STRANDLINE

ANNUAL REPORT 2023

ABN 32 090 603 642

CORPORATE DIRECTORY

Board of Directors

Didier Murcia AM	Independent Non-Executive Chair
Luke Graham	Managing Director
Peter Watson	Non-Executive Director
John Hodder	Non-Executive Director
Mark Hancock	Independent Non-Executive Director
Alexandra Atkins	Independent Non-Executive Director
James Chialo	Alternate Director (Alternate to Alexandra Atkins)

CEO

Jozsef Patarica (commencing 4 September 2023)

Joint Company Secretaries

Flavio Garofalo
Jamie Cann

Registered and Principal Office

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Perth, Western Australia 6000

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Postal Address

PO Box 7127
Cloisters Square PO, Western Australia, 6850

Website

www.strandline.com.au

Country of Incorporation

Strandline Resources Limited is domiciled and incorporated in Australia

Auditors

BDO Audit (WA) Pty Ltd

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

Share Registry

Computershare Investor Services Pty Limited

Level 11, 172 St George's Terrace
Perth, Western Australia 6000

Tel: (61 8) 9323 2000
Fax: (61 8) 9323 2033

Home Stock Exchange

Australian Securities Exchange Limited

Level 40, Central Park
152-158 St George's Terrace
Perth, Western Australia 6000

ASX Code

STA

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OUR VISION:

ENRICHING EVERYDAY LIFE

COMPANY AND PROJECT SUMMARY

About Strandline Resources Ltd

Strandline Resources Limited (**ASX: STA**) is an emerging producer of heavy mineral sands with a portfolio of projects located in Western Australia and within the world's major zircon and titanium producing corridor in East Africa.

Strandline's strategy is to develop and operate high margin, expandable mining assets with market differentiation and global relevance in the sector. Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include the world-scale Coburn Project in WA and the exciting Tanzanian growth projects including Fungoni and Tajiri.

PRODUCING ZIRCON, TITANIUM & RARE EARTHS FOR GLOBAL CUSTOMERS

CHAIR'S REPORT

Dear Shareholders

I am pleased to report on what was a year of immense transition for your Company as we started production at our Coburn mineral sands project in Western Australia.

Developing a project of this scale is a huge undertaking at any time. To do it against the backdrop of the surging cost inflation and skills shortages experienced in WA in recent times made the task even more challenging. In light of these conditions, I am delighted to report that Coburn was built safely and in accordance with the development plan. On behalf of the Board, I would like to thank our management team, led by Managing Director Luke Graham, staff and contractors for their skills and dedication to the project. Your commitment to helping us achieve our goals is greatly appreciated.

Coburn is an exceptional project by any measure. Mineral sands are an integral part of the critical minerals mix underpinned by strong long term market supply-demand fundamentals. To have a world-scale inventory of these minerals in what is one of the world's most desirable mining jurisdictions is immensely valuable. It gives Strandline an enviable foundation on which to create value and generate significant growth for generations.

At the time of writing, we have just achieved another key milestone in the ore commissioning process at the Mineral Separation Plant. While this process is not complete, we are now into the phase of improving mineral recoveries and refining product specifications to ensure we maximise the prices we realise for our products, while in parallel continuing to ramp up production. The commissioning process has also enabled us to make several shipments of heavy mineral concentrate, generating valuable revenue in the early stages and providing important working capital during ramp-up.

Strandline maintains a strong focus on our Environmental, Social and Governance performance and you can find full details of our initiatives in our third Sustainability Report to be released around the time of the Annual Report. I am proud to say that the proportion of females and Indigenous peoples at Strandline continues to grow. Representation of female employees reached 21% in FY2023. Indigenous peoples now represent 9%.

The safety and wellbeing of our people is integral to our success. With TRIFR at 3.29, well below industry average, we continued to operate safely and responsibly in FY2023. Our focus remains centred on delivering safety leadership at all levels to strengthen our technical and operational due diligence through critical risk systems development and through development of a psychologically safe culture driving safety awareness and ownership across our operations.

CHAIR'S REPORT

As we enter the final stages of commissioning, it is important to remind ourselves of not only our huge achievements to date, but also the size of the prize which is now tantalisingly close. Steady-state production at Coburn will see our Company generate substantial revenues. It will also enable us to embark on further growth initiatives. To this end, we are already well advanced on the Scoping Study assessing the potential to increase Coburn's production rate by up to 50 per cent, which will enable us to capitalise further on the project's world-class resource, long mine life and strong demand for our products.

In July, we strengthened our executive team with the appointment of Jozsef Patarica as Chief Executive Officer. Jozsef has a wealth of operational and executive experience in the resources industry, including the mineral sands sector. His thorough knowledge of the mineral sands industry, extending from exploration and development through to processing and production, will be immensely valuable to Strandline as we unlock the full value of our portfolio of assets.

At the same time, Strandline and the Tanzanian Government, operating in Joint Venture as Nyati Mineral Sands Limited, have continued to advance development approvals and planning for the Fungoni and Tajiri mineral sands projects. These projects, along with a series of exploration assets located along the highly prospective coastline of Tanzania, provide significant growth options for Strandline.

FY2023 was a year of transformation for our business. I am confident we are building Strandline for the future and to create enduring value for our shareholders, communities, customers, and other stakeholders. Our achievements have ensured we are well-placed to capitalise on our vast opportunities. We have the products the world needs and we have a strong team to provide them. I have no doubt that this invaluable combination of people, capital, resources and growth mindset will underwrite a strong future for Strandline and its stakeholders. Integral to this is the significant hard work and dedication delivered by our workforce during FY2023, and the quality of our relationships with other stakeholders including the Traditional Owners in the communities in which we operate.

On behalf of the Board, I would like to thank our shareholders for accompanying us on this amazing journey.

Didier Murcia AM
Non-Executive Chair

5 September 2023

A COMPANY PEOPLE ARE PROUD TO WORK FOR AND PARTNER WITH

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 progressing through commissioning and production ramp up.

Coburn is located ~300 kilometers north of the Port of Geraldton – a well-established minerals export port in the Midwest region of WA.

Coburn operations is designed to process ore to recover three main critical mineral products of zircon and titanium ores of rutile and ilmenite. Strandline employs an open pit dry mining method at Coburn which is suited to a free-flowing 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).

The HMC produced from the WCP is either sold in a concentrate form or transported to the mineral separation plant (MSP) for further processing to produce final products. The MSP uses multiple stages of magnetic, electrostatic and gravity separation to clean and separate the rutile, ilmenite and zircon minerals into finished products for sale, as well as producing a concentrate product (named zircon in concentrate or ZIC).

Coburn project location map

REVIEW OF OPERATIONS

Coburn Construction and Commissioning

Construction at the Coburn project commenced in May 2021 and was completed in two stages with contractor handover of the WCP (ready for ore commissioning) in November 2022 and the downstream MSP in late March 2023. Ore commissioning of the mine and WCP commenced immediately after handover and the Company achieved commercial production of the HMC product from the WCP on 18 November 2022.

In recent months, the WCP has shown the ability to operate on or near key design parameters in terms of heavy mineral recoveries and grade of the HMC product, as well as the capacity to process ore at the nameplate design throughput of 3,000tph.

The key issues experienced during WCP commissioning, related to sand waste deposition constraints and low availability of DMUs and mining plant and equipment. Other notable downtime events related to site wide power supply and network communications interruptions, pre-mature failure of pump mechanical seals, instrument failures and operator errors - many of which have been rectified or have programs in place to resolve.

During the financial year, six shipments of HMC product were exported. The assemblage of HMC produced averaging 25% zircon, 44-47% ilmenite, 12% rutile-leucoxene & 16% other – in line with DFS assumptions. Strandline was also able to feed stockpiled HMC into the MSP at times to support ore commissioning of the MSP.

Late in the June 2023 quarter, the Company implemented modifications to the MSP dust extraction systems and several other downstream circuits, which resulted in a notable improvement to mineral separation efficiencies. The MSP is now producing a chloride ilmenite product with first shipment completed after the financial year.

Commissioning and tuning of process equipment and circuits in the MSP is continuing, with a key focus on increasing mineral recoveries, specification, and inventories of the other final product streams of zircon and rutile.

The assemblage of HMC produced averaging 25% zircon, 44-47% ilmenite, 12% rutile-leucoxene & 16% other – in line with DFS assumptions.

Coburn project MSP

Coburn Mining

In the December quarter, to align with commencement of ore commissioning of the WCP, Strandline completed the pre-production mine development works, including the pre-strip of the open pits and initial positioning of the in-pit DMUs and supporting infrastructure. Mining commenced in the northern area of the Coburn deposit (east and central pits), with sand waste (tailings) being deposited into the temporary off-path tailings storage facility.

In April 2023 as planned, the Company transitioned to in-pit disposal of sand waste as part of the mine backfill and rehabilitation process. This transition impacted mining activities at times due to deposition and capacity constraints caused by impacts of modified mining sequence and methodology, lower density in the tails stream and increased water mounding within the pit (compared to original assumptions), and additional infrastructure being required.

Ore mined during the financial year was approximately 6.8 million tonnes at an average heavy mineral grade of 1.03% THM.

Mining, production and sales for the year (per quarter):

	FY23 December Quarter	FY23 March Quarter	FY23 June Quarter
Ore mined (tonnes)	1,069,056	3,359,399	3,161,378
Average heavy mineral grade	1.02%	1.04%	0.99%
HMC production (tonnes)	10,119	29,855	26,134
HMC sales	6,502	27,702	20,797

HMC product in stockpile at the end of the financial year was 8,908t.

Coburn Project Mining

Coburn Production and Sales

During the year, the Company completed six shipments of HMC, totalling ~55,001 tonnes and generating ~A$61 million of sales revenue. Subsequent to the year end, the Company completed a seventh shipment of ~7,800 tonnes of HMC valued at ~A$9.1 million and ~6,000t of chloride ilmenite valued at ~A$1.3 million.

The Company has secured a suite of multi-year offtake agreements covering Coburn's forecast initial production profile. These agreements are with some of the world's largest consumers of titanium dioxide feedstocks and zircon products. Apart from the chloride ilmenite offtake (which is based on a fixed price arrangement), sales prices in these agreements are set on a shipment-by-shipment basis and are derived from prevailing market prices.

While the commissioning of the MSP progresses and the technical focus transitions to refining zircon and rutile recoveries, the Company aims to continue shipping ilmenite and ZIC product.

Coburn Project – Trucking of HMC Product to Geraldton Port

Coburn Project Expansion Opportunity

During the year, the Company progressed a scoping study on the potential to increase Coburn's production rate by up to 50%. Preliminary investigations highlight the potential strong capital and operating cost efficiencies of scaling up Coburn, further enhancing Coburn's financial outlook and competitive market position.

The study is targeting to increase total HMC production to +320,000 tonnes per annum. A fourth Dozer Mining Unit and additional WCP modules are being contemplated for the expansion.

targeting to increase total HMC production to +320,000 tonnes per annum

Coburn project WCP

Corporate

As part of the Coburn project development phase, the Company completed the final loan drawdown of its senior secured loan facilities. The loan facilities are 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).

The Bond facility is scheduled to be repaid first, with scheduled quarterly repayments commencing from March 2024, followed by the NAIF Facility, with scheduled quarterly repayments commencing from March 2028.

To support the growth and the ramp-up at the Coburn project, the Company strengthened the executive team during the year with key appointments of Ms Belinda Murray, former BGC Executive Director, as Head of Commercial and Strategic Developments to focus on in-house strategic developments, commercial, contracts procurement and sustainability activities. Mr Jamie Cann, former Iluka and FFI senior manager, was appointed as General Counsel and Head of Risk and Compliance and Joint Company Secretary.

