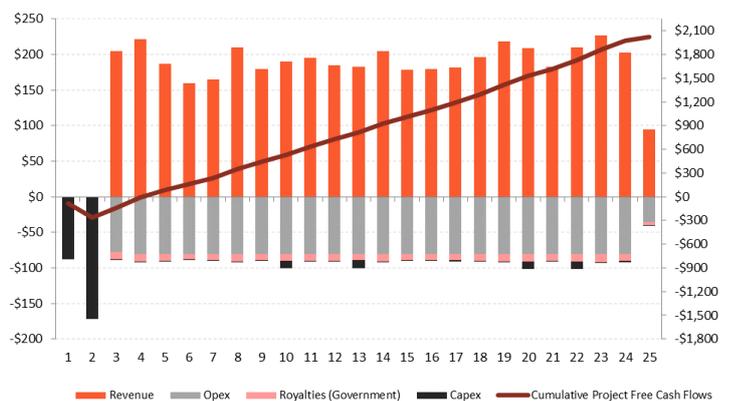


Figure 1 Coburn DFS Jun-20 Free Cash Flows (A\$ million) - Net cash flows are on a pre-tax, real, pre finance basis

² Coburn is designed to produce four final products (Final Products Case), comprising a premium zircon product (66% ZrO₂), zircon concentrate product (which contains payable zircon, titanium and monazite minerals), rutile product (93% TiO₂) and a chloride-grade ilmenite product (62% TiO₂)

As part of finalising project funding, independent expert reports on the Coburn project were completed during the Quarter. The reports confirmed no fatal flaws or residual high risks for the development of the project.

The reports included an independent review by SRK Consulting (Australasia) Pty Ltd (SRK) on the engineering designs and planning associated with geology, hydrology, mining, processing, infrastructure, logistics, implementation strategies, cost estimates and environmental, social and permitting aspects of the project.

An independent economic cost-benefit analysis was also completed (as required by NAIF), confirming Coburn will provide a host of important socio-economic benefits over its forecast mine life of up to 38 years.

The report was prepared by Deloitte Access Economics and highlighted that as well as providing economic benefits, Coburn aligned strongly with Commonwealth and WA Government policies and strategic objectives including, Australia’s critical minerals strategy, Australia’s infrastructure plan, the Shark Bay Shire’s economic prospectus and strategic community plan and WA’s state planning strategy 2050.

TZ Mineral International (TZMI) completed an independent report on product quality and marketing which highlighted the high-quality specifications and saleability of Coburn’s zircon and titanium products.

