INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

STRANDLINE resources limited

ABN 32 090 603 642

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Didier Marcel Murcia	Independent Non-Executive Chair
Luke Edward Graham	Managing Director and CEO
Peter Richard Watson	Non-Executive Director
John Russell Hodder	Non-Executive Director
Ernest Thomas Eadie	Independent Non-Executive Director
Mark David Hancock	Independent Non-Executive Director
Alexandra Clare Atkins	Independent Non-Executive Director
James Peter Chialo	Alternate Director (Alternate to Alexandra Atkins)

COMPANY SECRETARY

Flavio Lino Garofalo

REGISTERED AND PRINCIPAL OFFICE

Level 9, 216 St Georges Terrace
Perth, Western Australia 6000

Tel: (61 8) 9226 3130
Fax: (61 8) 9485 2070
Email: enquiries@strandline.com.au

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, WA 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

BUILDING A SIGNIFICANT CRITICAL MINERALS BUSINESS

COVER IMAGE: WET CONCENTRATION PLANT AND INFRASTRUCTURE

CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	16
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	18
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	19
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	20
CONSOLIDATED STATEMENT OF CASH FLOWS	21
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	22
DIRECTORS' DECLARATION	33
INDEPENDENT AUDITOR'S REPORT	34

MINERAL SEPARATION PLANT AND SOLAR FIELD

DIRECTORS' REPORT

The Directors of Strandline Resources Limited ("**Strandline**" or "the **Company**") submit the Financial Report on the Consolidated Entity ("the **Group**") consisting of Strandline Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

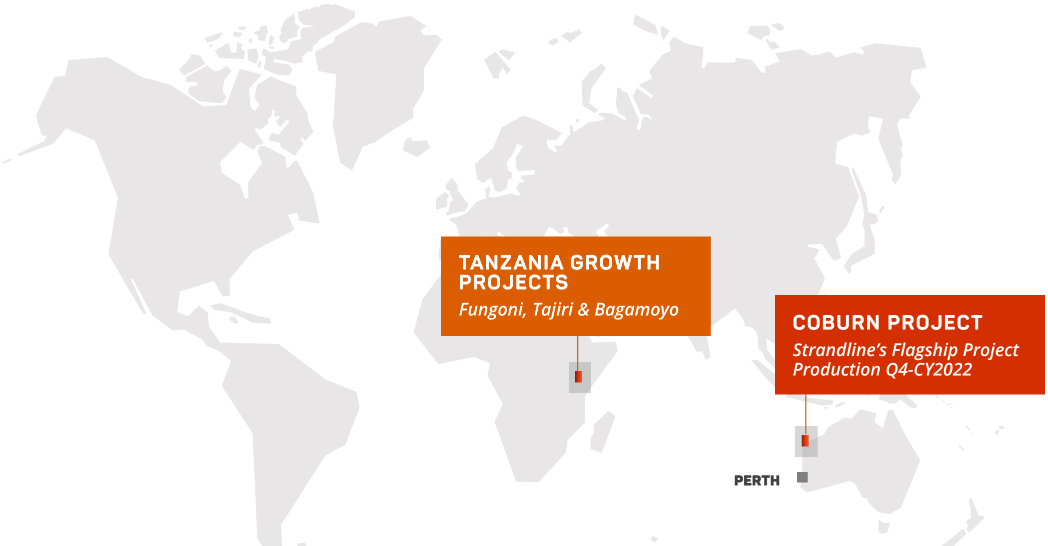
DIRECTORS

The names of the Company's directors in office during the or since the end of the half year are:

Name	Particulars
Didier Marcel Murcia	Independent Non-Executive Chair
Luke Edward Graham	Managing Director & Chief Executive Officer
Peter Richard Watson	Non-Executive Director
John Russell Hodder	Non-Executive Director
Ernest Thomas Eadie	Independent Non-Executive Director
Mark David Hancock	Independent Non-Executive Director
Alexandra Clare Atkins	Independent Non-Executive Director
James Peter Chialo	Alternate Director (Alternate to Alexandra Atkins, appointed 10-Dec-2021)

PRINCIPAL ACTIVITIES

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



EXPLORATION AND EVALUATION IN AUSTRALIA AND TANZANIA, WITH A FOCUS ON MINERAL SANDS

REVIEW OF OPERATIONS

Mineral Sands Projects – Australia

Coburn Project

Strandline's 100% owned Coburn mineral sands project in Western Australia is one of the largest new mineral sands projects in the world, underpinned by an attractive high-value product suite, conventional design and low-cost operation.

Coburn is situated close to key port, road and services infrastructure of Geraldton and the dominant mineral sands market of Asia.

Following the announcement of Final Investment Decision on 4 May 2021, the Company proceeded with the full development and construction of the Coburn project. The Company also announced Financial Close on 30 September 2021 enabling the first drawdown on the debt facilities to take place.

Construction at Coburn is advancing in line with budget and schedule, ensuring Strandline remains on-track to achieve first production of HMC in the December quarter, 2022.

Detailed engineering design is largely complete across the project, procurement of materials and equipment are advancing strongly, and all major construction contractors have now mobilised to site, with the latest being the power station and overhead powerline contractors.

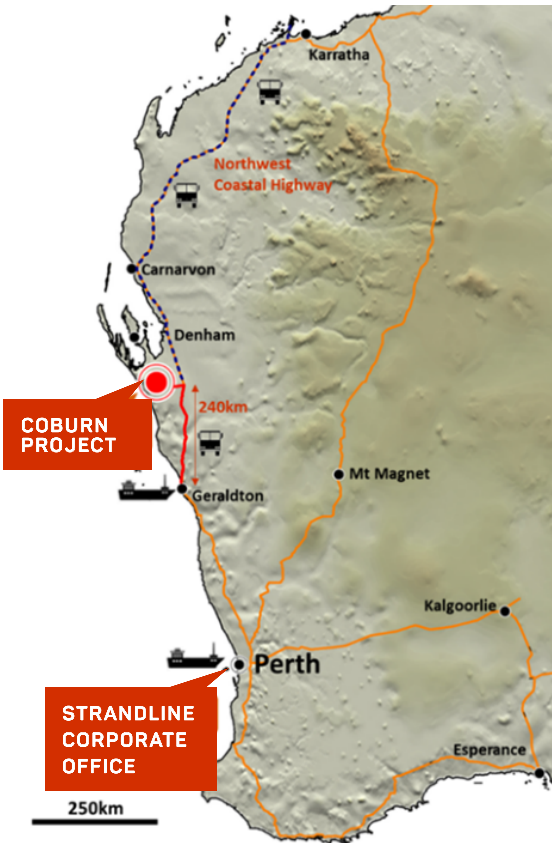


FIGURE 1: COBURN PROJECT LOCATION MAP

SITE ACCOMMODATION, WETMESS AND FACILITIES

In January 2022, following the end of the half year, the overall project progress reached 50% complete with key milestones achieved including:

