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Coburn mineral sands project progressing rapidly towards development

Strandline on track to finalise funding after securing NAIF loan, major construction contracts and binding offtake agreements

Coburn Mineral Sands Project, Western Australia

- **Contract awarded to leading civil and mining contractor Macmahon to construct road access and bulk earthworks**
- **Contract awarded to mining and equipment specialist Piacentini & Son to supply in-pit dozer mining units**
- **Appointment of Primero Grooup, operating in strategic partnership with Mineral Technologies, as preferred contractor to build the processing facilities**
- **Following the recent investment decision by the Northern Australia Infrastructure Facility (NAIF) to provide a A$150m loan facility for the development of Coburn, substantial progress has been made towards completion of facility documentation and conditions precedent to financial close**
- **Subsequent to end of the Quarter, Strandline progressed negotiations to secure the commercial debt tranche to stand alongside the NAIF funding. The commercial debt is expected to be up to A$100m**
- **In the Dec quarter, Strandline aims to advance project financing and early works development activities, including the commercial debt tranche and associated finance documentation, award major implementation contracts and review strategic partner options**

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**
- **A comprehensive Framework Agreement is under development with the Government of Tanzania to implement the Government's equity interest in the Fungoni mine; This is now in final draft form**

Mineral Sands Exploration Growth Projects, Tanzania

- **Completion of Tajiri mineral sands project Scoping Study, based on the JORC Resources of 268Mt @ 3.3% Total Heavy Mineral, underpinning Strandline's long-term production outlook in Tanzania**
- **Study shows Tajiri will deliver strong financial returns over a 23-year life, with EBITDA of US$0.9 billion**

Corporate

- **Cash on hand of A$20.2m and no debt as at 30 September 2020**
- **Completion of $18.5m capital raising which was supported by institutional and sophisticated investors**
- **Appointment of Mark Hancock as a Non-Executive Director**

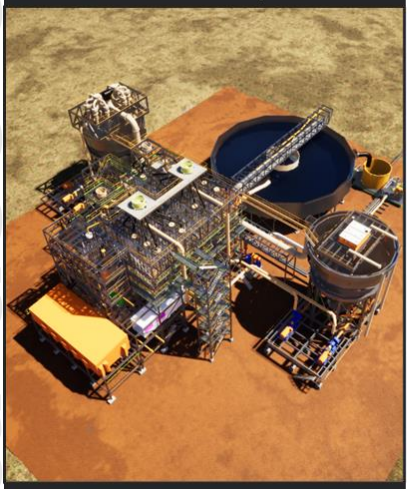
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Strandline Resources Limited (**Strandline** or the **Company**) is pleased to provide its Quarterly Activities Report for the period ending 30 September 2020.

It was a successful quarter for Strandline, which is now approaching development decisions on two zircon-titanium rich deposits in WA and Tanzania.

The Company also has ongoing exploration and evaluation across a series of mineral sands exploration assets in Tanzania, including the large scale Tajiri Project.

COBURN PROJECT
Western Australia, Gascoyne-Mid West



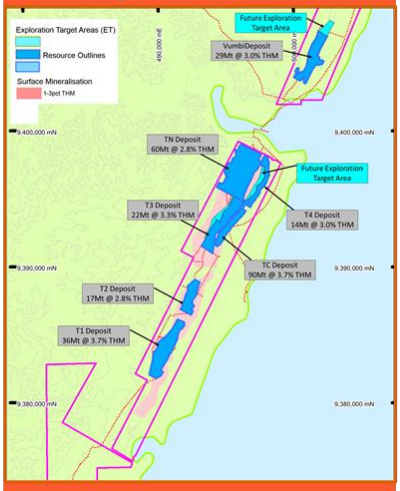
PROJECT FINANCING PHASE

FUNGONI PROJECT
Dar es Salaam, central Tanzania



PROJECT FINANCING PHASE

TAJIRI PROJECT
Tanga, northern Tanzania



FEASIBILITY STUDY PHASE

Coburn Mineral Sands Project – Western Australia

Strandline is pleased to advise that it continues to make strong progress towards funding its 100%-owned Coburn mineral sands project in Western Australia.

