



# STRANDLINE

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## ANNUAL REPORT 2024

ABN 32 090 603 642

## CORPORATE DIRECTORY

### Board of Directors

Mark Hancock	Independent Non-Executive Chair
Jozsef Patarica	Managing Director and Chief Executive Officer
John Hodder	Non-Executive Director

### Company Secretary

Jamie Cann

### Registered and Principal Office

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### Website

[www.strandline.com.au](http://www.strandline.com.au)

### Country of Incorporation

Strandline Resources Limited is domiciled and incorporated in Australia

### Auditors

BDO Audit Pty Ltd

Level 9, Mia Yellagonga Tower 2,  
5 Spring Street  
Perth, Western Australia 6000

### Share Registry

Computershare Investor Services Pty Limited

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Perth, Western Australia 6000

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### Home Stock Exchange

Australian Securities Exchange Limited

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152-158 St George's Terrace  
Perth, Western Australia 6000

### ASX Code

STA

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## COMPANY & PROJECT SUMMARY

### About Strandline Resources Ltd

Strandline Resources Limited (**ASX: STA**) is a producer of critical minerals with a focus on the Coburn project located in Western Australia.

Strandline is focused on embedding a healthy and inclusive, high-performance culture and delivering the products our customers need safely, sustainably and with integrity.



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Dear Fellow Shareholders

As Chairman of your Company, I fully appreciate that it has been a difficult and frustrating year for Strandline shareholders. What started out as a year full of promise as our Coburn project ramped up turned to one of many challenges operationally.

In response to these issues, the Company decided that it was necessary to work on a revised operations strategy with a new executive and senior management team.

This work began with the appointment of Jozsef Patarica who commenced on 3 September 2023 and the appointment of Belinda Murray as Chief Operating Officer on 23 October 2023. Since November last year the Coburn project has delivered significant improvements in operational performance, with HMC production now significantly higher and product quality significantly improved.

Our lenders have been extremely supportive as we have addressed these challenges and on behalf of the Board, I would like to thank them for their assistance as we seek to restructure Strandline's finances and ensure the Company has adequate funding to achieve its goals. Given the fluid nature of the operational review and associated funding negotiations, trading in Strandline shares has remained suspended.

Your Board appreciates that this is a frustrating and uncertain process for shareholders. We are also acutely aware of the significant time it is taking to finalise matters and are working hard to resolve this and provide a clear path forward.

Subsequent to the end of the financial year, we took another important step with the sale of our Tanzanian assets. The sale generated proceeds which helped reduce debt, while also enabling us to focus on delivering the best possible outcomes at Coburn.

On behalf of the Board, I would like to thank our management team, staff, service providers and contractors for their support, dedication and loyalty as we seek to overcome challenges and unlock the full value of Coburn. Our team has worked tirelessly to help ensure a strong future for our Company.

I look forward to updating you as we progress our operational and funding strategy.



**Mark Hancock**  
Non-Executive Chair

30 September 2024

OUR TEAM HAS WORKED  
TIRELESSLY TO HELP  
ENSURE A STRONG  
FUTURE FOR OUR  
COMPANY





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### Coburn Mineral Sands Project

**Strandline Resources operates the 100%-owned Coburn Mineral Sands Project in Western Australia, which commenced production in late 2022 and is now ramping up to nameplate production.**

Coburn is located approximately 300 kilometers north of the Port of Geraldton – a well-established minerals export port in the Midwest region of WA. The project has key project approvals in place, including mining and environmental and native title heritage agreements. Strandline employs an open pit dry mining method at Coburn which is suited to

a sand dune deposit and involves dozers pushing sand into in-pit dozer mining units (DMUs). The DMUs prepare the ore for slurry pumping to the wet concentrator plant (WCP) where a number of gravity separation steps reject most of the non-valuable, lighter gangue minerals to produce a heavy mineral concentrate (HMC).

## COBURN COMMENCED PRODUCTION IN LATE 2022 AND IS NOW RAMPING UP

Figure 1 Coburn project location map





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### Coburn Mining & Processing

Mining during the financial year focussed on the northeastern corridor of the resource and within Mining Lease 102 (ML102), while progressively moving southward. The bulk of the mining in this year occurred within a single pit on the eastern corridor, namely East Pit C (EPC). EPC has a good overall grade, in particular along the basement of the ore. These basement grades have been recovered in H2 and have assisted with the ramp-up of HMC production through the WCP.

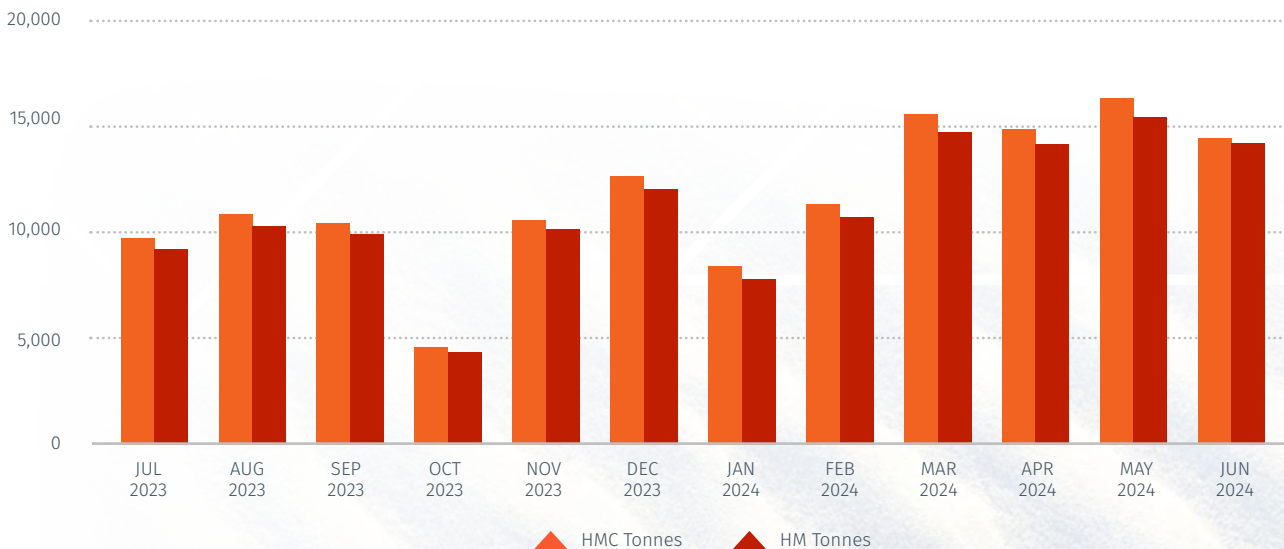
Mining rates were constrained during the first half of the financial year partly as a result of exciter bolt failures on the vibrating screens of the DMUs, which affected throughput rates on the DMU feed end. DMU exciter bolt failures were resolved through specialised maintenance intervention and by early 2024 the constraints had been largely resolved, allowing the ramp-up to progress in earnest achieving 1.46Mt as a best monthly mining throughput achievement.

Strandline continues to seek to optimise its operations as part of the operational strategy and associated funding review.

Along with the ability to process more ore through the DMUs, the WCP was able to continue its ramp-up through to the Tailings Facilities and through the HMC production circuit, demonstrating its ability to meet nameplate throughput capacity sustainably. The graph below shows the improvement seen through H2 in both HMC volumes and associated quality inclusion of Heavy Mineral (HM).

A HMC quality improvements initiative was initiated to ensure the HMC delivered to customers is of the highest quality, and this program has seen the Valuable Heavy Mineral (VHM) content in the HMC increasing from circa 80%, to over 90% from late May 2024 and is ongoing. This has been achieved through a revised WCP operating strategy, with the focus on producing a high-quality HMC. In addition to the VHM improvement, the overall HMC grade improved from circa 94.5% HM to 98.3% HM in June 2024.

**MONTHLY HMC PRODUCTION (DMT)**



## REVIEW OF OPERATIONS



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The quality of HMC has improved when compared to the initial commissioning and ramp-up periods, with modifications completed in October 2023 to increase the attritioner feed density within the HMC cleaning circuit. This has resulted in improved separation efficiencies in downstream processing, further increasing value and associated pricing of product.

The improved quality of the HMC has resulted in improved prices being obtained by the Company from various customers.

During the first half of the financial year (HY2024), commissioning of the Mineral Separation Plant (MSP) continued producing Ilmenite, Standard Zircon and Zircon in Concentrate (ZIC) products.

Ore mined during the financial year was approximately 13.7 million tonnes at an average heavy mineral grade of 1.11% THM. Mining, production and sales for the year (per quarter):

	FY24 – Sept Quarter	FY24 – Dec Quarter	FY24 – Mar Quarter	FY24 – Jun Quarter
Ore mined (tonnes)	3,737,782	3,151,939	3,124,638	3,654,397
Average heavy mineral grade	1.04%	0.97%	1.04%	1.39%
HMC production (tonnes)	30,949	27,709	35,180	45,544
HMC sold	13,452	32,820	32,557	41,722

With HMC production being limited, the MSP was not operated continuously, and this impacted the ability to ramp-up and optimise the MSP to produce the full suite of final products to the required specification. Commissioning of the MSP was suspended during the latter half of HY2024 to focus on quality HMC production at the WCP.

An MSP trial was completed in June 2024 over a two-week period. The focus of the MSP trial was to collect data to inform the capital program required to maximise separation into final products. This MSP trial was carried out with high quality HMC which has had improved attritioning and improved Valuable Heavy Mineral content.



IMPROVED QUALITY OF THE HMC HAS RESULTED IN IMPROVED PRICES BEING OBTAINED BY THE COMPANY





Figure 2 Coburn Project – Dozer Push Mining of Free-flowing Sand

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### Coburn Production and Sales

During the year, the Company completed seven shipments of HMC, one ZIC shipment, and two ilmenite shipments, totalling approximately 120,531 tonnes (2023: approximately 74,259 tonnes) and generating A\$86.1 million (2023: A\$60.8 million) in sales revenue. Subsequent to the year-end, the Company completed three further shipments of approximately 46,000 tonnes of HMC valued at A\$41.5 million, with further shipments in the pipeline.



Figure 3 Coburn project WCP



Figure 4 Coburn project MSP

Figure 5 Coburn Project – Trucking of HMC Product to Geraldton Port



### Corporate

As part of the Coburn project development phase, the Company completed the final loan drawdown of its senior secured loan facilities in the previous financial year. The loan facilities were made up of a A\$130 million tranche from the Northern Australia Infrastructure Facility (NAIF), US\$60 million Bond facility and A\$15 million working capital 12-month revolving cash facility from the National Australia Bank (NAB).

### EQUITY

In August 2023, the Company completed an equity raising comprising of an institutional placement and a share purchase plan totalling A\$36,570,494 through the issue of 203,169,220 fully paid ordinary shares. The Company issued 6,506,349 fully paid ordinary shares through the vesting of 4,163,266 performance rights under the long-Term incentive plan and 2,343,083 ordinary shares issued in relation to the FY2023 short-term incentive scheme.

### VOLUNTARY SUSPENSION

On 27 October 2023, the Company requested an ASX trading halt and then on 31 October 2023 a voluntary suspension. The Group has been in voluntary suspension since 31 October 2023 to work on a revised operations strategy and funding requirements for the Coburn Project. The Group was successful in gaining support from financiers by entering into a standstill arrangement.

### DEBT FACILITY STANDSTILL ARRANGEMENT

In December 2023, the Company agreed a standstill arrangement with its financiers (NAIF, NAB, Nordic Bondholders) on certain near-term interest payments, repayment obligations, and covenant waivers. Subsequent to year end, the lenders have confirmed to extend the standstill to 30 November 2024 which is subject to formalisation of the agreement.

In December 2023, NAIF approved the repurposing of A\$15 million of their senior A\$150 million facility as a super senior facility with A\$10 million of these funds released to the Company in December 2023 and a further A\$2.5 million during the financial year and final A\$2.5 million subsequent to the end of the financial year.

In March 2024, in addition to the NAIF super senior facility the Nordic Bondholders also provided a A\$20 million super senior facility A\$17.5 million of which was drawn down during the financial year and A\$2.5 million subsequent to the end of the financial year.

Subsequent to the end of the financial year the Company completed the sale of its Tanzanian mineral sands assets to a subsidiary of Shenghe Resources for a total consideration of approximately A\$43 million. Funds from the sale were applied to repaying super senior indebtedness, accrued interest and fees. Strandline's current debt facilities at the time of this report are reflected in the following table.



Debt Facilities (A\$M) <sup>1</sup>	Total (Million)	Drawn at 31 August 2024	Comments
<b>NAIF Facility Tranche 1</b>	AUD 130	AUD 130	<ul style="list-style-type: none"> <li>• 15-year facility with Northern Australia Infrastructure Facility (NAIF)</li> <li>• No principal repayments are scheduled until the earlier of March 2028 or 3 months after the Bond or any Bond refinancing is repaid</li> <li>• The lenders have confirmed to extend the standstill to 30 November 2024 which is subject to finalisation of the agreement</li> </ul>
<b>NAIF Facility Tranche 2</b>	AUD 20	AUD 0	<ul style="list-style-type: none"> <li>• Up to A\$20 million split in two potential uses               <ul style="list-style-type: none"> <li><i>i</i> A\$15m for MSP upgrade or alternate capital projects</li> <li><i>ii</i> A\$5m for Coburn Airstrip</li> </ul> </li> </ul>
<b>Bond Facility<sup>2</sup></b>	AUD 88 <sup>1</sup>	AUD 88 <sup>1</sup>	<ul style="list-style-type: none"> <li>• US\$60m senior secured bond <i>pari passu</i> with the NAIF facility.</li> <li>• No amortisation of Bond until March 2024, then quarterly repayment of US\$4.25 million from March 2024 to June 2025, then US\$2.25 million at September 2025 &amp; December 2025. Under standstill arrangements March, June and September 2024 repayments deferred to 30 November 2024</li> <li>• The lenders have confirmed to extend the standstill to 30 November 2024 which is subject to finalisation of the agreement</li> <li>• Maturity of March 2026</li> </ul>
<b>NAB Working Capital Facility</b>	AUD 15	AUD 15	<ul style="list-style-type: none"> <li>• Senior secured working capital 12-month revolving cash advance facility</li> <li>• The lenders have confirmed to extend the standstill to 30 November 2024 which is subject to finalisation of the agreement</li> </ul>
<b>Total Debt</b>	<b>253</b>	<b>233</b>	

Note:

1. For more information on NAIF and Bond Loan Facilities, refer to ASX Announcement dated 17 March 2021 "Strandline Secures US\$60m Bond Financing for Coburn". For more information on the NAB Loan Facility, refer to ASX announcement dated 31 July 2023 "Quarterly Activities and Cashflow Report"

2. US\$60m converted to AUD 88.2m at FX:AUD/USD of AUD 0.6806 at 31 August 2024

## Board and Executive Update

In September 2023, highly experienced mining operations executive Mr Jozsef Patarica was appointed Managing Director following the resignation of Mr Luke Graham. Mr Patarica has a background in the mineral sands sector and has successfully transitioned several projects through the development and commissioning phase into sustainable operations.

In October 2023, Ms Belinda Murray the Company's Head of Commercial and Strategic Development was appointed Chief Operating Officer. Mr Jamie Cann continued as Company Secretary following the resignation of Mr Flavio Garofalo who resigned as Chief Financial Officer and Joint Company Secretary.

In November 2023, the Company's board was restructured in response to the Coburn Project strategic operational review and senior debt restructuring. A smaller board was deemed more optimal during the restructure phase. Existing director Mr Mark Hancock was appointed Non-Executive Chair with Didier Murcia, Peter Watson and Alex Atkins resigning or not seeking re-election at the Annual General Meeting.

In April 2024, Mr Robert Ierace was appointed as Chief Financial Officer. Mr Ierace is a Chartered Accountant and Company Secretary with over 25 years' experience with a number of ASX, FSE and AIM listed resources companies

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### Tanzanian Mineral Sands Projects

Following the execution of a Framework Agreement between Strandline and the Government of Tanzania, a joint venture entity was established named Nyati Mineral Sands Ltd (Nyati). Strandline became the operator of Nyati owning 84%, with the Government obtaining a 16% non-dilutable free-carried interest in accordance with Tanzanian law.

During the year, a Special Mining Licence was granted to Nyati by the Tanzanian Ministry of Minerals Mining Commission for the development of the Tajiri project.

Standard compensation and resettlement agreements were finalised and signed by a significant portion of

Project Affected People (PAP) during the June 2023 quarter, with substantive payments commencing in July 2023. The total estimated amount of compensation for Fungoni is US\$8.5m.

During the first half of the year, the Company advanced discussions with potential strategic investment partners (including options for joint venture and offtake partners) relating to Nyati’s portfolio of Tanzanian projects. These discussions resulted in the Company entering into a Share Purchase Agreement with a subsidiary of Shenghe in May 2024. Subsequent to the end of the financial year, the Company completed the sale of its Tanzanian mineral sands for a total consideration of approximately A\$43 million..