- All major construction contracts awarded/committed representing ~96% of project scope (in terms of value)
- Significant bulk earthworks and road clearing, cut-to-fill, sub-base and base course works progressed as a priority to enable installation of above-ground infrastructure to proceed
- Processing Plant EPC delivery progressed ahead of schedule, and site accommodation village, hybrid power station, dozer mining units, bore field, site offices and buildings and environmental monitoring works all advancing in accordance with the development plan
- Preparations for production is ramping-up with senior-team appointments and key mining services and product transport and logistics contracts executed in line with the operating cost assumptions contained in the DFS

The Company continues to focus on managing the various risk factors associated with development of the project, including, but not limited to, HSE risks, potential impacts of COVID-19, contractor performance and contractual claims. The capital expenditure (Capex) forecast to complete, including an assessment of contractual claims received to date, is regularly evaluated by the Company's technical, financial and legal experts. The project forecast remains within the overall Capex budget.

Coburn's estimated Capex of A$338m comprises a combination of long-tenor debt provided by the Northern Australian Infrastructure Facility (NAIF) (up to A$150m), a US$60m Bond tranche and A$130m of cash provided by the Company.

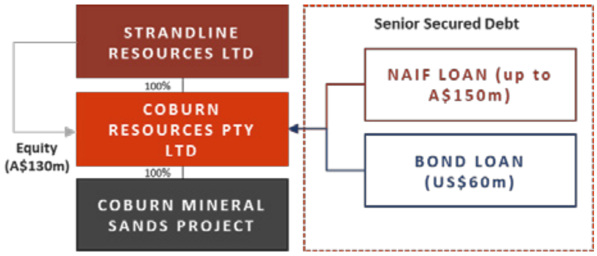


FIGURE 2: COBURN FINANCING STRUCTURE

The Company has secured six major binding offtake contracts covering 100% of Coburn's forecast mineral sands production, based on the pricing structures contained in the agreements and commodity price forecast assumptions contained in the Coburn updated Definitive Feasibility Study (DFS) (see ASX release dated 4 Jun-2020). The offtake contracts are with some of the world's largest mineral sands consumers, with approximately 80% of production to be sold to major American and European customers and the balance sold into Asia.

The Coburn mine life currently sees mining continue until 2045 (based on mining the initial 22.5-year JORC compliant Ore Reserves), with the potential to extend to 2060 (total 37.5 years mine life) by converting Mineral Resources which exist immediately north and along strike of existing Ore Reserves.

THE OFFTAKE CONTRACTS ARE WITH SOME OF THE WORLD'S LARGEST MINERAL SANDS CONSUMERS

The Coburn project is set to capitalise on its robust margins, the strengthening minerals sands commodity pricing outlook, its tier-1 location, and the growing demand for critical minerals. Key project metrics include:

- Pre-tax NPV of A$705m (AUD:USD 0.70, 8% DCF discount rate)
- High margin revenue-to- operating cost (C1) ratio of 2.4
- Projected revenue for the initial 22.5 years of Ore Reserves of A$4.4b
- Average annual EBITDA of A$104m and +50% EBITDA margin
- Potential mine life extension case of 15years (to 37.5 years) with total estimated project EBITDA of A$4.54b, from conversion of existing Mineral Resources north and along strike of the current Ore Reserves

Category	Updated DFS – Final Product Case (Jun-2020)	Scoping Study Extension Case integrated with updated DFS (Jun-2020)
Mine Life	22.5yrs	37.5yrs
Tonnes Mined	523Mt	876.8Mt
Throughput	23.4Mtpa	23.4Mtpa
Capital Expenditure (Pre-production)	A$260M	A$260M
Revenue	A$4.37B	A$7.94B
Total Opex (C1)	A$1.80B	A$3.00B
Total All-in Sustaining Costs (AISC)	A$2.08B	A$3.50B
Revenue-to-operating cost (C1) ratio (RC)	2.4	2.6
NPV (pre-tax, real, no debt, 8% discount Rate)	A$705M	A$825M
EBITDA	A$2.35B	A$4.54B
Avg. annual EBITDA	A$104M	A$121M

TABLE 1: COBURN UPDATED DFS AND SCOPING STUDY EXTENSION CASE EVALUATION (JUN-2020)

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

Mineral Sands Project – Tanzania

Strandline owns multiple mineral sands growth assets along the highly prospective coastline of Tanzania. During the half year, the Company announced the signing of a pivotal Framework Agreement (FWA) with the Government of the Republic of Tanzania and the establishment of a joint venture Company called Nyati Mineral Sands Ltd (Nyati). Strandline owns 84% of Nyati with the Government acquiring a 16% non-dilutable free carried interest.

The FWA outlines the key joint venture ownership and operating terms for the development of the advanced Fungoni project near the port of Dar es Salaam and the Company's other emerging Tanzanian mineral sands assets, including the titanium dominated, large-scale Tajiri project.