To support the growth and the ramp-up at the Coburn project, the Company strengthened the executive team during the year with key appointments

Debt Facilities (A$M)[1]	Total (A$M)	Drawn at 31 July 2023 (A$M)	Comments
NAIF Facility Tranche [1]	130	130	• *15-year facility with Northern Australia Infrastructure Facility (NAIF)* • *No principal repayments are scheduled until the earlier of March 2028 or 3 months after the Bond or any Bond refinancing is repaid*
NAIF Facility Tranche [2]	20	0	• *Up to A$20 million split in two potential uses* *i A$15m for a potential future northern access road linking the project more directly to the Denham community in Shark Bay (subject to feasibility assessment, permitting and approvals),* *ii A$5m for upgrade of the Coburn site aerodrome*
Bond Facility[2]	86[1]	86[1]	• *US$60m senior secured bond pari passu with the NAIF facility.* • *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 & December 2025* • *Maturity of March 2026*
NAB Working Capital Facility	15	15	• *Senior secured working capital 12-month revolving cash advance facility*
Total Debt	**251**	**231**	

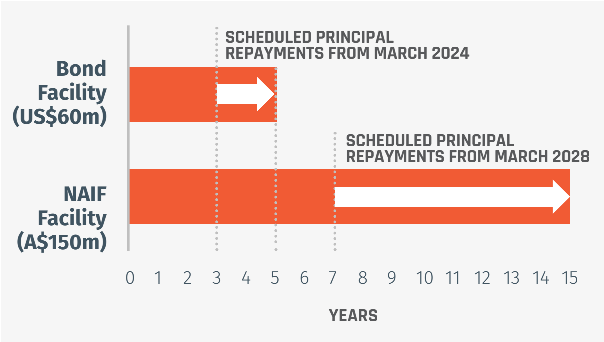
Note:
1. *For more information on NAIF and Bond Loan Facilities, refer to ASX Announcement dated 17 March 2021 "Strandline Secures US$60m Bond Financing for Coburn". For more information on the NAB Loan Facility, refer to ASX announcement dated 31 July 2023 "Quarterly Activities and Cashflow Report"*
2. *US$60m converted to AUD 85.7m at FX:AUD/USD of AUD 0.70*

REVIEW OF OPERATIONS

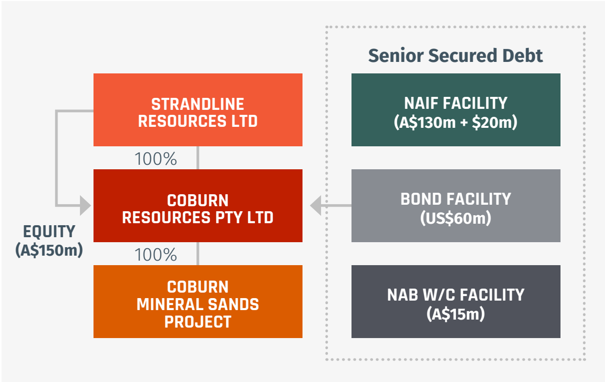
In July 2023, Strandline appointed highly experienced operations executive Mr Jozsef Patarica as Chief Executive Officer (CEO), further bolstering Strandline's executive management ranks. Mr Patarica has a wealth of operational and executive experience in the resources industry, including the mineral sands sector. His thorough knowledge of the mineral sands industry, extending from exploration and development through to processing and production, will be immensely valuable to Strandline as we unlock the full value of our portfolio of assets. Following Mr Patarica's appointment. Mr Luke Graham relinquished his role as CEO and remains Managing Director focusing on strategy and growth initiatives.

Subsequent to the year end, on 31 July 2023, the Company completed an equity raising comprising of an institutional placement of $33.8 million and a Share Purchase Plan of $2.7 million through the issue of 203.2 million new fully paid ordinary shares. The equity raising strengthens the Company's balance sheet to support ramp-up at Coburn to steady-state production and progress its various growth initiatives.

LONG TERM AMORTISATION PROFILE



COBURN FUNDING STRUCTURE



Coburn project mining

Tanzanian Mineral Sands Projects

Strandline owns multiple major mineral sands growth projects along the highly prospective coastline of Tanzania, including the Fungoni and Tajiri projects, and a series of exploration tenure.

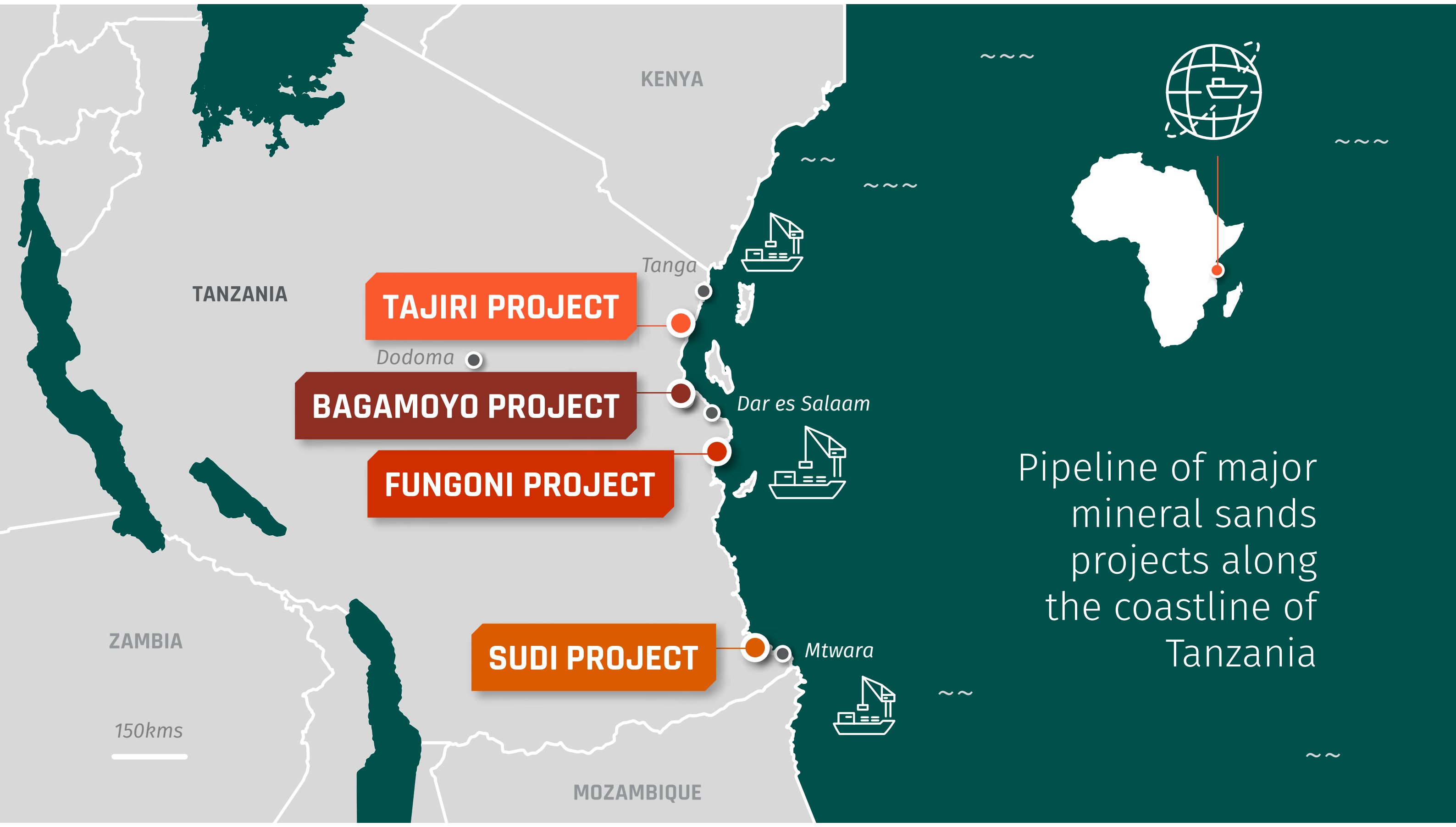
Following the execution of a Framework Agreement between Strandline and the Government of Tanzania, a joint venture entity was established named Nyati Mineral Sands Ltd (Nyati). Strandline is the operator of Nyati and owns 84%, with the Government obtaining a 16% non-dilutable free-carried interest in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

The Framework Agreement outlines the key joint venture ownership and operating terms for the development of the Fungoni and Tajiri projects.

During the year, a new mining licence was granted to Nyati by the Tanzanian Ministry of Minerals Mining Commission for the development of the Fungoni project.

Prospecting licenses covering or adjoining Strandline's full suite of projects (seventeen licenses in total), including Fungoni, Tajiri, Bagamoyo and Sudi mineral sands projects, were re-assigned to Nyati in the March quarter 2023. As part of this process, the tenure term and conditions of the tenements were refreshed allowing the Company to progress its next phase of project planning and commercialisation initiatives.

Tanzania project location map



This included commencing the implementation of the Fungoni project Resettlement Action Plan with Project Affected People (PAP) to secure land access for potential future development of the project.

Standard compensation and resettlement agreements were finalised and signed by a significant portion of PAP during the June quarter, with substantive payments commencing in July 2023. The total estimated amount of compensation for Fungoni is US$8.5m, which is based on a conventional compensation package in accordance with Tanzanian law and approved by the Chief Government Valuer. The resettlement of PAP and preparing the site for potential development is expected to occur during FY24.

During the later part 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 are expected to progress as the Company continues to refine its commercialisation plans to monetise it's Tanzanian assets.

During the year, the Government of Tanzania progressed the review and approval process for the Tajiri project Special Mining License (SML). Strandline understands that the SML has reached the final review stage by the Tanzania Government's Cabinet Secretariat.

the Company advanced discussions with potential strategic investment partners relating to Nyati's portfolio of Tanzanian projects

Fungoni mineralisation at surface

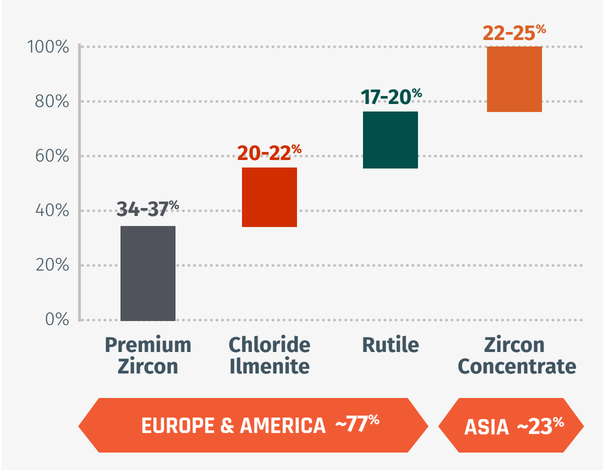
Mineral Sands Products and Market

The key mineral sands products to be produced from Strandline's current projects are classified as critical minerals and include zircon, high grade titanium feedstocks, and monazite containing rare earths.

Mineral sands products are often 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.

REVENUE SUPPORTED BY OFFTAKE AGREEMENTS (~5 YEAR TERM):



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.

Demand is driven primarily by urbanisation, rising living standards, global growth, and an extensive array of industrial and defence applications

REVIEW OF OPERATIONS

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.

After a buoyant start to FY23, the demand for mineral sands in the June quarter 2023 trended slightly lower (compared to the previous quarters), held back by an ongoing softness in China's property market and industrial sectors impacting demand for zircon and titanium feedstocks. Consumers in China appear less willing to hold or build inventory citing the broader macro-economic uncertainties.

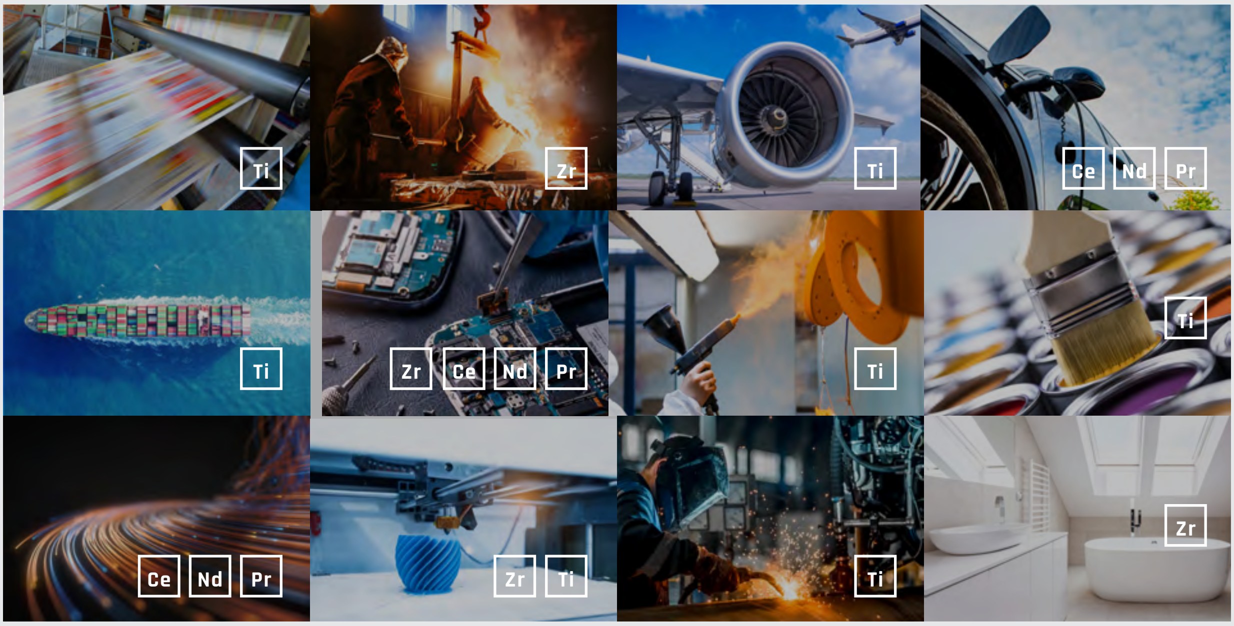
Despite this uncertainty, pricing has been relatively resilient, albeit the underlying commodity pricing trending slightly lower in Strandline's most recent HMC-ZIC shipments. Still, the Company achieved an average HMC basket price of ~A$1,050/t CIF for shipments sold during the financial year (six shipments in total), with the realised price being higher than assumptions contained within the original Coburn DFS 2020.

