Coburn Resources Pty Ltd

Financial Statements

For the year ended 30 June 2024

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Registered and Principal Office

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Parent Entity

Coburn Resources Pty Ltd is a company limited by shares. It is domiciled and incorporated in Australia and 100% owned by Strandline Resources Limited.

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The Directors of Coburn Resources Pty Ltd (Coburn or "the Company") submit their report on the Company, together with the financial statements, for the year ended 30 June 2024.

DIRECTORS

The following persons were directors of the Company during the financial period and until the date of this report, unless otherwise stated.

Directors
Jozsef Patarica (appointed 25 September 2023)
Didier Marcel Murcia (resigned 23 November 2023)
Luke Edward Graham (resigned 22 September 2023)

Company Secretary
Jamie Cann (appointed 23 November 2023)

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the financial year was the exploration and development of heavy mineral sands resources.

BUSINESS STRATEGIES AND OBJECTIVES

The Company's key objectives are to build a significant critical minerals business including:

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

REVIEW OF OPERATIONS

Financial Results

The Company reported a net loss after tax of $182.1 million (2023: loss $5.6 million). The result included sales revenue of $86.1 million and cost of sales of $138.4 million from the sale of HMC produced. In addition, the Company recognised an impairment charge of $110.8 million.

Financial Position

The Company had net liabilities of $32.0 million at 30 June 2024 (2023: net assets $46.8 million) and cash on hand as at 30 June 2024 was $3.1 million (2023: $11.2 million).

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

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

In March 2024, in addition to the NAIF super senior facility the Nordic Bondholders also provided a $20 million super senior facility of which $2.5 million was held in escrow at 30 June 2024, and disclosed as restricted cash (refer note 8 for further details). The $2.5 million held in escrow was drawn subsequent to the end of the financial year.

DIVIDENDS

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

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

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

A Member may, subject to rights of pre-emption held by the other Members, sell their shares.

There is no employee share scheme in place or contemplated.

The Company is not aware of any agreement in place between shareholders that would restrict the ability to sell or exercise voting rights for shares. The Company is 100% owned by its ASX listed parent company, Strandline Resources Limited.

As the Company is unlisted and 100% owned by its parent, it cannot be subject to an on-market takeover bid.

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.

ENVIRONMENTAL REGULATIONS

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

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

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

CORPORATE GOVERNANCE

The Board and Management of Coburn 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 Parent company website: www.strandline.com.au.

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.

The financial report of the Company is prepared by the Chief Financial Officer and reviewed by the Audit Committee of the parent company Strandline Resources Limited. The Audit and Risk Committee provides the Board with additional assurance regarding the reliability of the financial information included in the financial reports of the Company and the independence of the Company's Auditor.

The Board of Directors of the Company is currently composed of Jozsef Patarica.

Until otherwise determined by a general meeting the number of Directors will not be less than one nor more than twenty. A Director must be a natural person. The Directors and every Director appointed under the Company Constitution must hold office until they are removed or until their office becomes vacant pursuant to the Company Constitution or pursuant to the Corporations Act. The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, provided that the total number of Directors does not at any time exceed the number determined in accordance with the Company Constitution. The Company may by ordinary resolution:

- Remove any Director before the expiration of the Director's term of office, and may appoint another person in the removed Director's stead; and/or
- Appoint a person as a Director.

Subject to Division 2 of Part 2J.1 of the Australian Corporations Act, the Company may buy back its own shares and may, by special resolution, reduce its share capital, any capital redemption reserve fund or any paid up share capital. The parent company, Strandline Resources Limited, has the following initiatives regarding gender diversity across the Parent Entity Group:

- In 2022, Strandline Resources Limited (parent entity) set gender diversity targets as part of its 2022 Sustainability Report, where it committed to female representation on the Board and across the operational group to >20 per cent. Strandline Resources Limited (parent entity) total workforce profile is 21 percent female. All employees of the Company are employed through the parent Company.

During the financial year, the Parent 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.

SUSTAINABILITY AND THE ENVIRONMENT

Sustainability

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

Our vision is to "enrich everyday life" and grow a significant critical minerals business through responsible operations, innovation, and ethical business practices. This vision comes with a commitment to operate our business in line with principles of sustainable development, to deliver on the needs of the present, without compromising the needs of future generations, and integrating environmental, social and governance considerations into our decision making.