During the Quarter, as part of Coburn project financing and in preparation for development, Strandline awarded several major Construction contracts including:

- Civil bulk earthworks construction – Macmahon (refer announcement dated 03 August 2020);
- In-pit dozer mining units design and construction - Piacentini & Son (refer announcement 14 September 2020); and
- Process plant preferred contractor for EPC delivery (including engineering, procurement, construction, commissioning and testing) – Primero Group operating in strategic partnership with Mineral Technologies (refer announcement dated 29 September 2020)

The Agreements are subject to conditions precedent regarding the development of Coburn and Strandline releasing a formal notice to proceed to commence the respective works under contract.

In the previous quarter, the Northern Australia Infrastructure Facility (NAIF)[1] approved 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).

[1] NAIF is a Commonwealth Government A$5 billion lending facility to finance projects to achieve growth in the economies and populations of northern Australia and encourage and complement private sector investment.

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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 followed 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.

Since then, NAIF and Strandline have made substantial progress towards completion of facility documentation and satisfaction of customary conditions precedent to drawdown and Strandline has also advanced discussions on the commercial debt tranche which is expected to stand alongside the NAIF Facility.

The commercial debt tranche is expected to be up to A$100 million and senior secured, ranking equally with the NAIF Facility.

Contractual close of the NAIF Facility is targeted to be achieved in the December quarter.

The Coburn Definitive Feasibility Study (DFS), released in the previous Quarter, confirmed robust economics over an initial 22.5 year life, with a pre-tax NPV of A$705 million (AUD: USD 0.70, 8% discount rate), pre-tax IRR of 37% and first quartile revenue-to-operating cost (C1) ratio of 2.4. The projected revenue for the initial 22.5 years of ore reserves is A$4.4b, with an average annual EBITDA of A$104m (refer ASX Announcement 4 June 2020).

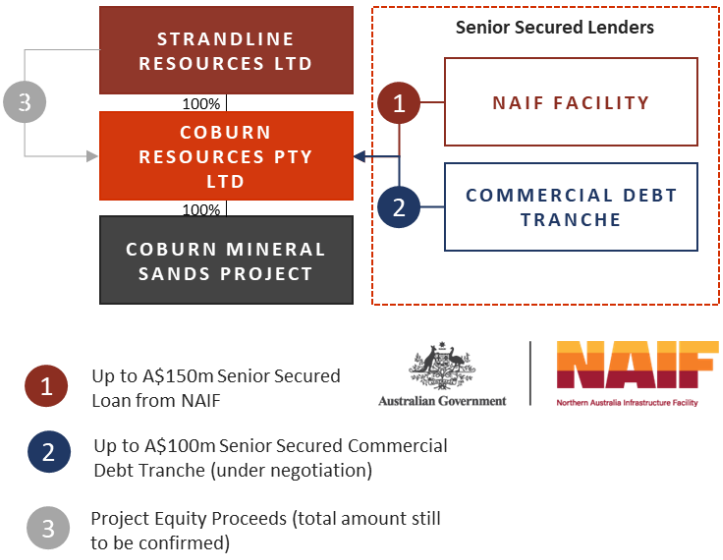


Figure 1 Coburn Project - Indicative Funding Structure

Coburn's estimated capital expenditure is A$260m, excluding financing and corporate costs. Financing costs are expected to include interest during construction, financing establishment and commitment fees, a cost overrun facility, project working capital and additional project contingency.

Strong potential exists to further increase Coburn's ore reserves 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.

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 NPV[8] of A$825m and total project EBITDA of A$4.54b.

