

ASX ANNOUNCEMENT

Chairman's Address – 2019 AGM



STRANDLINE
resources limited

28 November 2019

2019 Annual General Meeting Chairman's Address

Ladies and Gentlemen, good afternoon and welcome to the 2019 Annual General Meeting of Strandline Resources. I'm Didier Murcia, the Chairman of your Company.

I'm pleased to report to you today that Strandline made significant progress in the past year towards our goal of becoming a global mineral sands producer with projects of varying scale and geographical diversity.

We advanced each of our projects through a combination of aggressive exploration activity and technical and financial assessment. As a result of our success on these fronts, our pipeline of assets continued its shift towards development and, ultimately, production and cashflow.

The extent to which this pipeline has evolved was highlighted by our success in securing a Credit-Approved Term Sheet from Nedbank CIB to underwrite a US\$26 million Project Finance Facility for the Fungoni Project in Tanzania.

This key milestone means we are now preparing for financial close, which will in turn pave the way for the start of construction, including land access and secondary-level development approvals.

The past year also saw Strandline accelerate its development strategy for our Coburn mineral sands project in Western Australia. Your Board believes this is an immensely valuable project for the Company. It is a Tier-1 asset in a Tier-1 location, close to key Asian markets and with access to world-class infrastructure and a knowledgeable workforce.

The huge potential of Coburn was demonstrated by the 64 per cent increase in the project's JORC Resources to 1.6 billion tonnes at 1.2 per cent Total Heavy Minerals. The contained Heavy Mineral content rose to 19.6Mt from 12.3Mt, comprising a high-value mineral assemblage with in-situ zircon (4.3Mt), rutile (1.4Mt), leucoxene (1.0Mt) and ilmenite (9.4Mt).

During the year, we also delivered an updated Definitive Feasibility Study showing Coburn will generate strong financial returns with a pre-tax NPV of A\$551m and a pre-tax IRR of 32%.

The key project approvals are already in place, making Coburn construction-ready pending finalisation of project financing, and offtake discussions are now underway.

Subsequent to the end of the financial year, Strandline announced that we had taken a key step towards securing funding for Coburn from the Federal Government's Northern Australia Infrastructure Facility (NAIF).

Following a strategic assessment of Coburn, NAIF advised us that it had proceeded to the detailed due diligence phase of its assessment process.

By way of background, NAIF provides access to up to \$5 billion of debt finance, which may be lent on concessional terms to support infrastructure development that generates public benefit for northern Australia. It also seeks to encourage and complement private sector investment to further that objective.

The bottom line of this is that funding from NAIF would significantly boost Coburn’s ability to attract the remaining project funding on competitive terms.

Strandline is now progressing the financing process and commercial discussions in order to firm-up investment proposals.

We believe your Company also has a Tier-1 asset on its hands at the Tajiri project in Tanzania. This view was supported during the year by the 80 per cent increase in Resources to 268Mt at 3.3% Total Heavy mineral.

The progress made at these projects has been unquestionably substantial. Over the course of this financial year, your Company will continue to build on this as we work towards development of our outstanding projects.

With this in mind, I would like to thank our management team, staff and contractors for the valuable roles they have played in helping us to achieve such strong progress over the past year.

I would also like to thank our shareholders for their support during the year. I look forward to reporting to you as we continue to advance towards our goal of becoming a global mineral sands producer.

ABOUT STRANDLINE

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

Strandline’s strategy is to develop and operate quality, high margin, expandable mining assets with market differentiation and global relevance.

Strandline’s project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include two zircon-titanium rich, ‘development ready’ projects, being the Fungoni Project in Tanzania and the large Coburn Project in Western Australia, as well as a series of titanium dominated exploration targets spread along 350km of highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.

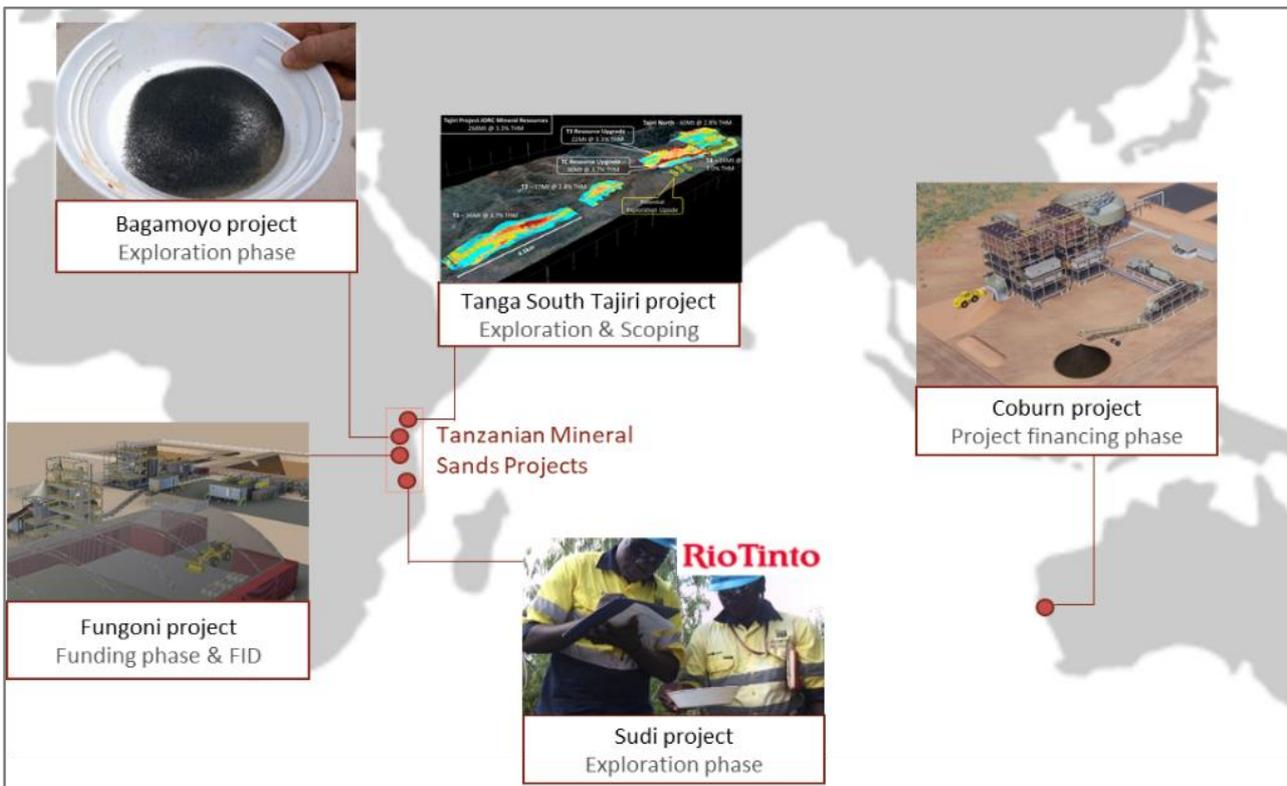


Figure 1 Strandline’s world-wide mineral sands exploration & development projects



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.

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