Figure 6 Tanzania project location map

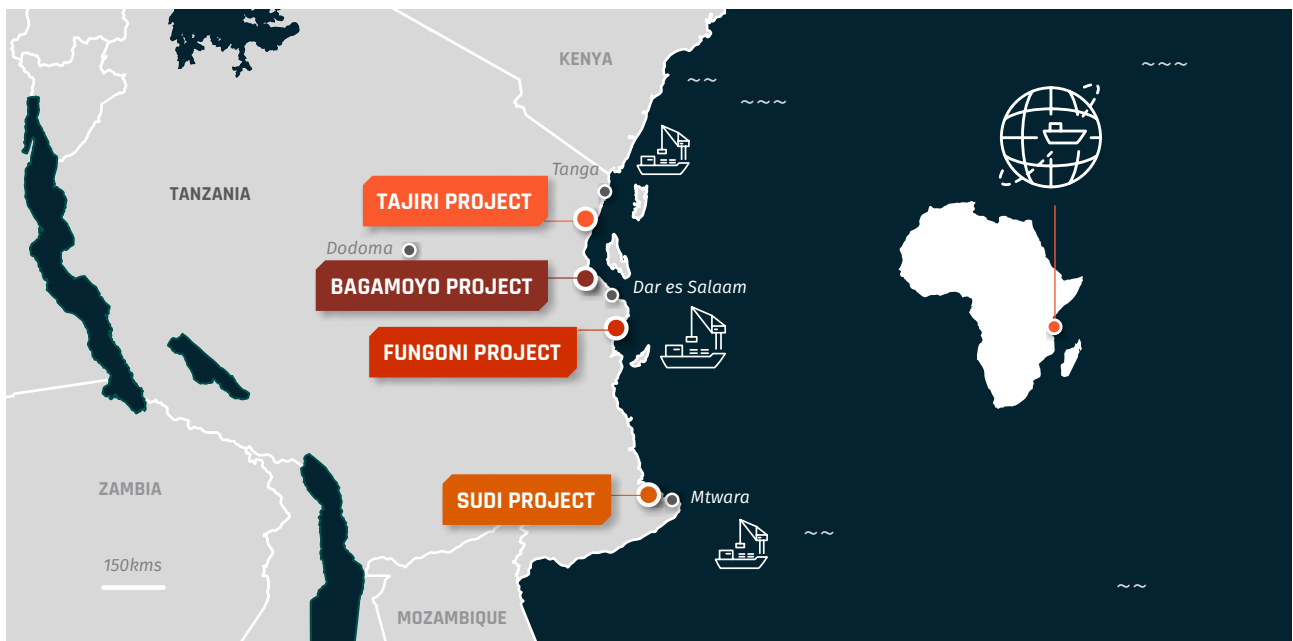


Figure 7 Fungoni mineralisation at surface





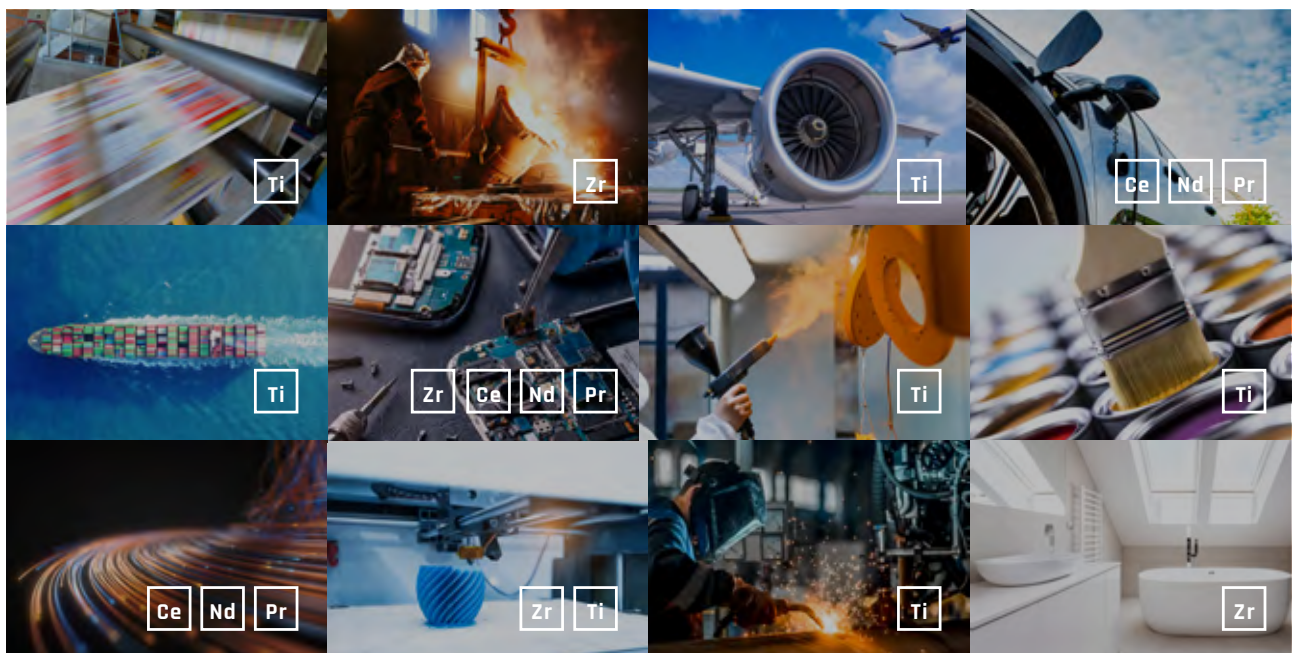
### Mineral Sands Products and Market

The key mineral sands products to be produced from Strandline’s Coburn project are classified as critical minerals 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. The 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 and defence applications.

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.

Figure 8 Mineral Sands offtake & applications



## REVIEW OF OPERATIONS

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 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.

Demand for mineral sands from Strandline in the June quarter of 2024 trended slightly higher compared to previous quarters. The current market analysis

suggests that the titanium feedstock market is expected to face a period of oversupply in the short to medium term, with forecasts predicting a continuous excess potentially lasting until 2028.

The zircon market is expected to remain in surplus, assuming steady production. The fused zircon market is stable, with a favorable level of demand for premium zircon sand, while price competition is stronger for lower-grade concentrate products.

**A FAVORABLE LEVEL OF DEMAND FOR PREMIUM ZIRCON SAND, WHILE PRICE COMPETITION IS STRONGER FOR LOWER-GRADE CONCENTRATE PRODUCTS**

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## Sustainability

During the year, Strandline released its third edition Sustainability Report (2023), a copy can be accessed at [www.strandline.com.au](http://www.strandline.com.au). This report highlights sustainability matters which we believe are relevant to our stakeholders and describe what we are doing to address these matters into the future.

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.

Collaboration and innovation are key to driving sustainability at Strandline. Across all aspects of our business, we are thinking innovatively about how we prosper in the changing world. The technologies we deploy are complemented by the actions we take to ensure the safety of our people, protection of the environment, enhancing efficiencies and commercial performance. We see innovation, collaboration and culture, as the critical ingredients for driving excellence and sustainability, as well as being at the forefront of industry trends.

**GROW A SIGNIFICANT  
CRITICAL MINERALS  
BUSINESS THROUGH  
RESPONSIBLE OPERATIONS,  
INNOVATION, AND ETHICAL  
BUSINESS PRACTICES**

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## Sustainable Future

- Strong governance and integrity across business functions.
- Enable value creation to customers and shareholders.
- Ensure we do what's ethically and socially right.
- Drive low-cost per ton through innovation and continuous improvement.
- Become a reliable critical minerals producer to support future facing industries.
- Set ambitious sustainability targets for the future.



### OUR PEOPLE

- Relentless focus on health, safety & wellbeing.
- Embed a high-performance, psychologically safe culture.
- Stay true to our values and behaviours in all situations.
- Promote diversity, inclusion and equal opportunities.
- Investing and celebrating the success of our people.
- Be an employer of choice attracting and retaining highly talented people.
- Adopt zero-tolerance to bullying, harassment and discrimination.



### OUR COMMUNITIES

- Create enduring benefits that enhance the communities in which we operate.
- Engage with stakeholders in a proactive and transparent way.
- Prioritise indigenous engagement and local supply chains.
- Respect the beliefs, customs, culture, sensitivities and human rights of the communities around our projects.
- Invest in community and social value-add initiatives.



### OUR ENVIRONMENT

- Strive for industry best practice and compliance.
- Design an energy efficient mine and drive emission reductions.
- Minimise physical footprint.
- Reduce waste and water use, maximising recycling.
- Rehabilitate and offset, fostering rich Biodiversity.
- Source environmentally sustainable materials.
- Promote climate change risk management.



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### Health, Safety and Wellbeing

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

There were no lost time injuries during the financial year (2023: nil), and with no lost time injuries in the past, Strandline has a Lost Time Injury Frequency Rate (LTIFR) of 0.0 per million hours worked.

The Company's Total Recordable Injury Frequency Rate (TRIFR) is 3.21 per million hours worked (2023: 3.3 per million hours worked), which included a minor medical treatment injury and restricted work injury.

The Company's key focus during the period was on continuing to develop and implement a robust HSEC management plan, standards, and systems to support the ongoing development of the operations.

To support Strandline's goal of zero harm, the Company has designed and embedded a critical risk management program that is focused on developing, communicating, and implementing a process to assist all personnel to identify and control potentially fatal hazards. This system was developed as part of an early adoption of the changes prescribed by the WHS Act which came into effect in early 2022.

In accordance with the requirements of Subdivision 3B – Radiation in mines of the Work Health and Safety (Mines) Regulations 2022, Coburn Mineral Sands submitted the Occupational Radiation Monitoring Report for 2023-2024 monitoring period.

Strandline recognises that to prevent fatal and catastrophic events from occurring, critical controls must be clearly defined, actionable and clearly understood, including regarding who is responsible for implementation. The Company will continue to implement this program as operation activities ramp up across our sites. It is the Board's role, through the Technical and Sustainability Committee, to ensure an appropriate assurance regime exists to check critical controls are effective.

**A SUSTAINABLE  
WORKPLACE FREE FROM  
INJURY AND HARM  
THROUGH STRONG  
LEADERSHIP, SUPPORTIVE  
BEHAVIOURS, AND  
ROBUST SAFETY  
MANAGEMENT SYSTEMS**

### Diversity, Equity, and Inclusion

Strandline recognises and promotes the importance of continuing to build a diverse and inclusive workforce. We know that having an open, collaborative approach and a cross-section of different backgrounds, lived experiences, qualifications, and talents in the workforce, leads to better business outcomes, such as higher productivity, lower turnover, improved safety and environmental performance, risk management, innovation and overall, an enhanced working culture.

Over the last 12 months there has been a reduction in the workforce, with the current headcount at 127 employees. We currently have approximately 21% female engagement and as the Company continues to grow its in-house operational workforce, and a great opportunity exists to further diversify our team.

We have seen that a more diverse and inclusive team can reduce blind spots and biases in our decision making and foster a psychologically safe culture where different opinions are valued. Also, if the demographics of the company reflect the demographics of the community within which it operates, the company may be more attuned to the needs of the community.

### Environmental - Climate change

We acknowledge the climate change challenge and address it by measuring and mitigating carbon emissions and integrating these considerations into our business processes and everyday decisions.

At Strandline, we have a role to play in supporting our customers through the transition to a low carbon future. One of our key contributions to address climate change is underpinned by our product suite – we produce critical minerals that are important to a low carbon economy. End uses for our products include applications in renewable energy production and electric mobility systems.

Furthermore, we have adopted contemporary thinking and low emission technology from the outset of mine design to minimise our carbon footprint and implement strategies to adapt to the impacts of potentially harsher climate conditions in the future. This is a reality now on the Coburn sand mining operation with power generation from the solar farm producing on average 20% of the site power generation requirements per annum.

**SUPPORTING OUR  
CUSTOMERS THROUGH  
THE TRANSITION TO A LOW  
CARBON FUTURE**

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Our planned high-grade (low impurity) zircon and titanium products use less raw materials, generate less waste, and reduce emissions resulting in less environmental impact and a lower carbon footprint, playing an important role in our customer's value chain.

Our decarbonisation strategy:

- We are committed to managing and reducing our Scope 1 and 2 air emissions footprints from our projects to levels below or in line with the Australian government policy and targets. This will be achieved through a combination of the following:
- Establishing a Project Baseline, establish a Scope 1 and 2 emissions baselines for 'business as usual' operations based on the estimates and actual data from each project site. For the Coburn project, the baselining is being undertaken during 2024 with data to be collated for a 12-month period throughout the operation steady state commercial production.
- Benchmarking and Setting Targets, the baseline data will allow us to benchmark each project site against its industry peers and determine future emissions reduction targets and timing.

## LESS ENVIRONMENTAL IMPACT AND A LOWER CARBON FOOTPRINT

### Community

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 that seek to enhance community engagement and empowerment
- Prioritising community initiatives that improve education, upskilling, and health and well-being
- Delivery of training and development programmes for our people which encourage taking personal responsibility for community relations, health, safety and the environment.
- Linking community related initiatives with executive incentive KPIs



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Investments in selected social and community improvement initiatives and events 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 wellbeing. 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 MADALAH in WA (First Nations Future Leaders program).

### 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:

- Establish and maintain equitable and culturally appropriate employment and career development opportunities for Indigenous employment
- Increase the employment rate for local Indigenous people on the project
- Raise awareness among non-Indigenous personnel of the cultural sensitivities that may affect the employment of Indigenous personnel
- Enable employment opportunities for all Indigenous people
- Look for opportunities for the project to increase the skills base for Indigenous people to improve access to a range of positions and levels and to improve the likelihood of local indigenous service provider businesses forming in the region
- Embed a system of reporting and recording of Indigenous people participating in recruitment and employment





Strandline has several mining and heritage agreements in place with Traditional Owners. 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 periodic review by the parties. The IES and obligations contained within these agreements are managed, monitored, and reported on regularly. The Company's commitments to Indigenous engagement and local content are passed through to every major contractor involved in the Coburn project as a standard contractual performance requirement.

During the year Strandline's dedicated Indigenous and Community Liaison Representative and Operations management team oversaw the implementation of the IES and provided a key interface for the Indigenous community interested in the Coburn project. Also, the Company's cross cultural awareness program was further refined with input from Nanda elders and a specialist indigenous training consultant. The program is crucial in educating project personnel on cultural sensitivities and recognise and respect the rights of Indigenous peoples.

As construction concluded and operational work fronts increased during the year the employment and procurement opportunities grew for indigenous people. Strandline finished the year with 6% indigenous engagement for its in-house workforce and a range of contracts awarded to indigenous businesses. Indigenous led survey teams and heritage officers for earthworks clearing and seed collecting were engaged across the work fronts. The Company's major contractors continued to target indigenous recruitment and onboarding programs with roles being secured across most work scopes including, but not limited, to civil bulk earthworks, mining and tailings management works, waste management, field piping, and environmental monitoring.

### **Corporate Governance Statement**

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 Company policies and procedures which can be found at the Company website [www.strandline.com.au](http://www.strandline.com.au).



## REVIEW OF OPERATIONS



## BUILDING A SIGNIFICANT CRITICAL MINERALS BUSINESS

**RIGHT COMMODITY:** Critical minerals – vital to quality of life, technologies, economics & security

**RIGHT ASSETS:** Conventional mining & processing, high margin, long life, with premium products

**RIGHT TIME:** Pricing is strong; New capital projects are required

**RIGHT PLACE:** Leading mineral sands jurisdictions in Australia

**RIGHT ESG FOCUS:** Adopting responsible mining & renewables from the outset

**RIGHT TEAM:** Experienced operational team embedding a high performance culture

**RIGHT COMPANY:** Multi pronged high-growth strategy; Significant valuation upside

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The Directors of Strandline Resources Limited (“Strandline” or “the Company”) submit the Annual Report on the Consolidated Entity (“the Group”) consisting of Strandline Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024.

## Directors

The names and details of the Company’s Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.



**Mark Hancock, Independent Non-Executive Chair**

*B.Bus, CA, FFin. appointed 11 August 2020*

Mr Hancock, who holds a Bachelor of Business (B.Bus) degree, is a Chartered Accountant (CA) and a Fellow of the Financial Services Institute of Australia (F FIN), has over 30 years’ experience in key financial, commercial and marketing roles across a variety of industries with a strong focus on natural resources. During 13 years at Atlas Iron, Mr Hancock served in numerous roles including CCO, CFO, Executive Director and Company Secretary. He also has strong board-level experience, particularly on matters covering governance, financial reporting, offtake marketing, mergers and acquisitions, risk management and strategy. Mr Hancock has served as a director on a number of ASX-listed entities and has held directorships in the following ASX listed companies over the past three years:

- CuFe Limited - Executive Director (appointed part-time basis from 1 September 2019)
- Centaurus Resources Limited - Non-Executive Director (appointed 23 September 2011)

Mr Hancock is also the Chair of the Audit and Risk Committee and Remuneration and Nomination Committee.



**Jozsef Patarica, Managing Director and Chief Executive Officer**

*B.Sc Eng, MBA, GAICD, appointed as CEO on 3 September and Managing Director on 25 September 2023*

Mr Patarica has a wealth of operational and executive experience in the resources industry, including the mineral sands sector.

Mr Patarica has extensive experience at senior operational and executive levels in Australia and Africa. He has successfully transitioned several projects through the development phase into sustainable operations. As Chief Executive Officer of Grande Cote Operations for Mineral Deposits Limited, Mr Patarica led the ramp up to nameplate capacity of the world-class mineral sands operation in Senegal, West Africa. This involved optimising the Mineral Resource and maximising the project’s economics. Mr Patarica also led the development of the Fosterville Gold Mine, now the largest gold producer in Victoria. The operation has recently passed a significant milestone producing 4Moz since the commencement of operations and employs over 800 people.

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### **John Hodder, Non-Executive Director**

*MSc, B.Sc, B.Com, appointed 8 June 2016*

Mr Hodder is a geologist and co-founder of Tembo Capital with 30 years' of experience in the mining, oil and gas industry. Prior to establishing Tembo, he was a resource focused equity Fund Manager for Solaris, an Australian equity investment house. Previously, he founded and was a Director of CDC's Minerals, Oil and Gas investment division (from 1995) where he generated and arranged private equity and debt deals with a focus on the mining sector within emerging markets. He has held directorships in the following ASX listed companies over the past three years:

- Genmin Limited - Non-Executive Director (appointed 22 May 2014)
- Spartan Resources Ltd - Non-Executive Director (appointed 12 May 2023, resigned 20 March 2024)

Mr Hodder is a member of the Audit and Risk Committee and Remuneration and Nomination Committee.

### **Company Secretary**



### **Jamie Cann, Company Secretary and General Counsel**

*B.Bus, CPA, appointed 5 June 2018*

Mr Cann has over 25 years experience as a corporate lawyer, in-house legal counsel and commercial manager, Mr Cann joins as General Counsel, Head of Risk and Compliance and Company Secretary. He brings a wealth of international experience in resources and mineral sands, having been Legal Manager with Iluka Resources for nine years and most recently with Fortescue Future Industries in various roles including Head of Global Governance and Compliance and as part of the International Operations team working across multiple countries in Africa and the Middle East.



## INTERESTS IN SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY

The following table sets out each Director's relevant interest in shares and rights or options in shares of the Company as at the date of this Report:

Director	Shares	Performance Rights	Options
J Hodder	-	-	-
M Hancock	1,111,111	-	-
J Patarica	-	2,064,220	-

## DIRECTORS' MEETINGS

The number of board and committee meetings attended by each Director during the year is as follows:

Directors	Board Meetings		Audit and Risk Committee		Remuneration and Nomination Committee		Technical and Sustainability Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
<b>Meetings held</b>	<b>15</b>		<b>2</b>		<b>3</b>		<b>1</b>	
D Murcia	10	10	-	-	3	3	-	-
L Graham	3	3	-	-	-	-	-	-
P Watson	10	10	-	-	-	-	1	1
J Hodder	15	15	2	2	3	3	-	-
M Hancock	15	15	2	2	3	3	-	-
A Atkins	10	10	-	-	-	-	1	1
J Chialo <sup>1</sup>	-	-	-	-	-	-	-	-
J Patarica	12	12	2	2	-	-	1	1

1. Alternate director for Alexandra Atkins. Ceased 23 November 2023.

## PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the financial year was mineral exploration, project evaluation and development and operations in Australia and Tanzania, with a focus on mineral sands.

## CORPORATE STRUCTURE

Strandline is a company limited by shares that is incorporated and domiciled in Australia.

## BUSINESS STRATEGIES AND OBJECTIVES

The Group's key objectives are to build a significant critical minerals business including;

- complete the commissioning and ramp up production for the Coburn Minerals Sands Project;
- commitment to a sustainable future.