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

Table 1 Coburn updated DFS and Scoping Study Extension Case Financial Evaluation

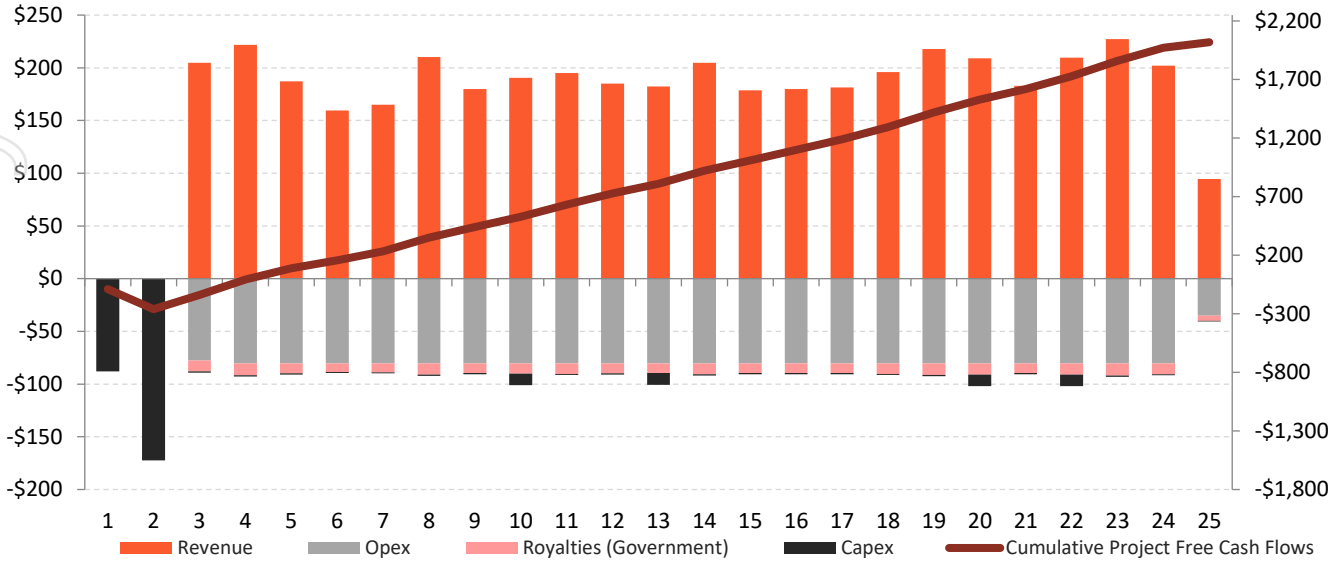
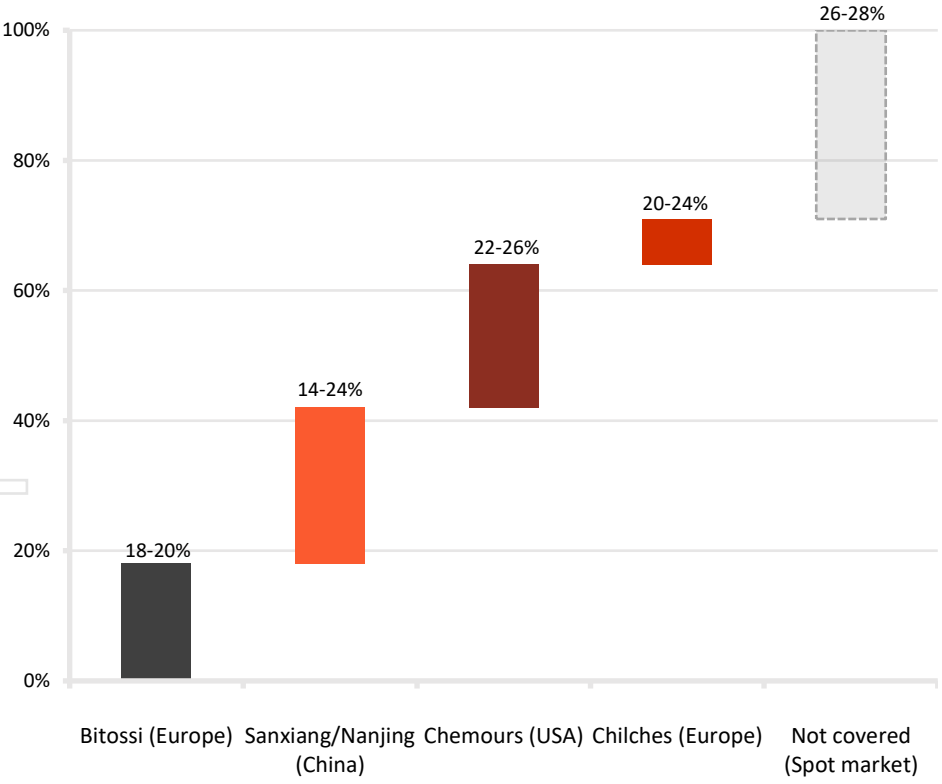