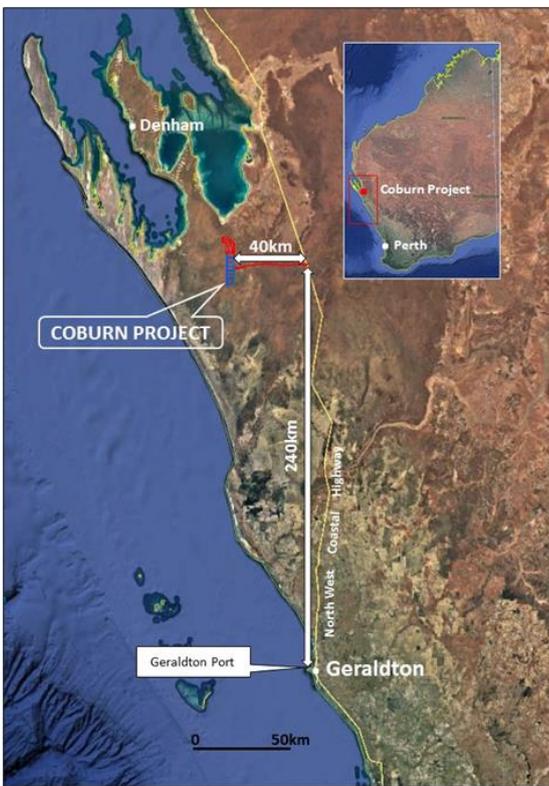


Figure 2 Coburn Project Location Map with Mineral Resources and Tenement outline

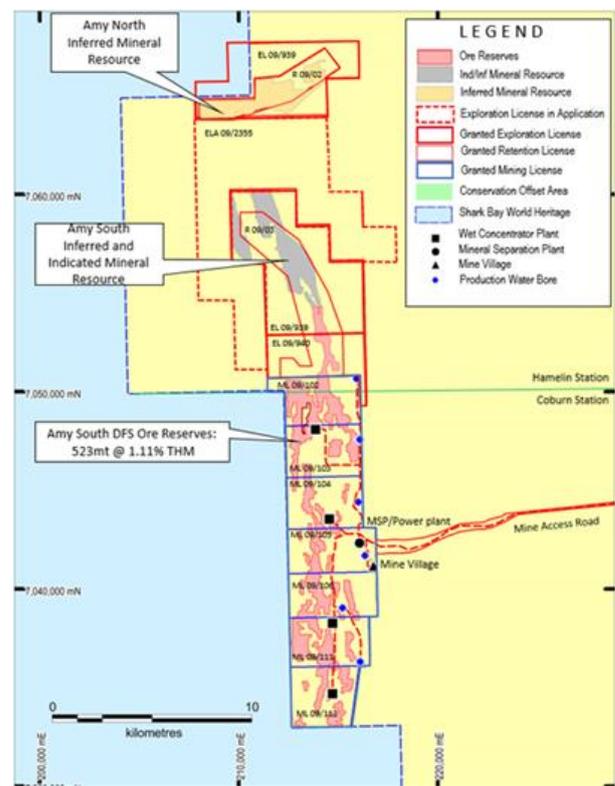


Figure 3 Coburn Tenement and Ore Reserve Outline

In conjunction with financing activities, Strandline is working with a range engineering and contracting firms on the major design, procurement and construction packages. Tenders have been received for several key construction packages, including the process plant infrastructure, bulk earthworks, roads, accommodation village, site offices and buildings, with contract award expected during Q3-2020 in readiness for commencement of construction.

During the Quarter, Strandline appointment Macmahon Holdings as the preferred mining contractor and an Early Contractor Involvement (ECI) agreement was executed aimed at optimising the mining solution and finalising contract documentation.

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

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assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies, continue to apply and have not materially changed.

Fungoni Mineral Sands Project - Tanzania

Fungoni is Strandline's 100%-owned, high-margin "starter" project in Tanzania, situated 25km from the port of Dar es Salaam. Development of Fungoni will pave the way for a succession of major mineral sands projects along the coastline of Tanzania, including the large-scale Tajiri project in northern Tanzania .

On 6 April 2020, the Company announced the signing of a US\$26 million Project Finance Facility Agreement (Facility) with Nedbank CIB. The Facility will account for the majority of Fungoni's total estimated capital cost of US\$35 million, including taxes, levies and excluding financing costs.

All parties are now working towards satisfaction of conditions precedent to Financial Close and first draw down. This includes finalising the additional finance documents with Nedbank, obtaining the remaining government-related approvals (including completing documentation for the Tanzanian Government's 16% free-carried interest in the project company, resettlement and land access arrangements in relation to the project site), as well as satisfying the equity shortfall.

The Fungoni project is based on a capital efficient and proven execution strategy, with a fixed price EPC contract secured with international contractor, GR Engineering Services, that underpins a 12-month build phase to first production.

The DFS shows the project will generate 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 commodity price forecast.

KEY TERMS OF NEDBANK'S FUNGONI PROJECT FINANCE FACILITY

Mandated Lead Arranger:	Nedbank Limited - acting through its Nedbank Corporate and Investment Banking division ("Nedbank CIB").
Facility Amount:	US\$26 million based on a 5 year tenor
Security:	Comprehensive security package over assets and rights of Fungoni project
Conditions Precedent to Financial Close (FC):	As are customary for a facility of this nature, including but not limited to completion of secondary-level government approvals, land access and evidence of equity raised for the balance of project development capital.
Additional finance documents as part of the Facility to be finalised prior to FC	The balance of finance documents to be signed by the parties, including (but not limited to) the completion guarantee, security documents, account bank agreements, hedging agreement, intercreditor agreement, direct agreements with material project parties (incl. lessor(s), offtakers and major contractor partners), equity contribution agreement, insurance letter, technical completion tests letter and land lease agreements.
Repayment Schedule	Quarterly capital repayments are to be made from the date falling 21 months after Financial Close plus additional sweep of available cashflow under certain circumstances.