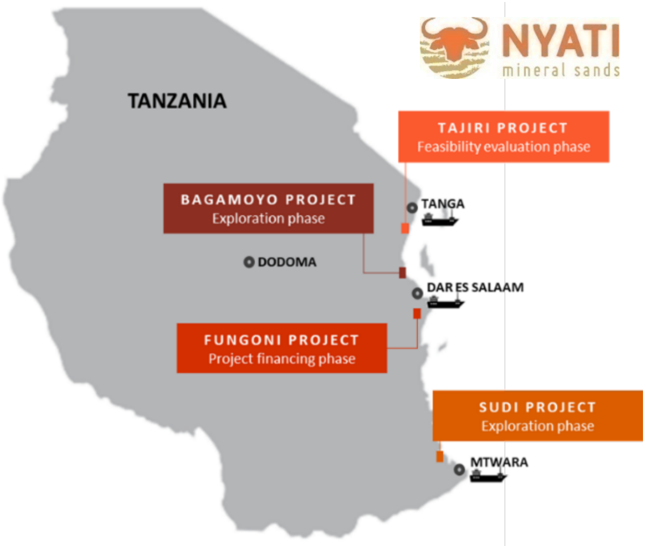


FIGURE 3: STRANDLINE'S PORTFOLIO OF MINERAL SANDS EXPLORATION AND DEVELOPMENT PROJECTS ALONG THE COASTLINE OF TANZANIA

The Fungoni and Tajiri projects are forecast to generate a total of more than US$1 billion of EBITDA over ~30 years based on published Production Targets (or A$1.43 billion at AUD: USD 0.70). Refer previously announced engineering studies and cautionary statements.

The fiscal regime associated with the joint venture is in accordance with Tanzanian law and remains unchanged from the assumptions contained in the Fungoni and Tajiri studies previously released. This includes a royalty rate of 3% of project revenues, corporate income tax rate of 30% on taxable profits, capital depreciation on a five-year straight-line basis (20% each year) and withholding tax on interest and dividends of 10%

Strandline, in collaboration with the Government, is now advancing it's project development strategy and working to finalise the administrative establishment of Nyati, which includes assigning Strandline's project assets, licences and permits into Nyati from Strandline's other Tanzanian subsidiaries.

THE COMPANY ANNOUNCED THE SIGNING OF A PIVOTAL FRAMEWORK AGREEMENT (FWA) WITH THE GOVERNMENT OF THE REPUBLIC OF TANZANIA

Fungoni Project

Fungoni is Strandline's high-margin "starter" project in Tanzania, situated 25km from the port of Dar es Salaam. Nyati, the newly formed joint venture company with the Government, plans to adopt a modular relocatable plant design and development model that maximises capital and operating efficiencies, product recoveries and economic returns whilst reducing execution risk and complexity.

The Fungoni project is based on conventional open pit dry mining and process beneficiation to produce premium quality zircon sand, chloride ilmenite, rutile and monazite containing rare earths. Fungoni's mineral assemblage is exceptionally rich, and the orebody starts from surface with mining predicated on progressive backfill of the mining void and full rehabilitation.

Development of Fungoni in the near-term is expected to pave the way for a succession of major mineral sands projects along the coastline of Tanzania, including the large-scale Tajiri project in northern Tanzania.

The Fungoni DFS demonstrates strong financial metrics including project pre-tax NPV[10] of US$48.7m (real, no debt), an IRR of 61% and LOM EBITDA of US$115m (avg annual US$18.5m), based on the commodity prices assumptions from TZMI. The mining license and environmental certificate have previously been granted by the Tanzanian authorities and there are a host of socio-economic benefits recognised with the project.

Strandline previously announced that it signed a US$26m Project Finance Facility Agreement with Nedbank CIB for the development of Fungoni, accounting for a significant portion of the projects US$35m capital requirement (excluding financing and corporate costs). The Nedbank facility remains subject to finalisation of conditions precedent, including updating finance documentation to incorporate the requirements of the FWA and remaining due diligence.

For more information on the Fungoni mineral sands project, refer to the ASX Announcement dated 06 October 2017 (Original DFS) and subsequent update on 01 November 2018 (Updated DFS) for details of the material assumptions underpinning the production target and financial results. The Company confirms that all material assumptions and technical parameters underpinning Resource Estimates, Production Targets and Project Feasibility Studies, continue to apply and have not materially changed.

JAMES CHIALO (STRANDLINE DIRECTOR) SIGNING THE FRAMEWORK AGREEMENT AT THE CEREMONY WITH THE GOVERNMENT OF TANZANIA INCLUDING HER EXCELLENCY SAMIA SULUHU HASSAN, THE PRESIDENT OF THE UNITED REPUBLIC OF TANZANIA.

For personal use only

Tajiri Project

The Tajiri project comprises a series of higher-grade mineral sands deposits stretching along 30kms of coastline in northern Tanzania, near the port city of Tanga. Strandline released the results of the Engineering Scoping Study in the December quarter 2020 which shows that Tajiri will generate strong financial returns over a long life:

- Project pre-tax NPV of US$205m (pre-debt, real, 10% discount rate)
- Project pre-tax IRR of 36%, with a high-margin revenue-to-operating cost (C1) ratio of 2.4
- JORC-compliant Mineral Resources of 268Mt @ 3.3% Total Heavy Mineral forms the basis of the Study
- Conventional mineral sands processing technology capable of producing a high-value product suite of ilmenite, HiTi (rutile-leucoxene), zircon, monazite and garnet concentrates
- 18-month design and construct duration to achieve first ore to process plant
- Development capital of US$125m to establish an open-pit mining and processing operation
- Opportunities to grow and optimise Production Targets, further increasing financial returns

The Company is progressing the next phase of Tajiri project evaluation and permitting, with the priority being to finalise the approval of the environmental and social impact assessment application and certificate with Tanzanian regulators.

The dashboard below summarises the key financial metrics of the Fungoni and Tajiri projects.

Category	Fungoni DFS (Nov-2018)	Tajiri Engineering Scoping Study (Oct-2020)
Mine Life / Production Targets	6.2yrs	23.4yrs
Tonnes Mined	12.3Mt	185Mt
Throughput (Steady State)	2.0Mtpa	8Mtpa
Capital Expenditure (Pre-production excluding financing costs)	US$35M	US$125M
Revenue (LOM)	US$184.2M	US$1.61B
Total Opex (C1)	US$66.1M	US$0.66B
Total All-in Sustaining Costs (AISC)	US$74.9M	US$0.76B
Revenue-to-operating cost (C1) ratio (RC)	2.8	2.4
NPV (pre-tax, real, no debt, 10% DCF discount Rate)	US$48.7M	US$205M
EBITDA	US$114.8M	US$0.9B
Avg. annual EBITDA	US$18.5M	US$36.8M
IRR (pre-tax, real, no debt)	61%	36%

TABLE 2: FINANCIAL EVALUATION SUMMARY OF FUNGONI DFS AND TAJIRI ENGINEERING SCOPING STUDY

Bagamoyo Mineral Sands Project

The Bagamoyo tenements are located approximately 40km north of Dar es Salaam and close to the proposed Bagamoyo port development in Tanzania. Limited exploration and evaluation activity took place during the half year. The Company has estimated a maiden Exploration Target at Bagamoyo comprising 78 to 156Mt at 3% to 4.5% THM (ref ASX release 17 September 2018). This target together with the Sudi project in southern Tanzania provides significant exploration upside for Nyati over time. A further drill program will be required to test the veracity of the Exploration Target. Refer to the Cautionary Statement in Annexure C.