## REVIEW OF OPERATIONS

The information related to the operating review of the company are outlined in pages 5 to 21 of the Directors' Report which forms part of this Annual Report.

### Financial Results

The Group reported a net loss after tax of \$194.0 million (2023: loss \$11.5 million). The result included sales revenue of \$86.1 million and cost of sales of \$135.4 million from the sale of HMC produced. In addition, the Company recognised an impairment charge of \$110.8 million.

### Financial Position

The Group had net assets of \$7.6 million at 30 June 2024 (2023: \$167.3 million) and consolidated cash on hand as at 30 June 2024 was \$3.6 million (2023: \$41.3 million). In August 2023, the Company completed an equity raising comprising of an institutional placement and a share purchase plan totalling A\$36,570,494 through the issue of 203,169,220 fully paid ordinary shares. The Company issued 6,506,349 fully paid ordinary shares through the vesting of 4,163,266 performance rights under the long-term incentive plan and 2,343,083 ordinary shares issued in relation to the FY2023 short-term incentive scheme.

On 21 December 2023, the Group announced it had entered into a Standstill Agreement with the secured lenders which provides short term comfort to the Company as the secured lenders have agreed to not act on any current or pending events of default under the various facility documents. Refer to Note 3.2 (a) Going concern for further information.

In December 2023, NAIF approved the repurposing of \$15 million of their senior \$150 million facility as a super senior facility with \$10 million of these funds released to the Company in December 2023 and a further \$2.5 million during the financial year and final \$2.5 million subsequent to the end of the financial year. The Company also agreed with its financiers (Northern Australia Infrastructure Fund (NAIF), Nordic Bondholders and National Australia Bank (NAB) to Standstill Agreement that defers certain near-term interest payments, repayment obligations and various covenant waivers. This agreement is the first step in an ongoing process aimed at restructuring the Company's finances. Subsequent to year end, the lenders have confirmed to extend the standstill to 30 November 2024 which is subject to formalisation of the agreement.

In March 2024, in addition to the NAIF super senior facility the Nordic Bondholders also provided a \$20 million super senior facility of which \$2.5 million was held in escrow at 30 June 2024, and disclosed as restricted cash (refer note 11 for further details). The \$2.5 million held in escrow was drawn subsequent to the end of the financial year.

Total contributed equity as at 30 June 2024 was \$305.3 million (2023: \$269.3 million) and summarised in the table below:

Share Capital	Date	Number of Shares
Opening Balance	1 July 2023	1,252,888,665
Institutional placement	7 August 2023	187,933,300
Employee Short Term Incentive STI taken as shares	15 August 2023	2,343,083
Vesting of performance rights	15 August 2023	4,163,266
Share purchase plan	28 August 2023	15,235,920
<b>Total</b>	<b>30 June 2024</b>	<b>1,462,564,234</b>

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## Material Business Risks

The Company operates in an environment where it is exposed to a range of business risks that have the potential to impact on business plans and strategies. The Company's financial position may be affected by these various key strategic risks which are outlined in this report.

### Future operations of the Coburn Project

The Company's ability to successfully complete the commissioning of and thereafter achieve anticipated levels of production from the Coburn Project may be affected by numerous factors including, but not limited to: macroeconomic conditions, obtaining required approvals and permits, technical performance, ability to obtain sufficient funding, and costs overruns. If the Company is unable to mitigate these factors and others not listed here, this could result in the Company not realising its commissioning plans or result in such plans costing more than expected or taking longer to realise than expected. Ultimately, this could have an adverse impact on the Company.

No assurance can be given that the Company will be able to achieve name plate production capacity at the Coburn Project. Failure to achieve production increases to target levels, or significant delays to such may have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Any unforeseen delays, shutdowns or difficulties encountered in maintaining continued operations at the Coburn Project (including the mining fleet, DMUs, WCP, MSP and power supply) will also materially and adversely impact the Company's financial condition and cash flow. Production targets and operating cost estimates may be adversely affected by a variety of factors, including the delineation of economically recoverable mineralisation, availability of tailings storage capacity, unfavourable geological conditions, seasonal and unseasonal weather patterns, unplanned technical and operational difficulties encountered, mechanical failure of operating plant and equipment, shortages or increases in the price of skilled and unskilled labour, consumables, spare parts and plant and equipment, cost overruns and contracting risk from third parties providing essential services.

In addition, there may be other risks that can impact production targets and operating cost estimates, including increases in energy costs, general inflationary pressures, interest rates, currency exchange rates and/or other unforeseen circumstances such as adverse health, safety and environmental outcomes.

In addition to these matters, any unforeseen increases in capital or operating costs at the Coburn Project could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. No assurance can be given that the Company's capital or operational budgets will be achieved.

### Capital requirements

The current and future operations of the Company are dependent on its ability to generate sufficient cash flows from producing operations or obtain financing through debt and equity to meet its business objectives. In the event the Company does not generate sufficient cash flow to sustain its operations or undertake future growth and development plans, there is a risk that the Company may not be able to access capital from debt or equity markets for future operations, projects, developments or refinancings. This could have a material adverse impact on the Company's business and financial condition. The Company's ability to borrow money will be subject to the availability of debt finance at the time the Company wishes to borrow money and the cost of borrowing.

If the Company is unable to generate sufficient cash flow from operations, it may be unable to repay or refinance existing indebtedness when it comes due (including both interest payments and principal). This would materially impact the financial position and viability of the Company.

### **Debt financing obligations**

The Company has existing debt financing facilities in place and relies on access to these facilities to ensure the ongoing operation of its business. The financing is subject to performance hurdles including compliance with financial covenants which are tested periodically. An event of default under the Company's debt facilities may result in the Company's lenders electing to accelerate the repayment of the Company's debt, including cancelling its existing commitments, calling for immediate repayment of all amounts outstanding and enforcing its security over the Company's assets if outstanding amounts are not repaid.

### **Operational risks**

The operations of the Company may be affected by various operational risks and hazards, including the inability to develop the Company's assets into an economic business; over estimation of mineral resources or reserves; failure to achieve predicted grades in mining; technical difficulties encountered in mining and processing; inappropriate design of mining plant, difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and environmental accidents; industrial disputes; unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and failure to obtain necessary consents and approvals.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental impact, business interruption, monetary losses and potential legal liability. While the Company intends to maintain insurance with coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover such claims.

As with all similar companies, the exploration, development and operational costs of the Company will be based on certain estimates and assumptions with respect to the method and timing of exploration and development activities and the nature of the operating activity. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that any cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the viability of the Company or its projects.

### **Geological risk**

Mineral Resource and Ore Reserve estimates on the Companies mineral assets are completed and publicised by Competent Persons in compliance with the Joint Ore Reserve Committee (JORC) Code and the public disclosure rules of the Australian Securities Exchange. Estimates that were valid when made may materially change when new information becomes available. In addition, Mineral Resource and Ore Reserve estimates are acceptably imprecise and depend to some extent on geological and other technical interpretations, which may prove to be inaccurate. Should the Company encounter mineral or geological characteristics different from those indicated or predicted by past drilling, sampling and similar examinations, mineral resource and ore reserve estimates may have to be adjusted and development plans may have to be altered in a way which could adversely affect the Company's operations. No assurances can be given that any particular level of recovery of minerals sands products will in fact be realised. As a consequence of any unusual or unexpected geological conditions, a loss of revenue may also be caused due to the lower than expected production or higher than anticipated operation and maintenance costs and/or ongoing unplanned capital expenditure in order to meet production targets.

**Contract and contractor risks**

The Company has outsourced certain activities to third party contractors. Such contractors may not be available to perform services for the Company when required or may only be willing to do so on terms that are not acceptable to the Company. Further, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, plant and equipment failures, labour disputes, managerial failure and default or insolvency. Contractors may not comply with applicable provisions, standards or laws in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or its services are terminated, the Company may not be able to find a suitable replacement on satisfactory terms within the required timeframe or at all. These circumstances could have a material adverse effect on the Company's operations.

As with any contractual situation, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Such disagreements or disputes may have an adverse impact on the Company's operations and performance generally.

**Logistics**

The transport and delivery of products which are produced from the Company's operations are subject to associated risks, including reliance on third party haulage and shipping, availability of haulage trucks, fuel levies, availability and size of on-site and off-site storage for unsold inventory, access to ports, customs and export risks and shipping delays which may have a material adverse impact on the Company's profitability and financial performance.

**Regulatory risk**

The operations of the Company may require approvals, permits and licences from regulatory authorities which may be delayed, may not be forthcoming, or may not be able to be obtained on terms acceptable to the Company.

While the Company has no reason to believe that requisite approvals, permits and licences will not be forthcoming, and whilst the Company's obligations for expenditure will be predicated on any requisite approvals being obtained, the Company cannot guarantee that requisite approvals will be obtained. A delay or failure to obtain any approvals may limit or restrict the Company's ability to acquire, develop, or operate a project, either in part or absolutely.

The regulatory environment for the Company's operations could change in ways that could substantially increase the Company's liabilities or costs of compliance. This could materially and adversely affect the Company's financial position.

The Company may also be subject to compliance audits by regulators that could result in the cancellation or forfeiture of key approvals, permits or licenses; or more onerous conditions being imposed on the Company that may impact the commercial viability of the Company or its projects.

**Exchange rates**

International prices of various commodities, including zircon, rutile and ilmenite, are denominated in United States dollars, whereas the income and expenditure of the Company are and will be accounted in Australian dollars (and debt financing is in Australian and United States dollars), exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. Movements in interest rates may result from changes in economic conditions, monetary and fiscal policies, international and regional political events or other factors beyond the control of the Company, which may adversely affect the financial condition of the Company.

### **Offtake risk**

From time to time the Company enters into offtake agreements for the sale of its mineral sands products that is being produced from the Coburn Project. These offtake agreements do not cover the full mine life of the Coburn Project. As a result, the Company will in future need to put in place further arrangements for the sale of such mineral sands products.

There is no guarantee that the Company will be able to negotiate terms which are as favourable to the Company, nor that it will be able in future to negotiate long-term offtake arrangements with credible counterparties.

In addition, there is a risk that offtake counter parties breach their agreements and that the Company cannot effectively enforce some or all of its contractual rights.

Further, if the Company cannot comply with its obligations under any offtake agreement, there is a risk that the counter party could terminate that offtake agreement.

### **Commodity price volatility**

The Company's performance and the viability of its projects will rely in part on prevailing prices and demand for products produced from the Company's mineral sands tenements, which are beyond the control of the Company. Mineral sands prices are influenced by numerous factors and events, including supply and demand fluctuations, general economic conditions, forward selling activities, foreign exchange rate fluctuations, the level of production costs in major commodity producing regions and other macroeconomic factors.

A prolonged decline in the prices of and demand for mineral sands products of the kind produced or intended to be produced by the Company, such as zircon, rutile, ilmenite and others, may have a material adverse effect on the Company. The Company cannot and does not give any assurance that fluctuations in commodity prices will not affect the timing and viability of its projects.

### **Cost Inflation**

Higher than expected inflation rates generally, specific to the mining industry, or specific to Australia, could be expected to increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such costs increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could adversely impact the Company financial performance.

### **Staff recruitment and retention**

The Company's ability to execute its strategy is dependent on the availability, performance and expertise of key personnel. The Company relies on experienced and qualified staff in respect of aspects of its operations and there is a risk that the Company may not be able to attract and retain key staff, or be able to find effective replacements for such staff in a timely manner. The loss of staff, or any delay in their replacement, could impact the Company's operations (including production ramp up, finalisation of commissioning activities and ongoing operations at the Coburn Project).

There is also a risk that the Company will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to the Company as past agreements. The loss of key personnel could cause a significant disruption to the business and could adversely affect the Company's operations.

**Health and safety risk**

Mining and exploration activities have inherent hazards and risks. The Company is committed to providing a safe and healthy workplace for its personnel, contractors and visitors. A serious health and safety incident may result in delays in operations. Such an incident that results in serious injury, illness or death may also expose the Company to significant penalties and the Company may in addition be liable for compensation. These liabilities may not be covered by the Company's insurance policies. In addition, it is not possible to anticipate the effect on the Company's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company.

**Weather and climate change risk**

The Company's operational activities are subject to a variety of risks and hazards which are beyond its control, including hazardous weather conditions such as excessive rain, flooding and fires.

There are a number of climate related factors that may affect the operations and financial position of the Company. Climate change or prolonged periods of adverse weather and climatic conditions may have an adverse impact on the Company's operations, ability to transport and sell its products and/or the Company's future financial performance. Changes in policy, technological innovation and/or consumer/investor preference may adversely (or beneficially) impact the operations and financial position of the Company.

**DIVIDENDS**

No dividends were paid or declared during the financial year and the Directors have not recommended the payment of a dividend (2023: Nil).

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In the opinion of the Directors, there were no significant changes in the Company's state of affairs, other than those noted in this financial report.

**EVENTS SUBSEQUENT TO REPORTING DATE**

On 8 August 2024, the Company completed the sale of its Tanzanian mineral sands assets (ownership: Strandline 84%, Government of Tanzania 16%) to a subsidiary of Shenghe Resources Holding Co., Ltd. In accordance with the Share Purchase Agreement, Shenghe has paid Strandline a total transaction sale consideration of A\$43 million. The consideration has been used to repay the \$35 million super senior debt facilities along with accrued interest and fees. Upon full repayment of the Super Senior Facility amounts (including interest and fees) to NAIF and the Bondholders, key management personnel Mr Patarica and Ms Murray were each paid a \$750,000 completion milestone payment. The completion milestone payment is subject to clawback provisions if Mr Patarica or Ms Murray resign within 12 months of the payment. Total completion milestone payments paid in relation to the sale amounted to \$2 million.

On 20 September 2024, the Company announced that the NAIF will advance \$5m under the existing facility for construction of a new airstrip and associated infrastructure, located approximately 17 kilometres from the Coburn site.

On 30 September 2024, the Company announced it has an in principle agreement to an extension of the existing standstill and deferral arrangement with its financiers (NAIF, National Australia Bank and Nordic Bondholders). The existing standstill and deferral arrangement (agreed in December 2023) will, subject to the parties formalising their principle agreement, remain in place until 30 November 2024. The near-term interest payment obligations and principal repayment obligations have been extended until 30 November 2024. The Company continues to work with its financiers, advisors and other key stakeholders towards agreeing a holistic recapitalisation of the Company in the quarter ending 31 December 2024.

Other than the disclosure above there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### ENVIRONMENTAL REGULATIONS

The Company is subject to environmental regulation on its mineral properties. To this extent, the Company has raised a rehabilitation provision of \$17.6 million (2023: \$14.7 million) in relation to the Coburn Mineral Sand Project. The Company's environmental obligations are regulated under both State and Federal legislation in. Performance with respect to environmental obligations is monitored by the Board of Directors and subjected from time to time to government agency audits and site inspections. During the year there was a non-compliance incident identified with some clearing outside of tenement boundary where exploration drilling mobile equipment continued beyond the GDP area to meet up with an historical access track in order to manoeuvre to the next drill line at the Coburn Project.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. In respect of the financial year ended 30 June 2024, the Directors have assessed that there are no current reporting requirements.

### NON-AUDIT SERVICES

There were no non-audit services during the year (2023: \$5,605).

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### PROCEEDINGS ON BEHALF OF THE COMPANY

The Company is subject to contractual arrangements as a result of the development, commissioning and ongoing operations of the Coburn Project. Occasionally contractual disputes arise relating to commercial contracts. The Company currently has claims in progress (both for and against the company), however it is not possible to estimate the financial effects of these claims.

At the date of this report, the Company has assessed the possibility of any net outflow of economic benefits, in relation to all of these matters, which have not already been provided for in this report, as being unlikely and/or immaterial. The Directors are not aware of any other contingent liabilities as at 30 June 2024 (30 June 2023: \$nil).



### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid an insurance premium in respect of a contract insuring the Directors of the Company, the Company Secretary, and all Executive Officers of the Company and of any related body corporate against a liability incurred as such as a Director, Company Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such as an officer or auditor. The Company has made an agreement to provide access, indemnity and insurance for all its directors and executive officers for any breach of duty as a director or executive officer by the Company, for which they may be held personally liable.

The agreement provides for the Company to pay insurance premiums and legal costs where:

- a) the liability does not arise out of conduct involving a lack of good faith; or
- b) the liability is for costs and expenses incurred by the Director or executive officer in defending proceedings in which judgment is given in their favour or in which they are acquitted.

### OPTIONS AND PERFORMANCE RIGHTS GRANTED OVER UNISSUED SHARES

Options and performance rights holders have no rights to participate in any new share issues offered to shareholders of the Company. The options and performance rights are unlisted securities, carrying no rights to dividends and no voting rights.

#### Options

At 30 June 2024, the Company had nil share options on issue (30 June 2023: 4,500,000). During the year ended 30 June 2024, nil options were granted (30 June 2023: nil), nil options were converted into shares (30 June 2023: 7,500,000) and 4,500,000 options expired/forfeited (30 June 2023: 1,000,000).

#### Performance Rights

Details of performance rights over unissued ordinary shares of the Company as at the date of this Report are:

Expiry date	Exercise price	Vested	Unvested	Number of performance rights
15 Aug 2024	nil	-	804,300	804,300
15 Aug 2025	nil	-	1,296,721	1,296,721
15 Aug 2026	nil	-	2,064,220	2,064,220
<b>Total performance rights</b>				<b>4,165,241</b>

### REMUNERATION REPORT (AUDITED)

The remuneration report, forms part of the Directors' Report and discloses information about the remuneration of Key Management Personnel (KMP) of the Company for the financial year ended 30 June 2024. The KMP are those defined persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

## Key management personnel

The KMP of the Company during or since the end of the financial year were:

### Non-executive directors

- Didier Murcia (Non-Executive Chair) – retired 23 November 2023
- Peter Watson (Non-Executive Director) – retired 23 November 2023
- John Hodder (Non-Executive Director)
- Mark Hancock (Independent Non-Executive Director) – appointed Chair 23 November 2023
- Alexandra Atkins (Non-Executive Director) – resigned 23 November 2023
- James Chialo (Alternate Director for Alexandra Atkins) – ceased as alternate on 23 November 2023

### Executives

- Luke Graham (Managing Director) – resigned 22 September 2023
- Flavio Garofalo (CFO and Company Secretary) – resigned 24 November 2023
- Jozsef Patarica (Managing Director and Chief Executive Officer) – appointed CEO 3 September 2023 and Managing Director 25 September 2023
- Belinda Murray (Chief Operating Officer) – appointed 23 October 2023
- Robert Ierace – (Chief Financial Officer) - appointed 8 April 2024

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

## Remuneration Committee

The Remuneration and Nomination Committee was established by the board under the Remuneration and Nomination Committee Charter. The charter can be found on the Company's website [www.strandline.com.au](http://www.strandline.com.au).

