



STRANDLINE
resources limited



SUSTAINABILITY REPORT 2021

ENRICHING EVERYDAY LIFE



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STRANDLINE.COM.AU   ASX: STA

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MESSAGE FROM CEO AND MANAGING DIRECTOR



LUKE GRAHAM

CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

Strandline is a new mine developer - emerging from exploration and transitioning into production over the next 18 months. Strandline's governance systems are maturing as a result of this transition. We mark the beginning of our environmental, social and governance (ESG) maturation with our Inaugural Sustainability Report.

Strandline is committed to a sustainable future and to aligning its strategy with the United Nations Sustainable Development Goals (UNSDGs).

What does Sustainability mean to us? It's about creating and protecting value in terms of how we find and safely extract ore for use in modern, energy efficient applications. It's about how we minimise our impact on the environment and our contribution to climate resilience. It's about sharing value with the communities in which we operate, empowering economic participation and diversification. We are committed to being a mining company that people are proud to work for and partner with.

Strandline is embarking on a continuous learning journey, balancing the sometimes-competing priorities of community, environmental and shareholder groups. Strandline is also adopting contemporary, innovative mine design solutions to accommodate the reality of global warming and a transition toward a low-emissions future.

In 2020-2021, the Company navigated through the challenges of COVID-19 and other risk factors to make a final investment decision to proceed with the full development of its world-scale Coburn mineral sands project in Western Australia. The Coburn business case is based on proven mining, rehabilitation, and mine closure methods combined with state-of-the-art material movement, mineral processing and power generation technology (including renewable energy). The mine plan is to efficiently recover high-quality critical minerals of zircon, titanium and monazite, which contains rare earths. Strandline's critical mineral products will be used in 'everyday life' applications, vital to quality of life in developed and emerging economies.

committed to a sustainable future

In 2020, Deloitte Access Economics performed an independent cost-benefit analysis on the Coburn project. The report found the project will generate significant public benefit over its long life (up to 38 years), including job creation, high Australian industry participation, new enterprise and indigenous engagement opportunities, as well as capital inflows for Australia.

Construction of the Coburn project is ramping up, Strandline is focussed on managing development risks and implementing mitigation strategies to safeguard our people and ensure environmental compliance. We are pleased to report that at the end of the financial year 2021, our Total Recordable Injury Frequency Rate (TRIFR) was zero, with no environmental incidents.

Strandline has also been focussed on selecting like-minded, high-quality suppliers and contractors to deliver in accordance with our development plan and aligned with our values. Growing our in-house resources and progressing the preparations to transition smoothly into production cashflow - whilst maintaining a lean, agile and high performing team - is a day-to-day leadership agenda for the Strandline team.

Strandline's systems, processes and practices are being developed to a more mature framework to embed ESG and sustainability objectives prior to starting production.

Strandline's future performance will be benchmarked against globally recognised and accredited standards, including the UNSDGs, to ensure we are on the right path.

On behalf of the entire Strandline team I thank you for your interest and support and welcome your feedback.



Luke Graham

Chief Executive Officer and Managing Director



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We acknowledge the Traditional Owners of the land on which our operations exist and on which we work. We recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging producer of critical minerals with a portfolio of 100%-owned development assets located in Western Australia and within the world's major zircon and titanium producing corridor in East Africa.

Strandline's strategy is to develop and operate high margin, expandable mining assets with market differentiation and global relevance in the sector.

Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include the world-scale Coburn mineral sands project in WA, currently under construction, and the exciting Tanzanian mineral sands growth projects Fungoni, Tajiri and Bagamoyo.

Strandline's zircon, titanium and rare earth products are to be used in everyday life and are critical to the economic health of the world's economies. Industrial applications span across households, defence, aerospace, medical, lifestyle, heavy industry, and technology applications. Demand is driven primarily by urbanisation, rising living standards, global growth and an extensive array of industrial applications.

Strandline is listed on the Australian Securities Exchange (ASX) and headquartered in Perth, Western Australia.

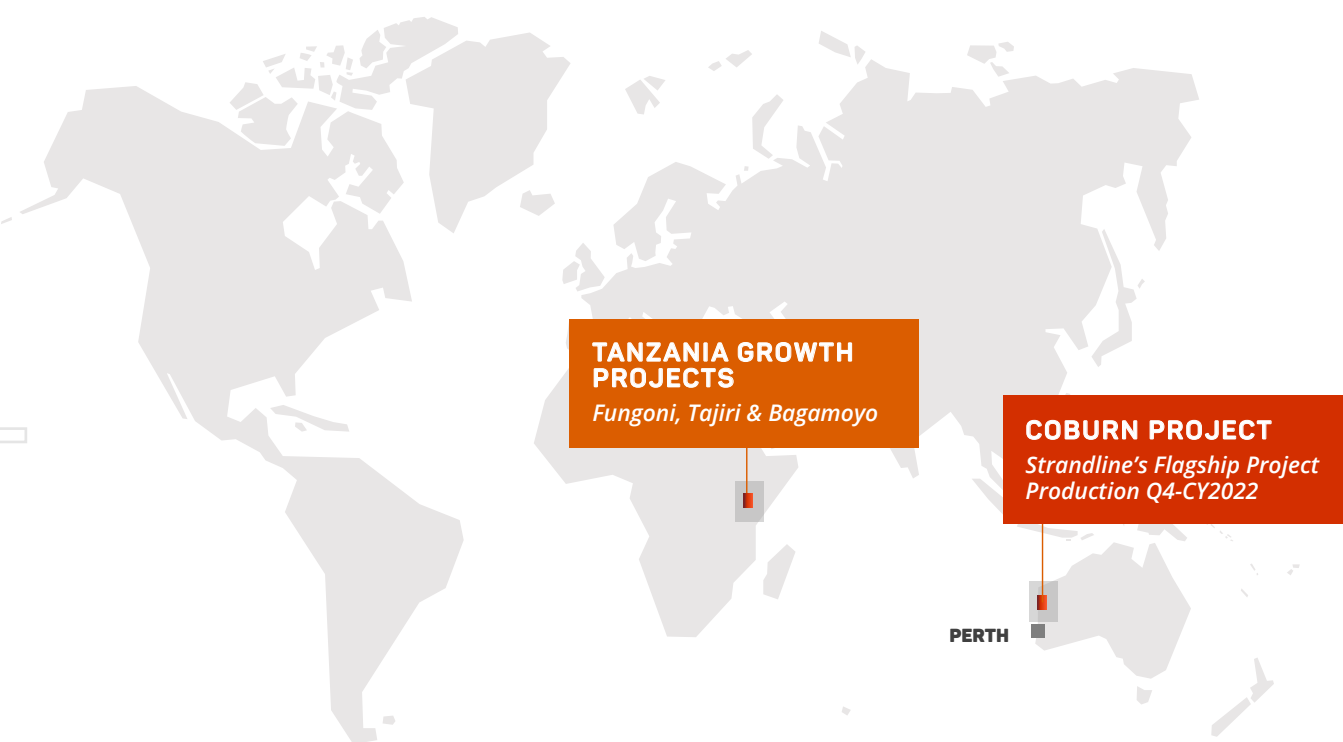


FIGURE 1 STRANDLINE'S GLOBAL MINERAL SANDS EXPLORATION AND DEVELOPMENT PROJECTS

Strandline's zircon, titanium and rare earth products are to be used in everyday life and are critical to the economic health of the world's economies



FY2021 SUSTAINABILITY HIGHLIGHTS



new
SUSTAINABILITY POLICY

ESTABLISHED NEW
TECHNICAL AND
SUSTAINABILITY
COMMITTEE



seven BOARD
MEMBERS



zero TRIFR **+** **zero** ENVIRONMENTAL
INCIDENTS

100% COMPLIANCE
WITH ETHICS AND
INTEGRITY POLICIES



climate change

CLIMATE CHANGE
RISK REGISTER



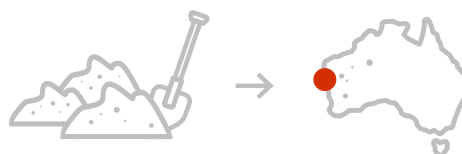
NEW INDIGENOUS
ENGAGEMENT
STRATEGY



development

FINAL INVESTMENT DECISION

To Develop the Coburn Mineral Sands Project in WA



AWARDED CONTRACT

To Build New Hybrid Power Station
Utilising State-of-the-art Solar and
Battery Technology



ABOUT THIS REPORT

The sustainability report summarises our approach to sustainability and details our short-to-medium term focus areas. The report complements Strandline's 2021 Annual Report available on our website www.strandline.com.au and covers the Reporting Period from 1 July 2020 to 30 June 2021 (FY21).

The report is structured in three parts:

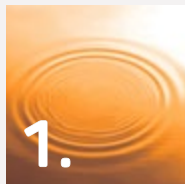
1. This Overview section by way of introduction to Strandline and its approach to sustainability
2. This section details material impacts and topics, including management approaches and case studies and providing an overview of the Strandline Sustainability Framework
3. This section details Strandline's FY21 performance data in quantitative terms

Strandline acknowledges that the preparation and publication of this report is the first step in accounting for its ESG and sustainability practices and performance. It is the commitment of the board and senior team at Strandline to continually improve the Company's ESG and economic performance outcomes.

The brief case studies provided in this report cover the following main topics:

case studies

Saving Water and Power



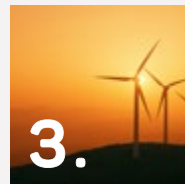
1.