Figure 2 Coburn DFS Jun-20 Free Cash Flows (A$ million) - Net cash flows are on a pre-tax, real, pre finance basis

Four major sales contracts have been signed covering ~72% of Coburn's forecast revenue for the first five years of production. The agreements cover 100% of ilmenite, 100% of zircon concentrate and the substantial portion of the premium finished zircon product.



OFFTAKES ARE WITH SOME OF THE WORLD'S LEADING CONSUMERS ACROSS EUROPE, AMERICA AND CHINA

Table 2 Coburn Revenue Covered by Binding Offtake Contracts

Strandline is now working towards finalising the remaining project funding requirements and progress early works development activities, including front end engineering design, long-lead procurement and early site works.

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For more information on the Coburn mineral sands project, refer to the ASX Announcement dated 10 June 2020 for details of the material assumptions underpinning the production target and financial results for the Coburn Project DFS, Ore Reserve and Mine Life Extension Case Scoping Study. The Company confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies, continue to apply and have not materially changed.

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 is expected to 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 .

Positive progress has been made during the Quarter towards establishing a Framework Agreement with the Government of the Republic of Tanzania (GNT) for the GNT's share interest in Strandline's Tanzanian project subsidiary Jacana Resources (T) Ltd (Jacana). Jacana is the owner and operator of the Fungoni project and a portfolio of other emerging mineral sands projects along the Tanzanian coastline (refer ASX announcement dated 06 October 2020).

A comprehensive Framework Agreement has been developed by the Parties and has reached a mature, final draft form, pending a final approvals process by the Parties.

The Framework Agreement will provide a stable arrangement between the GNT and Strandline (and Jacana) through the Fungoni development cycle, as well as allowing for Strandline's future mineral sands projects in Tanzania.

Earlier this year, Strandline announced that it signed a US$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni. The Nedbank facility accounts for most of Fungoni's US$35m capital requirement (excluding financing costs) and remains subject to finalisation of the remaining finance documents and conditions precedent to first drawdown.

Once the above mentioned Framework Agreement is completed, the Company will move to evaluate Fungoni's development timetable and execution strategy with special consideration to potential impacts from the current COVID-19 pandemic.

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.

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

During the Quarter, the Company announced the results of the Engineering Scoping Study on the Tajiri mineral sands project in northern Tanzania.

The Study shows Tajiri project will generate strong financial returns over a long life:

- Project pre-tax NPV of US$205m (pre-debt, real, 10% discount rate)
- Project pre-tax IRR of 36%, with a high-margin revenue-to-operating cost (C1) ratio of 2.4
- JORC-compliant Mineral Resources of 268Mt @ 3.3% Total Heavy Mineral forms the basis of the Study
- Mine pit optimisation identifies Production Targets of +23 years at a mining rate of 8Mtpa
- Life of mine (LOM) revenue of US$1.6b and LOM EBITDA of US$0.9b (with an average annual EBITDA of US$37m)
- Conventional mineral sands processing technology capable of producing a high-value product suite of ilmenite, HiTi (rutile-leucoxene), zircon, monazite and garnet concentrates
- 18-month design and construct duration to achieve first ore to process plant
- Development capital of US$125m to establish an open-pit mining and processing operation
- Opportunities to grow and optimise Production Targets, further increasing financial returns
- Tajiri is expected to generate significant socio-economic benefits, employment and local enterprise opportunities
- Tajiri benefits from its proximity to existing infrastructure and supports a range of key regional development initiatives in north-east Tanzania

Scoping Study Cautionary Statement

The Tajiri project Scoping Study is a preliminary technical and economic study of the potential viability of developing the project's mine and associated infrastructure. The Scoping Study is based on lower level technical and preliminary economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or certainty that the conclusions of the Scoping Study will be realised.