The Committee is responsible for the Company's remuneration policy and board nominations. They provide recommendations to the Board in relation to remuneration strategies, policies, contracts, director and senior executive remuneration packages and review of annual compensation arrangements.

### Use of remuneration consultants

To ensure the Committee is fully informed when making remuneration decisions, it may seek external advice on remuneration policies and practices. Remuneration consultants can be engaged by, and report directly to the Remuneration Committee. In selecting remuneration consultants, the Remuneration Committee will consider potential conflicts of interest and independence from the KMP. During the financial year the committee has not used any remuneration consultants.

## Remuneration Framework

### Non-executive directors (NED)

Fees paid to non-executive directors are reviewed annually by the remuneration committee and the board with the maximum amount approved by shareholders. Fees and payments are set at a level that is reflective of the demands and responsibilities of the role, comparable roles and market data. No retirement benefits, other than compulsory superannuation is paid, and Directors are entitled to the reimbursement of reasonable expenses.

The maximum annual aggregate fee pool limit, excluding executive directors, of \$750,000 was approved by shareholders on 30 November 2021.

The annual remuneration of non-executive directors is reviewed annually with changes adopted from 1 July as follows:

	From 1 July 2023 \$	From 1 July 2022 \$
<b>Base fee</b>		
Non-Executive Chair	139,150	139,150
Non-Executive Director	83,538	83,538
<b>Committee fee</b>		
Technical and Sustainability Chair	16,575	16,575

Non-executive directors may also receive share options where this is considered appropriate by the Board and these are subject to approval by shareholders. In making a share option determination the Board considers the maturity and stage of development of the Company, as a whole. Share options are primarily used as a retention incentive for NED's and with vesting typically occurring in tranches across the life of the option.

#### Executives (including the Managing Director)

The Company's executive pay and reward framework is designed to attract, motivate and retain high performance individuals and to align the interests of executives and shareholders. The framework recognises the contribution of executives to the growth of the Company and ensures that incentives are aligned to shareholder value. To achieve these objectives, the remuneration of executives comprises of a fixed salary component and an 'at risk' variable component linked to individual performance and strategic company objectives.

Fixed remuneration is comprised of base salary, superannuation contributions and other benefits. It is market competitive and key to attracting and retaining executive talent. Fixed remuneration is reviewed annually with reference to relevant comparative companies and the skills and responsibilities required for the role. 'At risk' variable remuneration comprises both short term and long term incentives.

The Company's Short Term Incentive Plan (STIP) is designed to link any short term incentive (STI) payment with an individual's achievement of specified performance targets that are aligned to the Company's shorter term strategic objectives and targets. The STI performance targets are established at the start of each financial year and assessed by the Remuneration Committee after the end of the financial year. The payment of the STI's is dependent upon the performance achieved on the specified target. STI's are paid in a mix of cash or shares, at the Boards discretion with any shares issued to Directors subject to shareholder approval.

The Company's Long Term Incentive Plan (LTIP) rewards the achievement of longer term performance targets and/or service conditions that contribute to the growth of the Company and drive management decisions focussed on the long term prosperity of the Company. Under the plan the Company can issue either share options or performance rights to KMP and employees. The vesting of equity awards is subject to achievement of performance targets or non-performance service periods, as determined by the Board.

#### Link between performance and executive remuneration

The executive remuneration framework aligns reward structures to the Company's strategic objectives aimed at creating shareholders wealth and return. The table below details the Groups financial performance over the last five financial years and its impact on shareholder wealth as required under the *Corporations Act 2001*:

Year ended 30 June	2024	2023	2022	2021	2020
Market capitalisation (\$'million)	138.90 <sup>1</sup>	344.50	409.30	239.90	106.70
Loss after tax (\$)	(193,980,908)	(11,540,570)	(9,117,924)	(12,806,492)	(8,135,978)
Share price at start of year (\$)	0.28	0.33	0.20	0.26	0.14
Share price at end of year (\$)	0.10 <sup>1</sup>	0.28	0.33	0.20	0.26
Basic and diluted loss per share (cents)	(13.45)	(0.92)	(0.80)	(1.99)	(2.10)

1. Closing market capitalisation and share price at date of suspension, 31 October 2023.

**FY2024 Executive Remuneration**

**Fixed remuneration**

For the year ended 30 June 2024 executives received fixed remuneration in the form of cash and superannuation. Fixed remuneration is reviewed annually by the Remuneration Committee for recommendation to the Board.

**Short term incentives (STI's)**

In lieu of STIP and LTIP arrangements for the financial year, retention payments and milestone-based bonuses for full repayment of Super Senior Facility amounts were awarded to Jozsef Patarica and Belinda Murray. Upon full repayment of the Super Senior Facility amounts (including interest and fees) to NAIF and the Bondholders in August 2024, key management personnel Mr Patarica and Ms Murray were each paid a \$750,000 milestone payment. The milestone payment is subject to clawback provisions if Mr Patarica or Ms Murray resign with 12 months of the payment.

In August 2023 the Company paid STI's in cash and shares to executives in relation to the year ended 30 June 2023. The payment of the STI's is based on the achievement of annual key performance indicators (KPI's). The Board assessed a 70% achievement of the indicators for FY2023 and the indicators set for FY2024 are as follows:

KPI Criteria	FY2023 Weighting %	FY2024 Weighting %
Sustainability and HSEC	20%	20%
People and Culture	12.5%	12.5%
Growth and Development	12.5%	12.5%
Coburn Operations	40%	40%
Business Support, Finance and Governance	15%	15%
Total	100%	100%

**Long term incentives**

**Options**

No unlisted share options were granted as compensation to any KMP during the year (2023: nil).

**Performance Rights**

During the year 2,064,220 performance rights were issued to KMP (2023: 3,325,451) under the LTIP. The performance rights issued to Mr Patarica were approved by shareholders at the Company's General Meeting held on 23 November 2023.

The key terms and conditions of the performance rights included in the remuneration report are as follows:

Tranche	Service Period Start Date	Expiry date	No. performance rights granted	No. Unvested	Fair value per performance right \$
<b>J Patarica</b>					
Tranche 9	1-Jul-23	15-Aug-26	2,064,220	2,064,220	0.06
<b>B Murray</b>					
Tranche 8	1-Jul-22	15-Aug-25	763,622	763,622	0.25
Tranche 7	1-Jul-21	15-Aug-24	499,790	499,790	0.27

The performance rights have been valued using a hybrid share option pricing model and the following table lists the inputs into the model:

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Performance Rights	Tranche 9
Valuation date	23 November 2023
Underlying share price	\$0.095
Exercise price	Nil
Performance period	1 July 2023 to 30 June 2026
Expiry date	15 August 2026
Volatility	70%
Risk-free rate	4.14%
Dividend yield	Nil

Performance Rights	Tranche 8
Valuation date	24 March 2023
Underlying share price	\$0.305
Exercise price	Nil
Performance period	1 July 2022 to 30 June 2025
Expiry date	15 August 2025
Volatility	80%
Risk-free rate	2.885%
Dividend yield	Nil

Performance Rights	Tranche 7
Valuation date	24 March 2023
Underlying share price	\$0.305
Exercise price	Nil
Performance period	1 July 2021 to 30 June 2024
Expiry date	15 August 2024
Volatility	80%
Risk-free rate	2.885%
Dividend yield	Nil

The performance rights have the following performance conditions:

- The performance rights will only vest if the performance conditions are met.
- At the end of each tranche's performance measurement period, the Board will rank the Company's Total Shareholder Return (TSR) against a peer group of other companies which are outlined in the table below. The percentage of performance rights in each respective tranche that will vest depend upon the Company's TSR performance relative to the company's peer group and the targets are as follows:
  - **Category A TSR performance:** If the Company's TSR is at/or below the 50th percentile of the peer group of companies' TSR, no PRs will vest.
  - **Category B TSR performance:** If the Company's TSR ranks above the 50th percentile of the peer group of companies' TSR, 50% of the PRs will vest.
  - **Category C TSR performance:** For each 1% ranking at or above the 51st percentile of the peer group of companies' TSR, an additional 2% of the PRs will vest (up to a maximum of 100%, which vest at or above the 75th percentile).

The Company's TSR comparative peer group selection is based upon company sector, size and risk profile to determine a group that represents peers representative of the market in which to Company operates.

Company	Company	Company
Peak Resources Ltd	Mineral Commodities Ltd	Northern Minerals Limited
Kallum Lakes Ltd	Australian Potash Limited	Base Resources Ltd
VRX Silica Limited	Image Resources NL	Black Rock Mining Ltd
EcoGraf Limited	Diatreme Resources Limited	Illuka Limited
BCI Minerals Ltd	Sovereign Metals Ltd	Sheffield Resources Ltd

## Remuneration of Key Management Personnel

Remuneration of the KMP of the Group for the 2023 and 2024 financial years are set out as follows:

2024	Salary and fees	Retention and STIP	Non-monetary benefits	Annual and long service leave	Super-annuation	Share-based payments	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive directors</b>							
M Hancock <sup>1</sup>	116,042	-	-	-	-	-	116,042
J Hodder <sup>2</sup>	83,538	-	-	-	-	-	83,538
D Murcia <sup>3</sup>	66,869	-	-	-	-	-	66,869
P Watson <sup>4</sup>	41,903	-	-	-	-	-	41,903
A Atkins <sup>5</sup>	31,500	-	-	-	3,465	-	34,965
J Chialo <sup>6</sup>	-	-	-	-	-	-	-
<b>Total NEDs</b>	<b>339,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,465</b>	<b>-</b>	<b>343,317</b>
<b>Executive</b>							
J Patarica <sup>7</sup>	450,864	470,000	31,312	-	25,594	41,284	1,019,054
B Murray <sup>8</sup>	332,043	440,000	-	-	16,896	212,017	1,000,956
R Ierace <sup>9</sup>	75,563	-	-	-	8,312	-	83,875
L Graham <sup>10</sup>	122,528	148,637	-	17,211	27,500	(459,755)	(143,879)
F Garofalo <sup>11</sup>	222,343	43,995	-	18,700	13,699	(149,261)	149,476
<b>Total executives</b>	<b>1,203,341</b>	<b>1,102,632</b>	<b>31,312</b>	<b>35,911</b>	<b>92,001</b>	<b>(355,715)</b>	<b>2,109,482</b>
<b>Total</b>	<b>1,543,193</b>	<b>1,102,632</b>	<b>31,312</b>	<b>35,911</b>	<b>95,466</b>	<b>(355,715)</b>	<b>2,452,799</b>

1. Mr Hancock was appointed Chair 23 November 2023.
2. Mr Hodder's directors fees are payable to Tempo Capital Mining GP Limited.
3. Mr Murcia did not seek re-election - 23 November 2023.
4. Mr Watson did not seek re-election - 23 November 2023.
5. Ms Atkins resigned 23 November 2023.
6. Alternate director for Alexandra Atkins. No fees paid in this capacity during the year. Ceased 23 November 2023.
7. Mr Patarica was appointed as CEO on 3 September 2023 and subsequently as Managing Director on 25 September 2023.
8. Ms Murray was appointed as Chief Operating Officer on 23 October 2023.
9. Mr Ierace was appointed as Chief Financial Officer on 8 April 2024.
10. Mr Graham resigned 22 September 2023.
11. Mr Garofalo resigned 24 November 2023.

2023	Salary and fees	STIP	Annual and long service leave	Super annuation	Share-based payments <sup>3</sup>	Total
	\$	\$	\$	\$	\$	\$
<b>Non-executive directors</b>						
D Murcia	139,150	-	-	-	-	139,150
P Watson	90,600	-	-	9,513	-	100,113
J Hodder <sup>1</sup>	83,538	-	-	-	-	83,538
M Hancock	83,538	-	-	-	-	83,538
A Atkins	75,600	-	-	7,938	-	83,538
J Chialo <sup>2</sup>	-	-	-	-	-	-
<b>Total NEDs</b>	<b>472,426</b>	<b>-</b>	<b>-</b>	<b>17,451</b>	<b>-</b>	<b>489,877</b>
<b>Executive</b>						
L Graham <sup>4</sup>	513,000	119,344	36,104	27,500	627,314	1,323,262
F Garofalo <sup>5</sup>	391,500	-	16,237	27,500	389,849	825,086
<b>Total executive</b>	<b>904,500</b>	<b>119,344</b>	<b>52,341</b>	<b>55,000</b>	<b>1,017,163</b>	<b>2,148,348</b>
<b>Total</b>	<b>1,376,926</b>	<b>119,344</b>	<b>52,341</b>	<b>72,451</b>	<b>1,017,163</b>	<b>2,638,225</b>

1. Mr Hodder's directors fees are payable to Tempo Capital Mining GP Limited.

2. Alternate director for Alexandra Atkins. No fees paid in this capacity during the year.

3. Relates to non-cash value of performance rights, share options and STI shares expensed during the financial year.

4. The FY2022 bonus was awarded during FY2023 and taken as 50% cash and 50% shares, that are included in share based payments.

5. The FY2022 bonus was awarded during FY2023 and 100% taken in shares that are included in share based payments.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<b>Non-executive directors</b>						
M Hancock	100%	100%	-	-	-	-
J Hodder	100%	100%	-	-	-	-
D Murcia <sup>1</sup>	100%	100%	-	-	-	-
P Watson <sup>2</sup>	100%	100%	-	-	-	-
A Atkins <sup>3</sup>	100%	100%	-	-	-	-
J Chialo <sup>4</sup>	100%	100%	-	-	-	-
<b>Executive</b>						
J Patarica	50%	-	46%	-	4%	-
B Murray	35%	-	44%	-	21%	-
R Ierace	100%	-	-	-	-	-
L Graham	53%	45%	47%	9%	-	45%
F Garofalo	85%	56%	15%	-	-	44%

1. Mr Murcia did not seek re-election - 23 November 2023.

2. Mr Watson did not seek re-election - 23 November 2023.

3. Ms Atkins resigned 23 November 2023.

4. Alternate for Alexandra Atkins.

Key Management Personnel Equity Holdings in Strandline Resources Limited

Fully paid ordinary shares

Name	Balance at 1 July	Exercise of options / rights and bonus shares	Net other change <sup>1</sup>	Held on appointment / resignation	Balance at 30 June
	No.	No.	No.	No.	No.
<b>2024</b>					
<b>Directors</b>					
M Hancock	1,000,000	-	111,111	-	1,111,111
J Hodder	-	-	-	-	-
D Murcia	4,677,111	-	-	4,677,111	-
P Watson	1,637,687	1,000,000	(1,000,000)	1,637,687	-
A Atkins	380,000	-	-	380,000	-
J Chialo <sup>1</sup>	-	-	-	-	-
<b>Executive</b>					
J Patarica	-	-	75,000	-	75,000
B Murray	-	-	-	-	-
R Ierace	-	-	-	-	-
L Graham	13,000,962	2,267,846	-	15,268,808	-
F Garofalo	770,028	1,175,030	-	1,945,058	-

1. Alternate for Alexandra Atkins

Share options

Name	Balance at 1 Jul	Granted	Exercised / forfeited	Held on appointment / resignation	Balance at 30 June	Vested and exercisable	Unvested and exercisable
	No.	No.	No.	No.	No.	No.	No.
<b>2024</b>							
<b>Directors</b>							
M Hancock	1,000,000	-	(1,000,000)	-	-	-	-
J Hodder	-	-	-	-	-	-	-
D Murcia	1,500,000	-	(1,500,000)	-	-	-	-
P Watson	1,000,000	-	(1,000,000)	-	-	-	-
A Atkins	1,000,000	-	(1,000,000)	-	-	-	-
J Chialo <sup>1</sup>	-	-	-	-	-	-	-
<b>Executive</b>							
J Patarica	-	-	-	-	-	-	-
B Murray	-	-	-	-	-	-	-
R Ierace	-	-	-	-	-	-	-
L Graham	-	-	-	-	-	-	-
F Garofalo	-	-	-	-	-	-	-

1. Alternate for Alexandra Atkins

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**Performance rights**

Name	Balance at 1 Jul 2023	Granted as compensation	Vested	Forfeited	Balance at 30 June 2024	Maximum value yet to Vest
	No.	No.	No.	No.	No.	\$
<b>2024</b>						
<b>Directors</b>						
M Hancock	-	-	-	-	-	-
J Hodder	-	-	-	-	-	-
D Murcia	-	-	-	-	-	-
P Watson	-	-	-	-	-	-
A Atkins	-	-	-	-	-	-
J Chialo <sup>1</sup>	-	-	-	-	-	-
<b>Executive</b>						
J Patarica	-	2,064,220	-	-	2,064,220	123,853
B Murray	1,263,412	-	-	-	1,263,412	321,559
R Ierace	-	-	-	-	-	-
L Graham	6,527,116	-	(1,751,313)	(4,775,803)	-	-
F Garofalo	2,557,881	-	(782,618)	(1,775,263)	-	-

1. Alternate for Alexandra Atkins

**Key Terms of Executive Employment Contracts**

Remuneration and other terms of employment for executives are formalised in employment contracts. The service agreements specify the components of remuneration, benefits and notice periods for the financial year are detailed below.