Saving Power



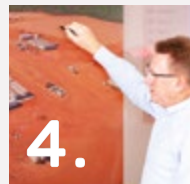
2.

Decarbonisation Journey



3.

Innovation - Research and Development

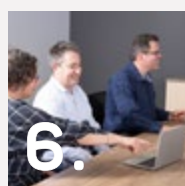


4.



5.

Shark Bay Heritage Protection



6.

Localised Supply Chains



7.

Malleefowl Research



8.

Rehabilitation Program Seed Collecting



SUSTAINABILITY

Our vision is to “**enrich everyday life**” and grow a significant critical minerals business through responsible operations, innovation, and ethical business practices. This vision comes with a commitment to operate our business in line with principles of sustainable development, to deliver on the needs of the present, without compromising the needs of future generations and integrating environmental, social and governance considerations into our decision making.

In everything we do, we think and act according to our values of: **Trust, Excellence, Respect, Courage, and Integrity.**

To uphold these values Strandline recruits employees, and partners with companies, based on aligned values and shared purpose, with an aim to inspire a high performing culture and operational excellence:

- we listen to each other, acting openly and honestly
- we create value, protect value and celebrate our success
- we enable a psychologically safe environment where innovation and adaptation to change are facilitated



VISION: ENRICH EVERYDAY LIFE



KEY SUSTAINABILITY INITIATIVES

Our approach to sustainability can be summarised into the following key focus areas – People, Health and Safety; Environment; Community; and Sustainable Future. A summary of the Company's key sustainability initiatives are outlined below.



PEOPLE, HEALTH & SAFETY

- Relentless focus on health, safety & wellbeing
- Achieving Zero Harm by building capable people, high-quality plant & robust systems
- Embedding a high-performance culture
- Staying true to our values in all situations
- Promoting diversity, inclusion & equal opportunities
- Investing in the success of our people & celebrating success



ENVIRONMENT

- Striving for industry best practice & compliance
- Rehabilitate & offset, fostering rich biodiversity
- Energy efficient mine design & driving emission reductions
- Minimising physical footprint
- Reducing waste and water use, maximizing recycling
- Environmentally sustainable material sourcing
- Climate change risk management



COMMUNITY

- Provide enduring benefits that enhance the communities in which we operate
- Proactively & transparently engage with stakeholders
- Prioritise indigenous engagement & local content
- Respecting the beliefs, customs, culture, sensitivities & the underlying rights of others
- Investing in community & social value-add initiatives
- Building local capability through training and upskilling



SUSTAINABLE FUTURE

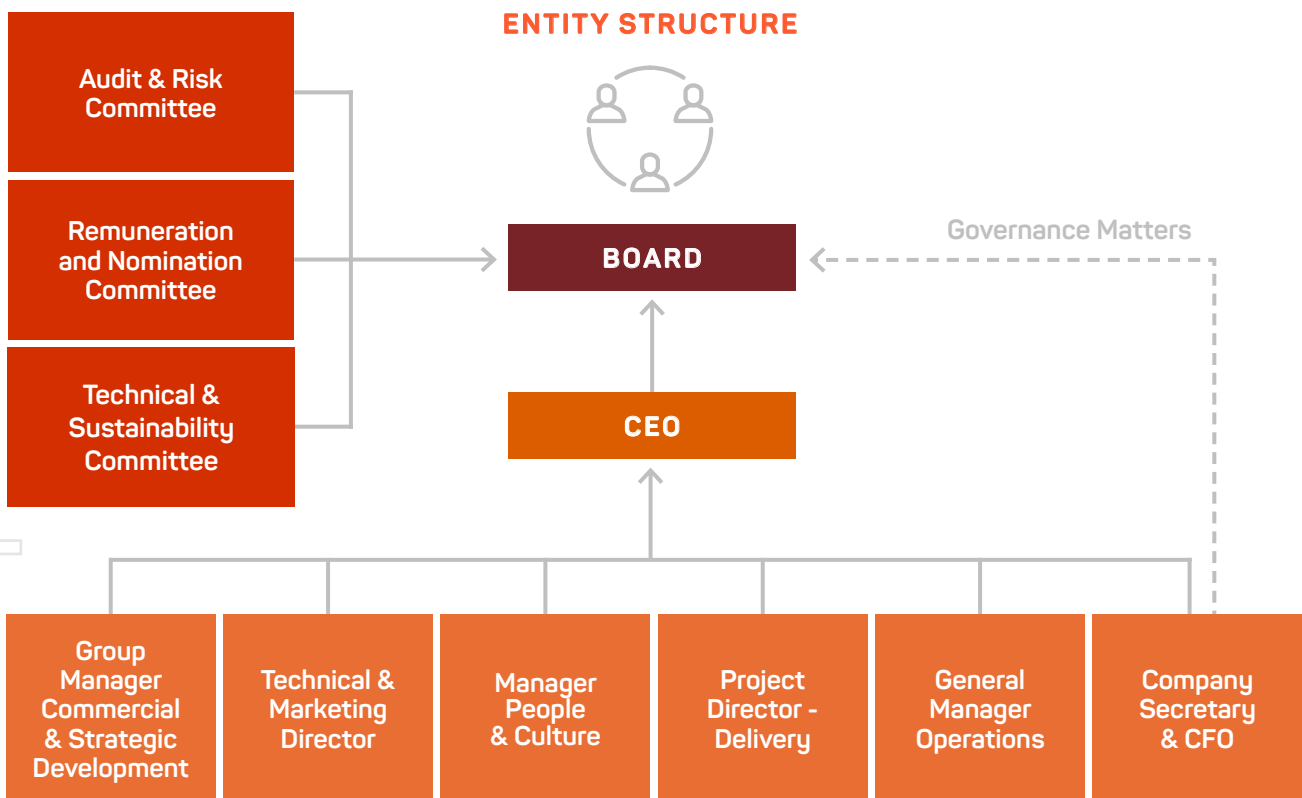
- Strong governance & integrity across business functions
- Value creation to customers & shareholders
- Doing what's ethically & socially right provides a consistent grounding for decisions
- Drive low-cost per ton through innovation & continuous improvement
- Critical minerals play a key role in the "Green" Revolution
- Setting sustainability targets for the future

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SUSTAINABILITY

Strandline's Board oversees our approach to sustainability. In the June quarter, the Company formed a Technical and Sustainability committee, made up of a selection of senior managers and Directors. The committee will support project development, innovation and research (R&D) initiatives and implementation of the Company's environmental and sustainability objectives.

The members of the committee for 2021-22 are Peter Watson (Non-executive Director), Alex Atkins (Non-executive Director), Luke Graham (Managing Director), Flavio Garofalo (Company Secretary) with special invitations to senior managers Jim White (General Manager Operations) and Paul Hewitt (Project Director – Delivery). The committee met 3 times during FY2021. The committee recommends to the Board the proposed disclosures regarding technical and sustainability matters and provides input into setting HSEC related performance targets.



The Technical and Sustainability committee will support project development, innovation and research initiatives and implementation of the Company's environmental and sustainability objectives

SUSTAINABLE DEVELOPMENT FRAMEWORK

As an emerging producer of critical minerals, Strandline is working to align with the United Nations Sustainable Development Goals (UNSDGs) to assist in improving the wellbeing of present and future generations. The 17 UNSDGs were established in 2015 and promote sustainable development practices to address the world's most pressing challenges. Strandline is focussed on maximising our net positive contribution to the UNSDGs.

Strandline will initially focus on the most impactful UNSDGs. These are considered in the Materiality Assessment section overleaf and in Appendix 1.



FIGURE 2 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS
— STRANDLINE'S PRIORITY UNSDGs FY22

**INITIAL FOCUS:
THE MOST
IMPACTFUL
UNSDGS**

MATERIALITY ASSESSMENT

Strandline has conducted a preliminary materiality assessment to assist in managing and prioritising our sustainability focus for both the business and our stakeholders. The assessment was performed by internal stakeholders including members of the Board, senior leadership team as well as a number of employees. In future years the company will broaden the assessment to involve external stakeholders including our customers, industry associations, suppliers, investors and financiers.

Our top material issues identified during FY2021 are highlighted below:

1. HEALTH AND SAFETY

Applicable UNSDG:



- ✓ Workforce health, safety, and well being
- ✓ Quality control
- ✓ Assurance of critical risk controls effectiveness

2. ENVIRONMENTAL STEWARDSHIP

Applicable UNSDG:



- ✓ Climate Change (climate resilience) and managing emissions (pathway to decarbonisation)
- ✓ Water, waste, and materials management
- ✓ Mine site rehabilitation

3. COMMUNITY

Applicable UNSDG:



- ✓ Community relationships
- ✓ Cultural heritage and Indigenous engagement
- ✓ Human rights and modern slavery

4. PEOPLE AND CULTURE

Applicable UNSDG:



- ✓ Employee engagement, retention, and career development
- ✓ High Performing Culture through shared purpose
- ✓ Diverse and inclusive workplace
- ✓ Whistle-blower framework

5. SUSTAINABLE VALUE

Applicable UNSDG:



- ✓ Financial performance and productivity
- ✓ Operational continuity and future proofing
- ✓ Localised supply chain
- ✓ Setting sustainability targets for water, energy, waste and rehabilitation

6. GOVERNANCE

Applicable UNSDG:



- ✓ Corporate governance, code of conduct, prevention of bribery and corruption and slavery in supply chain
- ✓ Compliance with legislation in all jurisdictions
- ✓ Transparency, accountability, and appropriate, timely disclosure
- ✓ Risk and opportunity management
- ✓ Cybersecurity and business continuity protection

SUSTAINABILITY PERFORMANCE TARGETS FOR FY2022+

Our performance targets for FY2022 and beyond come into effect from July 2021 (to align with the company's financial report year). We will publish our progress on these targets annually through our sustainability reporting.