Mineral Sands Market

The mineral sands market remains strong for high-grade titanium feedstock (chloride ilmenite and rutile) and zircon sand products, which will be produced from Strandline's Coburn project. Spot prices are at least 25% above the assumptions contained in the Coburn DFS released in June 2020. Robust demand is driven by continued strength across most end-use industrial sectors and regions, including ceramic tiles, refractory, foundry and titanium dioxide (TiO2) pigment applications. This demand, combined with limited supply options and low inventories, has resulted in a tight market dynamic and significant upward pressure on pricing. Strandline utilises independent market intelligence data and mineral sands commodity forecasting from TZ Minerals International Pty Ltd (TZMI) (refer www.tzmi.com) for financial modelling.

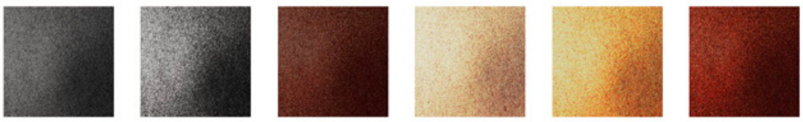
Financial

The Group incurred a loss after tax for the half-year of $2.18 m (31 December 2020: $6.25 m). During the half year, the majority of expenditure was incurred on project procurement and site construction for the Coburn project. At the end of the quarter, Strandline held 3.45m shares in Torrens Mining Limited valued at A$0.6m as at 31 Dec-2021. The Group's net asset position as at 31 December 2021 was $133.47 m (30 June 2021: $134.67 m) and consolidated cash on hand as at 31 December 2021 was $61.20 m (30 June 2021: $110.60 m).

During the half year, the Company issued 3,500,000 fully paid ordinary shares through the conversion of 3,500,000 unlisted options at $0.18 each raising $0.63m. The Company also issued 4,216,953 fully paid ordinary shares through the vesting of 2,957,860 Performance Rights under the Long Term Incentive Plan and 1,259,093 fully paid ordinary shares issued in accordance with the Short Term Incentive Plan.

The Company issued 4,006,896 Tranche 6 Performance Rights and 6,428,102 Tranche 7 Performance Rights under the Long-Term Incentive Plan and 6,000,000 unlisted options to Non-Executive Directors during the half year. At the end of the quarter, the Company had 1,123,899,502 fully paid ordinary shares on issue, 17,487,657 unlisted Performance Rights and 13,000,000 unlisted options.

ROBUST DEMAND IS DRIVEN BY CONTINUED STRENGTH ACROSS MOST END-USE INDUSTRIAL SECTORS AND REGIONS



Ilmenite Leucoxene Rutile Zircon Monazite Garnet

Heath Safety and Sustainability

Strandline continues to closely monitor the potential impacts of the COVID-19 pandemic and other risk factors on the Company's business, operations, people and stakeholders. The Company has managed to maintain continuity across all its operational and strategic workstreams without any major disruption and will continue to follow the guidance of recognised health authorities and the WA Government. To date no employees of Strandline are known to have contracted COVID-19.

The Company released its inaugural Sustainability Report during the period. The report summarises Strandline's approach to sustainability and outlines its short-to-medium term focus areas.

FIGURE 4: STRANDLINE'S INAUGURAL SUSTAINABILITY REPORT

PEOPLE, HEALTH & SAFETY

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

ENVIRONMENT

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

COMMUNITY

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

SUSTAINABLE FUTURE

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

FIGURE 5: STRANDLINE IS COMMITTED TO A SUSTAINABLE FUTURE AND TO ALIGNING ITS STRATEGY WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

SUBSEQUENT EVENTS

There has not been any matter or circumstance that has arisen since the end of the half 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 periods.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration is set out separately in this Interim Financial Report.

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

On behalf of the Directors

Luke Graham
MANAGING DIRECTOR

28 February 2022
Perth, Western Australia

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	Heavy Mineral	
		(Mt)	In Situ HM (Mt)	THM (%)
Coburn - Amy South	Proved	106	1.16	1.10
Coburn - Amy South	Probable	417	4.66	1.12
	Total[1]	**523**	**5.83**	**1.11**

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

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	In situ HM	THM	Ilmenite	Rutile	Zircon	Leucoxene	Slimes	Oversize
		(Mt)	(Mt)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
FUNGONI	Measured	8.77	0.4	4.3	43.3	4.3	18.3	1.0	19	7.0
FUNGONI	Indicated	12.97	0.2	1.8	36.7	4.3	14.6	1.4	24	7.0
	Total(3)	21.74	0.6	2.8	40.7	4.3	16.9	1.2	22	7.0

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

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

Refer ASX announcement 6 October 2017 for full details of the Fungoni Ore Reserve statement.

Table D *Ore Reserve Statement for Fungoni Project at October 2017*

ORE RESERVES SUMMARY FOR FUNGONI PROJECT						
Deposit	Reserve Category	Ore	Slimes		Heavy Mineral	
		(Mt)	(Mt)	(%)	In Situ HM (kt)	THM (%)
FUNGONI	Proved	6.9	1.2	18	341	4.9
FUNGONI	Probable	5.4	1.0	19	138	2.6
	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)	Insitu 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 insitu 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 mineralisation 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 mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Non-mining modifying factors for the Ore Reserve estimate are drawn from contributions provided by various sources. Significant contributors to this report are identified in Table 5 (ASX 6/10/2017) together with their area of contribution.

Coburn Mineral Resources

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

Coburn Ore Reserves

The information in this report that relates to the Coburn Ore Reserves is based on information compiled under the direction of Mr Adrian Jones. Mr Jones is a Member of the Australasian Institute of Mining and Metallurgy and is employed by AMC. Mr Jones has sufficient experience relevant to the style of mineralisation 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 B – FORWARD LOOKING STATEMENTS

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Strandline. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Strandline only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Strandline does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.