**Jozsef Patarica (CEO and Managing Director) – appointed as CEO on 3 September 2023 and subsequently as Managing Director on 25 September 2023**

Term	Permanent full time – No fixed term
Probation period	6 months, where 3 months' notice can be given by either party
Remuneration	\$540,000 per annum (inclusive of salary and superannuation)
Short and long-term incentives	Mr Patarica may be invited to participate in an on-going incentive plan short-term Incentive Plan (STIP) and Long Term Incentive Plan (LTIP). The incentive plans are subject to change from time to time at the full discretion of the Company.
Termination	Following the Probation Period, by either party on 6 months' notice

**Belinda Murray (Chief Operating Officer) – appointed 23 October 2023**

Term	Permanent full time – No fixed term
Remuneration	\$510,000 per annum (inclusive of salary and superannuation)
Short and long-term incentives	Ms Murray may be invited to participate in an on-going incentive plan short-term Incentive Plan (STIP) and Long Term Incentive Plan (LTIP). The incentive plans are subject to change from time to time at the full discretion of the Company.
Termination	Following the Probation Period, by either party on 2 months' notice

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**Robert Ierace (Chief Financial Officer) – appointed 8 April 2024**

Term	Permanent full time – No fixed term
Probation period	3 months, where 2 weeks' notice can be given by either party
Remuneration	\$325,000 per annum (exclusive of superannuation)
Short and long-term incentives	Mr Ierace may be invited to participate in an on-going incentive plan short-term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP). The incentive plans are subject to change from time to time at the full discretion of the Company.
Termination	Following the Probation Period, by either party on 3 months' notice

**Luke Graham (Managing Director) – resigned 22 September 2023**

Term	Permanent full time – No fixed term
Remuneration	\$558,455 per annum (inclusive of salary and superannuation)
Short and long-term incentives	<ul style="list-style-type: none"> <li>• Short term incentive (STI) - performance to be assessed annually against a series of both financial and non-financial KPI's. The maximum annual amount payable under the short-term incentive is 75% of the fixed annual remuneration. Any STI is payable in the following financial year in cash and/or shares.</li> <li>• Long term incentive (LTI) – Participation in the Long-Term Incentive Plan (“LTIP”), subject to shareholder approval.</li> </ul>
Termination	<ul style="list-style-type: none"> <li>• The contract is capable of termination in the following circumstances:             <ul style="list-style-type: none"> <li>- by either party following the probation period on giving 3 months' notice; or</li> <li>- by the Company without notice upon serious misconduct or gross neglect of duty.</li> </ul> </li> </ul>

**Flavio Garofalo (Company Secretary and Chief Financial Officer) – resigned 24 November 2023**

Term	Permanent full time – No fixed term
Remuneration	\$432,703 per annum (inclusive of salary and superannuation)
Short and long-term incentives	<ul style="list-style-type: none"> <li>• Short term incentive (STI) - performance to be assessed annually against a series of both financial and non-financial KPI's. The maximum annual amount payable under the short-term incentive is 50% of the fixed annual remuneration. Any STI is payable in the following financial year in cash and/or shares.</li> <li>• Long term incentive (LTI) – Participation in the Long-Term Incentive Plan (“LTIP”), subject to shareholder approval.</li> </ul>
Termination	<ul style="list-style-type: none"> <li>• The contract is capable of termination in the following circumstances:             <ul style="list-style-type: none"> <li>- by either party following the probation period on giving 2 months' notice; or</li> <li>- by the Company without notice upon serious misconduct or gross neglect of duty.</li> </ul> </li> </ul>

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### Other Transactions with Key Management Personnel

Mr. Didier Murcia, previous Non-Executive Chair, is a chair of the legal firm, Murcia Pestell Hillard. Fees totalling \$72,274 up to the date of resignation, were paid to Murcia Pestell Hillard for work completed on various legal matters (2023: \$10,409). All transactions related to the services were based on normal commercial terms.

### 2023 Annual General Meeting – Remuneration Report Approval

The Company received more than 87% “yes” votes on its remuneration report for the 2023 financial year.

**This is the end of the audited Remuneration Report**

### CORPORATE GOVERNANCE STATEMENT

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 can be found at the following Company website

<https://www.strandline.com.au/irm/content/corporate-governance.aspx?RID=303>

### AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration is set out separately on page 43 in this report.

This Directors' Report is signed in accordance with a resolution of the Directors.

On behalf of the Directors



**Jozsef Patarica**  
**MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

30 September 2024

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## DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF STRANDLINE RESOURCES LIMITED

As lead auditor of Strandline Resources Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Strandline Resources Limited and the entities it controlled during the period.

**Dean Just**  
**Director**

**BDO Audit Pty Ltd**  
Perth  
30 September 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



## FINANCIAL STATEMENTS

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

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	Notes	2024 \$	2023 \$
Sales revenue	5	86,087,518	60,769,375
Cost of sales	6	(135,352,357)	(55,473,317)
Other income		500,904	1,282,345
Corporate and administrative expenses	7	(31,322,728)	(11,810,982)
Exploration and evaluation expenditure		(1,673,304)	(1,050,438)
Depreciation expense		(357,819)	(321,522)
Share based payment expense		353,771	(2,496,723)
Impairment - Coburn Project - Mine Properties in Development	14	(110,787,020)	-
<b>Operating loss before income tax</b>		<b>(192,551,035)</b>	<b>(9,101,262)</b>
Finance income		215,025	861,818
Finance costs		(431,100)	(3,301,126)
<b>Net finance costs</b>	8	<b>(216,075)</b>	<b>(2,439,308)</b>
Income tax expense	9	-	-
<b>Loss for the year from continuing operations</b>		<b>(192,767,110)</b>	<b>(11,540,570)</b>
Loss for the year from discontinued operations (attributable to equity holders of the company)	29	(1,213,798)	-
<b>Loss for the year</b>		<b>(193,980,908)</b>	<b>(11,540,570)</b>
<b>Other comprehensive income</b>			
<b>Items that may be re-classified to profit or loss</b>			
Exchange differences arising on translation of foreign operations	21	(8,989)	(136,901)
<b>Items that will not be re-classified to profit or loss</b>			
Fair value of equity investments at fair value through other comprehensive income		(83,318)	(43,994)
<b>Other comprehensive income/(loss) for the year, net of income tax</b>		<b>(92,307)</b>	<b>(180,895)</b>
<b>Total comprehensive loss for the year</b>		<b>(194,073,215)</b>	<b>(11,721,465)</b>
<b>Loss attributable to:</b>			
Owners of Strandline Resources Limited		(193,750,718)	(11,439,888)
Non-controlling interests		(230,190)	(100,682)
		<b>(193,980,908)</b>	<b>(11,540,570)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Strandline Resources Limited		(193,843,025)	(11,620,783)
Non-controlling interests		(230,190)	(100,682)
		<b>(194,073,215)</b>	<b>(11,721,465)</b>
		<b>Cents per share</b>	<b>Cents per share</b>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the company:</b>			
Basic and diluted loss per share (cents per share)	10	(13.37)	(0.92)
<b>Loss per share attributable to the ordinary equity holders of the company:</b>			
Basic and diluted loss per share (cents per share)	10	(13.45)	(0.92)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	11	3,606,984	41,301,499
Restricted cash	11	2,500,000	-
Inventories	12	20,590,358	12,418,661
Trade and other receivables	13	2,056,178	2,708,300
Prepayments		1,276,580	1,024,052
		<b>30,030,100</b>	<b>57,452,512</b>
Assets held for sale	29	17,790,416	-
<b>Total current assets</b>		<b>47,820,516</b>	<b>57,452,512</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	298,382,218	380,239,113
Exploration and evaluation expenditure	15	-	5,133,086
Other receivables		85,268	85,268
Financial assets		83,318	166,635
<b>Total non-current assets</b>		<b>298,550,804</b>	<b>385,624,102</b>
<b>Total assets</b>		<b>346,371,320</b>	<b>443,076,614</b>
<b>Current liabilities</b>			
Trade and other payables	17	54,485,788	30,535,595
Borrowings	18	233,440,738	29,684,381
Provisions	19	1,115,159	825,104
		<b>289,041,685</b>	<b>61,045,080</b>
Liabilities directly associated with assets classified as held for sale	29	29,650	-
<b>Total current liabilities</b>		<b>289,071,335</b>	<b>61,045,080</b>
<b>Non-current liabilities</b>			
Borrowings	18	32,079,849	199,866,810
Provisions	19	17,594,185	14,818,344
<b>Total non-current liabilities</b>		<b>49,674,034</b>	<b>214,685,154</b>
<b>Total liabilities</b>		<b>338,745,369</b>	<b>275,730,234</b>
<b>Net assets</b>		<b>7,625,951</b>	<b>167,346,380</b>
<b>Equity</b>			
Contributed equity	20	305,303,909	269,288,982
Reserves	21	675,606	2,552,337
Accumulated losses		(297,989,398)	(104,360,963)
<b>Equity attributable to owners of the parent</b>		<b>7,990,117</b>	<b>167,480,356</b>
Non-controlling interests		(364,166)	(133,976)
<b>Total equity</b>		<b>7,625,951</b>	<b>167,346,380</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

	Issued Capital	Share Based Payments Reserve	Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Losses	NCI	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	265,311,043	3,881,438	613,723	449,424	(95,461,212)	(33,294)	174,761,122
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(11,439,888)	(100,682)	(11,540,570)
Fair value of equity investments at fair value through other comprehensive income	-	-	(43,994)	-	-	-	(43,994)
Foreign currency translation difference for foreign operations	-	-	-	(136,901)	-	-	(136,901)
<b>Total comprehensive loss for the year</b>	-	-	(43,994)	(136,901)	(11,439,888)	(100,682)	(11,721,465)
Option Conversion	2,192,929	(382,929)	-	-	-	-	1,810,000
Recognition of share-based payments	1,252,073	1,244,650	-	-	-	-	2,496,723
Performance rights vested into shares	532,937	(532,937)	-	-	-	-	-
Transfer of exercised/forfeited awards	-	(1,957,043)	-	-	1,957,043	-	-
Transfer between reserves	-	-	(583,094)	-	583,094	-	-
<b>Balance at 30 June 2023</b>	269,288,982	2,253,179	(13,365)	312,523	(104,360,963)	(133,976)	167,346,380
<b>Balance at 1 July 2023</b>	269,288,982	2,253,179	(13,365)	312,523	(104,360,963)	(133,976)	167,346,380
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(193,750,718)	(230,190)	(193,980,908)
Fair value of equity investments at fair value through other comprehensive income	-	-	(83,318)	-	-	-	(83,318)
Foreign currency translation difference for foreign operation	-	-	-	(8,989)	-	-	(8,989)
<b>Total comprehensive loss for the year</b>	-	-	(83,318)	(8,989)	(193,750,718)	(230,190)	(194,073,215)
Issue of ordinary shares	37,468,825	-	-	-	-	-	37,468,825
Share issue costs	(1,863,937)	-	-	-	-	-	(1,863,937)
Recognition of share-based payments	410,039	(763,810)	-	-	(898,331)	-	(1,252,102)
Transfer of exercised/forfeited awards	-	(1,020,614)	-	-	1,020,614	-	-
<b>Balance at 30 June 2024</b>	305,303,909	468,755	(96,683)	303,534	(297,989,398)	(364,166)	7,625,951

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

Notes	2024 \$	2023 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	86,439,826	60,769,375
Payments for exploration and evaluation	(1,735,424)	(802,635)
Payments to suppliers and employees (inclusive of GST)	(149,713,465)	(57,781,229)
Government grants received	450,913	1,280,962
Interest received	215,025	861,818
<b>Net cash from/(used in) operating activities</b>	<b>(64,343,125)</b>	<b>4,328,291</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(106,733)	(230,986)
Payments for mine development activities	(31,179,794)	(121,835,408)
<b>Net cash used in investing activities</b>	<b>(31,286,527)</b>	<b>(122,066,394)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	34,706,557	-
Proceeds from conversion of options	-	1,810,000
Proceeds from borrowings	30,000,000	39,157,941
Repayment of borrowings	(1,512,130)	(1,495,257)
Interest paid	(4,790,695)	-
<b>Net cash from financing activities</b>	<b>58,403,732</b>	<b>39,472,684</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(37,225,920)</b>	<b>(78,265,419)</b>
Cash and cash equivalents at the beginning of the year	41,301,499	119,645,087
Effects of foreign exchange movement on cash held	(122,429)	(78,169)
Cash included in a disposal group classified as held for sale	(346,166)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>3,606,984</b>	<b>41,301,499</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## 1. General information

Strandline Resources Limited ('Company' or 'Strandline') is a limited company incorporated in Australia. The address of its registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the exploration and development of heavy mineral sands resources.

## 2. New Standards and Interpretations

### New or amended Accounting Standards and Interpretations adopted

The Group has not adopted any new or amended standards during the year ended 30 June 2024.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### Impact of standards issued but not yet applied by the entity

AASB 101 Presentation of Financial Statements - classification of liabilities as current or non-current. The Group did not have to reclassify any liabilities to current as a consequence of the amendments.

## 3. Material accounting policies

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### 3.1. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, AASB Standards and Interpretations, and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Group is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the Group financial statements and notes comply with International Financial Reporting Standards (IFRS).

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024

### 3.2. Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for financial assets and financial liabilities that are recognised at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. Certain amounts in the prior period's financial statements have been reclassified to confirm with the current periods presentation. These reclassifications are for presentation purposes only and have not impacted previously reported net loss, net assets or total equity.

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

#### a) Going concern basis

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

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As disclosed in the financial statements the Group made a net loss during the year of \$193,980,908 (30 June 2023: loss \$11,540,570) from operating activities and its cash and cash equivalents decreased by \$37,694,515 to \$3,606,984 (30 June 2023: decreased by \$25,352,318 to \$41,301,499). As at 30 June 2024 the Group held \$3,606,984 in cash and cash equivalents and had a deficit of current liabilities over current assets of \$241,250,819 after reclassifying non-current senior debt borrowings to current borrowings as the Company is not in compliance with certain of its banking covenants at the date of this report. As at of this report, the working capital deficiency continues.

The Group requested a trading halt with the Australian Security Exchange (ASX) on 27 October 2023 and then a voluntary suspension with ASX on 31 October 2023. The Group has remained in voluntary suspension since 31 October 2023 whilst it works on a revised operations strategy and associated funding requirements for the Project.

As part of this work, on 21 December 2023, the Group announced continued support from financiers and informed the market that the Group had entered into a Standstill Agreement with its financiers. The terms of the agreement include, deferring certain near-term interest payments, repayment obligations and various covenant waivers whilst the financing and debt restructure terms are finalised and agreed upon. At 30 June 2024 there was \$232,127,448 of borrowings included in note 18, \$16,782,431 of accrued interest included in trade and other payables included in note 17 relating to loan borrowings in addition to \$4,521,710 relating to the standstill arrangement fees.

The Standstill Agreement is the first step in a process aimed at restructuring the Group's finances to match a revised operational strategy. The Standstill Agreement, with the secured senior debt lenders, provides short term comfort to the Company as the secured lenders have agreed to not act on any current or pending events of default under the various facility documents.

The Standstill Agreement includes conditions that the Group are required to be adhered to and include:

- Deliver an operation plan; and
- Give effect to the restructuring of the Financing Facilities with all financiers.

At the date of this report the condition to deliver an operational plan has been met. Subsequent to year end, the lenders have confirmed to extend the standstill to 30 November 2024 which is subject to finalisation of the agreement. The extension requires Strandline to comply with a number of conditions in order to satisfy the standstill agreement during the course of the extension.

As a result of the above, the ability of the group to continue as a going concern is dependent upon the successful ramp up of the Coburn Mineral Sands Project to name plate production, successful restructuring of the group finances and successful raising of funds through debt and or equity. These conditions indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements as at and for the period ended 30 June 2024, after consideration of the following factors:

- Based on detailed cash flow forecast prepared by management, which includes any reasonable possible changes to key assumptions the cash flow is based upon, directors have reasonable expectation the Group will have adequate resources to continue operations;
- Technical experts advised the Group the new operational plan, when finalised, will allow for the full ramp up of operations;
- Improved pricing from the sale of its Heavy Mineral Concentrate (HMC) following operational improvement;
- Expect to comply with the conditions of standstill and maintain continued support from financiers of the new operational plan to ensure sustained funding of the project; as demonstrated by the loan of \$5 million from NAIF towards construction of an airstrip at the Company's Coburn Project, announced on 20 September 2024;
- Creditor support to extend repayment terms until shipment proceeds are received;
- Ability to raise capital and/or realise value from assets via a project level investment.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

### **b) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in the notes to the consolidated financial statements, require management to make judgements, estimates and assumptions that affect the application of the Groups accounting policies affecting the value of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

Key estimates and assumptions may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities in future reporting periods.

Judgement and estimates that are material to the financial report are found in the following notes:

- Recognition of tax losses and deferred tax balances – note 9
- Measurement of inventory stockpiles – note 12
- Impairment estimate - note 14
- Capitalisation of exploration and evaluation expenditure – note 15
- Fair value NAIF debt facility – note 18
- Judgements in relation to assessing contracts for right of use assets and lease extension terms – note 18
- Measurement of mine rehabilitation provision – note 19
- Share based payments - the parent entity issued share-based payments in the form of performance rights during the year to KMP. Assumptions and estimates made in relation to these share-based payments to KMP are detailed in the remuneration report.

#### 4. Segment information

The Group is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and determining the allocation of resources. The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other comprehensive income.

	2024 Revenue	2024 Assets	2024 Liabilities	2023 Revenue	2023 Assets	2023 Liabilities
	\$	\$	\$	\$	\$	\$
Australia	86,803,447	324,683,189	298,223,216	62,913,538	430,783,359	249,092,323
Tanzania <sup>1</sup>	-	21,688,131	40,522,153	-	12,293,255	26,637,911
	<b>86,803,447</b>	<b>346,371,320</b>	<b>338,745,369</b>	62,913,538	443,076,614	275,730,234

<sup>1</sup> Assets in Tanzania are considered as held for sale given the sale of Tanzanian assets post year-end.

#### Accounting policy

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

#### 5. Sales revenue

	2024 \$	2023 \$
Revenue from contracts with customers	86,087,518	60,769,375
	<b>86,087,518</b>	60,769,375

Revenue represents the sale of Heavy Mineral Concentrate (HMC). 88% of the revenue was attributable to three customers during FY2024 (2023: 100% attributable to one customer).

#### Accounting policy

The consolidated entity recognises revenue as follows:

##### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## Sale of HMC

Sales revenue is recognised at the point in time when the customer obtains control of the product, and the Group has fulfilled its performance obligations. The timing of the transfer of control depends upon the individual terms of the customer sales agreement.

The Group measures sales on a free-on-board (“FOB”) basis where transfer of control passes at port of origin or a cost, insurance, and freight (“CIF”) basis. Under the CIF basis there are three performance obligations with the first being recognised when the product is loaded on to the ship and the further two obligations recognised over the shipment journey to the port of destination.

## 6. Cost of goods sold

	2024	2023
	\$	\$
Inventory cost movement <sup>1</sup>	125,169,603	48,578,682
Selling costs	10,182,754	6,894,635
	<b>135,352,357</b>	<b>55,473,317</b>

<sup>1</sup> Represents the cost of sales related to producing minerals sands for export. Increases due to increased production during FY24.

## Accounting policy

The cost of producing the goods sold is the inventory value of each tonne of finished product sold. Costs related to the production of inventory are included at cost, which includes direct costs, an appropriate portion of fixed and variable expenditure, depreciation and amortisation. The inventory value recognised as cost of goods sold for each tonne of finished product sold is the weighted average value per tonne for the stockpile from which the product is sold.

Inventory movement represents the movement in inventory stockpiles and any net realisable value adjustments.

## 7. Corporate and administrative expenses

	2024	2023
	\$	\$
Employee benefit expense	8,353,780	6,959,336
Consultants <sup>1</sup>	11,956,822	133,835
Legal fees	3,159,637	1,363,379
Insurance	669,252	489,141
Other expenses	7,183,237	2,865,291
	<b>31,322,728</b>	<b>11,810,982</b>

<sup>1</sup> Spend on consultants relates to fees on funding arrangements.

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## 8. Net finance costs

	2024 \$	2023 \$
<b>Finance income</b>		
Interest income	215,025	861,818
	<b>215,025</b>	<b>861,818</b>
<b>Finance expense</b>		
Interest expense - leases	231,766	23,240
Net foreign exchange loss <sup>1</sup>	199,334	3,277,886
	<b>431,100</b>	<b>3,301,126</b>
Net finance costs	<b>216,075</b>	<b>2,439,308</b>

1. Net foreign exchange losses are related to the revaluation of the USD denominated debt facility which is offset against the foreign currency bank accounts.