With key mining and environment licences in place, the DFS completed, offtake contracts secured for 100% of forecast product revenue, major construction contracts executed and the Nedbank debt Facility Agreement now signed, Strandline remains on track to develop its first project in Tanzania and capitalise on the forecasted strong long-term mineral sands market. As part of the equity process, discussions are continuing with international finance institutions about strategic equity investment in Fungoni and/or Strandline.

For more information on the Fungoni mineral sands project, refer to the ASX Announcement dated 06 October 2017 (Original DFS) and subsequent update on 01 November 2018 (Updated DFS) for details of the material assumptions underpinning the production target and financial results. The Company confirms that all material

assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies, continue to apply and have not materially changed.

Mineral Sands Exploration Growth Projects, Tanzania

Tajiri Mineral Sands Project – Tanzania

Strandline’s 100%-owned Tajiri mineral sands project comprises a series of higher-grade mineral sands deposits stretching along 30kms of coastline in northern Tanzania, near the port city of Tanga.

During the Quarter, work advanced on the Engineering Scoping Study following the award of a number of engineering services packages including, environmental and social baseline and impact assessment, mining study, process plant design, hydrology, geotechnical and tailings management. Detailed investigations continued across key infrastructure of water, power, road, logistics and port facilities. The Scoping Study is due for completion in the September 2020 Quarter.

The Tajiri Project hosts a world-scale JORC-compliant Mineral Resource of 268Mt at 3.3% THM, containing 8.8Mt of Heavy Mineral, which includes in-situ rutile (580,000t), zircon (335,000t), ilmenite (5,206,000t) and almandine garnet (1,477,000t) (refer ASX Announcement 9 July 2020).

All Tajiri resources start from surface, with no overburden and contain large coherent high-grade domains comprising mostly high-value titanium-dominated mineral assemblage. The project is likely to continue to grow further over time with resources remaining open and Strandline has recently identified several highly prospective targets close to Tajiri (including the Sukura deposit situated some 10km south along strike).

The Tajiri deposit provides the geological robustness and critical mass to underpin project feasibility evaluation and progress early stage development approvals and partnering activities.