The following table outlines Strandline's near-term targets for Sustainability Reporting. Key performance indicators are linked to our Key Management Personnel (KMP) and employee at-risk short term incentive scorecard in accordance with the Company's remuneration framework and short-term incentive plan. This is in order to incentivise the right behaviours and performance throughout the company.



**INCENTIVISE
THE RIGHT
BEHAVIOURS**

SUSTAINABILITY PERFORMANCE TARGETS FOR FY2022+

Category	Target	By When
HEALTH AND SAFETY	<ul style="list-style-type: none"> No fatalities or serious life-changing injuries (incl. permanent disabling injuring or illness) Report all incidents and near misses of all severities Implement critical risk controls programme and ensure contractor compliance 	<ul style="list-style-type: none"> Annual review FY2022 FY2022
ENVIRONMENT STEWARDSHIP	<ul style="list-style-type: none"> No major environmental incidents, breaches or fines (level 4 or 5 as defined in Strandline consequence matrix) Secure Tajiri project Environmental Impact Assessment (EIA) certificate Develop waste, water and energy measurement metrics in readiness for operations Maintain active climate change risk management 	<ul style="list-style-type: none"> Annual review FY2022 FY2023 Annual review
COMMUNITY	<ul style="list-style-type: none"> No major unresolved community or cultural heritage grievances/disputes Implement Australian industry participation plan and measure performance Conformance to Indigenous engagement strategy and employment targets Implement community bulletins during construction phase 	<ul style="list-style-type: none"> Annual review FY2022 Annual review Annual review
PEOPLE AND CULTURE	<ul style="list-style-type: none"> No material unresolved employee relations issues Improve female participation and representation on Board and across the operational group to >15% Develop workforce readiness plan for Coburn operations 	<ul style="list-style-type: none"> Annual review FY2023 FY2022
SUSTAINABLE VALUE	<ul style="list-style-type: none"> Align management performance incentives with shareholder value and sustainability objectives Establish a project baseline for Coburn Scope 1 and 2 greenhouse gas emissions Issue maiden sustainability report in alignment with UNSDGs 	<ul style="list-style-type: none"> Annual review FY2023 FY2022
GOVERNANCE	<ul style="list-style-type: none"> No unresolved material corporate governance issues No breaches or incidents of any ethics or integrity policies Maintain tax transparency reporting through public disclosure Complete anti-bribery and corruption training for all employees 	<ul style="list-style-type: none"> Annual review Annual review Annual review Annual review

STAKEHOLDERS

Stakeholder engagement is a central element in the Company's approach to investor relations, public affairs, communications and brand positioning. Considering the views and expectations of stakeholders plays an important role in the success of the Company and the maintenance of its social license to operate.

Strandline sees value in engaging in frequent, active, and transparent dialogue with stakeholders. Strandline endeavours to actively listen to and understand the different stakeholder's points of view. Strandline aims for key stakeholders to converge on an agreed approach to creating, protecting and sharing value from Strandline's activities according to the UNSDGs.

Stakeholders are entities or individuals that can reasonably be expected to be significantly affected by Strandline's activities, products or services, or whose actions can reasonably be expected to impact Strandline's ability to successfully implement its strategies and objectives.

Strandline's stakeholders include, but are not limited to:

1. Shareholders
2. Banks, lenders, and creditors
3. Employees
4. Consultants, contractors, suppliers, and business partners
5. Customers and downstream users of products
6. Regulatory authorities and government agencies
7. Local communities
8. Traditional Owner groups
9. Media and opinion leaders

ACTIVELY LISTENING TO STAKEHOLDERS



MINERAL SANDS MINING

Strandline's exploration and development focuses primarily on discovering and evaluating mineral sands ore bodies that show an abundance of higher value minerals, nominally zircon, rutile and monazite, with the lower value minerals of ilmenite and garnet as a co-product to the product suite.

Mineral sands are heavy minerals found in sediments on, or near to, the surface of ancient beach, river or dunal system. Strandline's proposed mineral sand mining method involves both dry mining (Coburn and Fungoni projects) and wet hydraulic mining (Tajiri project). Mining units and wet concentration plants (WCPs) separate the heavy valuable minerals (ilmenite, leucoxene, rutile, zircon, monazite) from the waste material. The WCP design utilises multiple stages of high-capacity gravity separation and classification to produce a high grade 93-95% heavy mineral concentrate (HMC).

The HMC produced from the WCP is transported to the mineral separation plant (MSP) for further processing to produce final products. The MSP uses multiple stages of magnetic, electrostatic and gravity separation. The final products are proposed to be transported to customers around the world.

As mining progresses, mining pits are backfilled and covered with stockpiled soils that were removed at the start of the mining process. Rehabilitation and mine closure are undertaken progressively to ensure land is restored suitable for a range of post-mining uses including agricultural, pastoral and native vegetation.

HIGH VALUE MINERALS



Zircon



Rutile



Monazite



Leucoxene

CO-PRODUCTS



Ilmenite



Garnet

**PRODUCING HIGH VALUE
CRITICAL MINERALS**

MINERAL SANDS PRODUCTS AND MARKET

The key mineral sands products to be produced from our current assets are classified as critical minerals¹, and include zircon, high grade titanium feedstocks and monazite containing rare earths.

Mineral sands products are used in everyday life and demand continues to grow, largely driven by urbanisation, global growth, and an extensive array of applications.

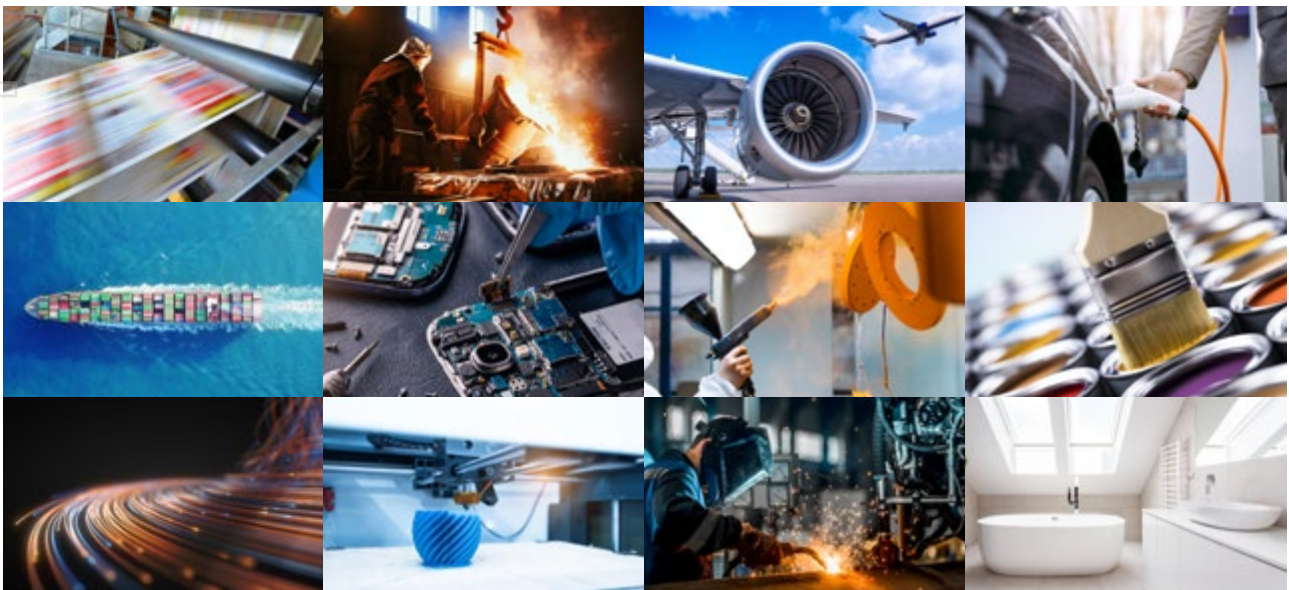
The mineral sands industry is orientated towards the supply of two main raw products, zircon and titanium dioxide (TiO_2) ores.

The TiO_2 ores include rutile, leucoxene, chloride grade and sulphate grade ilmenite. The global TiO_2 pigment market, which is used in paint, paper, plastics, textiles and ink applications, accounts for approximately 90% of all titanium feedstock demand, and therefore is a key titanium product offtake driver. High-grade TiO_2 minerals, including those from the upgrading of higher-grade chloride ilmenite, can also be used to produce titanium metal applications used in aerospace, defence, medical devices and jewellery industries.

For zircon, ceramic applications are the dominant end-use application, accounting for approximately 50% of global zircon demand. As well as the dominant ceramic application zircon's properties of heat and wear resistance, high opacity and strength make it suitable for other applications including refractories, foundries and a number of specialised uses.

Some mineral sands deposits host garnet and the rare earth containing mineral, monazite. Monazite is often sought after for the extraction of those rare earth oxides including amongst others Cerium, Lanthanum, Neodymium and Praseodymium. The rare earths are used in a multitude of modern applications, such as, flat screen television glass, rare earth magnets, silicon wafer polishing pastes (computer chip production), batteries, electronics, electric cars and catalytic converters. Garnet is typically used in abrasive applications.