ANNEXURE C –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 mineralisation 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.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor for the review of Strandline Resources Limited for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 28 February 2022

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STRANDLINE resources limited

For the half year ended 31 December 2021

	Notes	31 Dec 2021 $	31 Dec 2020 $
Other Income		**500,503**	498,165
Exploration and evaluation expenditure		**(121,688)**	(4,948,763)
Employee benefits expense	2	**(1,001,650)**	(640,197)
Depreciation and amortisation expense	2	**(65,614)**	(72,001)
Share based payment expense	2	**(1,013,583)**	(388,465)
Other expenses		**(482,421)**	(701,850)
Loss before income tax		**(2,184,453)**	(6,253,111)
Income tax expense		**-**	-
Loss after income tax for the period		**(2,184,453)**	(6,253,111)
Changes in the fair value of financial assets		**(230,666)**	(630,000)
Exchange differences arising on translation of foreign operations		**(427,912)**	(532,312)
Other comprehensive income/(Loss) for the period, net of income tax		**(658,578)**	(1,162,312)
Total comprehensive loss for the period		**(2,843,031)**	(7,415,423)
Loss attributable to:			
Owners of Strandline Resources Limited		**(2,843,031)**	(7,415,423)
		Cents per share	Cents per share
Basic and diluted loss per share (cents per share)		**(0.34)**	(1.25)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STRANDLINE resources limited

As at 31 December 2021

	Notes	31 Dec 2021 $	30 Jun 2021 $
Current Assets			
Cash and cash equivalents	3	**61,204,333**	110,601,769
Restricted Cash	3	**57,165,719**	-
Other receivables		**109,816**	7,123,829
Total Current Assets		**118,479,868**	117,725,598
Non-Current Assets			
Prepayments		**1,422,634**	402,060
Property, plant and equipment		**761,640**	156,309
Exploration and evaluation expenditure	4	**4,963,888**	5,374,320
Non-Current receivables		**56,634**	56,633
Right of Use Asset		**982,446**	264,553
Mine properties	5	**156,435,608**	31,137,428
Financial assets		**653,130**	1,149,862
Total Non-Current Assets		**165,275,980**	38,541,165
Total Assets		**283,755,848**	156,266,763
Current Liabilities			
Trade and other payables	6	**24,687,214**	16,310,759
Borrowings and Lease Liability	8	**680,740**	287,821
Provisions	7	**317,812**	223,898
Total Current Liabilities		**25,685,766**	16,822,478
Non-Current Liabilities			
Borrowings and Lease Liability	8	**119,769,074**	2,846,002
Provision	7	**4,828,096**	1,925,923
Total Non-Current Liabilities		**124,597,170**	4,771,925
Total Liabilities		**150,282,936**	21,594,403
Net Assets		**133,472,912**	134,672,360
Equity			
Contributed equity	10	**217,811,043**	216,387,823
Reserves	11	**4,222,904**	4,661,119
Accumulated losses		**(88,561,035)**	(86,376,582)
Total Equity		**133,472,912**	134,672,360

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

STRANDLINE resources limited

For the half year ended 31 December 2021

	Contributed Equity $	Share based payments reserve $	Revaluation Reserve $	Foreign currency translation reserve $	Accumulated losses $	Total $
Balance at 1 July 2020	81,862,239	3,409,359	-	963,440	(73,570,092)	12,664,946
Comprehensive income for the period						
Loss for the period	-	-	-	-	(6,253,111)	(6,253,111)
Re-valuation investments			630,000			630,000
Foreign currency translation difference for foreign operation	-	-	-	(532,312)	-	(532,312)
Total comprehensive loss for the period	-	-	630,000	(532,312)	(6,253,111)	(6,155,423)
Issue of ordinary shares	18,459,675	-	-	-	-	18,459,675
Share issue costs	(959,820)	-	-	-	-	(959,820)
Recognition of share-based payments	167,272	221,193	-	-	-	388,465
Performance rights vested into shares	1,051,274	(1,051,274)	-	-	-	-
Balance at 31 Dec 2020	100,580,640	2,579,278	630,000	431,128	(79,823,203)	24,397,843
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 period						
Loss for the period	**-**	**-**	**-**	**-**	**(2,184,453)**	**(2,184,453)**
Re-valuation investments	**-**	**-**	**(230,666)**	**-**	**-**	**(230,666)**
Foreign currency translation difference for foreign operation	**-**	**-**	**-**	**(427,912)**	**-**	**(427,912)**
Total comprehensive loss for the period	**-**	**-**	**(230,666)**	**(427,912)**	**(2,184,453)**	**(2,843,031)**
Issue of ordinary shares	**-**	**-**	**-**	**-**	**-**	**-**
Share issue costs	**-**	**-**	**-**	**-**	**-**	**-**
Option conversion	**724,729**	**(94,729)**	**-**	**-**	**-**	**630,000**
Option Vesting	**-**	**528,000**	**-**	**-**	**-**	**528,000**
Recognition of share-based payments	**251,818**	**233,765**	**-**	**-**	**-**	**485,583**
Performance rights vested into shares	**446,673**	**(446,673)**	**-**	**-**	**-**	**-**
Balance at 31 Dec 2021	**217,811,043**	**3,093,979**	**1,011,163**	**117,762**	**(88,561,035)**	**133,472,912**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2021

	Notes	31 Dec 2021 $	31 Dec 2020 $
Cash flows from operating activities			
Payments for exploration and evaluation		**(862,368)**	(4,636,012)
Payments to suppliers and employees		**(4,256,153)**	(1,338,723)
Interest Received		**28,816**	39,665
Research and development grant received		**471,687**	396,445
Other income		**-**	73,799
Cash receipt from tax receivable		**2,694,743**	-
Net cash (used in) operating activities		**(1,923,275)**	(5,464,826)
Cash flows from investing activities			
Payments for property, plant and equipment		**(80,152)**	9,902
Payments for Coburn Mine Development		**(112,957,265)**	-
Net cash (used in) investing activities		**(113,037,417)**	(9,902)
Cash flows from financing activities			
Proceeds from issues of shares		**630,000**	18,459,674
Payment for share issue costs		**-**	(959,818)
Cash Received from Escrow		**5,800,480**	-
Proceeds from Borrowings		**59,226,351**	-
Net cash inflow provided by financing activities		**65,656,831**	17,499,856
Net (decrease)/increase in cash and cash equivalents		**(49,303,861)**	12,044,932
Cash and cash equivalents at the beginning of the period		**110,601,769**	5,241,516
Effects of foreign exchange movement on opening cash balance		**(93,575)**	(144)
Cash and cash equivalents at the end of the period	3	**61,204,333**	17,286,304