## 9. Income tax expense

### Reconciliation of income tax expense:

	2024 \$	2023 \$
Loss before tax	193,980,908	11,540,570
Tax at the Australian tax rate of 30% (2023: 30%)	58,194,272	3,462,171
Tax effect of:		
Non assessable income	-	384,290
Non-deductible expenses	(36,254,485)	(679,397)
Other assessable income	(8,423,024)	
Deferred tax assets and liabilities not recognised	(13,516,763)	(3,167,064)
Income tax expense	-	-

### Unrecognised deferred tax assets/(liabilities) for the Group are as follows:

	2024 \$	2023 \$
Tax losses (revenue)	37,677,211	32,059,319
Other deferred tax assets	69,295,958	4,863,715
Deferred tax liabilities	(34,643,181)	(16,557,592)
Net unrecognised deferred tax asset	<b>72,329,988</b>	<b>20,365,442</b>

### Deferred tax assets and tax losses

Deferred tax assets including tax losses have not been recognised at 30 June 2024 as presently, there is not enough convincing evidence to the support the position that sufficient future taxable profits will be available for the Company to offset the tax benefits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## Accounting policy

The income tax expense or benefit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, and to unused tax losses. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that future taxable profits will be available (convincing evidence is required) against which they can be used.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Estimates and judgments are made when assessing the recognition of deferred tax assets and the probability that future taxable profits will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities and passing the required continuity of ownership and same business test rules at the time the losses are expected to be utilised.

## 10. Loss per share

	2024	2023
Loss for the year from continuing operations	192,536,920	11,439,888
Loss for the year from discontinued operations	1,213,798	-
<b>Loss for the year</b>	<b>193,750,718</b>	<b>11,439,888</b>
Issued ordinary shares at 1 July ('000)	1,249,989	1,240,179
Shares issued	212,575	9,810
Weighted average number of ordinary shares at 30 June ('000)	1,462,564	1,249,989
From continuing operations attributable to the ordinary equity holders of the company	(13.37)	(0.92)
From discontinued operations	(0.08)	-
<b>Total Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the company <sup>1</sup></b>	<b>(13.45)</b>	<b>(0.92)</b>

1. The Group has made a loss so the potential of ordinary shares being issued from the exercise of options and performance rights has been excluded due to their anti-dilutive effect.

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## 11. Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2024 \$	2023 \$
Cash at bank	3,548,984	26,243,499
Cash on deposit	58,000	15,058,000
Cash and cash equivalents as in Statement of Financial Position	<u>3,606,984</u>	<u>41,301,499</u>
Restricted cash	2,500,000	-
	<u>6,106,984</u>	<u>41,301,499</u>

The restricted cash balance of \$2,500,000 represents the remaining funds of the \$5 million NAIF Facility C to be drawn down. The funds are required to be held in the AUD denominated escrow bank account in the name of Coburn Resources Pty Ltd (100% fully owned subsidiary of Strandline).

### Reconciliation of loss for the year to net cash outflow used by operating activities

	2024 \$	2023 \$
Loss for the year	(193,980,908)	(11,540,570)
<b>Non-cash items</b>		
Depreciation	363,082	321,522
Share-based payments	(353,771)	2,496,723
Unrealised foreign currency (gain)/loss	(2,648,066)	3,449,483
Net financing costs	181,775	21,856
Impairment expense	110,787,020	-
<b>Movements in working capital</b>		
Changes in trade and other receivables	652,122	(617,884)
Changes in prepayments	(252,528)	(142,505)
Changes in inventories	(8,171,697)	-
Changes in trade and other payables	23,979,848	22,820,914
Changes in provisions	3,065,896	388,724
Changes to exploration and evaluation assets	-	353,159
Changes to mine properties in development	-	(12,985,241)
Movements for assets held for sale	2,024,552	-
Movements in foreign currency translation and NCI reserve	9,550	(237,890)
Net cash outflow used in operating activities	<u>(64,343,125)</u>	<u>4,328,291</u>

### Accounting policy

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in banks and deposits at call which are readily convertible to cash and used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## 12. Inventories

	2024	2023
	\$	\$
Heavy mineral concentrate and intermediate stockpiles - at NRV	<b>15,607,109</b>	9,475,560
Stores and consumables - at cost	<b>4,983,249</b>	2,943,101
	<b>20,590,358</b>	12,418,661

### Accounting policy

Inventory stockpiles are measured at the lower of the weighted average cost and net realisable value (NRV) with the tonnes verified to periodic surveys. The NRV is the estimated future selling price, less the estimated costs to completion and estimated costs to sell the inventory. NRV test are performed at each reporting date.

Non-current stockpiles are determined where the expected timing of processing or sale is beyond 12 months. Such estimates and assumptions may change as new information becomes available and could impact on the carrying value of inventories.

Inventory stockpile costs include direct costs and an appropriate proportion of fixed and variable expenditure including depreciation and amortisation.

Inventories of consumable supplies and spare parts to be used in production are valued at weighted average cost.

Inventory stockpiles require certain estimates and assumptions most notably in regard to grade, volume, and density.

## 13. Trade and other receivables

	2024	2023
	\$	\$
GST receivable	<b>1,631,685</b>	1,980,499
Other debtors	<b>417,879</b>	718,389
Trade debtors	<b>6,614</b>	9,412
	<b>2,056,178</b>	2,708,300

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## 14. Property, plant and equipment

	Plant and equipment	Right-of- use lease assets	Mine properties	Mine properties in development	Total
	\$	\$	\$	\$	\$
<b>At 30 June 2023</b>					
Cost	2,064,528	34,529,343	16,217,746	331,792,900	384,604,517
Accumulated depreciation	(690,246)	(3,675,158)	-	-	(4,365,404)
<b>Net book value</b>	<b>1,374,282</b>	<b>30,854,185</b>	<b>16,217,746</b>	<b>331,792,900</b>	<b>380,239,113</b>
Opening net book value	730,205	2,064,862	5,416,635	232,485,753	240,697,455
Additions	977,961	31,248,135	10,801,111	95,783,290	138,810,497
Unwind NAIF fair value <sup>1</sup>	-	-	-	3,523,857	3,523,857
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Depreciation charge	(334,030)	(2,458,812)	-	-	(2,792,842)
Foreign exchange movements	146	-	-	-	146
<b>Net book value</b>	<b>1,374,282</b>	<b>30,854,185</b>	<b>16,217,746</b>	<b>331,792,900</b>	<b>380,239,113</b>
<b>At 30 June 2024</b>					
Cost	2,095,866	36,048,126	19,144,423	248,099,465	305,968,566
Accumulated depreciation	(1,168,731)	(6,417,617)	-	-	(7,586,348)
<b>Net book value</b>	<b>927,135</b>	<b>29,630,509</b>	<b>19,144,423</b>	<b>248,099,465</b>	<b>298,382,218</b>
Opening net book value	1,374,282	30,854,185	16,217,746	331,792,900	380,239,113
Reclassification to assets held for sale: carrying amount	(18,307)	-	-	-	(18,307)
Reclassification to assets held for sale: depreciation	7,678	-	-	-	7,678
Additions	47,847	1,518,783	3,507,363	23,712,165	28,786,158
Unwind NAIF fair value <sup>1</sup>	-	-	-	3,381,420	3,381,420
Depreciation charge	(482,383)	(2,742,459)	-	-	(3,224,842)
Impairment	-	-	-	(110,787,020)	(110,787,020)
Foreign exchange movements	(1,982)	-	-	-	(1,982)
<b>Net book value</b>	<b>927,135</b>	<b>29,630,509</b>	<b>19,725,109</b>	<b>248,099,465</b>	<b>298,382,218</b>

1. Unwind of the NAIF facility fair value in accordance with AASB 120 *Government Grants*. Further details refer note 18 accounting policy.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## *Assets pledged as security*

The Northern Australian Infrastructure Facility (NAIF), Nordic Bond Facility, National Australia Bank and lenders under the Loan Note Facility Agreement (as described below) hold a general security deed (and other security) over all of the assets of Coburn Resources Pty Limited, Strandline Limited and Strandline UK Limited, as security for the debt facilities provided to Coburn Resources Pty Limited for the purposes of (among other things) funding the construction of the Coburn Mineral Sands Project.

In December 2023, under the Amended NAIF Facility Agreement (date December 2023), NAIF approved the repurposing of A\$15 million of the Second Loan Tranche (A\$20 million) of the facility as a Super Senior Facility. The Super Senior Facility was drawn to A\$12.5 million during the financial year and a further \$A2.5 million subsequent to the end of the year. Subsequent to the end of the financial year Strandline completed the sale of the Tanzanian Projects with consideration used to repay existing super senior indebtedness and associated interest.

In March 2024, various bondholders under the Nordic Bond Facility provided a further A\$20 million under a Loan Note Facility Agreement. The full A\$20 million was funded to escrow accounts controlled by the lenders under the Loan Note Facility Agreement, with release of amounts from escrow subject to the satisfaction of various conditions. A\$17.5 million was released from escrow to the Strandline Group during the financial year and a further A\$2.5 million subsequent to the end of the year. Subsequent to the end of the financial year Strandline completed the sale of the Tanzanian Projects with consideration used to repay existing super senior indebtedness and associated interest.

## *Impairment of non-financial assets*

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell, and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

An impairment assessment was undertaken at 30 June 2024 as the Group determined that indicators of impairment are present in relation to the carrying value of Coburn Mineral Sands Project, considering a number of factors including the progress made with the ramp-up of production and an estimate of the recoverable carrying amount of the asset. Consequently, the value-in-use for the CGU has been estimated based on discounted future estimated cash flows (expressed in nominal terms). To determine the extent of the impairment loss, the estimated future cash flows are discounted to their present value using a pre-tax, nominal discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared for the Coburn Mineral Sands Project CGU to which the individual assets are allocated. The CGU includes Property, Plant and Equipment less the rehabilitation provisions.

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The table below summaries the key assumptions used in the 30 June 2024 year end carrying value assessments of the Coburn Mineral sands Project:

## LOM estimates and inputs

Life of mine	30-Jun-45
MSP Restart	May 2025
Weighted average HM Grade	1.02%
Total HMC Production (kt)	4,346
Annual inflation	2%
Product Pricing 1	Based on TZMI
Long term exchange rate (USD:AUD)	0.67
Discount rate (pre-tax, nominal)	17%
Net present value of cash flows (pre-tax)	280.8M

1. TZMI benchmark forecast with adjustments for product specific adjustments.

### Revenue Pricing

Price assumptions are based on latest available TZMI benchmark forecast (at date of assessment) with product specific adjustments. HMC pricing based on recent customer sales.

### Inflations rates

The annual inflation rate used within the discounted cash flow is within the Reserve Bank of Australia's long-term target range of 2%-3% on average, over time.

### Discount Rate

In determining the Discount Rate, the Company has applied a higher rate to reflect market assessments of the time value of money and the risks specific to the Coburn Mineral Sands Project.

### Operating and capital costs

Life-of-mine operating and capital cost assumptions are based on the Company's latest budget and life-of-mine plans.

### Sensitivity

Any adverse changes to the assumptions within the model will result in additional impairment assuming other assumptions remain the same.

### Accounting policy

#### *Mine Properties in Development*

Mine properties in development represents the costs incurred in preparing mines for production and includes plant and equipment under construction and pre-commercial production operating costs. When commercial production is declared costs are transferred from mine property in development (MPID) to mine properties. Depreciation then commences on a units-of-production basis utilising the estimated economically recoverable reserves.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## Rehabilitation

In accordance with AASB 116 *Property, Plant and Equipment*, the cost of an asset includes any estimated costs of dismantling and removing the asset and restoring the site on which it is located. The capitalised rehabilitation and mine closure costs are depreciated (along with the other costs included in the asset) over the asset's useful life on a units of production basis.

## 15. Exploration and evaluation expenditure

	2024	2023
	\$	\$
Carried forward exploration and evaluation expenditure	5,133,086	5,266,518
Exploration and evaluation expenditure	577,598	498,054
Tanzania Project - resettlement payments (PAP) <sub>1</sub>	11,952,631	-
Transfer to mine properties in development	(577,598)	(498,054)
Assets included in a disposal group classified as held for sale	(17,068,837)	-
Foreign exchange movement	(16,880)	(133,432)
	-	5,133,086

1. During the year resettlement payments were substantially completed by way of payments to project affected people (PAP) in accordance with the Framework Agreement (FWA) with the Government of the Republic of Tanzania.

### Accounting policy

Exploration and evaluation expenditure is expensed in the year incurred unless the expenditure relates to tenement acquisition costs for defined area of interest for which the Group has the rights to explore, evaluate and develop.

The tenement acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Capitalised costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When production commences, the accumulated costs for the relevant area of interest are transferred to mine properties and amortised over the life of the mine according to the rate of depletion of the economically recoverable reserves.

In making a decision to carry forward exploration and evaluation expenditure an assessment that involves judgement and includes assumptions is made in determining whether the costs are expected to be recouped through the successful development or sale of the area related to the expenditure.

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## 16. Exploration licence commitments

Exploration licence expenditure commitments represent tenement rentals and expenditure requirements that may be required to be met under the relevant legislation should the consolidated entity wish to retain tenure on all current tenements in which the consolidated entity has an interest.

The minimum level of expenditure to retain current tenements which are not provided for in the consolidated financial statements are as follows:

	2024 \$	2023 \$
Within 1 year - Australia	959,356	963,979
Within 1 year - Tanzania	407,109	710,967
	<b>1,366,465</b>	<b>1,674,946</b>

## 17. Trade and other payables

	2024 \$	2023 \$
Trade payables	9,047,446	16,850,274
Other creditors and accruals <sup>1</sup>	45,438,342	13,685,321
	<b>54,485,788</b>	<b>30,535,595</b>

1. Includes amounts related to Standstill Agreement, not currently due, as well as accrued interest on borrowings. Refer to Note 3.2(a) Going Concern for further information.

## 18. Borrowings

	2024 \$	2023 \$
<b>Current</b>		
NAIF facility <sup>1</sup>	108,564,376	-
Nordic Bond facility	89,671,567	12,820,513
Syndicated Loan	18,891,505	-
NAB working capital facility	15,000,000	14,715,917
Lease liability	954,079	1,769,476
Chattel mortgage - vehicles	359,211	378,475
	<b>233,440,738</b>	<b>29,684,381</b>
<b>Non-current</b>		
Lease liability	31,608,561	30,308,934
Chattel mortgage - vehicles	471,288	830,499
Nordic Bond facility	-	76,239,813
NAIF facility <sup>1</sup>	-	92,487,564
	<b>32,079,849</b>	<b>199,866,810</b>

1. Movement for the year includes the unwind of the NAIF fair value in accordance with the Government Grants accounting policy in this section. Refer note 14 for further information.

On 21 December 2023, the Group announced it had entered into a Standstill Agreement with its the standstill letter with the secured lenders provides short term comfort to the Company as the secured lenders have agreed to not act on any current or pending events of default under the various facility documents. Subsequent to the end of the year, the Company announced it has an in principle agreement to an extension of the existing standstill and deferral arrangement with its financiers (NAIF, National Australia Bank and Nordic Bondholders). Refer to Note 3.2(a) Going concern for further information.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

The Directors have considered it appropriate to classify the borrowings with the debt financiers as current liability due to the short-term nature of the Standstill and Deferral Arrangements.

## NAIF Facility – A\$150m

- Up to 15 year tenor with no principal repayments until the earlier of 20 March 2028 or 3 months after the Bond or any Bond refinancing is repaid. Thereafter, quarterly principal repayments of Facility B and Facility C2 for a period of 7 years and 9 months. Additional sweep of a portion of available excess cashflow will also apply under certain circumstances.
- First NAIF Loan Tranche (Facility B): Up to A\$130m towards the construction of Coburn’s core mine process and non-process infrastructure.
- Second NAIF Loan Tranche (Facility C1): Up to A\$5m provided towards financing the Airstrip Project.
- Third NAIF Loan Tranche (Facility C2): Up to A\$15m towards financing Project remediation costs including costs of expansion of the tailings storage capacity of the Project and “truck and shovel” costs related or incidental to such expansion. Note that this facility is super senior and ranks pari passu with the Bond Facility Super Senior listed below.
- Comprehensive senior security package over assets and rights of Coburn project, pari passu (with respect to Facility B and Facility C1) with the Bond and NAB facility. Facility C2 ranks pari passu with Bond Facility Super Senior, and super senior to other secured lenders.
- Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.

## NAIF Facility Super Senior - \$15m

- As noted above, the third NAIF Loan Tranche (Facility C2) is super senior and ranks pari passu with the Bond Facility Super Senior (listed below). Facility C2 is up to A\$15m towards financing Project remediation costs including costs of expansion of the tailings storage capacity of the Project and “truck and shovel” costs related or incidental to such expansion.
- A\$10m was drawn down in December 2023, a further \$2.5M drawn in June 2024 and A\$2.5M drawn in July 2024.
- 100% bullet repayment at the Maturity Date (being the earliest of 8 March 2025; (ii) 2 Business Days before the first scheduled repayment under the Bond Terms; and (iii) the Business Day before the date of the first schedule repayment under the NAB Working Capital Facility)
- Comprehensive senior security package over assets and rights of Coburn project, ranks pari passu with Bond Facility Super Senior, and super senior to other secured lenders.
- Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.
- Subsequent to the end of the financial year Strandline completed the sale of the Tanzanian Projects with consideration used to repay in full existing super senior indebtedness along with accrued interest and fees.

## Bond Facility – US\$60m

- 5 year tenor with a maturity date of 20 March 2026.
- The Bond Terms originally provided for amortisation payments of principal from March 2024, comprising quarterly amortisation of US\$4.25m from 20 March 2024 to 20 June 2025, and amortisation of US\$2.25m at 20 September 2025 and 20 December 2025. The final payment of the balance was then due on the Maturity Date. The Company and the Bondholders have agreed as part of its existing standstill arrangements to defer the March 2024, June 2024 and September 2024 payments to 30 November 2024, with a further revised amortisation schedule to be agreed as part of a broader debt restructure under discussion with all of its lenders.
- The Company may buy back the debt on-market at any time or redeem the bonds early (subject to make whole payments and call premia depending on the time of the prepayment).
- Financial covenants are customary for a loan facility of this nature, aligning with the NAIF loan facility, comprising a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio and minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.

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- Listed on Oslo Børs, or other regulated markets within 12 months.
- Governing law is Norwegian law for Bond terms and Australian law for security package.
- Comprehensive senior security package over assets and rights of Coburn project, Pari Passu with the NAIF (Facility B and Facility C1) and NAB loan facility.
- US\$60m (A\$90.58 at AUD: USD 0.6624 as at 30 June 2024).