Approximately 90% of the total Mineral Resources for the Tajiri Project and approximately 91% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Measured and Indicated Resources. Approximately 10% of the total Resources for the Tajiri Project and approximately 9% of the total ore scheduled for mining in the Scoping Study for the 23.4 years is underpinned by Inferred Resources in the remaining 2 years. There is a lower level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the potential mine development outcomes indicated in the Scoping Study, initial funding in the order of US$125 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed, however the Company has concluded it has a reasonable basis for

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providing the forward-looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Project.

It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to provide alternative funding options including project finance. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Table 3 Tajiri Project – Engineering Scoping Study Financial Evaluation

Category	Engineering Scoping Study (Oct-20)
Mine Life	23.4yrs
Tonnes Mined –Production Targets	185Mt
Throughput	8Mtpa
Capital Expenditure (Pre-production)	US$125M
Revenue	US$1.61B
Total Opex (C1)	US$0.66B
Total All-in Sustaining Costs (AISC)	US$0.76B
Revenue-to-operating cost (C1) ratio (RC)	2.4
Average Annual C1 Cost per product tonne	US$124/t
Average Annual AISC ("A") per product tonne	US$143/t
Average Annual Basket Price ("B") per product tonne	US$303/t
Average Cash Margin (B-A) per product tonne	US$160/t
Total EBITDA	US$0.9B
Average Annual EBITDA	US$36.8M
NPV (discount rate of 10%, pre-tax, real, no debt)	US$205M
IRR (pre-tax, real, no debt)	36%

Notes:

[1] The NPV has been calculated using project related costs only and does not consider Strandline's corporate costs. Scoping Study capital and operating costs have been developed in accordance with a ±30% accuracy

Table 4 Tajiri Project – Engineering Scoping Study Average Production

Production Category	Average Annual Production (LOM)
HMC Production from WCP	261.2Ktpa
HiTi (rutile-leucoxene) Production from MSP[1]	16.0Ktpa
Ilmenite Production from MSP[2]	150.1Ktpa
Zircon Concentrate Production (incl. zircon, monazite, garnet & titanium minerals) from MSP[2]	60.7Ktpa

Notes:

[1] Exported as container cargo [2] Exported as bulk cargo

The Tajiri Scoping Study provides a strong foundation to advance to the next phase of project economic evaluation and permitting.

For more information on the Tajiri mineral sands project, refer to the ASX Announcement dated 7 October 2020 for details of the material assumptions underpinning the production target and financial results for the Tajiri Engineering Scoping Study.

The Company confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Engineering Scoping Studies continue to apply to apply and have not materially changed.