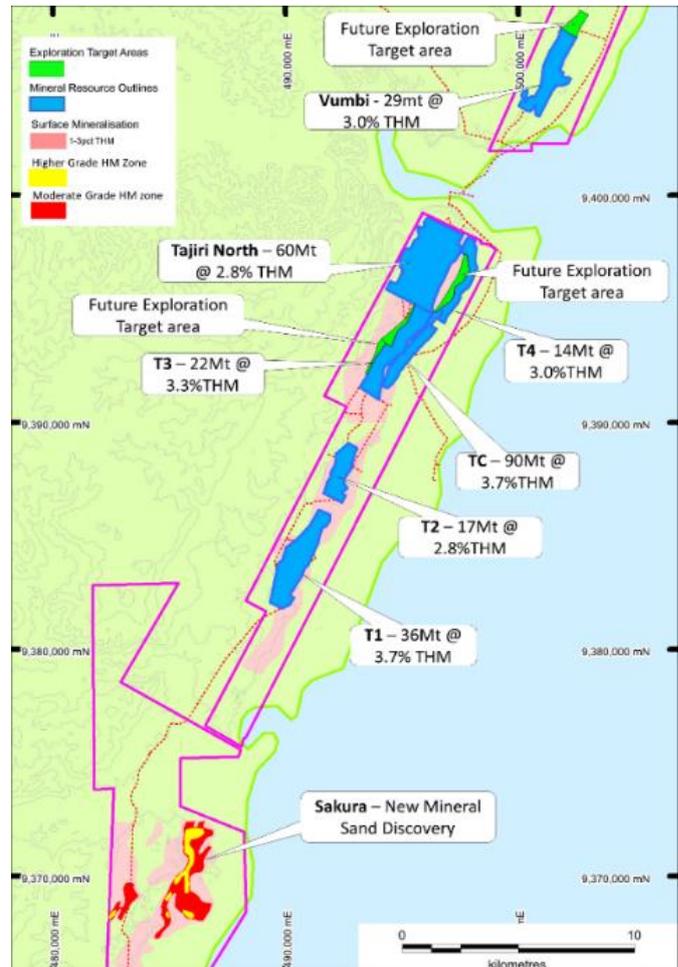


Figure 4 Tajiri mineral sands project- JORC Mineral Resource outline

Bagamoyo Project - Tanzania

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Strong assays received from the maiden drilling program during the September 2018 Quarter confirm Bagamoyo as a major mineral sands discovery.

The Company has estimated a maiden Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM (see ASX release dated 17 September 2018). Minor field activity was performed during the quarter and a further drill program is required to test the veracity of the Exploration Target.

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.

Fowlers Bay Nickel-Gold Project

Strandline has a 1% net smelter royalty interest in the Fowlers Bay project located in the Western Gawler region of South Australia. There was no material exploration activity completed during the Quarter.

COVID-19 UPDATE

Strandline remains focussed on generating long term shareholder value and continues to evaluate potential impacts of the COVID-19 pandemic and implement proactive measures in response. The safety and well-being of Strandline's people, our business partners and stakeholders is always the Company's highest priority.

The Company took early steps to assess the risks and adopt the necessary Government guidelines in dealing with COVID-19. The appropriate health, safety and operational measures, including hygiene and social distancing protocols, were implemented and no staff members have been diagnosed with COVID-19.

To date, the Company has maintained continuity across all its operational and strategic workstreams and will continue to evaluate the potential impact of the pandemic on markets and project fundamentals.

CORPORATE

Cash

The Company's consolidated cash on hand was A\$5.24 million as at 30 June 2020 (31 March 2020: A\$7.17 million) and had no corporate debt. The majority of expenditure during the Quarter was on the Coburn Mineral Sands Project with the completion of an updated DFS, independent technical due diligence assessments and the execution of binding offtakes for the project.

Equity

The Company has 426,769,138 fully paid ordinary shares on issue, 18,938,796 unlisted Performance Rights and 10,500,000 unlisted options.

Table 3 Strandline Capital Structure

Class of securities	Number
Fully paid ordinary shares	426,769,138
Unlisted performance rights expiring 15/08/20	9,535,105
Unlisted performance rights expiring 15/08/21	5,462,567
Unlisted performance rights expiring 15/08/22	3,941,124
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

Other

During the Quarter, the Company paid a total of \$24K to related parties comprising of fees paid to MPH Lawyers and Artemis Management Tanzania, being director related entities.

KEY ACTIVITIES PLANNED FOR SEPTEMBER 2020 QUARTER

During the September 2020 Quarter, the Company plans to advance exploration and development activities across its portfolio of mineral sands projects in Australia and Tanzania. Key planned activities include:

- **Coburn Project:** advance project financing and preparations for construction, including commercial debt tranche to stand alongside the A\$130m NAIF loan facility, develop finance facility documentation, award major implementation contracts and review strategic partner options;



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- **Fungoni Project:** work towards finalisation of conditions precedent to achieve Financial Close associated with the Nedbank Project Finance Facility Agreement, with a focus on completing the documentation associated with the Government’s 16% Free Carried Interest in the project; and
- **Tajiri Project:** finalise engineering scoping study assessment and continue stakeholder engagement and project permitting activities

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

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ABOUT STRANDLINE

Strandline Resources Limited (ASX: STA) is an emerging heavy mineral sands developer 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.

Strandline’s project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include two zircon-titanium rich, ‘development ready’ projects, being the large Coburn Project in Western Australia and the Fungoni Project in central Tanzania, as well as a series of titanium dominated exploration projects spread along the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.