CERAMICS. REFRACTORY. FOUNDRY. PAINTS. INKS. PLASTICS. TEXTILES. LAMINATES. PAPER. PRINTING. STEEL CONSTRUCTION. AEROSPACE. DEFENCE. MEDICAL DEVICES. JEWELLERY. PETROCHEMICALS. WELDING. FLATSCREEN GLASS. COMPUTER CHIPS. BATTERIES. ELECTRONICS. ELECTRIC VEHICLES.



1. Geoscience Australia identifies critical minerals as metals, non-metals and minerals that are considered vital for the economic well-being of the world's major and emerging economies, yet whose supply may be at risk due to geological scarcity, geopolitical issues, trade policy or other factors. Forecast demand growth for critical minerals presents an important economic opportunity for Strandline. Australia and Africa are important global suppliers of many critical minerals and has the resource potential to scale up to meet rising global demand and drive the upstream diversification of global supply chains.

case study

Saving Water and Power - Coburn project - Minimise process water consumption through implementation of innovative process design

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



The ability to save water and power has been a key enabler in the selection of Mineral Technologies' patented and proven Lyons Feed Control Unit (**LFCU**) which is being deployed for the Coburn project.

The Coburn project is reliant on efficient pumping of ore slurry to the wet concentration plant (**WCP**) and pumping of tailings back to the mine void. Pumping of tailings is one of Coburn's most energy intensive operations. Efficient pumping relies on closely controlled % solids content

(also known as slurry density). The LFCU is specifically designed to tightly control slurry density within a much tighter range than conventional density control systems. This allows the operator to run the pipeline at optimum water and energy consumption.

The inclusion of the LFCU technology at Coburn is anticipated to result in ~17% lower energy consumption (and associated greenhouse gas emissions) and ~25% lower water consumption within the tailings circuit.

Saving Power - Coburn project - Relocation of the Wet Concentration Plant During Operations Reducing Power Consumption

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



Conventional thinking typically places the processing plant central to the deposit with ore and other processing streams being transported to the central facilities. In Coburn's case, this would mean pumping up to 10-11km. The transportation of material via pumping is a major energy consuming activity. Strandline designed the large WCP to be relocatable, allowing it to be placed closer to the active mine, therefore reducing pumping distances and associated energy consumption. The plan provides for relocation of the WCP four times over the first 22 years resulting in a maximum pumping distance of 2km for each location, versus 10km using conventional thinking.

The reduced pumping distances of a transportable WCP results in a significant reduction in average energy consumption (80% less power) and associated greenhouse

gas emissions than would be the case for a fixed, long-term location.

Furthermore, the WCP has been designed to be relocated in large modules with all infrastructure remaining mostly in-tact, allowing for a rapid 2-3-week relocation, minimising production downtime



3D MODEL OF COBURN RELOCATABLE WET CONCENTRATION PLANT

STRANDLINE IS GROWING

In May 2021, Strandline made a Final Investment Decision (FID) to proceed to full development of the 100%-owned Coburn mineral sands project (**Coburn or the Project**) in Western Australia. Coburn will produce a host of critical minerals including premium-quality zircon, titanium feedstock and monazite containing rare earths.

The project is forecast to create ~300 direct jobs at the peak and ~150 direct jobs once in production. Critical to the Company's success is ensuring effective project delivery in accordance with schedule, cost, HSEC and quality objectives with a smooth ramp-up into production. Engaging with our local communities and stakeholders along each phase of the journey is essential. Working with our contractors and suppliers to deliver their respective scopes is also a key focus. These focus areas through the Coburn project construction help influence our near-term sustainability targets.

As Strandline grows, we are determined to maintain a lean, agile and high performing team approach. Leadership and high quality, high frequency communication is critical to creating and sustaining a high performing workplace culture. First production is planned for the December quarter 2022.

Strandline's transition into development and near-term production requires Strandline's organisational structure, systems, processes, and practices to be able to mature in synch with the needs of an operating mining company.

Commencement of operations involve a wide range of pre-operational planning activities for operational readiness, ensuring a smooth transition from construction to commissioning to production. These activities are being defined in a detailed operations management plan.

Handover procedures and documents will be systematically implemented, including key witness acceptance testing, construction verification, control system integration and functional testing, as-built documentation and establishment of vendor operational and maintenance manuals. In parallel, mobilising the operational workforce, training and development, implementing an effective asset management system, on-site financial controls and product inventory systems (amongst other operational functions) are progressively being developed and implemented.

Strandline accepts that continuing education, training and upgrading of employee skills, as well as performance and career development reviews, are vital components that enable us to achieve our strategic and UNSDG objectives. Strandline actively encourages its staff to undertake ongoing learning. Strandline know that building staff capacity and capability is productive for the business and the community at large. We are pleased to have been able to support staff members in learning development initiatives this year.

**~150-300
DIRECT JOBS**

**DEVELOPING THE
WORLD-SCALE
COBURN MINERAL
SANDS PROJECT**



DIVERSITY AND INCLUSION

Strandline's Diversity Policy actively promotes diversity and inclusion among its workforce, benefiting the organisation by helping it access a larger and more diverse talent pool with a wider range of lived experience, qualifications and perspectives.

It has been well researched that a diverse team often delivers better results than a homogeneous team. This is due to various reasons, but mainly because diversity promotes a psychologically safe culture where different opinions are valued. If the demographics of the company reflects the demographics of the community within which it operates, the company may be more attuned to the needs of the community. By creating a platform for authentic articulation of diverse views, it is possible to converge on a plan which is based on shared understanding. This process should ensure all assumptions are tested and biases checked. This results in improved communication, better management of risk, greater capacity for innovation and a creation of a positively reinforcing learning culture.

Strandline's Diversity Policy and Code of Conduct outlines our legal and ethical obligations to provide an environment free of discrimination and/ or harassment of any kind with regard to our employees and all stakeholders. We are pleased that there have been no incidences brought to our attention regarding this kind of behaviour on site or in our offices and we are committed to ensuring our culture remains harassment and discrimination free.

Strandline does not enforce non-disclosure agreement's on complainants where there is a sexual harassment or discrimination complaint raised. This is to empower women and minorities in mining to have a voice and speak up about systemic barriers and biases to enable positive change in the mining industry. Complaints can be raised through the Company Secretary and Manager People and Culture via a dedicated Whistleblower email system.

A diverse team results in improved communication, better management of risk, greater capacity for innovation and a creation of a positively reinforcing learning culture



**ATTUNED TO THE
NEEDS OF THE
COMMUNITY**

CLIMATE CHANGE

Strandline acknowledge that the global climate is changing adversely, and that the mining industry has a key role to play in supporting rapid developments to reduce greenhouse gas emissions, generate carbon credits, and build climate resilience. Strandline supports the Paris Agreement² goals and Intergovernmental Panel on Climate Change (IPCC) assessment of climate change science and the reality of global warming.

As a new and emerging miner Strandline has adopted contemporary thinking and low emission technology from the outset of mine design to minimise its carbon footprint and implement strategies to adapt to the impacts of potentially harsher climates in the future.

Current climate change modelling and forecasts of hazards, such as increasingly severe weather events (storms, cyclones, drought, extreme heat) and bushfire indicate these effects will get more frequent and intense, increasing the physical challenges to communities and mining operations.

A detailed Risk and Opportunity assessment has been undertaken by the Company to assess the specific climate change hazards to the business and identify appropriate mitigation actions to reduce the risk to as low as reasonably practical. Being abreast of key policy changes, trends, stakeholder sensitivities and improvements in the sector is key to Strandline's operational sustainability.

Strandline's immediate response to Climate Change risk at the Coburn project entails establishment of a biodiversity conservation offset area, a state-of-the-art renewable energy solution, a water use minimisation plan, a power efficient technology strategy, and is in the process of evaluating the opportunity for carbon offsets across its land holding.

2. At COP 21 in Paris, on 12 December 2015, Parties to the UNFCCC reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future. The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. Additionally, the agreement aims to increase the ability of countries to deal with the impacts of climate change, and at making finance flows consistent with a low GHG emissions and climate-resilient pathway.

BIODIVERSITY CONSERVATION



REDUCING AIR EMISSIONS FOOTPRINT FROM THE COBURN PROJECT

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MANAGING EMISSIONS

Strandline is committed to managing and reducing its Scope 1³ and 2⁴ air emissions footprint from its projects to levels below or in line with Australian government policy and targets. This will be achieved through a combination of:

(A) ESTABLISHING A PROJECT BASELINE

A Scope 1 and 2 emissions baseline for 'business as usual' operations based on the estimates in the Coburn project design Base Case.

(B) BEST PRACTICE AND BENCHMARKING

Adopting contemporary design and technology options to avoid or reduce Scope 1 greenhouse gas emissions from the commencement of the project. This will include selecting suppliers of equipment and services that have committed to reducing or eliminating their own emissions. Strandline will benchmark its approach to industry peers and look to be an early adopter of innovative best practice solutions.

(C) MONITORING

Strandline will implement an energy efficiency and Scope 1 emissions monitoring and reporting system to track relevant performance metrics over the life of the project, and to inform decisions on opportunities to implement practicable measures to improve energy efficiency and emissions reduction. Scope 1 emissions will be measured or estimated and reported in accordance with the *National Greenhouse and Energy Reporting (NGER) Act*⁵.

(D) CONTINUOUS IMPROVEMENT AND OFFSETTING EMISSIONS

Strandline will review and adopt technology solutions and alternative energy suppliers through the life of the project, where feasible, to reduce Scope 1 and 2 greenhouse gas emissions. These reviews will be undertaken every two years and will assess whether the project has achieved, or is on track to achieve, the project's emission reduction targets.