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

1. Significant accounting policies

a) Reporting Entity

Strandline Resources Limited is a company domiciled in Australia. This consolidated half-year financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the exploration and development of heavy mineral sands resources.

b) Statement of compliance

The consolidated half-year financial statements are a general purpose financial statement prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Strandline Resources Limited during the half-year period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

c) 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 cost or at fair value. 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.

d) Adoption of new and revised Accounting Standards

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new or amended standards has not resulted in any change to the entity's accounting policies.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group assesses site rehabilitation liabilities annually. 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 cost 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.

2. Loss for the period

Loss for the period has been arrived at after charging the following items of expenses:

	31 Dec 2021 $	31 Dec 2020 $
Employee benefit expense		
Directors' fees & superannuation	**266,239**	127,675
Wages & salaries and superannuation	**467,343**	479,428
Other employment costs	**268,068**	33,094
	1,001,650	640,197
Depreciation expense	**65,614**	72,001
Occupancy expenses	**35,927**	18,650
Share-based payments	**1,013,583**	388,465

3. Cash and cash equivalents

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 into cash and used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

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:

	31 Dec 2021 $	30 Jun 2021 $
Cash at bank	**61,146,333**	110,601,769
Cash on deposit	**58,000**	-
Cash and bank as in the Statement of Financial Position	**61,204,333**	110,601,769
Restricted Cash	**57,165,719**	-
	118,370,052	110,601,769

The restricted cash balance of $57,165,719 (US$41,479,446) represents the funds received following financial close of the US$60 million senior secured bond as announced on the 1 October 2021 (Ref to ASX Announcement on the 01/10/2021). The funds are required to be held in the US$ denominated escrow bank account in the name of Coburn Resources Pty Ltd (100% fully owned subsidiary of Strandline). Access to the funds is subject to an ongoing cost to complete test being achieved.

4. Exploration and evaluation expenditure

	31 Dec 2021 $	30 Jun 2021 $
Carried forward exploration and evaluation expenditure	**5,374,320**	7,555,665
Exploration and Evaluation Write-off	**(295,741)**	(1,551,191)
Transfer to Mine Properties under Development	**-**	(250,000)
Foreign exchange movement	**(114,691)**	(380,154)
	4,963,888	5,374,320

On review management have not identified any indicators of impairment to the exploration asset.

5. Mine Properties

	31 Dec 2021	30 Jun 2021
	$	$
Balance at the beginning of the period	**31,137,428**	-
Mine development expenditure	**116,273,166**	24,000,374
Capitalised financing cost Transfer	**6,142,543**	4,995,147
from Exploration Rehabilitation	**-**	250,000
Balance at the end of the period	**2,882,471**	1,891,907
	156,435,608	31,137,428

On review management have not identified any indicators of impairment to Mine Properties.

6. Current trade and other payables

	31 Dec 2021	30 Jun 2021
	$	$
Trade payables	**2,635,488**	1,967,749
Accrued director fees	**-**	11,000
Other creditors and accruals	**22,051,726**	14,332,010
	24,687,214	16,310,759

7. Provisions

	31 Dec 2021	30 Jun 2021
	$	$
Current Provision		
Provision for Annual Leave	**317,812**	223,898
	317,812	223,898
Non-current Provision		
Provision for Long Service Leave	**53,719**	34,014
Provision for rehabilitation	**4,774,378**	1,891,907
	4,828,097	1,925,921
Rehabilitation		
Balance at the beginning of the period	**1,891,907**	-
Provisions made during the period	**2,882,471**	1,891,907
Balance at the end of the period	**4,774,378**	1,891,907

8. Borrowings

	31 Dec 2021 $	30 Jun 2021 $
Current Borrowings		
Chattel Mortgage – PPE	**65,348**	137,533
Lease Liability	**615,392**	150,288
	680,740	287,821

	31 Dec 2021 $	30 Jun 2021 $
Non-Current Borrowings		
Lease Liability	**413,970**	158,380
Chattel Mortgage – PPE	**664,916**	-
NAIF Facility	**36,000,000**	-
Nordic Bond Facility	**82,690,188**	2,687,622
	119,769,074	2,846,002

Bond Facility – US$60m

- 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 repayment of USD 2.25 million at 20 September 2025 and 20 December 2025. 50% bullet at the Maturity Date
- Strandline 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$82.7m at AUD:USD 0.7256 as at 31 December 2021)

NAIF Facility – A$150m

- Up to 15 year tenor with no principal repayments until the earlier of March 2028 or 3 months after the 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 A$130 million towards the construction of Coburn's core mine process and non-process infrastructure
- Second NAIF Loan Tranche: Up to A$20 million for a potential future northern access road linking the project more directly to the Denham community in Shark Bay (subject to feasibility assessment, permitting and approvals)
- Comprehensive senior security package over assets and rights of Coburn project, pari passu with the Bond financing

During the period there was no non-compliance with any financial covenants.

9. Commitments

Exploration expenditure commitments represent tenement rentals and expenditure requirements that may be required to be met under the relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest. As at 31 December 2021, the Group holds 22 granted tenements and 8 granted mining leases. In addition, there are 11 applications not yet granted and 3 granted miscellaneous licences which do not have an annual minimum expenditure commitment but do have an annual rent payment applicable

	31 Dec 2021	30 Jun 2021
	$	$
Primero – 30% progress of supply of spirals	-	2,421,009
Contract Power Australia – Power plant Construction Infrastructure	12,000,000	
Telstra – Communication Infrastructure	472,860	-
Lime Systems – Mine Infrastructure	991,285	-

There were no other commitments not recognised as a liability in the financial report.