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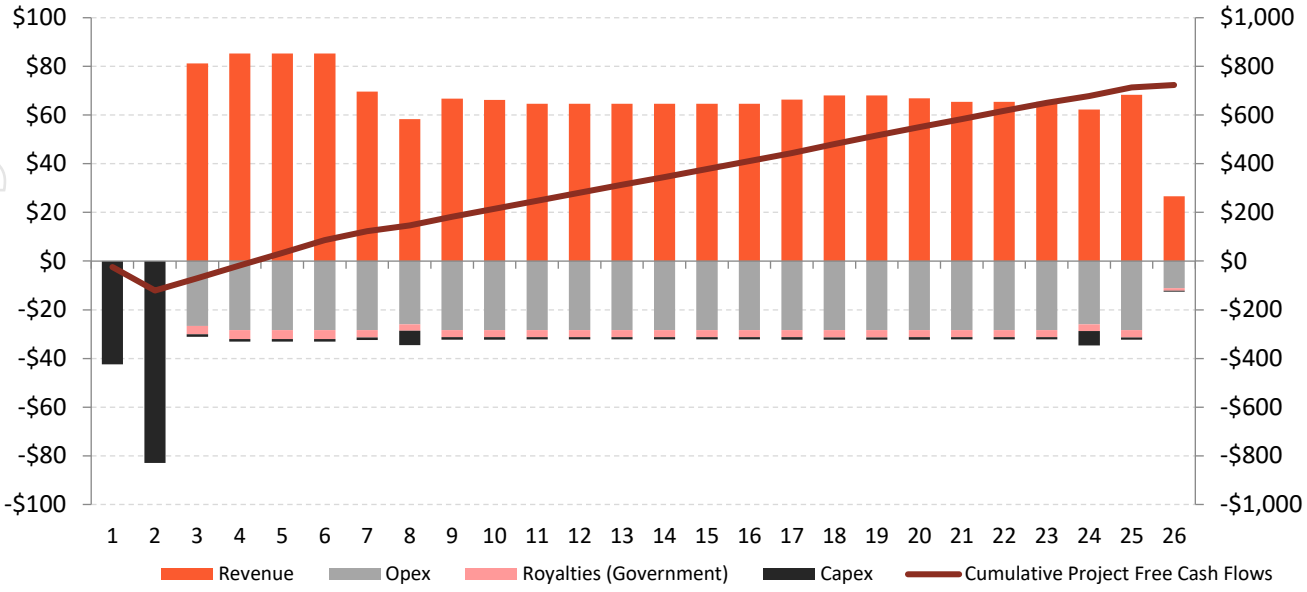


Figure 3 Tajiri Free Cash Flows per year (US$ million) - Net cash flows are on a pre-tax, real, pre finance basis



Figure 4 Tajiri Site Layout and Scoping Study Production Targets

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.

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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 has continued to maintain continuity across all its operational and strategic workstreams without any major disruption and will continue to evaluate the potential impact of the pandemic on markets and project fundamentals.

CORPORATE

Cash

The Company's consolidated cash on hand was A$20.22 million as at 30 September 2020 (30 June 2020: A$5.24 million) and the Company had no corporate debt. The majority of exploration and evaluation expenditure during the Quarter was incurred on the Coburn Mineral Sands Project and included expenditure on front end detailed engineering design, the development of finance facility documentation with NAIF and the award of major contracts in preparation for construction. Further details are included in the attached Appendix 5B.

During the Quarter, the Company raised $18.5 million (before costs) via a share placement of 85,858,950 fully paid ordinary shares at 21.5 cents per share to institutional and sophisticated investors (refer ASX Announcement 06 August 2020). Proceeds of the Placement will be primarily used to advance early works development activities on the Coburn Project in WA, as well as general working capital across the Company's portfolio of projects including the advanced Fungoni and Tajiri mineral sands projects in Tanzania.

Equity

In addition to the share placement completed during the Quarter, the Company issued 10,267,469 fully paid ordinary shares through the vesting of 9,535,105 Performance Rights under the Long Term Incentive Plan and 732,364 shares issued in accordance with the Short Term Incentive Plan. Performance Rights of 180,675 also lapsed during the Quarter. At the end of the Quarter, the Company has 522,895,557 fully paid ordinary shares on issue, 9,223,016 unlisted Performance Rights and 10,500,000 unlisted options.

Table 5 Strandline Capital Structure

Class of securities	Number
Fully paid ordinary shares	522,895,557
Unlisted performance rights expiring 15/08/21	5,281,892
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 appointed Mr Mark Hancock as non-executive Director. The Company paid a total of $30K to related parties comprising of fees paid to MPH Lawyers, being a director related entity.