The key mineral sands products to be produced from Strandline's projects are classified as critical minerals and include zircon, high-grade titanium feedstocks and monazite containing rare earths

OUR PRODUCTS

Zr ZIRCON | Ti TITANIUM | Ce Nd Pr RARE EARTHS

MINERAL SANDS OFFTAKE & APPLICATIONS



SUSTAINABILITY

During the year, Strandline released its second edition Sustainability Report (2022), a copy can be accessed at www.strandline.com.au. Preparations are underway for release of the 2023 Sustainability Report later this year. This report aims to highlight sustainability matters which we believe are relevant to our stakeholders and describe what we are doing to address these matters into the future.

Strandline is a new miner of critical minerals – currently focussed on ensuring a smooth and safe ramp-up to steady state production at its flagship Coburn project in WA, which is expected to create a strong foundation for the growth of the company.

Strandline's governance systems are continually being matured in line with, and supporting this transition. Our vision is to "enrich everyday life" and grow a significant critical minerals business through responsible operations, innovation, and ethical business practices. This vision comes with a commitment to operate our business in line with principles of sustainable development, to deliver on the needs of the present, without compromising the needs of future generations, and integrating environmental, social and governance considerations into our decision making. In everything we do, we think and act according to our values of: Trust, Excellence, Respect, Courage, and Integrity.

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

- we listen to each other, acting openly and honestly
- we create value, protect value and celebrate our success
- we enable a psychologically safe and inclusive environment where diversity, innovation, and adaptation to change are facilitated
- we have the courage to challenge the norm and think big

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, delivering value to our communities and returns to our shareholders. 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.

SUSTAINABILITY

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.
- Positively reinforce aligned
- 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

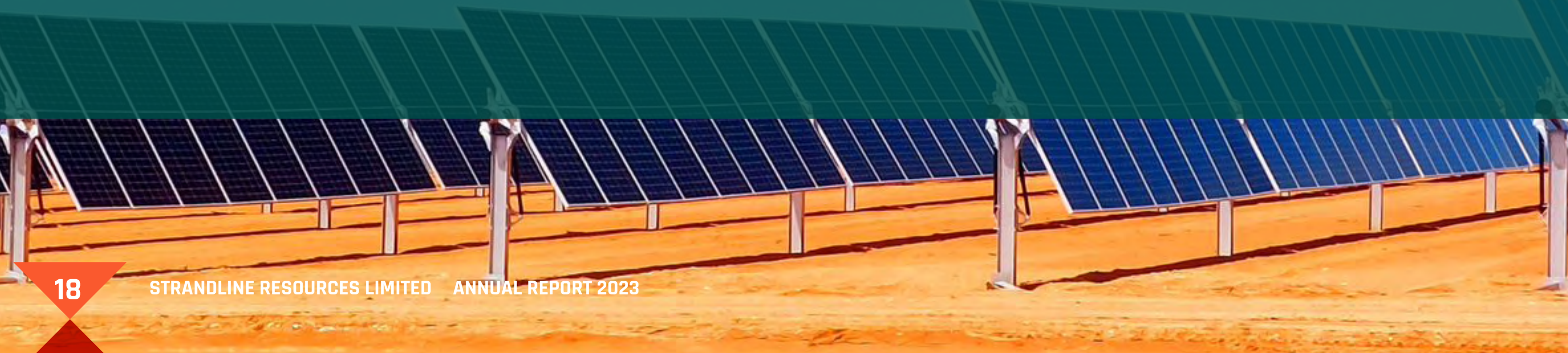
- Create enduring benefits that enhance the communities in which we operate.
- Engage with stakeholders in a proactive and transparent way.
- Prioritise indigenous engagement and local supply chains.
- Respect the beliefs, customs, culture, sensitivities and human rights of the communities around our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

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.



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, 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 3.3 per million hours worked (up from 0.0 the previous year), 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 transition into 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.

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.

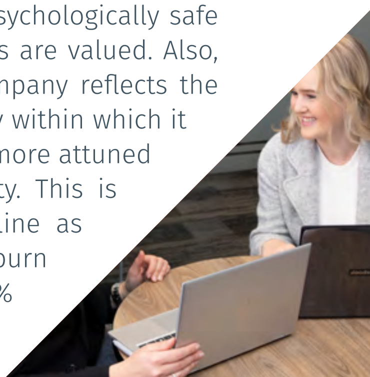
Zero harm to our people, communities and the environment continues to be our main goal

Diversity, Equity, and Inclusion

As outlined in the Company's Diversity Policy, 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 Strandline's in-house workforce has grown significantly, from 60 to 150. We currently maintain ~21% female engagement and as the Company continues to grow its in-house operational workforce, 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 reflects the demographics of the community within which it operates, the company may be more attuned to the needs of the community. This is a longer-term goal for Strandline as we aim to transition the Coburn workforce from the current 70% fly-in-fly-out (FIFO) and 30% drive-in-drive-out (DIDO) to our target of 70% DIDO.



SUSTAINABILITY

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 critical 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 in the first six month of operations.

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 has commenced 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.

At Strandline, we have a critical role to play in supporting our customers through the transition to a low carbon future

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 and consistent with the IFC Performance Standards (Tanzania) that seek to enhance community engagement and empowerment
- Prioritising community initiatives that improve education, upskilling, and health and well-being
- 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

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) and the Rafiki foundation in Tanzania (medical and surgical mission).

Through active collaboration we strive to implement long-term sustainable benefits for the local communities

Indigenous Peoples and Cultural Heritage

Strandline also strives 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 project 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.

Honorable District Commissioner for Kigamboni & the Honorable Minister meeting with the Fungoni Project Affected People

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.

Committed to a sustainable future

Fungoni Community Engagement Prior to Compensation and Resettlement of Project Affected People

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 workfronts increased during the year the employment and procurement opportunities grew for indigenous people. Strandline finished the year, with 9% indigenous engagement for its in-house workforce and a range of contracts awarded to indgienous 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.

DIRECTORS' REPORT

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 2023.

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.

Didier Murcia AM, Independent Non-Executive Chair
B.Juris, LL.B, appointed 1 March 2016

Mr Murcia is a lawyer with over 35 years' legal and corporate experience in the mining industry and was previously a Non-Executive Director from 23 October 2014 to 29 February 2016. He is Honorary Consul for the United Republic of Tanzania, a position that he has held for over 26 years and was appointed a Member of the Order of Australia for services to the international community in 2014.

Mr Murcia is Chair and founding director of Perth-based legal group MPH Lawyers and has held directorships in the following ASX listed companies over the past three years:

- Alicanto Minerals Limited – Non-Executive Director (appointed 30 May 2012)
- Centaurus Metals Limited - Non-Executive Chair (appointed Non-Executive Director 16 April 2009 and Non-Executive Chair since 28 January 2010)

Mr Murcia is Chair of the Remuneration and Nomination Committee.

Luke Graham, Managing Director
A.Dip (Hons) (Elec Eng), MAICD, appointed 19 September 2016

Mr Graham is an engineering professional with 25+ years' experience in the resources sector. As Managing Director and CEO of Strandline, Mr Graham has led the transition of the company from an explorer to major mineral sands producer. He was formerly Regional Manager of global minerals engineering and project delivery company Sedgman Pty Limited serving over 11 years in various senior leadership roles within the business. Mr Graham has a broad range of international leadership, technical and commercial expertise in the execution of major engineering projects within the resources (mine and port) and industrial sectors, including mineral sands, coal, iron ore, copper, gold and alumina. He has extensive experience in managing financial operational performance and achieving strong business growth.

Mr Graham has not served as a director on ASX-listed entities in the past three years.

Mr Graham is a member of the Technical and Sustainability Committee.

Peter Watson, Non-Executive Director
BEng (Hons) (Chem), GAICD, FIEAust, Dip (Acct), appointed 10 September 2018

Mr Watson is a chemical engineer with more than 35 years' experience in the global resources sector across senior technical, project, and management roles as well as corporate experience running ASX-listed companies. His experience includes project development, project delivery and mining facilities operations across multiple commodities and global jurisdictions, including Africa. Mr Watson was previously Principal Advisor – Strategy and Development for the Company and prior to that the Managing Director and CEO of Sedgman Pty Limited, an ASX-listed engineering, project delivery and operations company focussed on the global minerals sector. Mr Watson transitioned to a non-executive director from an executive of the Company as at 1 July 2021.

He has held directorships in the following ASX listed companies over the past three years:

- New Century Resources Limited - Non-Executive Director (resigned 27 April 2023)
- Paladin Energy Limited – Non-Executive Director (appointed on 10 December 2019)
- Australian Vanadium Ltd – Non-Executive Director (appointed on 13 February 2023)

Mr Watson is Chair of the Technical and Sustainability Committee.

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)
- Gascoyne Resources Ltd - Non-Executive Director (appointed 12 May 2023)

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

Mark Hancock, Independent Non-Executive Director
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, particularity 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 the Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Alexandra Atkins, Independent Non-Executive Director
BE (Mineral Exploration and Mining Geology) Hon BE(Mining) MBA (Finance) FIEAust CPEng EngExec NER APEC Engineer IntPE(Aus) FAusIMM(CP) GAICD. appointed 24 May 2021

Ms Atkins has 8+ years of non-executive director experience with listed companies and not for profits (NFP's). She is former director of The Australasian Institute of Mining and Metallurgy (The AusIMM) and International Women in Mining (iWIM). She has over 25 years' multi-disciplinary and multi-commodity mining experience across the full value chain throughout Australia and PNG in roles that find, design and run mines, regulate mines and in the Big Fours. With core competencies as a mining and geotechnical engineer, Alex has developed strong skills in finance, strategy, risk and governance which she has further honed during her time in the Big Fours, as an executive consultant in the capacity of MD/Chief Advisor/COO/Principal Engineer and on Boards.

DIRECTORS' REPORT

Ms Atkins 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:

- Perenti Ltd - Non-Executive Director (appointed 14 July 2018)
- Aquirian Ltd – Non-Executive Director (appointed 9 April 2021)

Ms Atkins is a member of the Audit and Risk Committee and the Technical and Sustainability Committee.

James Chialo, Alternate Director (Alternate to Alexandra Atkins)
B.Com, appointed 10 December 2021

Mr Chialo obtained his Business Degree at Notre Dame University in Western Australia and has been a Director of Strandline's Tanzanian subsidiaries since 2016. Mr Chialo is based in Dar es Salaam, Tanzania and is also employed as Strandline's senior manager of Stakeholder and Sustainability, overseeing the Company's key exploration and development activities in Tanzania.

Mr Chialo has not served as a director on ASX-listed entities in the past three years.

COMPANY SECRETARY

Flavio Garofalo, Company Secretary and Chief Financial Officer
B.Bus, CPA, appointed 5 June 2018

Mr Garofalo is a finance and corporate executive with over 20 years' experience in the mining industry. He was most recently Commercial Manager at Fortescue Metals Group and has held several other senior executive roles for ASX-listed mining companies, including General Manager of Finance, CFO and Company Secretary.

Mr Garofalo has extensive experience in project financing, capital raisings and investor relations for listed resources companies which have transitioned from exploration and development to production. He holds a Bachelor of Business in Accounting from Curtin University of Technology and is a CPA with operational experience in both major and junior mining companies working in various jurisdictions including Africa, China and Australia.

Jamie Cann, Company Secretary and General Counsel
B.Bus, CPA, appointed 5 June 2018

Mr Cann has over 25 years as a corporate lawyer, in-house legal counsel and commercial manager, Mr Cann joins as General Counsel, Head of Risk and Compliance and joint Company Secretary along with CFO Flavio Garofalo. 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
D Murcia	4,566,000	-	1,500,000
L Graham	15,268,808	4,775,803	-
P Watson	1,637,687	-	1,000,000
J Hodder	-	-	-
M Hancock	1,000,000	-	1,000,000
A Atkins	380,000	-	1,000,000
J Chialo [1]	-	-	-

1. Alternate for Alexandra Atkins

DIRECTORS' MEETINGS

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

	Board Meetings		Audit and Risk Committee		Remuneration and Nomination Committee		Technical and Sustainability Committee	
Directors	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Meetings held	**18**		**4**		**3**		**6**	
D Murcia	18	18	-	-	3	3	-	-
L Graham	18	18	-	-	-	-	6	6
P Watson	18	18	-	-	-	-	6	6
J Hodder	18	16	4	4	3	3	-	-
M Hancock	18	18	4	4	3	3	-	-
A Atkins	18	18	4	4	-	-	6	6
J Chialo [1]	-	-	-	-	-	-	-	-

1. Alternate for Alexandra Atkins

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;
- progress scoping studies for the expansion of the Coburn Mineral Sands Project;
- progression of Tanzania growth projects; and
- commitment to a sustainable future.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

The information related to the operating review of the company are outlined in pages 7 to 16 of the Directors' Report which forms part of this Annual Report.

Financial Results

The group reported a net loss after tax of $11.5 million (2022: loss $9.1 million). The result included sales revenue of $60.8 million and cost of sales of $55.5 million from the sale of 55,001 tonnes of Heavy Mineral Concentrate (HMC) produced as part of the ongoing Coburn Project commissioning phase.

