



## **2021 ANNUAL GENERAL MEETING CHAIR'S ADDRESS**

Dear Shareholders

I am delighted to report on what has been the most successful year in the history of your Company and excited to announce your Company is now just 12 months away from first production of heavy mineral concentrate and cashflow.

Given the enormity of what has been achieved over the past year, and the incredible transformation we are about to undergo as we move from project developer to producer, it is important to take stock of the enviable position in which we now find ourselves.

Thanks to several years of persistence, skill and commitment from our management team, staff and suppliers, construction of our Coburn mineral sands project in WA is now ~35 per cent complete. On behalf of the Board, I thank them all for their hard work and dedication.

During the past year, this team achieved several key milestones in rapid succession, paving the way for construction. It is hard to believe that as we entered the 2021 financial year, we had just completed the Coburn Definitive Feasibility Study. This was quickly followed by our success in securing the \$150 million loan from the Commonwealth Government's Northern Australia Infrastructure Facility.

With this debt component in place and our binding offtake agreements locked away, we were able to award a series of construction and operations contracts. These included the important power generation contract, port access and services agreement with Mid West Ports Authority and, subsequent to the year, the Company has locked in the mining services contract and product logistics and storage contract with Qube Bulk.

By establishing the cost of project development through these contracts, we were able to finalise our debt funding with a US\$60 million bond issue to integrate with the NAIF facility on very competitive terms. This was followed quickly by the fully underwritten A\$122 million equity raising, which ensured Coburn was fully-funded through to production and cashflow. With all the pieces of the jigsaw in place, the Board approved a Final Investment Decision in May this year.

As a result of this pivotal 12 months, Strandline is now on the cusp of becoming a world-scale mineral sands producer. This scale is accompanied by low costs, robust margins and binding offtake agreements which cover 100% per cent of forecast production.

Importantly, these sales contracts allow Strandline to capture the benefits of rising prices for its products, meaning our shareholders retain ongoing exposure to the increasingly strong mineral sands markets, where buoyant demand and supply challenges are pushing up prices.

Moreover, the products we will supply are now classified as critical minerals due to the essential roles they play in industries such as defence, medical and high-technology. Put simply, we will be producing what the world needs, and we will be producing it in a tier-one location, further increasing the value of our project and therefore our ability to create significant sustainable value for shareholders.

In October this year, Strandline released its inaugural sustainability report which marked the beginning of our environmental, social and governance (ESG) maturation. The report highlights the Company's approach to



managing the health and well-being of our people and the communities in which we operate, environmental and heritage stewardship, as well as the adoption of contemporary, innovative mine design solutions to accommodate the reality of global warming and a transition toward a low-emissions future.

While Coburn has been at the centre of our activity over the past year, we have also made strong progress towards unlocking the value of our Tanzanian mineral sands project portfolio. This has involved advancing government agreements and strategic partnership discussions.

In particular, excellent progress was made towards completing a Framework Agreement with the Government of Tanzania. This will outline the key joint venture ownership and operating terms for development of the advanced Fungoni project and the Company's other emerging mineral sands assets along the Tanzanian coast, including the large scale Tajiri mineral sands project.

This coincides with the increasingly favourable conditions in mineral sands markets, setting the scene for us to create significant shareholder value as we make the transition from project developer to producer.

Once again, I would like to thank our team for positioning us to capitalise on this opportunity. I also thank our shareholders for their support throughout the project assessment, funding and initial development stages.

Didier Murcia

**INDEPENDENT NON-EXECUTIVE CHAIR**

30 November 2021

This announcement is authorised for release by the Strandline Resources Board of Directors.

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## ABOUT STRANDLINE

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

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

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

## 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.