To complement the Company's technology-led approach to meet the project's low-emission targets, Strandline is committed to exploring options for the development and implementation of an off-setting strategy (such as Australian carbon credit units, certified emission reduction units under the Clean Development Mechanism, or offsets available on the voluntary carbon offsets market). The off-setting strategy will be designed so that it can be scaled over time to ensure the Company's emission targets are achieved.

3. Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in company vehicles and facilities).
4. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.
5. Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain. Scope 3 emissions include all sources not within an organization's scope 1 and 2 boundary. The scope 3 emissions for one organization are the scope 1 and 2 emissions of another organization. Scope 3 emissions, also referred to as value chain emissions, often represent the majority of an organization's total GHG emissions.

case study

Decarbonisation Journey - Coburn Project - Adopting Renewables from the Outset

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



The Coburn project (currently under construction) will be powered by an innovative low-cost, low-emission hybrid energy solution, integrating a large solar renewable energy (RE) solution and battery storage inverter technology with high-efficiency gas-fuelled generation.

1. Coburn is remotely located and benefits from favourable natural resources of sun and wind
2. Electricity for the project is to be supplied from a purpose-designed, hybrid 32MW power station
3. Coburn's power station design comprises state-of-the-art solar and battery storage technology combined with high-efficiency LNG engines
4. Power station to be located near the processing facilities and is designed for a maximum demand capacity of 15 MW and average consumed power of ~10 MW
5. Coburn's initial installation will achieve ~30% renewable penetration, with plans to add other technologies to increase renewables during operations
6. Adding wind turbines in the future at Coburn is a logical step to complement solar PV and provide RE through the night
7. Hydrogen is also an exciting emerging option, offering a liquid fuel/gas alternative and all the potential benefits of long-term storage as well as fuel for our mobile fleets
8. Maximising our RE penetration at Coburn is a key part of Strandline's sustainability strategy to maximise our ESG credentials

COBURN PROJECT HYBRID POWER STATION



9X 2,000KW HIGH
EFFICIENCY GAS
GENERATORS



10MW OF
SOLAR PHOTO
VOLTAIC



4MW DYNAMIC
BATTERY
STORAGE



FUTURE
WIND
TURBINES

Decarbonisation Journey - Coburn Project – Other Energy Focused Initiatives

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



In addition to the state-of-the-art hybrid power station, the Coburn basis of design also comprises a range of other energy-focussed initiatives:

1. Use of modern variable speed drive (VSD) powered pumps, making up half the site electrical load ensuring the size of site electrical infrastructure (including transformers), is minimised due to zero power surges and limited need to bring on additional generation during large motor starts
2. Use of highly efficient VSD based pumping (not PSV's or other valve-based energy wasting methodologies) for the control of flow, pressure, and fluid levels
3. Optimum sized electrical conductors, both in overhead power lines and underground cables, to reduce heat related energy losses
4. High speed fibre optic and telemetry-based site-wide SCADA control system to ensure fast interlocking / shutdown between remote pumping locations and minimise wasted energy in recovery operations
5. Common communications and SCADA system platform across the entire site from mine to product to ensure efficient processing and data analytics
6. Detailed forward planning of mining operations, including fleet automation initiatives, to facilitate efficient dozer operations, thereby reducing diesel burn and corresponding CO₂ emissions



RENEWABLE ENERGY:

WIND TURBINES
AT COBURN WILL
COMPLEMENT SOLAR PV

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Innovation - Research and Development

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



Strandline has worked with a range of R&D organisations, technology suppliers, engineers, and mineral processing laboratories to define and optimise the most viable extraction and mineral recovery methods across the project supply chain - from resource to product marketing. Collaborations with Commonwealth Scientific and Industrial Research Organisation (CSIRO), Allied Mineral Laboratories, Nagrom, Curtin University in WA, Mineral Technologies, Outotec, Ludowici-FLSmidth, Weir Minerals, MicroMine, Caterpillar, Komatsu and Contract Power Australia

(amongst others) have resulted in the selection and integration of technologies and mining methodologies that provide “best for project” outcomes. Key criteria in selecting mining and process units include, but is not limited to: safest solution, lowest risk, lowest environmental impact (e.g. physical footprint, energy efficiency and lowest emissions), highest mineral recovery, lowest life-cycle cost, lowest capital expenditure, lowest operating cost, shortest timeframe, ease of operation (maintainability and operability), robustness and flexibility.

COLLABORATION WITH:



TECHNOLOGY LEADERSHIP:
 INNOVATIVE AND
 VALUE-DRIVEN SOLUTIONS
 IS AN EVERYDAY PURSUIT

MANAGING HEALTH, SAFETY AND WELL BEING

Strandline is committed to providing a sustainable workplace free from injury and harm through strong leadership, supportive behaviours, and robust management systems. The safety of our people and the communities in which we operate always comes first. Our goal is to achieve a workplace free from injury and harm.

To this aim, Strandline will:

1. Embed an inclusive and high performing culture underpinned by the values of integrity, excellence, courage, trust and respect
2. Implement a focus on visible leadership in the workplace and ensure Health and Safety is the highest priority in all activities
3. Provide a psychologically safe environment and empower each person working for Strandline to take personal responsibility for their actions and ensure authority is given to stop work if a situation is believed to jeopardise the safety of themselves or another person
4. Ensure employees are suitably trained in the requirements of the safety management system
5. Proactively manage health and safety risks through elimination of hazards where possible and focussed implementation of risk controls, awareness programs and safe work practices
6. Comply with all legislative requirements relevant to our operations
7. Provide safe equipment, tools, facilities, training, supervision and safe working procedures to allow work to be performed safely (and verify this through the critical risks controls verification process)
8. Ensure reporting of all incidents, including near misses, and prompt investigation, implementation of corrective actions and sharing of learnings

In 2021 the Company achieved a total recordable injury frequency rate (TRIFR) of 0.0 (zero). There were zero lost time injuries (LTIs) and zero medical treatment injuries (MTIs) across the business operations. The Company's key focus during the period was on developing and implementing a robust HSEC management plan, standards, and systems to support the construction of the Coburn project in WA.

For Coburn, the Company achieved approval by DMIRS (WA's mines safety regulator) of its updated statutory Project Management Plan, which provides the blueprint for development and managing HSEC risks through construction and into operations. Contractor and supplier onboarding, site management and alignment in HSEC performance requirements has been, and continues to be, a key focus for Strandline's project personnel as construction of Coburn ramps-up towards its peak site workforce of ~300.

To support Strandline's goal of zero harm, the Company has designed a critical risk management program (CRM) that is focused on developing, communicating, and implementing a process to assist all personnel to identify and control hazards that have the potential to cause fatalities. This risk-based system is designed to be future proof for when the mines safety legislation changes from the prescriptive Mines Safety Inspection Act 1994 and Mines Safety Regulations 1995 to the risk-based WHS Act in early 2022.

At Strandline, we recognise that to prevent fatal and catastrophic events from occurring, critical controls must be clearly defined, actionable and understood, including regarding who is responsible for implementation. Our critical controls are mandatory, need to be effective, used and in place 100% of the time and reliable for fatality prevention and to mitigate critical risks. The Company will continue to implement this programme as development and operation activities ramp up across our sites.

**APPLICABLE
SUSTAINABLE
DEVELOPMENT
GOALS:**



OUR APPROACH TO QUALITY

Strandline, through our pursuit of continuous improvement and operational excellence, is committed to delivering reliable, high-quality solutions and products in a timely, cost effective, and professional manner. Strandline implements management systems aligned with internationally recognised standards and best practice.

Strandline encourages ownership and “pride in work” by effective leadership, communication, and documentation of quality expectations. Quality requirements are integrated into business workflows and decision-making processes across the various disciplines of the organisation. Conformance to the relevant legislation, regulations, contracts, and industry standards is a fundamental operational requirement.

Strandline encourages ownership and “pride in work” by effective leadership, communication, and documentation of quality expectations



ENVIRONMENTAL STEWARDSHIP

The nature of our activities means we have a significant responsibility for land and biodiversity management. Strandline manages ~200 km² of exploration and mining tenure area in WA and over 1,500 km² of tenure along the coastline of Tanzania.

Strandline is committed to preventing pollution and reducing our environmental impact through the implementation of a proactive environmental management culture characterised by strong leadership, supportive behaviours, robust management systems and compliance with the requirements of the EPA and EPBC Acts as set out in the conditions of our environmental permits.

Our approach to managing the environment is based on the rigorous identification, assessment, and control of material risks across all phases of our business, from exploration to construction, operation, and closure.

At each of our site locations, we look to manage risks and realise opportunities to achieve our environmental objectives. We aim to avoid, mitigate, rehabilitate, and where appropriate, apply compensatory measures to any potential or adverse residual impacts to the environment. We engage with stakeholders and take their perspectives and knowledge into account in our decision making.

To this aim, Strandline will:

1. Implement responsible management practices and identify opportunities for the efficient use of energy and water, minimise waste, and reduce the Company's environmental footprint
2. Manage environmental risks on a site-specific basis to achieve planned outcomes
3. Rehabilitate sites or areas disturbed by company activities to comply with the applicable Environmental Management Plan

4. Inform and consult with the community about Strandline's activities and projects
5. Contribute to conservation of biodiversity and integrated approaches to land use planning
6. Comply with applicable environmental laws and regulations as a minimum standard
7. Continually strive to improve overall environmental performance
8. Empower each person working for Strandline to take personal responsibility for their actions and ensure authority is given to stop work if a situation is believed to jeopardise the environment
9. Ensure employees are suitably trained in the requirements of environmental management
10. Ensure reporting of all incidents, including near misses, and prompt investigation and corrective action

Strandline uses an incident management system to record any environmental incidents. During 2021 there were zero environmental incidents or breaches across our project sites.