Financial Position

The Group had net assets of $167.3 million at 30 June 2023 (2022: $174.8 million) and consolidated cash on hand as at 30 June 2023 was $41.3 million (2022: $119.6 million). The Company issued 7,500,000 fully paid ordinary shares during the year through the conversion of unlisted options at a price $0.22 and $0.26 contributing cash of $1.8 million.

During the 1HY2023 the Company completed the final loan drawdowns with $130 million drawn on the National Australia Infrastructure Fund (NAIF) facility and US$60 million on the Nordic Bond facility. In late June 2023 the $15 million working capital facility approved by NAB in early FY2023 was draw down.

Total contributed equity as at 30 June 2023 was $269.3 million (2022: $265.3 million) and summarised in the table below:

Share Capital	Date	Number of
Opening Balance	1 July 2022	1,240,178,572
Conversion of unlisted performance rights & STI shares	15 August 2022	5,210,093
Conversion of unlisted options	30 September – 24 November 2022	7,500,000
TOTAL	**30 June 2023**	**1,252,888,665**

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's share price and project valuations.

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.

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 are expressions of judgment based on available information, knowledge, experience, industry practice and regulatory codes (i.e.JORC2012). Estimates that were valid when made may change significantly when new information becomes available. In addition, mineral resource and ore reserve estimates are necessarily 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 mostly Australian and Tanzanian currencies (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 each of the Australian dollar and the Tanzanian Shilling 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

The Company has entered into offtake agreements for the sale of approximately 90% of the overall quantity of mineral sands products anticipated to be produced from the Coburn Project during the initial 5 years of production. However, as the initial life of mine of the Coburn Project is currently anticipated to be approximately 22.5 years – and therefore exceeds the term of those offtake agreements – the Company will in future need to put in place further arrangements for the sale of such mineral sands products beyond that initial 5-year period (whether by means of extending the term of its existing offtake agreements, negotiating new offtake agreements or selling some or all of the mineral sands products produced from the Coburn Project on applicable commodity spot markets).

There is no guarantee that the Company will be able to negotiate terms which are as favourable to it as those which exist under its current offtake agreements, nor that it will be able in future to negotiate similar long-term offtake arrangements with similarly credible counterparties, or at all.

There is a risk that offtake counter parties breach their agreements and that the Company cannot effectively enforce 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 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 Tanzania or 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.

Sovereign risk

The Company's exploration and development activities are carried out in Australia and Tanzania. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, local beneficiation requirements, local content laws, expropriation risk, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and Government control over mineral properties, changes to political, legal, regulatory, fiscal and exchange control systems and changes in Government may also impact the Company's projects or operations.

DIVIDENDS

No dividends were paid or declared during the financial year and the Directors have not recommended the payment of a dividend (2022: 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

Subsequent to the year end, on 31 July 2023, the Company announced an equity raising comprising of an institutional placement $33.8 million (before costs) and a Share Purchase Plan of $2.7 million through the issue of 203.2 million new fully paid ordinary shares. The equity raising strengthens the Company's balance sheet, to support its growth initiatives and the ramp-up of the Coburn Mineral Sands Project. The institutional placement was completed on 1 August 2023 and the Share Placement Plan completed on 24 August 2023.

In July 2023, the Company commenced payments to the Project Affected People (PAP) as part of the Fungoni project Resettlement Action Plan (RAP). The estimated amount of compensation is US$8.5 million that secures the land access for the potential future development of Fungoni.

Mr Jozsef Patarica was appointed as Chief Executive Officer (CEO) in July 2022 and commenced duties on the 4th of September 2023. Mr Luke Graham will relinquish his role as CEO and remain Managing Director focusing on strategy and growth initiatives. Material terms of Mr Patarica's employment agreement are outlined as follows:

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

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 $14.66 million (2022: $4.36 million) in relation to the Coburn Mineral Sand Project. The Company's environmental obligations are regulated under both State and Federal legislation, in Australia and Tanzania. 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 during construction of the access road 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 2023, the Directors have assessed that there are no current reporting requirements.

NON-AUDIT SERVICES

Non audit services included tax compliance services performed by BDO Corporate Tax (WA) Pty Ltd during the year of $5,605 (2022: $20,991).

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 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

On 18 December 2022 TMM Group (Operations) Pty Ltd (TMM), a subsidiary of Macmahon Holdings (ASX: MAH) initiated legal proceedings in the Supreme Court of Western Australia against Strandline's subsidiary Coburn Resources Pty Ltd (Coburn) claiming that Coburn owes TMM in the order of $13.5 million and recovery of the amounts of two bonds drawn down by Coburn at a value of $1,195,000 each. The Company is defending this matter and has advanced its own counterclaims for damages.

TMM's claim was amended on 19 July 2023 to increase to approximately $15.4 million (net of amounts already paid on adjudication). TMM has not included any additional claims, and the Company considers that this increase appears to be due to an accounting reconciliation. The Company's currently pleaded Counterclaim is for an amount of $7,836,330, representing a claim for the return of payment made to TMM by Coburn as a result of an adjudication process in 2022, and one separate individual claim brought by Coburn against TMM.

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 2023 (30 June 2022: $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

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

Expiry Date	Exercise price	Vested	Unvested	Number of options
28-Nov-23	$0.26	1,500,000	-	1,500,000
30-Nov-23	$0.30	3,000,000	-	3,000,000
Total options				4,500,000

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-24	nil	-	5,791,942	5,791,942
15-Aug-25	nil	-	6,072,468	6,072,468
Total performance rights				11,864,410

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 2023. 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)
- Peter Watson (Non-Executive Director)
- John Hodder (Non-Executive Director)
- Mark Hancock (Non-Executive Director)
- Alexandra Atkins (Non-Executive Director)
- James Chialo (Alternate Director for Alexandra Atkins)

Executives

- Luke Graham (Managing Director)
- Flavio Garofalo (CFO and Company Secretary)

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.

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 2022 $	From 1 July 2021 $
Base fee		
Non-Executive Chair	139,150	120,000
Non-Executive Director	83,538	77,000
Committee fee		
Technical and Sustainability Chair	16,575	16,500

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	2023	2022	2021	2020	2019
Market capitalisation ($'million)	344.50	409.30	239.90	106.70	49.50
Loss after tax ($)	(11,540,570)	(9,117,924)	(12,806,492)	(8,135,978)	(7,013,704)
Share price at start of year ($)	0.33	0.20	0.26	0.14	0.12
Share price at end of year ($)	0.28	0.33	0.20	0.26	0.14
Basic and diluted loss per share	(0.92) cents	(0.80) cents	(1.99) cents	(2.10) cents	(2.36) cents

FY2023 Executive Remuneration

Fixed remuneration

For the year ended 30 June 2023 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. Executive remuneration was reviewed in July 2022 and the total fixed remuneration including superannuation set for Mr Luke Graham at $540,500 p.a. and for Mr Flavio Garofalo at $419,000 p.a.

Short term incentives (STI's)

In August 2022 the Company paid STI's in cash and shares to executives in relation to the year ended 30 June 2022. The payment of the STI's is based on the achievement of annual key performance indicators (KPI's). The Boards assessment of the indicators for FY2022 and the indicators set for FY2023 are as follows:

KPI Criteria	FY2022		FY2023
	Weighting %	Achievement % of TFR	Weighting %
Sustainability and HSEC	15%	15%	20%
People and Culture	15%	15%	12.5%
Growth and Development	15%	12%	12.5%
Coburn Project Developments	40%	38%	40%
Corporate Systems and Governance	15%	15%	15%
Total	100%	95%	100%

Long term incentives

Options

No unlisted share options were granted as compensation to any KMP during the year (2022: 6,000,000).

Performance Rights

During the year 3,325,451 performance rights were issued to KMP (2022: 4,008,233) under the LTIP. The performance rights issued to Mr Graham were approved by shareholders at the Company's General Meeting held on 24 November 2022.

The key terms and conditions of the performance rights granted during the year are as follows:

Tranche	Service Period Start Date	Expiry date	No. performance rights granted	No. Unvested	Fair value per performance right $
L Graham					
Tranche 8	1-Jul-22	15-Aug-25	2,396,542	2,396,542	0.247
F Garofalo					
Tranche 8	1-Jul-22	15-Aug-25	928,909	928,909	0.247

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

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

The LTIP tranche 8 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 Rare Earths Limited	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

Vesting of Tranche 5 Performance Rights

In August 2022 Tranche 5 performance rights with a 2 year vesting period from 1 July 2020 to 30 June 2022 vested. The vesting of these awards was subject to the achievement of TSR targets over the vesting period which was assessed by the Remuneration Committee and approved by the Board.

The vesting for Tranche 5 performance rights is based upon the Company's TSR performance relative to the companies in the peer group (as outline above) which is outlined as follows:

- **Category A TSR performance:** If the Company's TSR is at/or below the 45th percentile of the peer group of companies' TSR, no performance right will vest.
- **Category B TSR performance:** If the Company's TSR ranks between the 46th and 50th percentile (inclusive) of the peer group of companies' TSR, for each percentile over the 45th percentile, 10% of the performance rights will vest (up to a maximum of 50% for this Category).
- **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 performance rights will vest (up to a maximum of 100%, which vest at or above the 75th percentile).

Having excluded three companies from the peer group due to limited comparability in FY2022 the Company achieved a 54% percentile ranking resulting in 50% of the performance rights vesting and 50% being forfeited.

Remuneration of Key Management Personnel

Remuneration of the KMP of the Group for the 2022 and 2023 financial years are set out as follows:

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

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. was 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.

2022	Salary and fees $	Cash bonus $	Annual and long service leave $	Superannuation $	Share-based payments [4] $	Total $
Non-executive directors						
D Murcia	120,000	-	-	-	-	120,000
P Watson [1]	86,897	53,118	1,897	11,440	176,000	329,352
J Hodder [2]	80,650	-	-	-	-	80,650
T Eadie	70,000	-	-	7,000	-	77,000
M Hancock [2]	80,650	-	-	-	176,000	256,650
A Atkins	70,000	-	-	7,000	176,000	253,000
J Chialo [3]	-	-	-	-	-	-
Total	**508,197**	**53,118**	**1,897**	**25,440**	**528,000**	**1,116,652**
Executive						
L Graham [5,6]	475,000	174,000	18,890	27,500	326,432	1,021,822
F Garofalo [5,6]	348,347	90,025	21,276	27,500	203,702	690,850
Total	**1,331,544**	**317,143**	**42,063**	**80,440**	**1,058,134**	**2,829,324**

1. Mr Watson received bonus during FY2022 in relation to his employment as Executive Director for FY2021 and includes $1,897 in annual leave payout. He was appointed as Non-executive Director on 1 July 2021. Mr Watson received an additional $15,000 in Director fees for his involvement in the Technical and Sustainability Committee.
2. Includes payments salary and fees of $3,650 from FY2021.
3. Appointed on 10 December 2021 as Alternate for Alexandra Atkins. No fees paid in this capacity during the year.
4. Relates to non-cash value of Performance Rights and Options expensed during the financial year under Australian Accounting Standards.
5. The bonus vested during FY2022 were 87% awarded of which 50% was paid in cash and 50% in shares.
6. Super contribution cap of $27,500 reached based on the salary paid. Amount reflected is the total super accrued to be paid in the FY2022 year.

No KMP appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

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	
	2023	2022	2023	2022	2023	2022
Non-executive directors						
D Murcia	**100%**	100%	**-**	-	**-**	-
P Watson	**100%**	30%	**-**	17%	**-**	53%
J Hodder	**100%**	100%	**-**	-	**-**	-
M Hancock	**100%**	31%	**-**	-	**-**	69%
A Atkins	**100%**	30%	**-**	-	**-**	70%
J Chialo [1]	**100%**	100%	**-**	-	**-**	-
Executive						
L Graham	**45%**	50%	**9%**	17%	**45%**	33%
F Garofalo	**56%**	56%	**-**	13%	**44%**	31%

1. Alternate for Alexandra Atkins

Key Management Personnel Equity Holdings in Strandline Resources Limited

Fully paid ordinary shares

Name	Balance at 1 July 2022 No.	Exercise of options/rights and bonus shares No.	Net other change [1] No.	Held on appointment/ resignation No.	Balance at 30 June 2023 No.
2023					
Directors					
D Murcia	3,066,000	1,500,000	-	-	4,566,000
P Watson	1,637,687	1,000,000	(1,000,000)	-	1,637,687
J Hodder	-	-	-	-	-
T Eadie	7,000,000	-	-	7,000,000	7,000,000
M Hancock	-	1,000,000	-	-	1,000,000
A Atkins	-	1,000,000	(620,000)	-	380,000
J Chialo [1]	-	-	-	-	-
Executive					
L Graham	12,195,799	1,903,163	(1,098,000)	-	13,000,962
F Garofalo	697,047	956,295	(883,314)	-	770,028

1. Net other changes represents shares that were purchased or sold during the year.

Share options

Name	Balance at 1 Jul 2022 No.	Granted No.	Exercised/ forfeited No.	Held on appointment /resignation No.	Balance at 30 June 2023 No.	Vested and exercisable No.	Unvested and exercisable No.
2023							
Directors							
D Murcia	3,000,000	-	(1,500,000)	-	1,500,000	-	1,500,000
P Watson	2,000,000	-	(1,000,000)	-	1,000,000	-	1,000,000
J Hodder	-	-	-	-	-	-	-
T Eadie	2,000,000	-	(2,000,000)	-	-	-	-
M Hancock	2,000,000	-	(1,000,000)	-	1,000,000	-	1,000,000
A Atkins	2,000,000	-	(1,000,000)	-	1,000,000	-	1,000,000
J Chialo [1]	-	-	-	-	-	-	-
Executive							
L Graham	-	-	-	-	-	-	-
F Garofalo	-	-	-	-	-	-	-

1. Alternate for Alexandra Atkins

Performance rights

Name	Balance at 1 Jul 2022	Granted as compensation	Vested	Forfeited	Balance at 30 June 2023
	No.	No.	No.	No.	No.
2023					
Directors					
D Murcia	-	-	-	-	-
P Watson	-	-	-	-	-
J Hodder	-	-	-	-	-
T Eadie	-	-	-	-	-
M Hancock	-	-	-	-	-
A Atkins					
J Chialo [(1)]	-	-	-	-	-
Executive					
L Graham	7,231,349	2,396,542	(1,550,388)	(1,550,388)	6,527,116
F Garofalo	2,774,902	928,909	(572,965)	(572,965)	2,557,881

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.