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KEY ACTIVITIES PLANNED FOR DECEMBER 2020 QUARTER

During the December 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:** continue to advance project financing and early works development activities, including commercial debt tranche to stand alongside the A$150m NAIF loan facility, award remaining key implementation contracts and review strategic partner options;
- **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 Framework Agreement with the Tanzania Government for its 16% Free Carried Interest in the project; and
- **Tajiri Project:** continue stakeholder engagement, project permitting activities, review strategic partnership options and evaluate external funding options to assist in the implementation of the project

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.



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

ANNEXURE A – MINING TENEMENTS HELD AS AT 30 SEPTEMBER 2020

Tenement Number	Name/Location	Interest
Tanzania	**Mineral Sands Projects**	
PL 9969/2014	Sudi JV	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 11442/2020	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 JV	100%
PL 11270/2019	Kitunda RIO JV	100%
PL 11267/2019	Rushungi South	100%
PL 11266/2019	Sudi East RIO JV	100%
PL11412/2020	Temeke&Mkuranga	100%
PL11413/2020	Temeke	100%
PL 11374/2019	Mzenga	100%
PL 11375/2019	Kola (West of Dar)	100%
PL 11376/2019	Sakaura (South of Tajiri)	100%
PL11443/2020	Mwasonga	100%
PL11441/2020	Sharifu	100%
		100%
Australia	**Coburn Mineral Sands Project**	
E09/939	Shark Bay District, Western Australia	100%
L09/21	Shark Bay District, Western Australia	100%
L09/43	Shark Bay District, Western Australia	100%
M09/102	Shark Bay District, Western Australia	100%
M09/103	Shark Bay District, Western Australia	100%
M09/104	Shark Bay District, Western Australia	100%
M09/105	Shark Bay District, Western Australia	100%
M09/106	Shark Bay District, Western Australia	100%
M09/111	Shark Bay District, Western Australia	100%
M09/112	Shark Bay District, Western Australia	100%
R09/02	Shark Bay District, Western Australia	100%
R09/03	Shark Bay District, Western Australia	100%

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

Notes:

[1] Mineral Resources reported at various THM cut-offs

[2] Mineral Assemblage is reported as a percentage of insitu THM content

[3] Appropriate rounding applied

Refer to the ASX announcement dated 09 July 2019 for full details of the Mineral Resource estimate for the Tajiri Project and ASX Announcement dated 07 October 2020.

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
	Total[1]	**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 (Tajiri) Mineral Resources

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

Tanga South (Tajiri) Scoping Study Production Targets (No ore reserves declared)

The information in this report that relates to the production targets considered within the Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC Consultants Pty Ltd. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Tanga South (Tajiri) Resource announcement dated 09 July 2019.

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Fungoni Mineral Resources

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

Fungoni Ore Reserves

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

Coburn Mineral Resources

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

Coburn Ore Reserves

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

Coburn Scoping Study Production Targets (No ore reserves declared)

The information in this report that relates to the Mine Extension Case Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC Consultants Pty Ltd. Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Coburn Ore Reserve announcement dated 16 April 2019.

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 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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)	(1,983)	(1,983)
	(b) development	0	0
	(c) production	0	0
	(d) staff costs	(287)	(287)
	(e) administration and corporate costs	(300)	(300)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	16	16
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)	42	42
1.9	**Net cash from / (used in) operating activities**	**(2,512)**	**(2,512)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	0	0
	(b) tenements	0	0
	(c) property, plant and equipment	(7)	(7)
	(d) exploration & evaluation (if capitalised)	0	0
	(e) investments	0	0
	(f) other non-current assets	0	0

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(7)**	**(7)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	18,460	18,460
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	(960)	(960)
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**	**17,500**	**17,500**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,242	5,242
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,512)	(2,512)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,500	17,500

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 Months) $A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**20,222**	**20,222**

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	16,472	242
5.2	Call deposits	3,750	5,000
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**20,222**	**5,242**

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	30
6.2	Aggregate amount of payments to related parties and their associates included in item 2	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

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(2,512)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	0
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,512)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	20,222
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	20,222
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	8

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

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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 October 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.

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