At the Coburn project the Company has implemented an extensive suite of environmental and social management plans (EMPs) (16 in total), covering management of flora, fauna, vegetation, dust, bush fire, waste, radiation, weed, soil, Aboriginal heritage, rehabilitation, hydrocarbon and ground water mounding.

Implementation of the relevant EMPs is well underway, including ongoing site monitoring, surveys and reporting related to updating baseline data during construction activities.

zero environmental incidents
or breaches during 2021

case study

Shark Bay Heritage Protection

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



The Coburn project is situated in Shark Bay Western Australia. Shark Bay is a truly remarkable place, with colourful and diverse landscapes, rare fauna and flora, and world-class examples of Earth's ecological processes. It is best known for its dugong population, vast sea-grass beds, and the most diverse and abundant examples of living marine stromatolites, or 'living fossils', in the world.

The Shark Bay World Heritage Area covers 2.2 million hectares and has a coastline stretching for 1500 kilometres. About 65 percent is marine waters. It is located 800km north of Perth on Australia's most westerly point.

The Shark Bay World Heritage Area was inscribed on the World Heritage list on

13 December 1991 for all four of the natural Outstanding Universal Value criteria. Shark Bay is now one of 19 Australian World Heritage sites and one of the four in Australia (and the only one in WA) which meets all four natural criteria.

As part of Coburn project development, Strandline has allocated a 42km² conservation offset area immediately southeast of Coburn's proposed future mining areas. The Coburn project runs adjacent to the Shark Bay World Heritage Property. As a key research initiative in the region once in operations, the Company also plans to contribute funds and support for research on the ecology of Shark Bay World Heritage Area, the Shark Bay Interpretive Centre in Denham, and the Carnarvon Basin Rehabilitation Project.



RARE FAUNA:
(LEFT TO RIGHT) PLEASE
SUPPLY CAPTION

Image source: Bush Heritage Australia

NATURALLY OCCURRING RADIATION MATERIAL

Mineral sands deposits around the world contain natural occurring radioactive material associated with uranium and thorium (U+Th) contained in the grains of the sand. Because of this, rigorous, internationally accepted radiation management standards (i.e. NORM) are implemented to minimise risk to human health and the environment. The U+Th levels in Strandline's zircon and titanium mineral suite across our asset portfolio in Tanzania and Australia are considered low on world standards which in turn contributes to the favourable

product quality specification and broadens the array of downstream applications.

The Company has performed comprehensive radiation monitoring and test work programs to confirm the baseline material composition and assist in developing site-specific radiation management plans. The Company management practices are aligned with industry best practice in accordance with the International Atomic Energy Agency, as well as the relevant jurisdiction's legislation.

COMMUNITY RELATIONS

Strandline sets out to build enduring relationships with the communities in which we operate that are characterised by respect, trust, and enriching lives through our participation. Through active collaboration we strive to implement long-term sustainable benefits for the local communities, regional and national stakeholders, and the Company. We aim to achieve this through:

- Engaging with all stakeholders in a culturally sensitive way that enables us to identify impacts and actively develop strategies to address concerns and implement improvement initiatives
- Empowering local communities through capability building and diversity programmes that enhance the socio-economic benefits from our operations
- Actively participating in value-add initiatives relating to regional development, training and employment, and small business opportunities

- Working with government and other organisations to promote sustainable mining practices that minimise environmental and social impact
- Implementing social management principles of best practice in compliance with legislative requirements and consistent with the IFC Performance Standards (Tanzania) that seek to enhance community engagement and empowerment
- Prioritising community initiatives that improve education, upskilling, and health and well-being
- Through delivery of training and development programmes for our people, we will encourage taking personal responsibility for community relations, health, safety and the environment.



INDIGENOUS PEOPLES AND CULTURAL HERITAGE

Strandline strives for a sustainable approach to our projects and operations and to work productively and in partnership with Indigenous communities to ensure they benefit from our presence over the long term. Strandline recognise and respect the rights of Indigenous peoples and acknowledge the connection they have with land and water. As part of Coburn development, the Company has developed an Indigenous Engagement Strategy (IES) that aims to:

1. Establish and maintain equitable and culturally appropriate employment and career development opportunities for Indigenous employment
2. Increase the employment rate for local Indigenous people on the Project
3. Raise awareness among non-Indigenous personnel of the cultural sensitivities that may affect the employment of Indigenous personnel
4. Enable employment opportunities for all Indigenous people
5. Look for opportunities for the Project to increase the skills base for Indigenous people to improve access to a range of positions and levels
6. Embed a system of reporting and recording of Indigenous people participating in recruitment and employment

Strandline has several agreements in place as described below:

1. Mining Agreement with the Nanda Native Title Group filed in September 2004. The agreement is for exploration, mining and processing minerals sands operations and associated mining activities within the Nanda Claimant Area
2. Heritage Agreement with the Nanda Native Title Group signed in October 2017. The agreement is for exploration and associated activities within the Nanda Claimant Area
3. Heritage Agreement with the Malgana Shark Bay People signed in October 2017. The agreement is for exploration and associated activities within the Malgana Claimant Area

These agreements contain commitments and obligations in relation to engaging with Traditional Owners through the various phases of Coburn project development and are subject to review by the parties from time to time. The IES and obligations contained within these agreements are managed, monitored, and reported regularly. The Company's commitments to Indigenous engagement and local content (Australian Industry Participation) are passed through to every major contractor involved in the Coburn project as a standard contractual performance requirement.

recognise +
respect

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



In 2021, Strandline recruited a dedicated Indigenous and Community Liaison Representative to oversee and drive the implementation of the IES and provide a key interface for the Indigenous community interested in the project.

A cross cultural awareness program has been developed with input from Nanda elders, to assist in educating project personnel on cultural sensitivities and recognise and respect the rights of Indigenous peoples.

As construction activities ramped-up through 2021 and the employment and procurement opportunities grew, the Company began its work on implementing its early initiatives. Indigenous led survey teams and heritage officers for earthworks clearing were mobilised across the work fronts. The Company's major construction contractors progressed targeted indigenous recruitment and onboarding programs with roles being secured across bulk earthworks and accommodation village construction, fencing, bore field drilling and environmental monitoring.

Through extensive heritage surveys at Coburn, it is identified that there are no heritage sites across the mine disturbance area, however there are several notable and important heritage sites within the broader Shark Bay region.

COMMUNITY INVESTMENT INITIATIVES

Investment in selected social and community improvement initiatives is another means for Strandline to contribute to positive social engagement. Through a collaborative approach we seek to work with our diverse range of stakeholders to understand social needs in the region, which enables Strandline to design voluntary investments that create meaningful outcomes and align with our broader business priorities including improving education, upskilling, and health and well-being.

As a key implementation strategy, we look to maximise benefits through partnering with government and other specialist organisations to deliver our social investments initiatives, such as the Rafiki foundation in Tanzania.



case study

Localised Supply Chains

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



Strandline relies on its consultants, contractors, suppliers, customers, and partners to help deliver on its development strategy and sustainability objectives.

The Company is committed to taking full advantage of the capabilities and capacity of its host countries Australia and Tanzania, and where practical increasing local content in each project.

Strandline actively encourages local contractors and suppliers to offer competitive goods and services for consideration. As part of the ongoing procurement function, the Company identifies and includes local businesses in tendering and sourcing activities which are evaluated on a range of criteria including but not limited to safety, environment, technical, service offering, indigenous engagement and local content strategy, and a range of value and commercial parameters.

In FY2021, Strandline engaged approximately 100 suppliers to support the development of the Coburn project, of which 99% are located in Australia and 1% are offshore.

This comprises activities relating to detailed engineering design, project management and specialist professional services, fabrication, equipment manufacture, construction skilled and semi-skilled labour, logistics and freight, supply of consumables and materials, and business support services.

Similar to Coburn, Strandline has developed a comprehensive local content plan for implementation on its Tanzania projects. These plans have been reviewed and approved by the Tanzanian Mining Commission Ministry of Minerals and are subject to ongoing status reporting.

Strandline's projects are designed based on efficient mining techniques and advanced process beneficiation technology to optimise mineral recovery, reduce waste and increase product value in country prior to exporting to global customers. Advanced processing and value add in-country prior to export means more specialized jobs are generated locally and result in greater knowledge transfer opportunities.



CORPORATE GOVERNANCE AND TRANSPARENCY

The Board and Management of Strandline are committed to strong Corporate Governance and have adopted the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council, as and where applicable. The relevant principles and recommendations are embodied in the following Company policies and procedures:

1. Board Charter
2. Securities Trading Policy
3. Risk Management Policy
4. Code of Conduct
5. Continuous Disclosure Policy
6. Shareholder Communications Policy
7. Whistle Blower Policy
8. Diversity Policy
9. Anti-Bribery Policy
10. HSE Policy
11. Community Policy
12. Sustainability Policy

The trust and acceptance of the Company's stakeholders is essential to building a successful operating business. At a minimum, financial transparency is provided by the Company through its announced disclosure reports throughout the year.

A copy of the above policies are available on our website www.strandline.com.au.



CODE OF CONDUCT

The Strandline Code of Conduct and Integrity is based on our values and represents our commitment to uphold the highest ethical business practices.