Luke Graham (Managing Director):

- Term of agreement – permanent basis commencing 19 September 2016.
- Fixed annual remuneration - $540,500 per annum (including superannuation), to be reviewed annually.
- 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.
- Long term incentive (LTI) – Participation in the Long Term Incentive Plan ("LTIP"), subject to shareholder approval.
- The contract is capable of termination in the following circumstances:
  - by either party following the probation period on giving 3 months' notice; or
  - by the Company without notice upon serious misconduct or gross neglect of duty.

Flavio Garofalo (Company Secretary and Chief Financial Officer):

- Term of agreement – permanent basis commencing 21 May 2018.
- Fixed annual remuneration of $419,000 per annum (including superannuation), to be reviewed annually.
- 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 35% of the fixed annual remuneration. Any STI is payable in the following financial year in cash and/or shares.
- Long term incentive (LTI) – Participation in the Long Term Incentive Plan ("LTIP"), subject to shareholder approval.
- The contract is capable of termination in the following circumstances:
  - by either party following the probation period on giving 2 months' notice; or
  - by the Company without notice upon serious misconduct or gross neglect of duty.

Other Transactions with Key Management Personnel

Mr. Didier Murcia, Non-Executive Chair, is a partner in the legal firm, Murcia Pestell Hillard who have experience in Tanzanian law. Fees totalling $10,409 were paid to Murcia Pestell Hillard for work completed on various legal matters (2022: $42,213). All transactions related to the services were based on normal commercial terms.

2022 Annual General Meeting – Remuneration Report Approval

The Company received more than 94% "yes" votes on its remuneration report for the 2022 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://strandline.com.au/

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration is set out separately on page 44 in this report.

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

On behalf of the Directors

Luke Graham
MANAGING DIRECTOR

5 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

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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 2023, 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 (WA) Pty Ltd

Perth

5 September 2023

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $	2022 $
Sales revenue	5	**60,769,375**	-
Cost of sales	6	**(55,473,317)**	-
Other income	7	**1,282,345**	471,687
Corporate and administrative expenses	8	**(11,810,982)**	(3,928,606)
Exploration and evaluation expenditure		**(1,050,438)**	(472,405)
Depreciation expense		**(321,522)**	(156,370)
Share based payment expense	9	**(2,496,723)**	(1,801,043)
Operating loss before income tax		**(9,101,262)**	(5,886,737)
Finance income		**861,818**	56,637
Finance costs		**(3,301,126)**	(3,287,824)
Net finance costs	10	**(2,439,308)**	(3,231,187)
Income tax expense	11	**-**	-
Loss after income tax for the year		**(11,540,570)**	(9,117,924)
Other comprehensive income			
Items that may be re-classified to profit or loss			
Exchange differences arising on translation of foreign operations	24	**(136,901)**	(96,250)
Items that will not be re-classified to profit or loss			
Fair value of equity investments at fair value through other comprehensive income		**(43,994)**	(628,106)
Other comprehensive income/(loss) for the year, net of income tax		**(180,895)**	(724,356)
Total comprehensive loss for the year		**(11,721,465)**	(9,842,280)
Loss attributable to:			
Owners of Strandline Resources Limited		**(11,439,888)**	(9,084,630)
Non-controlling interests		**(100,682)**	(33,294)
		(11,540,570)	(9,117,924)
Total comprehensive loss attributable to:			
Owners of Strandline Resources Limited		**(11,620,783)**	(9,808,986)
Non-controlling interests		**(100,682)**	(33,294)
		(11,721,465)	(9,842,280)

	Notes	Cents per share	Cents per share
Loss per share			
Basic and diluted loss per share (cents per share)	12	**(0.92)**	(0.80)

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 2023

	Notes	2023 $	2022 $
Current assets			
Cash and cash equivalents	13	**41,301,499**	119,645,087
Restricted Cash	13	**-**	7,953,906
Inventories	14	**12,418,661**	-
Trade and other receivables	15	**2,708,300**	4,235,939
Prepayments		**1,024,052**	-
Total current assets		**57,452,512**	131,834,932
Non-current assets			
Prepayments		**-**	773,737
Property, plant and equipment	16	**380,239,113**	240,697,455
Exploration and evaluation expenditure	17	**5,133,086**	5,266,518
Other receivables		**85,268**	56,633
Financial assets	19	**166,635**	210,629
Total non-current assets		**385,624,102**	247,004,972
Total assets		**443,076,614**	378,839,904
Current liabilities			
Trade and other payables	20	**30,535,595**	33,759,888
Borrowings	21	**34,091,200**	727,047
Provisions	22	**825,104**	459,933
Total current liabilities		**65,451,899**	34,946,868
Non-current liabilities			
Borrowings	21	**195,459,991**	164,640,180
Provisions	22	**14,818,344**	4,491,734
Total non-current liabilities		**210,278,335**	169,131,914
Total liabilities		**275,730,234**	204,078,782
Net assets		**167,346,380**	174,761,122
Equity			
Contributed equity	23	**269,288,982**	265,311,043
Reserves	24	**2,552,337**	4,944,585
Accumulated losses		**(104,360,963)**	(95,461,212)
Equity attributable to owners of the parent		**167,480,356**	174,794,416
Non-controlling interests		**(133,976)**	(33,294)
Total equity		**167,346,380**	174,761,122

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 2023

	Issued Capital	Share Based Payments Reserve	Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Losses	NCI	Total
	$	$	$	$	$	$	$
Balance at 1 July 2021	216,387,823	2,873,616	1,241,829	545,674	(86,376,582)	-	134,672,360
Comprehensive income for the year						-	
Loss for the year	-	-	-	-	(9,084,630)	(33,294)	(9,117,924)
Fair value of equity investments at fair value through other comprehensive income	-	-	(628,106)	-	-	-	(628,106)
Foreign currency translation difference for foreign operations	-	-	-	(96,250)	-	-	(96,250)
Total comprehensive loss for the year	-	-	(628,106)	(96,250)	(9,084,630)	(33,294)	(9,842,280)
Issue of ordinary shares	50,000,000	-	-	-	-	-	50,000,000
Share issue costs	(2,500,000)	-	-	-	-	-	(2,500,000)
Option Conversion	724,730	(94,730)	-	-	-	-	630,000
Option Vesting	-	528,000	-	-	-	-	528,000
Recognition of share-based payments (note 9)	251,818	1,021,224	-	-	-	-	1,273,042
Performance rights vested into shares	446,672	(446,672)	-	-	-	-	-
Balance at 30 June 2022	265,311,043	3,881,438	613,723	449,424	(95,461,212)	(33,294)	174,761,122
Balance at 1 July 2022	**265,311,043**	**3,881,438**	**613,723**	**449,424**	**(95,461,212)**	**(33,294)**	**174,761,122**
Comprehensive income for the year							-
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 operation	-	-	-	**(136,901)**	-	-	**(136,901)**
Total comprehensive loss for the year	-	-	**(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 (note 9)	**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**	-	-
Balance at 30 June 2023	**269,288,982**	**2,253,179**	**(13,365)**	**312,523**	**(104,360,963)**	**(133,976)**	**167,346,380**

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 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		**60,769,375**	-
Payments for exploration and evaluation		**(802,635)**	(1,102,961)
Payments to suppliers and employees (inclusive of GST)		**(57,781,229)**	(5,297,568)
Government grants received		**1,280,962**	471,687
Interest received		**861,818**	56,637
Net cash from/(used in) operating activities	13	**4,328,291**	(5,872,205)
Cash flows from investing activities			
Payments for property, plant and equipment		**(230,986)**	(167,366)
Payments for mine development activities		**(121,835,408)**	(226,542,712)
Proceeds from Investments		**-**	-
Net cash used in investing activities		**(122,066,394)**	(226,710,078)
Cash flows from financing activities			
Proceeds from issues of shares		**-**	50,630,000
Proceeds from conversion of options		**1,810,000**	-
Proceeds from borrowings		**39,157,941**	193,099,284
Repayment of borrowings		**(1,495,257)**	-
Payments for financing activities		**-**	-
Payment of share issue costs		**-**	(2,500,000)
Net cash from by financing activities		**39,472,684**	241,229,284
Net (decrease)/increase in cash and cash equivalents		**(78,265,419)**	8,647,001
Cash and cash equivalents at the beginning of the year		**119,645,087**	110,601,769
Effects of foreign exchange movement on cash held		**(78,169)**	396,317
Cash and cash equivalents at the end of the year	13	**41,301,499**	119,645,087

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

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 mineral sands, and also has interests in other base metal resources.

2. New Standards and Interpretations

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Group has no transactions that are affected by new effective accounting standards. The Group has applied AASB116 Property, Plant and Equipment (amendments) - Proceeds before intended Use. In accordance with the amendment an entity is require to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit or loss, instead of deducting the amounts received from the cost of the asset.

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 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Significant accounting policies

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).

The Group has adopted all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2022. The adoption of these standards and interpretations did not have a material impact on the Group financial report.

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 initially at fair values and subsequently measured at amortised costs using the effective interest method, 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.

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.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

a) Principles of Consolidation

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

b) 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. Subsequent to the year end the Company completed an equity raising that strengthens the Company's balance sheet, funds growth initiatives and funding for the ramp-up of the Coburn Mineral Sands Project. Further details regarding the equity raising are outlined in note 32.

c) Impairment

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.

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of the expense item; or
- for receivables and payables which are recognised inclusive of GST

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

e) Foreign Currency Translation

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional presentation currency. The functional currency of the Tanzanian subsidiaries is United States Dollars (USD).

Foreign currency transactions

Transactions in foreign currencies are translated to the respective financial currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss. However, foreign currency differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustment arising on acquisition, are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

f) 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:

- Measurement of share based payments – note 9
- Recognition of tax losses and deferred tax balances – note 11
- Measurement of inventory stockpiles – note 14
- Impairment testing of non-financial assets – note 16
- Capitalisation of exploration and evaluation expenditure – note 17
- Fair value NAIF debt facility – note 21

- Judgements in relation to assessing contracts for right of use assets and lease extension terms – note 21
- Measurement of mine rehabilitation provision – note 22

4. Segment information

The Group operates in one business segment, namely the mineral exploration industry. *AASB 8 'Operating Segments'* states that similar operating segments can be aggregated to form one reportable segment. Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. None of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not require separate reporting. The Group has therefore aggregated all its operating segments into one reportable operating segment. 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.

The Group has exploration and evaluation assets in Australia and Tanzania and geographical segment information is shown below:

	2023 Revenue $	2023 Non-current assets $	2022 Revenue $	2022 Non-current assets $
Australia	**62,913,538**	**379,183,511**	528,324	240,792,210
Tanzania	**-**	**6,440,591**	-	6,212,762
	62,913,538	**385,624,102**	528,324	247,004,972

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.

Operating segments have been identified based on the information provided to the chief operating decision makers - identified as being the Board of the Company. Operating segments that meet the quantitative criteria as described by *AASB 8 Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

5. Sales revenue

	2023 $	2022 $
Revenue from contracts with customers	**60,769,375**	-
	60,769,375	-

Revenue represents the sale of Heavy Mineral Concentrate (HMC) generated during the plant commissioning phase. 100% of the revenue was attributable to one customer during FY2023.

Accounting policy

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 sales 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.

Sales are initially recognised at an estimated sales value (the provisional price) when the product is delivered with final pricing determined at a later date when the related market-based pricing indices are available. Market-based adjustments are an embedded derivative and disclosed separately as other revenue in accordance with *AASB 9 Financial Instruments*. Sales adjustments are made for any assay variations between the time of delivery and the time of final settlement of sales proceeds.