10. Issued capital

Fully paid ordinary shares
The issued capital at 31 December 2021 was 1,123,899,502 fully paid ordinary shares.

	31 Dec 2021	30 Jun 2021
	$	$
1,123,899,502 fully paid ordinary shares (30 June 2021: 1,116,182,549)	**217,811,043**	216,387,823

The Company does not have a limited amount of authorised capital and issued shares do not have a par value.

10. Issued capital (Continued)

Fully paid ordinary shares	31 Dec 2021 No.	31 Dec 2021 $	30 June 2021 No.	30 June 2021 $
Balance at beginning of period	1,116,182,549	216,387,824	366,695,721	75,020,276
Placement	-	-	85,858,950	18,459,675
Issue of Shares to Peter Watson (67% of STI bonus taken as shares) (i)	-	-	148,400	33,895
Issue of Shares to Employees (67% of STI Bonus Taken as Shares)	-	-	400,873	91,559
Issue of Shares to employees (100% of STI bonus taken as shares) – Employees			183,091	41,818
Performance Rights - expiring 15/8/20 vested – Employees	-	-	3,496,730	456,399
Performance Rights - expiring 15/8/20 vested - Luke Graham (ii)	-	-	5,500,000	533,500
Performance Rights - expiring 15/8/20 vested - Peter Watson (iii)	-	-	538,375	61,375
Placement & entitlement Offer - Institutional	-	-	362,405,526	74,293,133
Entitlement Offer - Retail	-	-	230,881,466	47,330,710
Share issue Costs	-	-	-	(6,776,479)
Issue of Shares to Luke Graham (87% of STI bonus taken as shares)	**411,932**	**87,000**	-	-
Issue of Shares to Peter Watson (87% of STI bonus taken as shares)	**130,248**	**27,508**	-	-
Issue of Shares to Employees (87% of STI Bonus Taken as Shares)	**716,913**	**137,310**	-	-
Issue of Shares to Tembo	**1,000,000**	**207,100**	-	-
Issue of Shares to T Eadie	**1,000,000**	**207,100**	-	-
Issue of Shares to D Murcia	**1,500,000**	**310,529**	-	-
Performance Rights - expiring 15/8/21 vested - Luke Graham	**1,493,334**	**224,000**	-	-
Performance Rights - expiring 15/8/21 vested - Peter Watson	**404,712**	**12,748**	-	-
Performance Rights - expiring 15/8/21 vested – Employees	**1,059,814**	**209,924**	-	-
Balance at end of period	**1,123,899,502**	**217,811,043**	1,116,182,549	216,387,824

(i) 411,932 shares issued to Mr Luke Graham pursuant to the Company's Long-term Incentive Plan, as approved by shareholders on 10 November 2020.

(ii) 130,248 shares issued to Mr Peter Watson pursuant to the Company's Short-term Incentive Plan, as approved by shareholders on 10 November 2020.

(iii) 1,493,334 shares issued to Mr Luke Graham pursuant to the Company's Long Term Incentive Plan, as approved by shareholders on 23 November 2018.

(iv) 404,712 shares issued to Mr Peter Watson pursuant to the Company's Long Term Incentive Plan, as approved by shareholders on 23 November 2018.

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.

10. Issued capital (Continued)

Performance Rights

Fair value of performance rights granted in the period

For performance rights with market conditions, the fair value of services received is measured using a binomial pricing model. For performance rights with non-market conditions, fair value is measured using the closing share price at grant date. Vesting is based on the performance conditions being met which are listed below.

A total of 10,434,998 performance rights were granted to KMP and Directors during the period.

Total number granted	Grant date	Vesting/ Expiry date	Fair value at grant date $ per right	Vesting conditions
4,048,841	16/12/2021	15/8/2024	0.266	Tranche 7
2,379,261	30/11/2021	15/8/2024	0.266	Tranche 7
4,006,896	16/12/2021	15/8/2023	0.257	Tranche 6
10,434,998				

- Tranche 6 Period: 1 July 2021 – 30 June 2023
- Tranche 7 Period: 1 July 2021 – 30 June 2024

The performance rights will only vest if certain 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 as determined by the Board. The percentage of performance rights in each respective tranche that will vest will depend upon the Company's TSR performance relative to the companies in the peer group, which will constitute Category A, B or C TSR performance, as set out below:

(a) **Category A:** if the Company's TSR is at/or below the 50th percentile of the peer group of companies' TSR, no PRs will vest.

(b) **Category B:** If the Company's TSR ranks above the 50th percentile of the peer group of companies' TSR, 50% of the PRs will vest .

(c) **Category C:** 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 will vest at or above the 75th percentile).

11. Reserves

	31 Dec 2021 $	30 Jun 2021 $
Share-based payments reserve	**2,325,422**	2,538,331
Revaluation Reserve	**1,011,163**	1,241,828
Options Reserve	**768,557**	335,286
Foreign currency translation reserve	**117,762**	545,674
	4,222,904	4,661,119
Share Based Payment Reserve		
Balance at beginning of period	**2,538,330**	3,074,073
Movement in reserve from previous reporting period (i)	**(212,908)**	(535,742)
Balance at end of period	**2,325,422**	2,538,331

The share-based payments reserve arises on the grant of performance rights to executives, employees, consultants and advisors. Amounts are transferred out of the reserve and into issued capital when the performance rights vest.

(i) During the period, 1,493,334 performance rights relating to a prior year issue to Luke Graham converted into shares. Refer to Statement of changes in Equity for reconciliation of the total movement.

(ii) During the period, 404,712 performance rights relating to a prior year issue to Peter Watson converted into shares. Refer to Statement of changes in Equity for reconciliation of the total movement.

12. Contingencies

The Directors are not aware of any contingent liabilities as at 31 December 2021 (30 June 2021: $nil).

13. Share-based payments

Share-based payments including options and performance rights are granted at the discretion of the Board to align the interests of executives, employees and consultants with those of shareholders.

Each option issued converts into one ordinary share of Strandline Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. 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 for no consideration and are granted for a period not exceeding 5 years.

Fair value of share options granted in the period

The fair value of services received in return for share options granted is based on the fair value of the share options granted, independently determined using the Black-Scholes option pricing model.

Performance Rights

Fair value of performance rights granted in the period

For performance rights with market conditions, the fair value of services received is measured using a binomial pricing model. For performance rights with non-market conditions, fair value is measured using the closing share price at grant date. Vesting is based on the performance conditions being met which are listed below.