GLOBALLY SIGNIFICANT JORC RESOURCES CONTAINING 29MT OF HEAVY MINERAL: 5MT OF CONTAINED ZIRCON, 3MT RUTILE-LEUCOXENE, 15MT ILMENITE, PLUS OTHER VALUABLES OF MONAZITE CONTAINING RARE EARTHS AND ALMANDINE GARNET

Figure 5 Strandline’s global mineral sands exploration and development projects

ANNEXURE A – MINING TENEMENTS HELD AS AT 30 JUNE 2020

Tenement Number	Name/Location	Interest
Tanzania		
Mineral Sands Projects		
PL 9427/2013	Kitambula	100%
PL 9976/2014	Tanga	100%
PL 9969/2014	Sudi	100%
PL 9970/2014	Madimba	100%
PL 10425/2014	Tanga North	100%
PL 7321/2011	Tajiri	100%
PL 10265/2014	Bagamoyo	100%
ML 580/2018	Fungoni	100%
PL 7754/2012	Fungoni	100%
PL 9951/2014	Fungoni South	100%
PL 14302/2019	Pangani	100%
PL 7960/2012	Tongoni	100%
PL 11030/2017	Fungoni West	100%
PL 10978/2016	Fungoni South	100%
PL 11076/2017	Bagamoyo	100%
PL 11131/2017	Sudi Central	100%
PL 11270/2019	Kitunda	100%
PL 11267/2019	Rushungi South	100%
PL 11266/2019	Sudi East	100%
PL/12018/2017	Mfunza	100%
PL/12025/2017	Kimbije	100%
PL/13032/2018	Rushungi	100%
PL 11374/2018	Mzenga	100%
PL11375/2019	Kola	100%
PL 11376/2018	Sakaura	100%
PL14621/2019	Tanga West	100%
PL14683/2019	Ridgeline North	100%
PL14554/2019	Ridgeline Central	100%
PL14553/2019	Ridgeline South	100%
PL 13821/2019	Mwasonga	100%
PL 13822/2019	Sharifu	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%
R09/04	Shark Bay District, Western Australia	100%

There were no movements in the mining tenements and no farm-in or farm-out agreements entered into or held during the Quarter.

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ANNEXURE B – MINERAL RESOURCE DATA

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

Table A 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:

- (1) Mineral Resources reported at a cut-off grade of 1.0% THM
- (2) Valuable Mineral assemblage is reported as a percentage of in situ THM content
- (3) 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 B 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.

Table C Tanga South (Tajiri) Project Mineral Resource Estimate (July 2019)

Summary of Mineral Resources (1)								THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage	In situ 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 the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project.

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Table D 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

Notes:

1. Mineral Resources reported at a cut-off grade of 0.8% THM
2. Valuable Mineral assemblage is reported as a percentage of in situ THM content
3. Appropriate rounding applied

Table E 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:

1. Total may deviate from the arithmetic sum due to rounding

Refer to the ASX announcement dated 16 April 2019 for full details of the Ore Reserve and Mineral Resource estimates for the Coburn Project.

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 Mineral Resources

The information in this report that relates to Mineral Resources for Tanga South 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.

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,

Quarterly Report for the period ending 30 June 2020

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.

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. 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.

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.

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 2020

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	0	0
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(1,343)	(4,946)
(b) development	0	0
(c) production	0	0
(d) staff costs	(263)	(1,324)
(e) administration and corporate costs	(295)	(830)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	6	46
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	25	67
1.9 Net cash from / (used in) operating activities	(1,870)	(6,987)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) tenements	0	0
(c) property, plant and equipment	0	(10)
(d) exploration & evaluation (if capitalised)	0	0
(e) investments	0	0
(f) other non-current assets	0	0

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	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	0	(10)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	6,474
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(51)	(302)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(51)	6,172
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	7,170	6,065
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,870)	(6,987)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	(10)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(51)	6,172

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	(7)	2
4.6	Cash and cash equivalents at end of period	5,242	5,242

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	242	4,346
5.2	Call deposits	5,000	2,800
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	24
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,242	7,170

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
24
0

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0
7.5 Unused financing facilities available at quarter end		0
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,870)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	0
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,870)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	5,242
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	5,242
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

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: 30 July 2020

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 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.