6. Cost of goods sold

	2023 $	2022 $
Inventory cost movement	**48,578,682**	-
Selling costs	**6,894,635**	-
	55,473,317	-

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. Other income

	2023 $	2022 $
Research and development tax credit	**1,280,962**	471,687
Other	**1,383**	-
	1,282,345	471,687

Accounting policy

Government grants are recognised as income when there is reasonable assurance that the grant will be received. Grants are recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

8. Corporate and administrative expenses

	2023 $	2022 $
Employee benefit expense	**6,959,336**	2,667,767
Legal fees	**1,363,379**	825,768
Insurance	**489,141**	257,062
Other expenses	**2,999,126**	178,009
	11,810,982	3,928,606

9. Share based payments

Share based payments including share options and performance rights are granted under the Company's LTIP aimed at aligning the interests of employees and key management personnel (KMP) with those of shareholders.

The share based payment expense for the year is as follows:

	2023 $	2022 $
Share option expense	-	528,000
Performance rights expense	**1,244,650**	1,021,224
STI shares issued	**1,252,073**	251,819
	2,496,723	1,801,043

Share options

During the year no share options were issued by the Group.

The number and weighted average exercise price of share options are as follows:

	2023		2022	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	**13,000,000**	**0.25**	10,500,000	0.22
Granted	**-**	**-**	6,000,000	0.28
Forfeited	**(1,000,000)**	**0.26**	-	-
Exercised	**(7,500,000)**	**0.24**	(3,500,000)	0.21
Balance at end of the year	**4,500,000**	**0.26**	13,000,000	0.25

The share options outstanding at the end of the year had a weighted average remaining contractual life of 153 days (2022: 334 days).

The classes of unlisted share option on issue as at 30 June 2023 are as follows:

Expiry Date	Exercise price	Vested	Unvested	Number of options
28-Nov-23	$0.26	1,500,000	-	1,500,000
30-Nov-23	$0.30	3,000,000	-	3,000,000
Total options				4,500,000

Performance Rights

During the year the Group issued 7,468,846 performance rights to KMP's and other employees. The details are as follows:

Number granted during the year	Grant date	Expiry date	Fair value at grant date $ per right [1]	Vesting conditions
2,396,542	14-Oct-22	15-Aug-25	0.247	Tranche 8
4,004,694	24-Mar-23	15-Aug-25	0.247	Tranche 8
1,067,610	24-Mar-23	15-Aug-24	0.266	Tranche 7
7,468,846				

1. The fair value of performance rights with market conditions are determined using a hybrid share option pricing model and performance rights with non-market conditions are determined using the Black-Scholes options pricing model.

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

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

The Tranche 8 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 following reconciles the performance rights outstanding at the beginning and end of the year:

	2023 No.	2022 No.
Balance at beginning of the year	**17,487,657**	13,649,528
Granted	**7,468,846**	10,434,998
Exercised	**(2,546,108)**	(5,281,892)
Expired/forfeited	**(5,790,641)**	(1,314,977)
Balance at end of the year	**16,619,754**	17,487,657

Accounting policy

Equity-settled share based payments to employees and KMP are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of share based payments are expensed over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

The fair value of options and performance rights, with non-market conditions, are determined using a Black-Scholes model and the fair value of performance rights with market conditions, are measured using a hybrid pricing model.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors, will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of the fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award. Each award issued converts into one ordinary share of Strandline Resources Limited on exercise. Awards neither carry rights to dividends or voting.

Options may be exercised at any time from the date of vesting to the date of their expiry by paying the exercise price. Performance rights are, in effect, options to acquire unissued shares in the Company, the exercise of which is subject to certain performance milestones and remaining in employment during the vesting period. Performance rights are granted under the Group's Long Term Incentive Plan (LTIP) for no consideration and are granted for a period not exceeding 5 years.

In determining the fair value of share based payments granted a key estimate and judgment relates to the inputs into the valuation model used including the life of the award, volatility and dividend yield.

10. Net finance costs

	2023 $	2022 $
Finance income		
Interest income	**861,818**	56,637
	861,818	56,637
Finance expense		
Interest expense - leases	**23,240**	-
Net foreign exchange loss [1]	**3,277,886**	3,287,824
	3,301,126	3,287,824
Net finance costs	**2,439,308**	3,231,187

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.

11. Income tax expense

Reconciliation of income tax expense:

	2023 $	2022 $
Loss before tax	**11,540,570**	9,117,924
Tax at the Australian tax rate of 30% (2022: 30%)	**3,462,171**	2,735,377
Tax effect of:		
Non assessable income	**384,290**	-
Non-deductible expenses	**(679,397)**	(1,507,823)
Deferred tax assets and liabilities not recognised	**(3,167,064)**	(1,227,554)
Income tax expense	**-**	-

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

	2023 $	2022 $
Tax losses (revenue)	**32,059,319**	17,096,438
Other deferred tax assets	**4,863,715**	7,795,237
Deferred tax liabilities	**(16,557,592)**	-
Net unrecognised deferred tax asset	**20,365,442**	24,891,675

Deferred tax assets and tax losses

Deferred tax assets including tax losses have not been recognised at 30 June 2023 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.

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.

12. Loss per share

	2023	2022
Loss attributable to ordinary shareholders ($)	**11,439,888**	9,084,630
Issued ordinary shares at 1 July ('000)	**1,240,179**	1,116,183
Shares issued ('000)	**9,810**	30,526
Weighted average number of ordinary shares at 30 June ('000)	**1,249,989**	1,146,709
Basic and diluted loss per share (cents) [1]	**(0.92)**	(0.79)

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.

13. 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:

	2023 $	2022 $
Cash at bank	**26,243,499**	119,587,087
Cash on deposit	**15,058,000**	58,000
Cash and cash equivalents	**41,301,499**	119,645,087
Restricted cash	**-**	7,953,906
	41,301,499	127,598,993

In FY2022 the restricted cash balance of $7,953,906 (US$5,479,446) represented the remaining funds of the US$60 million senior secured Nordic Bond Facility to be drawn down. The funds were required to be held in the US$ denominated escrow bank account in the name of Coburn Resources Pty Ltd (100% fully owned subsidiary of Strandline) until the condition's precedent were completed.

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

	2023 $	2022 $
Loss for the year	**(11,540,570)**	(9,117,924)
Non-cash items		
Depreciation	**321,522**	156,370
Share-based payments	**2,496,723**	1,801,043
Unrealised foreign currency (gain)/loss	**3,449,483**	-
Net financing costs	**21,856**	-
Movements in working capital		
Decrease in trade and other receivables	**(617,884)**	2,887,890
Increase in prepayments	**(142,505)**	(371,677)
Increase in trade and other payables	**22,820,914**	17,449,129
Increase in provisions	**388,724**	236,035
Movement to exploration and evaluation assets	**353,159**	(17,439,641)
Movement to mine properties in development	**(12,985,241)**	-
Movements in foreign currency translation and NCI reserve	**(237,890)**	(1,473,430)
Net cash outflow used in operating activities	**4,328,291**	(5,872,205)

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.

14. Inventories

	2023 $	2022 $
Heavy mineral concentrate and intermediate stockpiles - at cost	**9,475,560**	-
Stores and consumables - at cost	**2,943,101**	-
	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.

15. Trade and other receivables

	2023 $	2022 $
GST receivable	**1,980,499**	4,137,869
Trade debtors	**9,412**	6,730
Other debtors	**718,389**	91,340
	2,708,300	4,235,939

Accounting policy

Trade and other receivables are non-interest bearing and are measured at fair value less any allowance for expected credit losses. The net amount of goods and services tax (GST) recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

16. Property, plant and equipment

	Plant and equipment $	Right-of-use lease assets $	Mine properties $	Mine properties in development $	Total $
At 30 June 2022					
Cost	1,081,628	3,281,208	5,416,635	232,485,753	242,265,224
Accumulated depreciation	(351,423)	(1,216,346)	-	-	(1,567,769)
Net book value	730,205	2,064,862	5,416,635	232,485,753	240,697,455
Opening net book value	156,309	264,552	2,881,025	28,256,403	31,558,289
Additions	780,576	2,923,433	2,535,610	201,334,786	207,574,405
Unwind NAIF fair value [1]	-	-	-	2,894,564	2,894,564
Depreciation charge	(205,308)	(1,123,123)	-	-	(1,328,431)
Foreign exchange movements	(1,372)	-	-	-	(1,372)
Net book value	730,205	2,064,862	5,416,635	232,485,753	240,697,455
At 30 June 2023					
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)**
Net book value	**1,374,282**	**30,854,185**	**16,217,746**	**331,792,900**	**380,239,113**
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 [1]	**-**	**-**	**-**	**3,523,857**	**3,523,857**
Disposals	**-**	**-**	**-**	**-**	**-**
Depreciation charge	**(334,030)**	**(2,458,812)**	**-**	**-**	**(2,792,842)**
Foreign exchange movements	**146**	**-**	**-**	**-**	**146**
Net book value	**1,374,282**	**30,854,185**	**16,217,746**	**331,792,900**	**380,239,113**

1. Unwind of the NAIF facility fair value in accordance with *AASB 120 Government Grants*. Further details refer note 21 accounting policy.

Assets pledged as security

The Northern Australian Infrastructure Facility (NAIF) and Nordic Bond Facility hold a first ranking, registered fixed and floating charge over all the assets of Coburn Resources Pty Ltd as security for the debt facility provided to fund construction of the Coburn Mineral Sands Project.

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.

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.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less and low value assets).

Impairment of non-financial assets
At each reporting date the Company assesses if there are any impairment indicators. If indicators or triggers are present or when annual impairment testing for an asset is required the Group estimates the assets recoverable amount. This is determined as the higher of the assets or cash generating units' (CGU) fair value less costs of disposal and its value in use. When the asset or CGU's recoverable amount is higher than its carrying value the asset is not impaired. When the carrying value of an asset or CGU exceeds the recoverable amount the asset is determined to be impaired and it is written down to its recoverable amount.

In determining an asset or CGU's recoverable amount management applies judgements and assumptions to future events and their likelihood. Assumptions and estimates are made with regard to future commercial arrangements and other factors which may include exchange rates, commodity prices, inflation and discount rates.

At 30 June 2023, there were no triggers for impairment on non-financial assets and no testing for impairment was required.

17. Exploration and evaluation expenditure

	2023 $	2022 $
Carried forward exploration and evaluation expenditure	**5,266,518**	5,374,320
Exploration and evaluation expenditure	**498,054**	792,323
Transfer to mine properties in development	**(498,054)**	(792,323)
Foreign exchange movement	**(133,432)**	(107,802)
	5,133,086	5,266,518

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.

18. 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:

	2023 $	2022 $
Within 1 year - Australia	**963,979**	1,002,009
Within 1 year - Tanzania	**710,967**	684,237
	1,674,946	1,686,246

19. Financial assets

	2023 $	2022 $
Financial assets held at fair value through other comprehensive income	**166,635**	206,310
Financial assets held at fair value through profit or loss	**-**	4,319
	166,635	210,629

The Company holds 793,500 shares in Coda Minerals Ltd that have been revalued to market value, based on the listed market price of $0.21 at 30 June 2023. The Group views the shares as a long-term investment and have elected to designate them as a fair value through Other Comprehensive income.

Accounting policy

Investments and financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss);
- Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

20. Trade and other payables

	2023 $	2022 $
Trade payables	**16,850,274**	8,640,693
Other creditors and accruals	**13,685,321**	25,119,195
	30,535,595	33,759,888

Accounting policy

Trade payables are unsecured, non-interest bearing and usually settled on 30-day terms. Trade payables are recognised as current liabilities unless payment is not due within 12 months from the reporting date.

Trade payables and other creditors and accruals represent the consideration to be paid in the future for goods and services provided to the Group, whether or not they have been billed to the Group. Trade payables are initially recognised at the value of the invoice received from the supplier.

21. Borrowings

	2023 $	2022 $
Current		
Lease liability	**6,176,295**	541,543
Chattel mortgage - vehicles	**378,475**	185,504
NAB working capital facility	**14,715,917**	-
Nordic Bond facility	**12,820,513**	-
	34,091,200	727,047
Non-current		
Lease liability	**25,902,115**	1,542,413
Chattel mortgage - vehicles	**830,499**	454,290
Nordic Bond facility [1]	**76,239,813**	87,095,369
NAIF facility	**92,487,564**	75,548,108
	195,459,991	164,640,180

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 16 for further information.

NAB working capital facility – AUD$15 million

- 12 month revolving facility for Coburn project operations
- Comprehensive senior security package over assets and rights of the Coburn project, pari passu with the NAIF and Bond financing
- The facility was drawn down in late June 2023

NAIF facility – AUD$150 million

- Up to 15 year tenor with no principal repayments until the earlier of March 2028 or 3 months after the Nordic Bond or any Bond refinancing is repaid. Thereafter, quarterly principal repayments continue 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: Up to AUD$130 million towards the construction of Coburn's core mine process and non-process infrastructure

- Second NAIF loan tranche: Up to AUD$20 million for a potential future northern access road linking the project more directly to the Denham community in Shark Bay (subject to feasibility assessment, permitting and approvals)
- Comprehensive senior security package over assets and rights of Coburn project, pari passu with the Bond financing
- First loan tranche of AUD$130 million drawn in July 2021.