A total of 10,434,998 performance rights were granted during the period to KMP's.

As at 31 December 2021, the Company has 17,487,657 performance rights on issue (2021: 13,649,528) exercisable on a 1:1 basis for 17,487,657 shares (2021: 13,649,528). During the period 10,434,998 performance rights were granted (2021: 4,426,512), 2,957,860 performance rights were converted into shares (2021: 9,535,105) and 1,314,977 performance rights expired (2021: nil). The Company has made an assessment that it is probable the performance conditions will be met for the performance rights on issue. Further details regarding the performance rights are contained in note 15 to the financial statements.

The details are as follows:

Number granted during half year 31 Dec 2021	Number granted FY 2021	Number granted FY 2020	Total number granted	Grant date	Expiry date	Fair value at grant date $ per right	Vesting conditions
4,048,841	-	-	4,048,841	16/12/2021	15/8/2024	0.266	Tranche 7
2,379,261	-	-	2,379,261	8/12/2021	15/8/2024	0.266	Tranche 7
4,006,896	-	-	4,006,896	16/12/2021	15/8/2023	0.257	Tranche 6
-	2,225,941	-	2,225,941	10/11/2020	15/08/2023	0.159	Tranche 6
-	2,200,571	-	2,200,571	25/11/2020	15/08/2022	0.121	Tranche 7
-	-	3,941,124	3,941,124	29/11/2019	15/08/2022	0.086	Tranche 5
-	-	2,073,200	2,073,200	15/08/2019	15/08/2021	0.082	Tranche 4
10,434,998	**4,426,512**	**6,014,324**	**20,875,834**				

13. Share-based payments (Continued)

The performance condition of each tranche is set out as follows:

Tranches 1 – 9: The performance rights will only vest if certain 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 as determined by the Board. The percentage of performance rights in each respective tranche that will vest will depend upon the Company's TSR performance relative to the companies in the peer group, which will constitute Category A, B or C TSR performance, as set out below:

a) **Category A:** if the Company's TSR is at/or below the 50th percentile of the peer group of companies' TSR, no PRs will vest.
b) **Category B:** If the Company's TSR ranks above the 50th percentile of the peer group of companies' TSR, 50% of the PRs will vest .
c) **Category C:** 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 will vest at or above the 75th percentile).

Tranche 1-4 : relate to previously vested performance rights
Tranche 5 Period: 1 July 2020 – 30 June 2022
Tranche 6 Period: 1 July 2020 – 30 June 2023
Tranche 7 Period: 1 July 2020 – 30 June 2022
Tranche 6 Period: 1 July 2021 – 30 June 2023
Tranche 7 Period: 1 July 2021 – 30 June 2024

Movements in performance rights during the period
The following reconciles the performance rights outstanding at the beginning and end of the period:

	31 Dec 2021 No.	30 Jun 2021 No.
Balance at beginning of the period	**13,649,528**	18,938,796
Granted during the period	**10,434,998**	4,426,512
Exercised during the period	**(5,281,892)**	(9,535,105)
Expired during the period	**(1,314,977)**	(180,675)
Balance at end of the period	**17,487,657**	13,649,528

Recognition of share-based transactions

	31 Dec 2021 $	30 Jun 2021 $
Share options	**528,000**	-
Performance rights	**485,583**	515,532
Total share-based payments recognised in reserves	**1,013,583**	515,532

14. Other unlisted options

Movements in share options during the period

The following reconciles the share options outstanding at the beginning and end of the period:

	31 Dec 2021		30 Jun 2021	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Balance at beginning of the period	**10,500,000**	**0.22**	10,500,000	0.22
Granted during the period	6,000,000	0.28	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	(3,500,000)	0.21	-	-
Expired during the period	-	-	-	-
Balance at end of the period	13,000,000	-	10,500,000	-
Exercisable at end of the period	**13,000,000**	**0.25**	10,500,000	0.22

Share options and performance rights issued by the Company carry no rights to dividends and no voting rights. As at 31 December 2021, the Company has 13,000,000 share options on issue (2021: 10,500,000).

During the half year 6,000,000 options were granted (2021: nil), 3,500,000 options were converted into shares (2021: Nil) and nil options expired (2021: Nil). Further details regarding the options are contained in note 10 to the financial statements.

15. Related party transactions

Transactions with key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the 30 June 2021 annual financial report. Key management personnel continue to receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

During the period:

- Mr Luke Graham received 2,379,261 performance rights pursuant to the Company's Long Term Incentive Plan, as approved by shareholders on 30 November 2021.
- Mr Flavio Garofalo received 782,618 performance rights pursuant to the Company's Long Term Incentive Plan
- 6m Options were issued to Non-Executive Directors, Alex Atkins, Mark Hancock and Peter Watson as per the terms detailed in Note 10.
- Shares were issued to Luke Graham and Peter Watson as per the Company Short Term Incentive Plan as per Note 13.

Mr. Didier Murcia, Non-Executive Chair, is a chair of the legal firm, Murcia Pestell Hillard. Fees totalling $28,918 was paid to Murcia Pestell Hillard for work completed on various legal matters (2020: $248,530). All transactions related to the services were based on normal commercial terms.

James Chialo was appointed as an alternative director as at 10 December 2021 as the alternate to Alexander Atkins.

16. Group Entities

	Country of Incorporation	Ownership Interest 31 Dec 2021	30 Jun 2021
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(1)	Tanzania	84%	-

(1) On 13 December 2021, the Company signed the Framework Agreement with the Tanzania Government and incorporated Nyati Mineral Sands Ltd (Nyati). Strandline owns and operates Nyati, holding 84% of the shares with the Government of Tanzania having acquired the remaining 16% as a non-dilutable free-carried interest in accordance with the executed Framework Agreement.

17. Subsequent Events

There has not been any matter or circumstance that has arisen since the end of the half 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 periods.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Luke Graham
Managing Director

28 February 2022
Perth, Western Australia

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Strandline Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Strandline Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2021, 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 half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

BDO

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 28 February 2022

STRANDLINE
resources limited

BUILDING A SIGNIFICANT
CRITICAL MINERALS
BUSINESS

ASX: STA

strandline.com.au