#### **Bond Facility Super Senior - \$20m**

- 12 month tenor with a maturity date of 8 March 2025. No amortisation payments, 100% bullet at the Maturity Date.
- First Loan Tranche (Facility A) up to A\$10m, Second Loan Tranche (Facility B) up to A\$5m and Third Loan Tranche (Facility C) up to A\$5m, each subject to satisfaction of various conditions to the satisfaction of Bond Facility Super Senior Lenders in their discretion to be applied towards general corporate purposes or other such purposes as approved by the Agent.
- A\$20m has been drawn down as at 30 June 2024, with \$2.5m held in escrow as restricted cash (refer note 11 for further details). The remaining \$2.5m was released from escrow in July 2024.
- Comprehensive senior security package over assets and rights of Coburn project, ranks pari passu with NAIF Facility C2 loan facility, and super senior to other secured lenders.
- Financial covenants comprise a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio, minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.
- Subsequent to the end of the financial year Strandline completed the sale of the Tanzanian Projects with consideration used to repay existing super senior indebtedness along with accrued interest and fees. The A\$20m Bond Facility was repaid in full from the consideration received from the Tanzanian Projects.

#### **NAB working capital facility – AUD\$15 million**

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

#### **Accounting policy**

##### *Borrowings*

Borrowings are initially recognised at the fair value of the consideration received less any directly attributable transaction costs. Borrowing are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date or there is an expectation the Group will repay amounts within the following 12 months.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until the assets are ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## Government Grants – NAIF facility

In determining the fair value of the NAIF facility for initial recognition it was deemed that the interest rate payable under the facility was below market rate and in accordance with AASB 120 *Government Grants*, the difference between the fair value and carrying value of the loan was recognised as a government grant. In determining the fair value of the loan, estimates have been made in relation to the market rate of interest and repayment dates.

The fair value of the loan was determined by estimating repayment dates of the principal in accordance with the facility agreement and utilising an interest rate of 10% which was determined to be a comparable rate for a facility with comparable terms to the NAIF facility.

## 19. Provisions

	2024 \$	2023 \$
<b>Current</b>		
Annual leave	1,115,159	825,104
	<b>1,115,159</b>	<b>825,104</b>
<b>Non-current</b>		
Long service leave	-	153,924
Mine rehabilitation	17,594,185	14,664,420
	<b>17,594,185</b>	<b>14,818,344</b>
	<b>Rehabilitation</b>	<b>Employee benefits</b>
<b>Movement</b>		
Opening balance 1 July	14,664,420	979,028
Provisions made during the year	1,949,912	136,131
Changes in discount rate	979,853	-
Carrying amount at year end	<b>17,594,185</b>	<b>1,115,159</b>

### Accounting policy

#### Mine rehabilitation

The Group assesses site rehabilitation liabilities on an annual basis. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas using internal information concerning environmental issues in the exploration and previously mined areas, discounted to present value. Significant estimation is required in determining the provision for site rehabilitation as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place. These factors include future development/exploration activity, changes in the costs of goods and services required for restoration activity and changes to the legal and regulatory framework. These factors may result in future actual expenditure differing from the amounts currently provided.

Significant judgement is required in determining the mine rehabilitation provision as there are many factors that will affect the ultimate liability payable to rehabilitate the mine site, including changes in technology, changes in regulations, price increases, changes in timing of cash flows, changes to life of mine plans and changes in discount rates. In the future when changes are known they will impact the mine rehabilitation provision in the period in which the changes become known.

20. Contributed equity

	2024 \$	2023 \$
1,462,564,234 fully paid ordinary shares (2023: 1,252,888,665 shares)	<b>305,303,909</b>	269,288,982

	2024		2023	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
On issue 1 July	<b>1,252,888,665</b>	<b>269,288,982</b>	1,240,178,572	265,311,043
Shares issued:				
Employee Short term Incentive (STI) taken as shares	<b>2,343,083</b>	<b>410,039</b>	2,663,985	1,252,073
Institutional placement	<b>203,169,220</b>	<b>36,570,494</b>	-	-
Exercise of options	-	-	7,500,000	2,192,929
Vesting of performance rights	<b>4,163,266</b>	<b>898,331</b>	2,546,108	532,937
Share issue costs	-	<b>(1,863,937)</b>	-	-
On issue 30 June	<b>1,462,564,234</b>	<b>305,303,909</b>	1,252,888,665	269,288,982

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

**Share options and performance rights on issue**

Share options and performance rights issued by the Company carry no rights to dividends and no voting rights.

At 30 June 2024, the Company has nil share options on issue (2023: 4,500,000). During the year no options were granted (2023: nil), nil options were converted into shares (2023: 7,500,000) and 4,500,000 lapsed (2023: 1,000,000).

At 30 June 2024, the Company has 4,165,241 performance rights on issue (2023: 16,619,754) exercisable on a 1:1 basis for 4,165,241 shares (2023: 16,619,754). During the year 2,064,220 performance rights were granted (2023: 7,468,846), 4,163,266 performance rights were converted into shares (2023: 2,546,108) and 10,355,467 performance rights expired/forfeited (2023: 5,790,642).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## 21. Reserves

	2024	2023
	\$	\$
Share based payments reserve	468,755	2,253,179
Foreign currency translation reserve	303,534	(13,365)
Revaluation Reserve	(96,683)	312,523
	<u>675,606</u>	<u>2,552,337</u>

	2024	2023
	\$	\$
<b>Share based payments reserve</b>		
Balance at beginning of year	2,253,179	3,881,438
Recognition of share-based payments <sup>1</sup>	(763,810)	1,244,650
Performance rights and options vested into share capital	-	(915,866)
Transfer to accumulated losses following forfeiture of options/performance rights	(1,020,614)	(1,957,043)
Balance at end of year	<u>468,755</u>	<u>2,253,179</u>

<sup>1</sup> Total expenses arising from share based payment transactions recognised during the year.

	2024	2023
	\$	\$
<b>Foreign currency translation reserve</b>		
Balance at beginning of year	312,523	449,424
Foreign currency translation difference for foreign operations	(8,989)	(136,901)
Balance at end of year	<u>303,534</u>	<u>312,523</u>

## 22. Financial instruments

The Group's financial assets and liabilities are as follows:

	2024	2023
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	3,606,984	41,301,499
Investments (FVOCI)	83,318	166,635
Trade and other receivables	2,056,178	2,708,300
	<u>5,746,480</u>	<u>44,176,434</u>
<b>Financial liabilities</b>		
Trade payables	9,047,446	16,850,274
Lease liabilities	32,562,640	32,078,410
Borrowings	232,127,448	197,472,781
	<u>273,737,534</u>	<u>246,401,465</u>

The Group is exposed to risks that arise from its use of financial instruments. These risks include:

- Foreign exchange risk
- Interest risk
- Credit risk, and
- Liquidity risk.

The Group's objectives, policies and processes for measuring and managing those risks are outlined below. The Board has overall responsibility for the establishment and oversight of the risk management framework.

**Foreign exchange risk**

The Group is exposed to foreign currency risk on transactions and primarily in relation to the to the United States Dollar (USD). The foreign exchange risk arises where the currency differs to functional currencies of the Group entities. The Group investment in its Tanzanian subsidiaries is denominated in AUD. The carrying value of financial instruments that are held in a currency other than the entities functional currency are as follows:

	2024 \$	2023 \$
Cash and cash equivalents	663,492	157,017
Borrowings	90,579,710	90,497,738

Based upon the foreign currency financial instruments held at 30 June 2024, had the Australian dollar strengthened/weakened by 10% against the USD, with all other variables remaining constant, the Groups profit for the year would have been \$8.2 million higher/\$10.0 million lower (2023: \$8.2 million higher/\$10.0 million lower) respectively, as a result of foreign exchange gain/losses on translation of USD denominated cash and borrowings.

**Interest rate risk**

The consolidated entity's exposure to the market risk for change in interest rate arises from holding cash and deposits. Funds held in operating accounts and term deposits earned a variable interest rate ranging from 0% to 4.9% (2023: 0% to 4.1%) based on the type of account and cash balance. The NAIF and Nordic bond debt facilities are at fixed interest rate and are therefore not influenced by changes in interest rates.

The interest-bearing financial instruments held are:

	2024 \$	2023 \$
Cash and cash equivalents	3,606,984	41,301,499
Borrowings	15,000,000	15,000,000

A change of 1% in the variable interest rate at the reporting date would have an impact on the consolidated entity profits and loss and equity of \$114,738 (2023: \$261,975) assuming all other variables are constant.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's receivables. There were no trade and other receivables in arrears.

The Group's exposure and the credit ratings of its counterparties are continuously monitored. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral/security bonds where appropriate, as a means of mitigating the risk of financial loss from defaults. Letters of credit are obtained for sales under customer contracts.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The credit rating of the Group's Australian bank is AA-

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, identifying when further capital raising or other initiatives are required.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Carrying amount	Less than one year	Between one and five years	After five years	Total contractual cash flows
	\$	\$	\$	\$	\$
<b>2024</b>					
<b>Financial liabilities</b>					
Trade and other payables	9,047,446	9,047,446	-	-	9,047,446
Borrowings - Working capital	15,000,000	16,116,795	-	-	16,116,795
Borrowings - Nordic Bond	89,671,567	33,483,719	55,669,646	-	89,153,365
Borrowings - NAIF	108,564,376	8,450,000	50,032,108	138,780,070	197,262,178
Chattel mortgage - vehicles	830,499	425,498	468,559	-	894,057
Lease liabilities	32,562,640	5,563,647	23,259,804	53,562,663	82,386,114
<b>Total</b>	<b>255,676,528</b>	<b>73,087,105</b>	<b>129,430,117</b>	<b>192,342,733</b>	<b>394,859,955</b>
<b>2023</b>					
<b>Financial liabilities</b>					
Trade and other payables	16,850,274	16,850,274	-	-	16,850,274
Borrowings - Working capital	14,715,917	16,105,626	-	-	16,105,626
Borrowings - Nordic Bond	89,060,326	23,536,450	33,666,541	55,973,605	113,176,596
Borrowings - NAIF	92,487,564	8,473,151	37,676,101	159,586,077	205,735,329
Chattel mortgage - vehicles	1,208,974	472,531	857,708	-	1,330,239
Lease liabilities	32,078,410	5,550,660	28,687,727	55,120,940	89,359,327
<b>Total</b>	<b>246,401,465</b>	<b>70,988,692</b>	<b>100,888,077</b>	<b>270,680,622</b>	<b>442,557,391</b>

## Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity. The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

Capital management requires the maintenance of a strong cash balance to support ongoing exploration and evaluation activities. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

### 23. Key management personnel compensation

The following people were considered key management personnel during the year:

- Jozsef Patarica – Managing Director and Chief Executive Officer – appointed CEO 3 September 2023 and Managing Director 25 September 2023
- Mark Hancock - Non-Executive Chair - appointed 23 November 2023
- John Hodder - Non-Executive Director - appointed 8 June 2016
- James Chialo - Alternate Director for Alexandra Atkins - appointed 10 December 2021
- Belinda Murray – Chief Operating Officer – appointed 23 November 2023
- Robert Ierace – Chief Financial Officer – appointed 8 April 2024
- Didier Murcia - Non-Executive Chair - resigned 23 November 2023
- Peter Watson - Non-Executive Director - resigned 23 November 2023
- Alexandra Atkins - Non-Executive Director - resigned 23 November 2023
- Luke Graham - Managing Director - resigned 22 November 2023
- Flavio Garofalo - CFO and Company Secretary – resigned 24 November 2023

The aggregate compensation made to key management personnel of the Group is set out below:

	2024	2023
	\$	\$
Short-term employee benefits	2,713,048	1,548,611
Post employment benefits	95,446	72,451
Share based payments	(355,715)	1,017,163
	<u>2,452,799</u>	<u>2,638,225</u>

The short-term employee benefits are recognised in both the statement of profit or loss and other comprehensive income as an expense, and the statement of financial position as an exploration and evaluation asset, depending upon the work activity undertaken. The compensation of each member of the key management personnel of the Group is outlined in the Remuneration Report contained within the Director's Report section of the Annual Report.

The remuneration of Directors and key executives is determined by the Board having regard to the performance of individuals and market trends.

### 24. Remuneration of auditors

	2024	2023
	\$	\$
<b>Audit Services - BDO Audit Pty Ltd<sup>1</sup></b>		
Audit and review of the financial statements	246,728	116,795
<b>Non Audit Services - BDO Corporate Tax (WA) Pty Ltd</b>		
Tax compliance services	-	5,605

1. During the year, BDO Audit Pty Ltd was appointed as auditor of the Company following the resignation of BDO Audit (WA) Pty Ltd. The change of auditor arose as a result of BDO Audit (WA) Pty Ltd restructuring its audit practice, whereby audits will be conducted by BDO Audit Pty Ltd, an authorised audit company, rather than BDO Audit (WA) Pty Ltd.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## 25. Contingent liabilities

The Company is subject to contractual arrangements as a result of the development, commissioning and ongoing operations of the Coburn Mineral Sands Project. Occasionally contractual disputes arise relating to commercial contracts. The Company currently has claims in progress (both for and against the company), however it is not possible to estimate the financial effects of these claims. From time to time the Company may raise provisions or accruals in relation to these matters.

At the date of this report, the Company has assessed the possibility of any net outflow of economic benefits, in relation to all of these matters, which have not already been provided for in this report, as being unlikely and/or immaterial. The Directors are not aware of any other contingent liabilities as at 30 June 2024 (30 June 2023: \$nil).

## 26. Related party transactions

### Transactions with key management personnel

#### Compensation

Details of key management personnel compensation is outlined in note 23.

#### Loans

No loans have been made by the Company to key management personnel during the year (2023: nil).

#### Other transactions

Mr. Didier Murcia, previous Non-Executive Chair, is a chair of the legal firm, Murcia Pestell Hillard. Fees totalling \$72,274 up to the date of resignation, were paid to Murcia Pestell Hillard for work completed on various legal matters (2023: \$10,409). All transactions related to the services were based on normal commercial terms.

## 27. Group entities

	Country of Incorporation	Ownership Interest	
		2024	2023
<b>Parent Entity</b>			
Strandline Resources Limited	Australia		
<b>Subsidiaries</b>			
Coburn Resources Pty Ltd	Australia	100%	100%
Active Resources (Tanzania) Limited	Tanzania	100%	100%
Jacana Resources (Tanzania) Limited	Tanzania	100%	100%
Tanzanian Graphite Limited	Tanzania	100%	100%
Strandline Resources UK Limited <sup>1</sup>	UK	100%	100%
Nyati Mineral Sands Ltd <sup>1</sup>	Tanzania	84%	84%

<sup>1</sup> Assets held for sale at 30 June 2024, and subsequently sold subsequent to year end. Refer to note 29.

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## 28. Parent entity information

As at, and throughout the financial year, the parent of the Group was Strandline Resources Limited. The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements.

	2024 \$	2023 \$
<b>Results of the parent entity</b>		
Loss for the period	(18,279,838)	(10,871,110)
Total comprehensive loss for the period	(18,279,838)	(10,871,110)
<b>Financial position of the parent entity at year</b>		
Current assets	687,528	30,148,297
Non-current assets	15,768,381	139,744,992
Total assets	16,455,909	169,893,289
Current liabilities	8,827,961	2,193,487
Non-current liabilities	1,997	353,422
Total liabilities	8,829,958	2,546,909
<b>Net assets</b>	<b>7,625,951</b>	167,346,380
Contributed equity	305,297,379	269,282,452
Reserves	372,073	2,239,816
Accumulated losses	(298,043,501)	(104,175,888)
<b>Total equity</b>	<b>7,625,951</b>	167,346,380

The accounting policies of the parent are consistent with those of the Group as disclosed in these notes to the Consolidated Financial Statements, except for the investments in subsidiaries, which is accounted for at cost, less any impairment, in the parent entity.

### Parent Entity Contingencies

The parent entity had nil contingent liabilities as at 30 June 2024 (2023: nil).

## 29. Assets classified as held for sale

### Description

As announced to the ASX on 20<sup>th</sup> May 2024, the Company agreed to sell its Tanzanian mineral sands assets to a subsidiary of Shenghe Resources Holding Co., Ltd. Therefore, as at 30 June 2024, the assets related to the sale of the Tanzanian mineral sands assets were available for immediate sale with the sale considered highly probably within a 12 month period. The associated assets and liabilities were consequently presented as held for sale.

The transaction completed on 8<sup>th</sup> August 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2024

## Assets and liabilities of disposal group classified as held for sale

	2024	2023
	\$	\$
<b>Assets classified as held for sale</b>		
Cash and cash equivalents	346,166	-
Trade and other receivables	102,849	-
Prepayments	261,935	-
Property, plant and equipment	10,629	-
Exploration	17,068,837	-
<b>Total assets of disposal group held for sale</b>	<b>17,790,416</b>	-
<b>Liabilities directly associated with assets classified as held for sale</b>		
Trade and other payables	(29,650)	-
<b>Total liabilities of disposal group held for sale</b>	<b>(29,650)</b>	-
<b>Net assets held for sale</b>	<b>17,760,766</b>	-

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any interest in associate is no longer equity accounted.

### 30. Events subsequent to reporting date

On 8 August 2024, the Company completed the sale of its Tanzanian mineral sands assets (ownership: Strandline 84%, Government of Tanzania 16%) to a subsidiary of Shenghe Resources Holding Co., Ltd. In accordance with the Share Purchase Agreement, Shenghe has paid Strandline a total transaction sale consideration of A\$43 million. The consideration has been used to repay the \$35 million super senior debt facilities along with accrued interest and fees. Upon full repayment of the Super Senior Facility amounts (including interest and fees) to NAIF and the Bondholders, key management personnel Mr Patarica and Ms Murray were each paid a \$750,000 completion milestone payment. The completion milestone payment is subject to clawback provisions if Mr Patarica or Ms Murray resign within 12 months of the payment. Total completion milestone payments paid in relation to the sale amounted to \$2 million.

On 20 September 2024, the Company announced that the NAIF will advance \$5m under the existing facility for construction of a new airstrip and associated infrastructure, located approximately 17 kilometres from the Coburn site.

On 30 September 2024, the Company announced it has an in principle agreement to an extension of the existing standstill and deferral arrangement with its financiers (NAIF, National Australia Bank and Nordic Bondholders). The existing standstill and deferral arrangement (agreed in December 2023) will, subject to the parties formalising their principle agreement, remain in place until 30 November 2024. The near-term interest payment obligations and principal repayment obligations have been extended until 30 November 2024. The Company continues to work with its financiers, advisors and other key stakeholders towards agreeing a holistic recapitalisation of the Company in the quarter ending 31 December 2024.