Nordic Bond facility – USD$60 million

- 5 year tenor with a maturity date of 20 March 2026
- No amortisation until March 2024, then quarterly amortisation of USD 4.25 million from 20 March 2024 to 20 June 2025, then amortisation of USD 2.25 million at 20 September 2025 and 20 December 2025. 50% bullet at the maturity date
- The Company may buy back the debt on-market at any time or redeem the bonds early (subject to make whole payments and call premia depending on the time of the prepayment)
- Conditions precedent to drawdown are customary for a loan facility of this nature, aligning with the NAIF loan facility, including but not limited to, completion of security documentation, Strandline contributing project equity and satisfaction of cost to complete test for each draw down
- 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
- To be 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 loan facility
- US$60m - A$90.5m at AUD:USD 0.6630 at 30 June 2023 (US$60m - A$87.08m at AUD:USD at 30 June 2022)

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.

Lease liabilities

Lease liabilities are initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease. This initial value represents the initial lease asset value.

The lease payments include the present value of fixed payments prescribed in the contract; variable lease payments based on an index or prescribed rate; amounts expected to be payable by the lessor under residual value guarantees; and exercise price of any purchase option if it is reasonably certain that the option will be exercised. The present value of the lease liability is increased by the interest cost and decreased by the lease payment each period over the life of the lease.

Judgement is required when assessing whether a contract is or contains a lease at inception by assessing whether the Group has the right to direct the use of the identified asset and obtain substantially all the economic benefit from the use of that asset. Lease extension options are also assessed by the Group and included where there is reasonable certainty that the options will be exercised.

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.

22. Provisions

	2023 $	2022 $
Current		
Annual leave	**825,104**	459,933
Non-current		
Long service leave	**153,924**	130,371
Mine rehabilitation	**14,664,420**	4,361,363
	14,818,344	4,491,734

	Rehabilitation	Employee benefits
Movement		
Opening balance 1 July	**4,361,363**	**590,304**
Provisions made during the year	**10,303,057**	**388,724**
Carrying amount at year end	**14,664,420**	**979,028**

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

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.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the current provision for employee benefits and in accordance with the above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

23. Contributed equity

	2023 $	2022 $
1,252,888,665 fully paid ordinary shares (2022: 1,240,178,572 shares)	**269,288,982**	265,311,043

	2023		2022	
	No.	$	No.	$
Fully paid ordinary shares				
On issue 1 July	**1,240,178,572**	**265,311,043**	1,116,182,549	216,387,823
Shares issued:				
Employee Short term Incentive (STI) taken as shares	**2,663,985**	**1,252,073**	1,259,093	251,819
Institutional placement	**-**	**-**	116,279,070	50,000,000
Exercise of options	**7,500,000**	**2,192,929**	3,500,000	724,729
Vesting of performance rights	**2,546,108**	**532,937**	2,957,860	446,672
Share issue costs	**-**	**-**	-	(2,500,000)
On issue 30 June	**1,252,888,665**	**269,288,982**	1,240,178,572	265,311,043

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 2023, the Company has 4,500,000 share options on issue (2022: 13,000,000). During the year no options were granted (2022: nil), 7,500,000 options were converted into shares (2022: 3,500,000) and 1,000,000 options expired/forfeited (2022: nil).

At 30 June 2023, the Company has 16,619,754 performance rights on issue (2022: 17,487,657) exercisable on a 1:1 basis for 16,619,754 shares (2022: 17,487,657). During the year 7,468,846 performance rights were granted (2022: 10,434,998), 2,546,108 performance rights were converted into shares (2022: 5,281,892) and 5,790,642 performance rights expired/forfeited (2022: 1,314,977).

Further details regarding the performance rights and options are outlined in note 9.

Accounting policy

Ordinary share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

24. Reserves

	2023 $	2022 $
Share based payments reserve	**2,253,179**	3,881,438
Foreign currency translation reserve	**312,523**	449,424
Revaluation Reserve	**(13,365)**	613,723
	2,552,337	4,944,585

	2023 $	2022 $
Share based payments reserve		
Balance at beginning of year	**3,881,438**	2,873,616
Recognition of share-based payments [1]	**1,244,650**	1,549,224
Performance rights and options vested into share capital	**(915,866)**	(541,402)
Transfer to accumulated losses following forfeiture of options/performance rights	**(1,957,043)**	-
Balance at end of year	**2,253,179**	3,881,438

1. Total expenses arising from share based payment transactions recognised during the year.

	2023 $	2022 $
Foreign currency translation reserve		
Balance at beginning of year	**449,424**	545,674
Foreign currency translation difference for foreign operations	**(136,901)**	(96,250)
Balance at end of year	**312,523**	449,424

Accounting policy

The share based payments reserve arises on the grant of share options and performance rights to executives and employees and represents the cumulative expense of the outstanding awards. Amounts are transferred out of the reserve into issued capital when the options are exercised or transferred to retained earnings/(accumulated loss) if the awards lapse or are forfeited.

The revaluation reserve is used to recognise increments and decrements in the fair value of investments.

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

25. Financial instruments

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

	2023 $	2022 $
Financial assets		
Cash and cash equivalents	**41,301,499**	119,645,087
Restricted cash	**-**	7,953,906
Investments (FVOCI)	**166,635**	206,310
Investments (FVPL)	**-**	4,319
Trade and other receivables	**2,708,300**	4,235,939
	44,176,434	132,045,561
Financial liabilities		
Trade payables	**16,850,274**	8,640,693
Lease liabilities	**32,078,410**	2,083,956
Borrowings	**197,472,781**	163,283,271
	246,401,465	174,007,920

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:

	2023 $	2022 $
Cash and cash equivalents	**157,017**	3,096,037
Borrowings	**90,497,738**	87,095,369

Based upon the foreign currency financial instruments held at 30 June 2023, 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 (2022: $7.6 million higher/$9.3 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 4.1% (2022: 0% to 0.01%) 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:

	2023 $	2022 $
Cash and cash equivalents	**41,301,499**	119,645,087
Restricted cash	**-**	7,953,906
Borrowings	**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 $261,975 (2022: $65,762) 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-.

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 $
2023					
Financial liabilities					
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**
Total	**246,401,465**	**70,988,692**	**100,888,077**	**270,680,622**	**442,557,391**

	Carrying amount $	Less than one year $	Between one and five years $	After five years $	Total contractual cash flows $
2022					
Financial liabilities					
Trade and other payables	8,640,693	8,640,693	-	-	8,640,693
Borrowings – Nordic Bond	87,095,369	-	119,015,822	-	119,015,822
Borrowings – NAIF	91,548,108	-	-	213,939,375	213,939,375
Chattel mortgage - vehicles	639,794		185,504	454,290	639,794
Lease liabilities	2,083,956	-	541,543	1,542,413	2,083,956
Total	190,007,920	8,640,693	119,742,869	215,936,078	344,319,640

Fair value

Fair value of financial assets and liabilities

The Group's financial assets and financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of the Groups financial assets and financial liabilities approximates their carrying amounts.

Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3: Unobservable inputs for the asset or liability.

The Group's financial assets measured at fair value are set out in the table below:

	2023 $	2022 $
Level 1 assets		
Shares in Coda Minerals Ltd	**166,635**	206,310
USD/AUD call options	**-**	4,319
	166,635	210,629

The Group is exposed to equity securities price risk arising from investments held by the Group and classified in the statement of financial position as financial assets at FVOCI. This risk is not material.

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.

26. Key management personnel compensation

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

- Didier Murcia - Non-Executive Chair -appointed 1 March 2016
- Peter Watson - Non-Executive Director - appointed 10 September 2018
- John Hodder - Non-Executive Director - appointed 8 June 2016
- Mark Hancock - Non-Executive Director - appointed 11 August 2020
- Alexandra Atkins - Non-Executive Director - appointed 24 May 2021
- James Chialo - Alternate Director for Alexandra Atkins - appointed 10 December 2021
- Luke Graham - Managing Director - appointed 19 September 2016
- Flavio Garofalo - CFO and Company Secretary – appointed 21 May 2018

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

	2023 $	2022 $
Short-term employee benefits	**1,548,611**	1,690,750
Post employment benefits	**72,451**	80,440
Share based payments	**1,017,163**	1,058,134
	2,638,225	2,829,324

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.

27. Remuneration of auditors

	2023 $	2022 $
Audit Services - BDO Audit (WA) Pty Ltd		
Audit and review of the financial statements	**116,795**	75,618
Non Audit Services - BDO Corporate Tax (WA) Pty Ltd		
Tax compliance services	**5,605**	20,991

28. Contingent liabilities

On 18 December 2022 TMM Group (Operations) Pty Ltd (TMM), a subsidiary of Macmahon Holdings (ASX: MAH) initiated legal proceedings in the Supreme Court of Western Australia against Strandline's subsidiary Coburn Resources Pty Ltd (Coburn) claiming that Coburn owes TMM in the order of $13.5 million and recovery of the amounts of two bonds drawn down by Coburn at a value of $1,195,000 each. TMM's claim was amended on 19 July 2023 to increase to approximately $15.4 million (net of amounts already paid on adjudication). TMM has not included any additional claims, and the Company considers this increase appears to be due to an accounting reconciliation. The Company's currently pleaded Counterclaim is for an amount of $7,836,330, representing a claim for the return of payment made to TMM by Coburn as a result of an adjudication process in 2022, and one separate individual claim brought by Coburn against TMM.

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 2023 (30 June 2022: $nil).

29. Related party transactions

Transactions with key management personnel

<u>Compensation</u>

Details of key management personnel compensation is outlined in note 26.

<u>Loans</u>

No loans have been made by the Company to key management personnel during the year (2022: nil).

<u>Other transactions</u>

Mr. Didier Murcia, Non-Executive Chair, is a chair of the legal firm, Murcia Pestell Hillard. Fees totalling $10,409 were paid to Murcia Pestell Hillard for work completed on various legal matters (2022: $42,213). All transactions related to the services were based on normal commercial terms.

30. Group entities

	Country of Incorporation	**Ownership Interest**	
		2023	2022
Parent Entity			
Strandline Resources Limited	Australia		
Subsidiaries			
Active Resources (Tanzania) Limited	Tanzania	**100%**	100%
Jacana Resources (Tanzania) Limited	Tanzania	**100%**	100%
Tanzanian Graphite Limited	Tanzania	**100%**	100%
Coburn Resources Pty Ltd	Australia	**100%**	100%
Strandline Resources UK Limited	Australia	**100%**	100%
Nyati Mineral Sands Ltd	Tanzania	**84%**	84%

31 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.

	2023 $	2022 $
Results of the parent entity		
Loss for the period	**(10,871,110)**	(3,428,429)
Total comprehensive loss for the period	**(10,871,110)**	(3,428,429)
Financial position of the parent entity at year end		
Current assets	**30,148,297**	173,290,335
Total assets	**169,893,289**	177,007,862
Current liabilities	**2,193,487**	1,788,817
Total liabilities	**2,546,909**	2,246,740
Net assets	**167,346,380**	174,761,122
Contributed equity	**269,282,452**	265,304,513
Reserves	**2,239,816**	4,495,161
Accumulated losses	**(104,175,888)**	(95,038,552)
Total equity	**167,346,380**	174,761,122

The accounting policies of the parent are consistent with those of the Group as disclosure in these notes to the Consolidated Financial Statements.

Parent Entity Contingencies

The parent entity had nil contingent liabilities as at 30 June 2023 (2022: nil).

32. Events subsequent to reporting date

Subsequent to the year end, on 31 July 2023, the Company announced an equity raising comprising of an institutional placement $33.8 million (before costs) and a Share Purchase Plan of $2.7 million through the issue of 203.2 million new fully paid ordinary shares. The equity raising strengthens the Company's balance sheet to support its growth initiatives and the ramp-up of the Coburn Mineral Sands Project. The institutional placement was completed on 1 August 2023 and the Share Placement Plan completed on 24 August 2023.

In July 2023, the Company commenced payments to the Project Affected People (PAP) as part of the Fungoni project Resettlement Action Plan (RAP). The estimated amount of compensation is US$8.5 million that secures the land access for the potential future development of Fungoni.

Mr Jozsef Patarica was appointed as Chief Executive Officer (CEO) in July 2022 and commenced duties on the 4th of September 2023. Mr Luke Graham will relinquish his role as CEO and remain Managing Director focusing on strategy and growth initiatives. Material terms of Mr Patarica's employment agreement are outlined as follows:

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

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.

33. Approval of financial statements

The financial statements were approved by the Board of Directors on 5 September 2023.

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;

(b) in the Directors' opinion, the attached consolidated financial statements and notes thereto, as set out on pages 46 to 74, are in compliance with International Financial Reporting Standards;

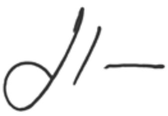
(c) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 and other mandatory professional reporting requirements, including compliance with accounting standards and giving a true and fair view of the financial position 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 34 to 42 of this report (as part of the audited Remuneration Report), for the year ended 30 June 2023, comply with s.300A of the Corporations Act 2001.