Anyone working for or engaged by Strandline should understand and comply with this Code of Conduct. The Company wishes to build on its reputation for integrity, and to be valued as an employer, a business associate, and a community partner in all of its relationships.

Directors, management, and employees shall deal with the Company's customers, suppliers, competitors and each other with honesty, fairness, and integrity and observe the legal and regulatory environment in which the Company operates.

The Company aims to:

1. Increase Shareholder value within an appropriate framework which safeguards the rights and interests of the Company's Shareholders and the financial community
2. Comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity

The Code of Conduct reflects the shared values throughout the Company and outlines behaviour expected of anyone working for or on behalf of Strandline and encourages each individual to "do the right thing". The Board believe that the Code of Conduct is to be enacted by its people, and through its application can positively influence relationships with community, corporate, and individual partners.



BRIBERY AND CORRUPTION

Strandline has a zero tolerance for bribery and corruption. We pride ourselves on our reputation for acting with integrity and honesty wherever we do business. Our reputation is built on our values as a company, the professionalism of our employees, and our collective commitment to acting with integrity and transparency at all times.

Bribery and corruption undermines legitimate business activities, distorts competition, and exposes Strandline and our employees to significant risks. Our commitment to do business with integrity includes always complying with the laws of every country in which we operate.

In Tanzania, the Company has implemented an integrity pledge which is consistent with our anti-bribery and corruption standards and also complies with Tanzanian law.

As a key objective for FY2022 Strandline is developing an anti-bribery and corruption training program which will be incorporated in the induction and onboarding process for all Strandline employees.

RISK MANAGEMENT

The management of risk is fundamental to achieving Strandline's objective to deliver value through sustainable growth. Strandline adopts a holistic approach to the management of strategic, financial, and operational risks to allow opportunities and threats to be identified and managed appropriately.

Strandline's risk management policy sets out structured and systematic processes for the identification and management of risk in areas such as harm to people, environment, technical, quality, climate change, reputation, stakeholder relations, governance, compliance, and company objectives.

The Board, through the risk management policy, delegates responsibility for identifying and managing risks to management, who in turn have an obligation to report to the Board on risks which could have a material impact on the Company's business. The Audit and Risk Committee oversees the Group's enterprise-wide risk and opportunity management system and assists the Board in reviewing Strandline's risk profile and risk appetite. The Technical and Sustainability Committee has oversight over technical and operational (non-financial) risks. There may be overlaps between the Audit and Risk Committee and Technical and Sustainability Committee risks if they have the potential to have material financial, legal or reputational impact. Material risks are captured in a risk register and reviewed regularly by senior management and reported to the Board and Audit and

Risk Committee on at least a quarterly basis. During the FY2021 Strandline updated its Crisis and Emergency Management Plan, with particular focus on the Coburn project (currently in development).

CYBER SECURITY

In this increasing digital workplace cyber-security risks are becoming more and more apparent and have the potential to disrupt Strandline's operations. A cyber threat is a malicious act — or just the possibility of one — that seeks to damage or steal data, or to otherwise disrupt computer networks and systems. Common cyber threats include computer viruses, software vulnerabilities, distributed denial of service attacks, and social engineering techniques, such as phishing. Even "offline" events like natural disasters can be considered a cyber threat, as they put systems and data at risk.

What could historically be addressed by IT risk management and access control now needs to be complimented by sophisticated cyber security professionals, software, and cybersecurity risk management. Strandline aims to align its approach with GDPR, ISO27001 and other relevant standards as it matures its cybersecurity framework. Strandline continuously monitors for potential cybersecurity risks and implements a range of mitigation actions as deemed appropriate.



REGULATORY COMPLIANCE

Regulatory compliance is essential to supporting our licence to operate. Strandline is focussed on complying with relevant laws, regulations, and authorisations as required during the various stages of project development and operations. The Company implements a suite of detailed management plans and maintains a register of approvals, permits, and obligations to assist in managing our responsibilities. The Company engages with a range of specialist consultants and subject experts (including legal due diligence) to advise on managing our compliance matters.

During 2021, there were no instances of non-compliance with regulatory authorities leading to any fines or enforcement actions. An audit tool and program for proactively reviewing our systems and approach is expected to be implemented during the current financial year to allow for continuous improvement initiatives and actions to be identified.



FUNGONI
PAN OF HEAVY
MINERAL SANDS
TANZANIA

GEOPOLITICAL AND POLICY LANDSCAPE

Strandline monitors geopolitical developments as part of its core business.

In mid-2017, the Government of Tanzania passed a series of bills aimed at restoring more transparency and control over the mining industry in order to facilitate better revenue generation, knowledge transfer, improved mining practices, and eventually improving the economy and sustainability of the mining sector.

1. On 10 January 2018, the Minister for Minerals promulgated a suite of new regulations under the Mining Act 2010, which essentially replaced the previous 2010 Regulations under the Mining Act
2. The 2018 Regulations introduced new local content obligations and amended existing obligations relating to the issue, renewal and transfer of mineral rights, permits to export, import and trade in minerals, beneficiation, geological surveys and handling of radioactive minerals

3. Many of the obligations imposed are not new, and repeat and in some cases elaborate on existing obligations

4. Following the changes, the Mining Commission has made a number of subsequent amendments to 2018 Regulations to improve understanding and enhance their practical implementation

5. The Ministry for Minerals and Mining Commission are now actively encouraging foreign investment and mine development

Following the Presidential appointment of Her Excellency Samia Suluhu Hassan in March 2021, considerable efforts are being made to increase foreign investment and stimulate the next generation of mining development. This includes the approval by the Tanzanian Cabinet of Ministers of several long-awaited Special Mining Licenses (SML), which is expected to support progression of the current Tajiri project SML approval process (noting that the Fungoni mining licence and environmental certificate are already secured).



GEOPOLITICAL AND POLICY LANDSCAPE

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

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

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

During 2021 the Company has made positive and continued progress towards finalising a Framework Agreement (FWA) with the Government of the Republic of Tanzania (GNT). The FWA is pivotal because it will pave the way for the Company to advance its portfolio of high-quality mineral sands assets in the country.

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

As part as the Coburn project financing process, an independent economic cost-benefit analysis was completed, confirming Coburn will provide a host of important socio-economic benefits to the Western Australian and Australian economy over its forecast mine life of up to 38 years. The project is expected to generate up to A\$922 million of net public benefit to the region over the first 25 years and generate over 300 jobs during construction and up to 160 jobs during operations. This report, prepared by Deloitte Access Economics, highlights that as well as providing economic benefits, Coburn aligns 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. Strandline endeavours to recruit the majority of its operational workforce from the surrounding regional area by facilitating a drive-in-drive-out workforce.

In addition, the Project will offer training opportunities and engage local consultants and contractors many of which will benefit the Gascoyne and Mid-West regions.



TAXES AND ROYALTIES

Taxes are important sources of government revenue and are central to the fiscal policy and macroeconomic stability of nations. Organisations have an obligation to comply with tax legislation, and a responsibility to their stakeholders to meet expectations of good tax practices.

Public reporting on tax increases transparency and promotes trust and credibility in the tax practices of organisations and in the tax systems. It enables stakeholders to make informed judgments about an organisation's tax positions. Tax transparency also informs public debate and supports the development of socially-desirable tax policy. Strandline's financial practices and accounts are audited annually by a registered accounting firm BDO. The Company maintains compliance with all tax and royalty obligations across all jurisdictions.



case study

Malleefowl Research

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:

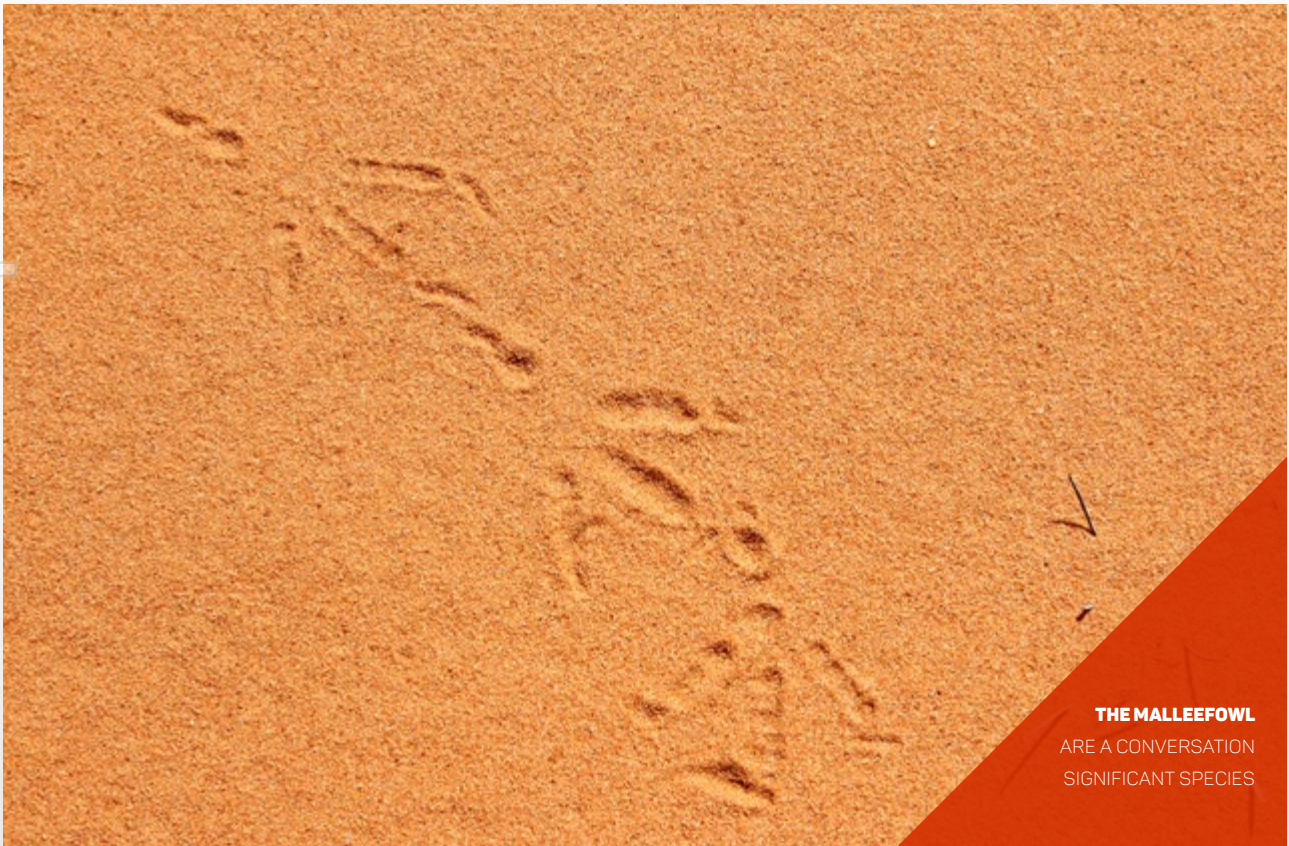


Malleefowl *Leipoa ocellata* are a ground dwelling bird known to occur predominantly in vegetation types of the central and southern portions of the Coburn project area.

Malleefowl are a conservation significant fauna species that require:

- pre-clearing surveys to identify and manage any active nesting mounds ahead of ground disturbance; and
- annual monitoring of populations; both inside and outside the project area for comparison; to show where populations may be declining, stable or increasing.

During 2021, Strandline commenced a fauna monitoring program incorporating the collection of feather and eggshell material from nesting mounds to conduct DNA testing. This evaluation method is expected to provide a metric count of the abundance of individual Malleefowl near to the project area. The fauna monitoring program has been designed to potentially be extended in 2022 to the neighbouring Hamelin Station and Shark Bay World Heritage Area, providing collaboration opportunities for regional conservation relating to the Malleefowl species and corresponding CO₂ emissions.



THE MALLEEFOWL
ARE A CONSERVATION
SIGNIFICANT SPECIES

case study

Rehabilitation Program is Underway at Coburn With Seed Collecting

APPLICABLE SUSTAINABLE DEVELOPMENT GOALS:



Phase one of a continuous life-of-mine program was initiated in May 2021 to recover native seed from the areas to be disturbed at the Coburn project. A total of 5 kg of seed from 20 species was recovered from this initial program.

Specialist revegetation consultant, Tranen Revegetation Systems, have been engaged to assist Strandline to manage the initial stages of the program to:

- establish advance seed collection in the appropriate seasons to ensure adequate

resources available for progressive rehabilitation activities. Seed will be collected from as wide a range of species as possible; and

- provide initial training to local indigenous seed collectors and environmental officers to build Strandline's internal capacity to undertake these activities in the future. This includes a collection of mature plant specimens from across the Coburn project area into an 'herbarium' for the easy identification of native plants to target efforts for seed collection.



REHABILITATION PROGRAM IS UNDERWAY AT COBURN WITH SEED COLLECTING

PERFORMANCE DATA

The following data summarises the Company's performance against a range of key sustainability metrics for the FY2021 period.

SAFETY PERFORMANCE

Category	FY21
Fatalities or serious life-changing injuries (incl. permanent disabling injuring or illness)	0
Total Recordable Injury Frequency Rate (TRIFR)	0
Lost Time Injury Frequency Rate (LTIFR)	0
Lost Time Injuries	0
Coburn Project Management Plan Approved by Regulatory Authorities	✓

Unless specified, all classifications above include contractors. TRIFR: Total recordable injury frequency rate. The frequency of total recordable injuries per million hours worked. LTIFR: Total recordable injury frequency rate. The frequency of lost time injuries per million hours worked.

ENVIRONMENTAL

Category	FY21
Non-compliance with environmental laws and regulations	0
Monetary value of significant fines (\$A)	0

WASTE AND WATER MEASUREMENT

Waste Material Used	General project-related waste (kg)	Transport of Hazardous Waste (kg)	Water use for projects (net) (L)	Water Recycling Implemented
Total	Limited	Nil	Limited	✓

ENERGY CONSUMPTION

Energy Consumption (KWhr)	FY21 (kWhr)	FY21 (GL)
Australia (Coburn site & Perth Office)	12,000 kWhr	0.00264 GL of Gas
Tanzania (Dar es Salaam office)	3,000 kWhr	0.00066 GL of Gas
Total	15,000 kWhr	0.0033 GL of Gas

Conversion between kWhr and gas consumed is 0.22 cu.m / kWhr or 220L / kWhr

EMISSIONS

Energy Consumption (KWhr)	FY21 (GL)
Greenhouse gas emissions Scope 1	Nil
Greenhouse gas emissions Scope 2	10.4
Total of Scope 1 and 2	10.4

Scope 1 refers to emissions produced directly by operations, primarily resulting from combustion of various fuels and includes CO₂ - equivalent values for greenhouse gases such as CH₄, N₂O and SF₆

Scope 2 refers to indirect emissions resulting from the import of electricity from external parties; commonly the electricity grid

HERITAGE AND COMMUNITY

Category	FY21
Material Cultural Heritage Incidents	0
Material Community Impact Incidents	0
Major unresolved community or cultural heritage grievances / disputes	0

SOCIOECONOMIC CONTRIBUTION

A\$ million	Operations	Employees	Payments to Providers of Capital	Payments to Government	Total Contribution
Type	Supplier Payments (Goods and Services)	Wages	Construction related activity	Taxes, Rent and Rates, Community Investment	All
Total (A\$)	4,351,876	3,118,636	12,360,131	411,424	20,424,067

PEOPLE DIVERSITY

Profile FY21	Full Time and Part Time Employee		Full Time and Part Time Contract		Casual		Employees Total	
Gender	M	F	M	F	M	F	M	F
Total	21	6	1	0	5	2	27	8

Profile FY21	Board		Leadership / Managers		Professionals / Trades		Other		Total
Gender	M	F	M	F	M	F	M	F	All
Total	6	1	10	0	9	2	2	5	35

Profile FY21	Age Group <36		Age Group 36-55		Age Group >55		Total
Gender	M	F	M	F	M	F	All
New Employees	1	2	11	4	8	0	26
Turnover	0	0	0	0	0	0	0

Strandline personnel only recorded (i.e. no records held for contractors)

Indigenous Diversity	FY21
Non-indigenous (%)	90%
Indigenous (%)	10% ⁶

6. Includes Indigenous Tanzania employees

APPENDIX 1 - MATERIALITY TOPICS

HEALTH AND SAFETY

Applicable UNSDG:



Health and Safety	Description
Workforce health, safety and well being	Managing risks that have a potential to result in a fatality or serious life-changing injury (including permanent disabling injury or illness)
Quality Control	Implement quality systems and process to ensure conformance to the relevant legislation, regulations, contracts and industry standards.
Critical risk controls	Assurance of critical risk controls effectiveness

ENVIRONMENTAL STEWARDSHIP

Applicable UNSDG:



Environmental Stewardship	Description
Climate Change and managing emissions	Evaluate and manage the risks and opportunities of climate change and minimising energy consumption to reduce greenhouse gas emissions
Water, waste and materials management	Measure and manage water, waste and materials used and generated through mining and processing operations in accordance with environmental approvals and implement efficiency solutions accordingly.
Mine site rehabilitation	Plan rehabilitation and progressive mine closure activities in accordance with operation requirements and environmental approvals

COMMUNITY

Applicable UNSDG:



Community	Description
Community relationships	Local stakeholder engagement to grow awareness, manage any grievances, incorporate feedback into our decision making and maintain support for our presence.
Cultural heritage and Indigenous engagement	Recognition of Indigenous People connection with the land in which we occupy. Respect for cultural heritage and traditions of all communities where Strandline operates.
Human rights and modern slavery	Upholding basic human rights of employees and others who are impacted from our operations.

PEOPLE AND CULTURE

Applicable UNSDG:



People and Culture	Description
Employee engagement, retention and career development	Employee engagement, retention, talent management, learning and development and succession planning
High Performing Culture	Clear Company vision, values and behaviours, role clarity and performance management framework
Diversity and inclusion	Developing a diverse and inclusive workplace

SUSTAINABLE VALUE

Applicable UNSDG:



Sustainable Value	Description
Financial performance and productivity	Economic benefits generated through job creation, profits, royalties and taxes paid, investment and procurement spend
Operational Continuity and Future Proofing	Implement R&D activities and innovative, solutions-oriented thinking in our operations
Localised supply chain	Implement responsible procurement practises and encourage high local content of goods and services.
Establishing sustainability targets	Define, measure and report on sustainability objectives, including for water, energy, waste, rehabilitation, productivity and financial performance.

GOVERNANCE

Applicable UNSDG:



Governance	Description
Corporate governance, code of conduct, bribery and corruption	Manage corporate governance requirements including implementing code of conduct and anti-bribery policies
Transparency and disclosure	Reporting and disclosures including Company performance and tax transparency
Risk and opportunity management	Structured and systematic processes for the identification and management of risk in areas such as harm to people, environment, technical, quality, reputation, stakeholder relations, governance, compliance and company objectives

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