Other than the disclosure above there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

for the year ended 30 June 2024

Entity Name	Entity Type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Strandline Resources Limited	Body corporate	Australia	100%	Australia <sup>2</sup>
Coburn Resources Pty Ltd	Body corporate	Australia	100%	Australia <sup>2</sup>
Active Resources (Tanzania) Limited	Body corporate	Tanzania	100%	Tanzania
Jacana Resources (Tanzania) Limited	Body corporate	Tanzania	100%	Tanzania
Tanzanian Graphite Limited	Body corporate	Tanzania	100%	Tanzania
Strandline Resources UK Limited <sup>1</sup>	Body corporate	UK	100%	Australia <sup>2</sup>
Nyati Mineral Sands Ltd <sup>1</sup>	Body corporate	Tanzania	84%	Tanzania

<sup>1</sup> Assets held for sale at 30 June 2024, and sold subsequent to year end. Refer to note 29.

<sup>2</sup> Strandline Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

## Basis of Preparation and Determination of Tax Residency

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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## DIRECTORS' DECLARATION

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to matters disclosed in note 3.2 (a);
- (b) in the Directors' opinion, the attached consolidated financial statements and notes thereto, as set out on pages 45 to 73, are in compliance with International Financial Reporting Standards;
- (c) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated Group;
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001; and
- (e) the remuneration disclosures included in the Directors' Report on pages 32 to 42 of this report (as part of the audited Remuneration Report), for the year ended 30 June 2024, comply with s.300A of the Corporations Act 2001.
- (f) the consolidated entity disclosure statement is true and correct.

This declaration has been made after receiving the declarations required to be made by the Directors in accordance with section 295A of the Corporations Act 2001.

On behalf of the Directors



**Jozsef Patarica**  
**Managing Director**

Perth, 30 September 2024

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## INDEPENDENT AUDITOR'S REPORT

To the members of Strandline Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Strandline Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 3.2(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### Carrying Value of Coburn cost generating unit (CGU)

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 14, the Group recognised an impairment of the Coburn Project cash generating unit (CGU).</p> <p>Determining the impairment of the CGU requires management to make significant judgements and estimates of key assumptions within the mine models including:</p> <ul style="list-style-type: none"> <li>• commodity price forecasts;</li> <li>• reserve estimates;</li> <li>• discount rates; and</li> <li>• future operating and capital costs.</li> </ul> <p>This is a key audit matter due to the quantum of the impairment recognised and the significant judgement and estimates involved in management's assessment of the recoverable amount of this CGU.</p>	<p>Our work included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>• Challenging key inputs used within the mine model, including the following: <ul style="list-style-type: none"> <li>• In conjunction with our valuation specialist: <ul style="list-style-type: none"> <li>• comparing the commodity pricing data used to independent industry forecasts and historical realised pricing;</li> <li>• comparing the inflation and foreign exchange rate data utilised by management to current market information;</li> <li>• evaluating the appropriateness of the discount rates applied;</li> <li>• assessing the integrity of the mine model;</li> </ul> </li> <li>• Engaging our audit expert to challenge the appropriateness of management's reserve estimate by assessing the significant assumptions, methods and source data used;</li> <li>• Challenging management's assumptions around timing of future cash flow, including Mineral Separation Plant restart;</li> <li>• Evaluating reasonableness of forecasted operating and capital costs with management and their external experts where applicable;</li> </ul> </li> <li>• Assessing the adequacy of the related disclosures in Note 14 to the financial report.</li> </ul>



**Accounting and Presentation of Borrowings**

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 18, the Group holds material borrowings which include various debt instruments such as bonds and loans.</p> <p>During the year, the company entered into a standstill agreement with its lenders, which temporarily suspends certain obligations and covenants.</p> <p>The accounting and presentation of these borrowings involve significant judgments, particularly in relation to the recognition and measurement of interest expenses, and compliance with the modified terms under the standstill agreement.</p> <p>Additionally, the presentation of borrowings in the financial statements must accurately reflect the classification between current and non-current liabilities.</p> <p>This is a key audit matter due to the quantum of Borrowings held by the group.</p>	<p>Our work included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the accounting policies applied to borrowings, including the recognition and measurement criteria;</li> <li>• Testing the completeness and accuracy of the borrowings recorded in the financial statements by obtaining confirmations from lenders and reconciling them with the company's records;</li> <li>• Assessing the reasonableness of the interest expense calculations and the amortisation of borrowing costs;</li> <li>• Reviewing the terms and conditions of the borrowing agreements, including the standstill agreement to ensure compliance with these agreements;</li> <li>• Evaluating the classification of borrowings between current and non-current liabilities to ensure accurate presentation in the financial statements; and</li> <li>• Assessing the adequacy of the disclosures related to borrowings in Note 18 to the financial report.</li> </ul>

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.augasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.augasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



**Report on the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included on pages 32 to 42 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Strandline Resources Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

BDO  
A handwritten signature in black ink, appearing to read 'Dean Just', is written over the BDO logo.

**Dean Just**  
**Director**

Perth, 30 September 2024

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## SHAREHOLDER INFORMATION

### Number of Shareholders and unmarketable parcels

There were 7,888 shareholders at 23 September 2024, including 1,522 with an unmarketable parcel valued at less than \$500.

### Distribution of equity securities

The distribution of numbers of equity security holders by size of holding at 23 September 2024 is shown in the table below:

Range	Total holders	Units	% Units
1 - 1,000	433	86,725	0.01
1,001 - 5,000	1,065	3,152,142	0.22
5,001 - 10,000	887	7,091,724	0.48
10,001 - 100,000	3,727	158,384,422	10.83
100,001 Over	1,776	1,293,849,221	88.46
<b>Total</b>	<b>7,888</b>	<b>1,462,564,234</b>	<b>100.00</b>

### Top 20 largest holders of ordinary shares at 23 September 2024

Rank	Name	Units	% Units
1	NDOVU CAPITAL VII BV	232,422,196	15.89
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	73,938,941	5.06
3	CITICORP NOMINEES PTY LIMITED	64,318,178	4.40
4	BRAZIL FARMING PTY LTD	26,500,000	1.81
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,069,506	1.71
6	UBS NOMINEES PTY LTD	24,457,038	1.67
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	22,439,024	1.53
8	ANCHORFIELD PTY LTD	22,000,000	1.50
9	MR HARRY HATCH	18,704,015	1.28
10	MRS WENJUAN WU	16,088,949	1.10
11	WARBONT NOMINEES PTY LTD	15,851,887	1.08
12	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	13,777,778	0.94
13	MR LUKE EDWARD GRAHAM	13,775,474	0.94
14	MR KENNETH JOSEPH HALL	11,269,509	0.77
15	PERTH SELECT SEAFOODS PTY LTD	10,000,000	0.68
16	MR ANDREW FREDERICK TROWSE	7,930,961	0.54
17	MR KENNETH JOSEPH HALL	7,878,000	0.54
18	ARTEMIS CORPORATE LIMITED	7,111,806	0.49
19	BNP PARIBAS NOMINEES PTY LTD	6,537,411	0.45
20	MS MIOK JEONG	5,000,000	0.34
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>625,070,673</b>	<b>42.74</b>
<b>Remaining Holders Balance</b>		<b>837,493,561</b>	<b>57.26</b>

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**Substantial Shareholdings (over 5%)**

The number of shares held by substantial shareholders and their associates who have provided the Company with substantial shareholder notices are:

Name	Units	% Units
NDOVU CAPITAL VII BV	232,422,196	16.13
UNITED SUPER PTY LTD	63,034,141	5.03

**Unlisted Options**

All unlisted options expired during the year.

**Unlisted Performance Rights**

There are 6,068,914 performance rights on issue at 23 September 2024, with 4,004,694 performance rights expiring on 15 August 2025 (10 holders) and 2,064,220 performance rights expiring on 15 August 2026 (1 holder)

**Voting Rights**

At a general meeting of the Company shareholders are entitled:

- On a show of hands, each person who is a member or sole proxy has one vote.
- On a poll, each shareholder is entitled to one vote for each fully paid share.

Holders of unlisted options and unlisted performance rights have no voting rights. Voting rights will be attached to the unissued ordinary shares when the options or performance rights have been exercised.

**Restricted Securities**

There were no restricted securities.

**On-Market Buy Back**

There is no current on-market buy back.

**Securities Approved Not Issued**

None.

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**ANNEXURE A – MINING TENEMENTS HELD AS AT 30 JUNE 2024**

Location	Name	Interest
<b>Australia</b>		
<b>Coburn Mineral Sands Project</b>		
L09/21	Shark Bay District, Western Australia	100%
L09/43	Shark Bay District, Western Australia	100%
M09/102	Shark Bay District, Western Australia	100%
M09/103	Shark Bay District, Western Australia	100%
M09/104	Shark Bay District, Western Australia	100%
M09/105	Shark Bay District, Western Australia	100%
M09/106	Shark Bay District, Western Australia	100%
M09/111	Shark Bay District, Western Australia	100%
M09/112	Shark Bay District, Western Australia	100%
R09/02	Shark Bay District, Western Australia	100%
R09/03	Shark Bay District, Western Australia	100%
R09/4	Shark Bay District, Western Australia	100%
E09/2355 (Pending)	Shark Bay District, Western Australia	100%
L09/99	Shark Bay District, Western Australia	100%
L09/101	Shark Bay District, Western Australia	100%
E09/2644 (Pending)	Shark Bay District, Western Australia	100%
E09/2645 (Pending)	Shark Bay District, Western Australia	100%
P09/500 (Pending)	Shark Bay District, Western Australia	100%
P09/501 (Pending)	Shark Bay District, Western Australia	100%
L09/21	Shark Bay District, Western Australia	100%

E09/939 was completely surrendered on the 23<sup>rd</sup> May 2024 following a prospectivity review that concluded limited/no prospects of anomalous mineralisation. No farm-in or farm-out agreements were otherwise entered into or held during the period for the tenements located in Australia.

The following tenure in Tanzania was the subject of a sale agreement with Shenghe at 30 June 2024 as announced to the ASX on 20 May 2024 and subsequent to the year end, the Company completed the sale of its Tanzanian mineral sands assets (refer ASX announcement dated 8 August 2024).

Location	Name	Interest
<b>Tanzania</b>		
<b>Mineral Sands Projects</b>		
ML 678/2022	Fungoni	84%
PL 12218/2023	Fungoni	84%
PL 12211/2023	Sudi	84%
PL 12217/2023	Bagamoyo	84%
PL 12218/2023	Pangani	84%
PL 12222/2023	Fungoni West	84%
PL 12220/2023	Fungoni South	84%
PL 12212/2023	Bagamoyo	84%
PL 12221/2023	Sudi Central	84%
PL 12219/2023	Kitunda RIO	84%
PL 12207/2023	Rushungi South	84%
PL 12206/2023	Sudi East RIO	84%
PL 12213/2023	Temeke & Mkuranga	84%
PL 12214/2023	Temeke	84%
PL 12208/2023	Sakaura (South of Tajiri)	84%
PL 12216/2023	Mwasonga	84%
PL 12215/2023	Sharifu	84%
PL 12210/2023	Tanga-Pangani	84%
SML 731/2024	Tajiri	84%

On the 19th March 2024 the Special Mining Licence SML 731/2024 was granted to Nyati Resources.

# MINERAL RESOURCES AND ORE RESERVES INFORMATION

## ANNEXURE B – MINERAL RESOURCE DATA

The Company's Mineral Resource Estimates and Ore Reserves are summarised in the tables below. During the financial year, 13.2 million tonnes of the Amy South Ore Reserve was mined and processed. Total depletion to date is 21.7 million tonnes of ore representing approximately 4% of the Amy South Ore Reserve.

### Coburn Mineral Sands Project – Western Australia

**Table A** Coburn Project JORC 2012 Global Mineral Resources – Amy South and Amy North, November 2018

Resource Category	Ore <sup>(1)</sup>		Valuable HM Grade (In-Situ) <sup>(2)</sup>						
	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
<b>Total</b>	<b>1,606</b>	<b>19.6</b>	<b>1.2</b>	<b>48</b>	<b>7</b>	<b>22</b>	<b>5</b>	<b>3</b>	<b>2</b>

**Table B** Coburn Project JORC 2012 Ore Reserve Statement April 2019

ORE RESERVES SUMMARY FOR COBURN PROJECT				
Deposit	Reserve Category	Ore (Mt)	Heavy Mineral	
			In Situ HM (Mt)	THM (%)
Coburn - Amy South	Proved	106	1.16	1.10
Coburn - Amy South	Probable	417	4.66	1.12
	<b>Total<sup>1,2</sup></b>	<b>523</b>	<b>5.83</b>	<b>1.11</b>

Notes:

- Total may deviate from the arithmetic sum due to rounding
- Before depletion noted above.

### Fungoni Mineral Sands Project - Tanzania

**Table C** Mineral Resource Statement for Fungoni at May 2017

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Deposit	Summary of Mineral Resources <sup>(1)</sup>				VHM assemblage <sup>(2)</sup>					
	Mineral Resource Category	Tonnage (Mt)	In situ HM (Mt)	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Slimes (%)	Oversize (%)
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
	<b>Total<sup>(3)</sup></b>	<b>21.74</b>	<b>0.6</b>	<b>2.8</b>	<b>40.7</b>	<b>4.3</b>	<b>16.9</b>	<b>1.2</b>	<b>22</b>	<b>7.0</b>

Notes:

- Mineral Resources reported at a cut-off grade of 1.0% THM
- Valuable Mineral assemblage is reported as a percentage of in situ THM content
- 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 D** 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
	<b>Total<sup>1</sup></b>	<b>12.3</b>	<b>2.3</b>	<b>19</b>	<b>480</b>	<b>3.9</b>

Notes:

- Totals may deviate from the arithmetic sum due to rounding.

# MINERAL RESOURCES AND ORE RESERVES INFORMATION

## Tajiri Mineral Sands Project - Tanzania

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

Deposit	Summary of Mineral Resources (1)					THM Assemblage (2)						
	THM % cut-off	Mineral Resource Category	Tonnage (Mt)	In situ HM (Mt)	THM (%)	SLIMES (%)	OS (%)	Ilmenite (%)	Zircon (%)	Rutile (%)	Leucoxene (%)	Garnet (%)
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
		<b>Total</b>	<b>74</b>	<b>2.5</b>	<b>3.4</b>	<b>27</b>	<b>9</b>	<b>48</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>30</b>
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
		<b>Total</b>	<b>165</b>	<b>5.4</b>	<b>3.3</b>	<b>36</b>	<b>6</b>	<b>64</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>13</b>
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		<b>Total</b>	<b>29</b>	<b>0.9</b>	<b>3.0</b>	<b>30</b>	<b>12</b>	<b>64</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>2</b>
		<b>Grand Total</b>	<b>268</b>	<b>8.8</b>	<b>3.3</b>	<b>33</b>	<b>7</b>	<b>59</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>17</b>

**Notes:**

- 1 Mineral Resources reported at various THM cut-offs
- 2 Mineral Assemblage is reported as a percentage of in situ THM content
- 3 Appropriate rounding applied

Refer to 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.

## ANNEXURE C – 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 compiled by Mr Gavin Helgeland, Chief Geologist and employee of Strandline. Mr Helgeland 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 Helgeland consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Helgeland 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.

**ANNEXURE D – 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.

## ANNEXURE E –CAUTIONARY STATEMENTS

### Tajiri 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\$125m 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 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.

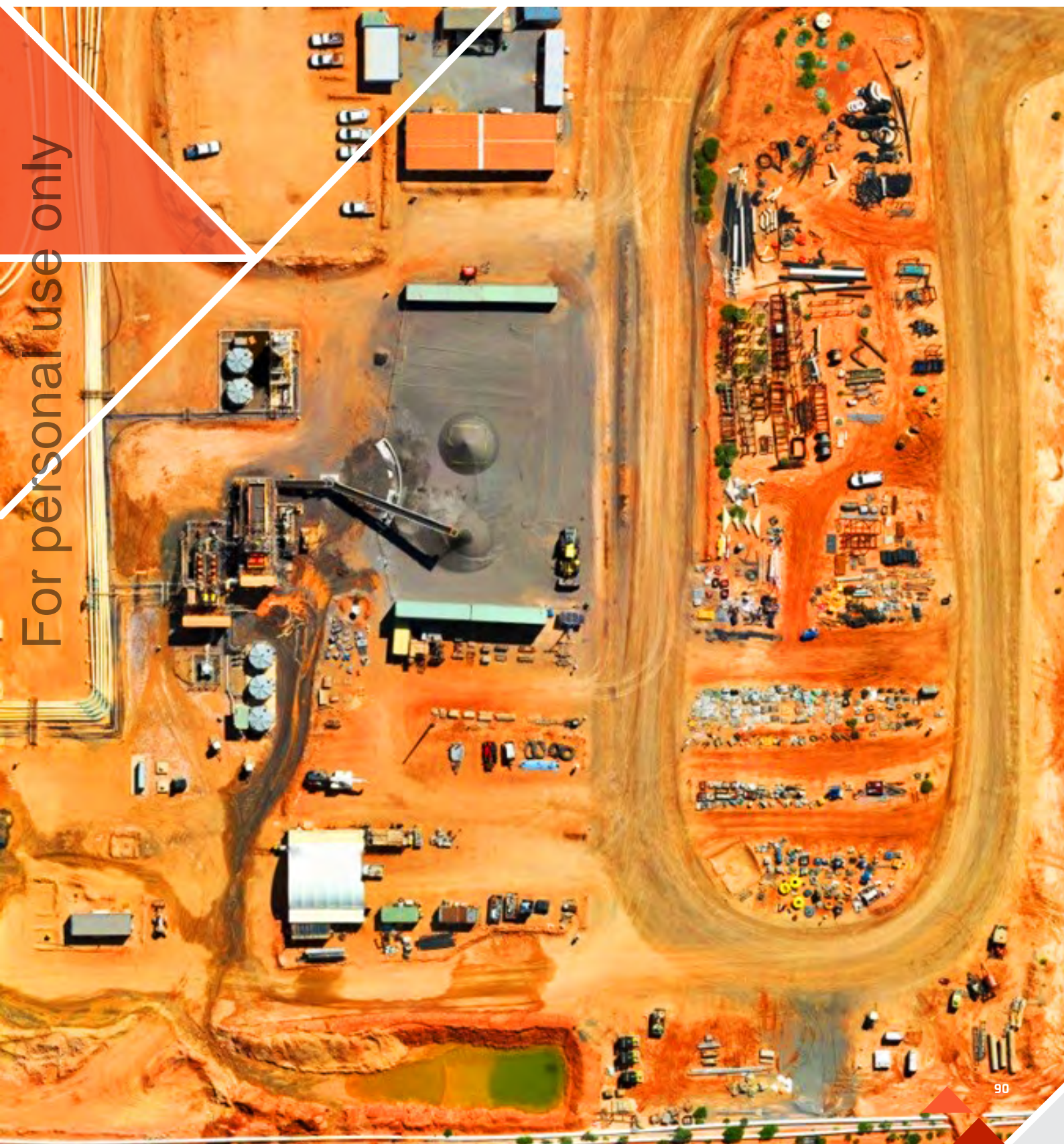
It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other strategies to provide alternative funding options including project finance. Given the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

### Bagamoyo Exploration Target Cautionary Statement

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.

### 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.



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