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



Luke Graham
Managing Director

Perth, 5 September 2023

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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 2023, 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 a summary of significant accounting policies 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 2023 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.

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.

Accounting for mine properties

Key audit matter	*How the matter was addressed in our audit*
Accounting for Mine Properties under Development related to the Coburn Mineral Sands Project is a key audit matter due to: • The size of Mine Properties under Development, which represents 79% of the Group's total assets as at 30 June 2023; and • During the year the Group capitalised significant construction expenditure as Mine Properties under Development. Mine Properties are recorded by the Group in accordance with AASB 116 *Property, Plant and Equipment*. The standard prescribes that expenditure shall be recognised as an asset if, and only if: a) It is probable that future economic benefits associated with the item will flow to the entity; and b) The cost if the item can be measured reliably. The Group uses judgement and estimates in the identification and allocation of costs between operating expenditure and capital expenditure. We focussed on: • The capitalisation and accuracy of expenditure recognised by the Group in accordance with the accounting standards; and The Group's determination of the extent to which borrowing costs incurred in respect of the AUD $150m NAIF Loan Facility, USD$60m Bond Facility and AUD $15m NAB Facility relating to the qualifying asset being the Coburn Mineral Sands Project are capitalised in accordance with accounting standards.	Our procedures included but were not limited to: • Verifying on a sample basis, mine development expenditure capitalised during the year for compliance with the measurement and recognition criteria of accounting standards; • Assessing the capitalisation of borrowing costs related to the Coburn Minerals Sands Project being the qualifying asset against the requirements of the relevant accounting standard; • Evaluating the reasonableness of management's assessment of indicators of impairment as at 30 June 2023 in accordance with Australian Accounting Standards; • Evaluating the reasonableness of management's classification of the project as under Development; and • Assessing the adequacy of the related disclosures in Note 16 to the Financial Report.

Accounting for leases

Key audit matter	*How the matter was addressed in our audit*
The Group applies Australian Accounting Standard AASB 16 *Leases* in accounting for the Group's portfolio of Leases. As a result, Right-of-use assets and Lease liabilities are recognised in the statement of financial position. During the year, the Group accounted for leases relating to the Coburn Mineral Sands Project as the assets became available for use, which included an assessment of material contracts against the requirements of AASB 16 *Leases*. We considered this a key audit matter given the financial significance of the related balances in the Group's statement of financial position, the critical estimates and judgements used in determining the lease term assumptions in the lease calculations, as well as the significant amount of audit effort in auditing the balances.	Our procedures included but were not limited to: • Reviewing independent accounting advice obtained from an expert engaged by management to perform the assessment of all lease contracts under AASB 16 *Leases*; • Assessing the competency and objectivity of management's expert; • Evaluating the lease calculation against the terms of the lease agreement and the requirement of AASB 16 *Leases*; • Testing the mathematical accuracy of the lease calculations; • Assessing whether the Group's accounting policies are in accordance with the requirements of AASB 16 *Leases*; and • Assessing the adequacy of the related disclosures in Note 16 and Note 21 to the Financial Report.

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 2023, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.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 in pages 34 to 42 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Strandline Resources Limited, for the year ended 30 June 2023, 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 (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 5 September 2023

SHAREHOLDER INFORMATION

DETAILS OF SECURITIES AS AT 30 AUGUST 2023

1 Number of Shareholders and Unmarketable Parcels

There were 7,927 shareholders, including 986 with an unmarketable parcel valued at less than $500.

2 Distribution of Equity Securities

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

	Total holders	Units	% Units
1 - 1,000	429	-	-
1,001 - 5,000	1,106	-	-
5,001 - 10,000	910	-	-
10,001 - 100,000	3,736	-	-
100,001 and over	1,686	4	10
	7,927	**4**	**10**
Number of securities	1,462,564,234	4,500,000	11,864,410

3 Top 20 Largest Ordinary Shareholdings

No.	Name	Number held	% Share Holding
1	NDOVU CAPITAL VII BV	228,779,233	15.64
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	95,798,350	6.55
3	CITICORP NOMINEES PTY LIMITED	88,007,172	6.02
4	UBS NOMINEES	34,523,485	2.36
5	HSBC CUSTODY (NOMINEES) LIMITED	32,430,361	2.22
6	BRAZIL FARMING PTY LTD	26,000,000	1.78
7	ANCHORFIELD PTY LTD <BRAZIL FAMILY FNDN A/C>	22,000,000	1.50
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	19,632,601	1.34
9	MR HARRY HATCH	18,704,015	1.28
10	MRS WENJUAN WU	16,088,949	1.10
11	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	13,777,778	0.94
12	MR KENNETH JOSEPH HALL <HALL PARK A/C>	11,269,509	0.77
13	MR LUKE EDWARD GRAHAM	10,180,501	0.70
14	PERTH SELECT SEAFOODS PTY LTD	10,000,000	0.68
15	NATIONAL NOMINEES LIMITED	9,691,699	0.66
16	MR ANDREW FREDERICK TROWSE <A F TROWSE FAMILY A/C>	7,930,961	0.54
17	MR KENNETH JOSEPH HALL <HALL PARK A/C>	7,878,000	0.54
18	ARTEMIS CORPORATE LIMITED	7,111,806	0.49
19	ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	6,461,344	0.44
20	MR SER YONG LEE	4,915,000	0.44
	TOTAL TOP 20 SHAREHOLDERS	**671,180,761**	**45.89**
	REMAINING SHAREHOLDERS	**791,383,473**	**54.11**
	TOTAL NUMBER OF ISSUED SHARES	**1,252,888,665**	**100.00**

4 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 set out below:

	Ordinary Shares	
Name	Number Held	Percentage of Issued Shares (%)
NDOVU CAPITAL VII BV	232,422,196	16.13
UNITED SUPER PTY LTD	63,034,141	5.03

5 Unlisted Share Options

No. of Holders	Exercise Price	Expiry Date	No. of Options
1	Unlisted Options at $0.26 each	28 November 2023	1,500,000
3	Unlisted Options at $0.30 each	28 November 2023	3,000,000
			4,500,000

Share Options Holders above 20%

No.	Name	No. of Options	% Options held
1	Storm Enterprises Pty Ltd	1,500,000	33.34
2	Mark and Julie Hancock as trustee for Marlie Family Trust	1,000,000	22.22
3	Alexandra Clare Atkins as trustee for the Atkins Family Trust	1,000,000	22.22
4	Ndovu Capital VII B.V.	1,000,000	22.22
	TOTAL OPTIONS HOLDERS	**4,500,000**	

6 Unlisted Performance Rights

No. of Holders	Expiry Date	No. of Performance Rights
9	15 August 2024	5,791,942
9	15 August 2025	6,072,468
	TOTAL PERFORMANCE RIGHT HOLDERS	**11,864,410**

Performance Right Holders above 20%

No.	Name	No. of Performance Rights	% Performance Rights held
1	Mr Luke Graham	4,775,803	40.25

7 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.

8 Restricted Securities

There were no restricted securities.

9 On-Market Buy Back

There is no current on-market buy back.

10 Securities Approved Not Issued

None.

Mining Tenements Held As At 30 June 2023

Location	Name	Interest
Australia	**Coburn Mineral Sands Project**	
E09/939	Shark Bay District, Western Australia	100%
L09/21	Shark Bay District, Western Australia	100%
L09/43	Shark Bay District, Western Australia	100%
M09/102	Shark Bay District, Western Australia	100%
M09/103	Shark Bay District, Western Australia	100%
M09/104	Shark Bay District, Western Australia	100%
M09/105	Shark Bay District, Western Australia	100%
M09/106	Shark Bay District, Western Australia	100%
M09/111	Shark Bay District, Western Australia	100%
M09/112	Shark Bay District, Western Australia	100%
R09/02	Shark Bay District, Western Australia	100%
R09/03	Shark Bay District, Western Australia	100%
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%

MINING TENEMENTS

Location	Name	Interest
Tanzania	**Mineral Sands Projects**	
ML 678/2022	Fungoni	84%
PL 12218/2023	Fungoni	84%
PL 12211/2023	Sudi	84%
PL 12217/2023	Bagamoyo	84%
PL 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 00607/2022 (application)	Tajiri	84%

Annexure B – Mineral Resource Data

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

During the financial year, an initial depletion of approximately 7.6 million tonnes occurred from the Coburn Ore Reserve, reflecting the commencement of production during the commissioning phase. This depletion represents around 1.4% of the current Ore Reserve and underscores the Project's progression while recognizing the ongoing nature of commissioning activities

COBURN MINERAL SANDS PROJECT – WESTERN AUSTRALIA

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

	Ore (1)			Valuable HM Grade (In-Situ) (2)					
Resource Category	Material (Mt)	In situ THM (Mt)	THM (%)	Ilmenite (%)	Rutile (%)	Zircon (%)	Leucoxene (%)	Slimes (%)	Oversize (%)
Measured	119	1.5	1.3	45	5	24	6	3	6
Indicated	607	7.7	1.3	48	7	22	5	3	3
Inferred	880	10.4	1.2	49	7	21	4	3	1
Total	1606	19.6	1.2	48	7	22	5	3	2

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
	Total[1]	**523**	**5.83**	**1.11**

Notes:
Total may deviate from the arithmetic sum due to rounding

FUNGONI MINERAL SANDS PROJECT - TANZANIA

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

MINERAL RESOURCE SUMMARY FOR FUNGONI PROJECT										
Summary of Mineral Resources[1]					VHM assemblage[2]					
Deposit	Mineral Resource Category	Tonnage (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
	Total[3]	**21.74**	**0.6**	**2.8**	**40.7**	**4.3**	**16.9**	**1.2**	**22**	**7.0**

Notes:
1. *Mineral Resources reported at a cut-off grade of 1.0% THM*
2. *Valuable Mineral assemblage is reported as a percentage of in situ THM content*
3. *Appropriate rounding applied*

Refer ASX announcement 2 May 2017 for full details of the Fungoni Mineral Resource Estimate. Mineral Resources were converted to Ore Reserves in accordance with the JORC Code 2012 Edition based on the pit designs, recognising the level of confidence in the Mineral Resource Estimation, and reflecting modifying factors.

MINERAL RESOURCES AND ORE RESERVES INFORMATION

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						
			Slimes		Heavy Mineral	
Deposit	Reserve Category	Ore (Mt)	(Mt)	(%)	In Situ HM (kt)	THM (%)
FUNGONI	Proved	6.9	1.2	18	341	4.9
FUNGONI	Probable	5.4	1.0	19	138	2.6
	Total*	**12.3**	**2.3**	**19**	**480**	**3.9**

**Note totals may deviate from the arithmetic sum due to rounding.*

TAJIRI MINERAL SANDS PROJECT - TANZANIA

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

		Summary of Mineral Resources (1)						THM Assemblage (2)				
Deposit	THM % cut-off	Mineral Resource Category	Tonnage (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
		Total	**74**	**2.5**	**3.4**	**27**	**9**	**48**	**3**	**5**	**0**	**30**
Tajiri T1	1.50%	Indicated	36	1.3	3.7	34	4	71	6	10	0	3
Tajiri North	1.70%	Indicated	60	1.7	2.8	47	4	75	4	6	1	1
T2	1.70%	Indicated	17	0.5	2.8	32	11	58	4	7	0	18
T3	1.70%	Indicated	3	0.1	2.8	39	4	66	5	8	1	4
T4	1.70%	Indicated	14	0.4	3.0	24	6	61	4	8	0	12
TC	1.70%	Indicated	35	1.4	4.1	27	9	46	3	6	0	36
		Total	**165**	**5.4**	**3.3**	**36**	**6**	**64**	**4**	**7**	**0**	**13**
Vumbi	1.70%	Inferred	29	0.9	3.0	30	12	64	4	7	1	2
		Total	**29**	**0.9**	**3.0**	**30**	**12**	**64**	**4**	**7**	**1**	**2**
		Grand Total	**268**	**8.8**	**3.3**	**33**	**7**	**59**	**4**	**7**	**0**	**17**

Notes:

1 Mineral Resources reported at various THM cut-offs

2 Mineral Assemblage is reported as a percentage of 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 prepared by Mr Brendan Cummins, Chief Geologist and employee of Strandline. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Strandline Resources.

TANGA SOUTH (TAJIRI) MINERAL RESOURCES

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

TANGA SOUTH (TAJIRI) SCOPING STUDY PRODUCTION TARGETS (NO ORE RESERVES DECLARED)

The information in this report that relates to the production targets considered within the Scoping Study is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC Consultants Pty Ltd.

Mr Jones has sufficient experience relevant to the style of mineralization and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the production targets are drawn from contributions provided by various sources as stated in the Tanga South (Tajiri) Resource announcement dated 09 July 2019.

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.

MINERAL RESOURCES AND ORE RESERVES INFORMATION

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 and comments about future events, including statements about Strandline's expectations about the financial and operating performance of its business. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. Forward looking statements can generally be identified by the use of forward looking words including (without limitation) words such as, "expect", "anticipate", "likely", " intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. These risks, uncertainties and assumptions include (without limitation) 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. A number of important factors could cause Strandline's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific and many of which are outside the control of Strandline, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. 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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