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

Impact on external environment

Coburn manages approximately 200km^2 of exploration and mining tenure area in Western Australia. Our approach to managing our environment is based on the rigorous identification, assessment, and control of material risks across all phases of our business, from exploration to construction, operation, and closure. At each of our site locations, we are committed to preventing pollution and minimising our environmental impact by fostering a proactive environmental management culture that is characterised by strong leadership, robust management systems, and compliance with the requirements of the EPA and EPBC Acts as outlined in the conditions of our environmental permits in Australia. The nature of our extraction, processing, product handling and exporting has the potential to result in dust, noise, and pollutant emissions. We work with specialist consultants and regulators to implement ongoing monitoring programs, surveys, and controls to mitigate the impact to the surrounding environment and our host communities.

Working Environment

<u>Occupational Health and Hygiene</u>

To support the wellbeing of our Coburn team baseline health monitoring for the site operations has been established. Health and hygiene monitoring has included a systematic assessment of potential exposure groups, identification of potential contaminants and /or health risks and conducting air and noise monitoring using a certified hygiene monitoring company.

<u>Health and Wellbeing</u>

We are committed to promoting psychosocial health and safety in the workplace, which is a fundamental aspect of our values of trust and respect. This year, we have implemented an online training module for all our employees to enhance their understanding of the significance of psychological health and safety, as well as the role that each individual plays in creating a safe, inclusive, and respectful work environment.

COBURN resources pty ltd

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.
- 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

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

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

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

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

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

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

Coburn 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.

Diversity, Equity, and Inclusion

Coburn 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.

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

Environmental - Climate change

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

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

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

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

Our decarbonisation strategy:

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

Community

Coburn sets out to build enduring relationships with the communities in which we operate that are characterised by respect, trust, and enriching lives through our participation. Through active collaboration we strive to implement long-term sustainable benefits for the local communities, regional and national stakeholders, and the Company. We aim to achieve this through:

- Engaging with all stakeholders in a culturally sensitive way that enables us to identify impacts and actively develop strategies to address concerns and implement improvement initiatives
- Empowering local communities through capability building and diversity programmes that enhance the socio-economic benefits from our operations
- Actively participating in value-add initiatives relating to regional development, training and employment, and small business opportunities
- Working with government and other organisations to promote sustainable mining practices that minimise environmental and social impact
- Implementing social management principles of best practice in compliance with legislative requirements that seek to enhance community engagement and empowerment
- Prioritising community initiatives that improve education, upskilling, and health and well-being
- Delivery of training and development programmes for our people which encourage taking personal responsibility for community relations, health, safety and the environment.

Investments in selected social and community improvement initiatives and events is another means for Coburn 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 Coburn to design voluntary investments that create meaningful outcomes and align with our broader business priorities including improving education, upskilling, and health, and wellbeing. As a key implementation strategy, we look to maximise benefits through partnering with government and other specialist organisations to deliver our social investments initiatives, such as MADALAH in WA (First Nations Future Leaders program).

Indigenous Peoples and Cultural Heritage

Coburn strives for a sustainable approach to our projects and operations and to work productively and in partnership with Indigenous communities to ensure they benefit from our presence over the long term. Coburn recognise and respect the rights of Indigenous peoples and acknowledge the connection they have with land and water.

As part of Coburn development, the Company has developed an Indigenous Engagement Strategy (IES) that aims to:

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

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

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

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

EVENTS SUBSEQUENT TO REPORTING DATE

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

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

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

SHARES UNDER OPTION

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of the company issued on the exercise of options during the financial year and up to the date of this report.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration is set out separately on page 12 in this report.

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

On behalf of the Directors

Jozsef Patarica
Director

31 October 2024

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF COBURN RESOURCES PTY LTD

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

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

This declaration is in respect of Coburn Resources Pty Ltd.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 31 October 2024

STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	2024 $	2023 $
Sales revenue	4	**86,087,518**	60,769,375
Cost of sales	5	**(138,351,952)**	(55,473,317)
Other income		**474,407**	-
Exploration and evaluation expenditure		**(1,497,925)**	-
Corporate and administrative expenses		**(9,896,805)**	(1,172,364)
Impairment - Coburn Project - Mine Properties in Development	11	**(110,787,020)**	-
Operating loss before income tax		**(173,971,777)**	4,123,694
Finance income		**3,537**	55,037
Finance costs		**(8,094,561)**	(9,791,739)
Net finance costs	6	**(8,091,024)**	(9,736,702)
Income tax expense	7	**-**	-
Loss after income tax for the year		**(182,062,801)**	(5,613,008)
Total loss for the year		**(182,062,801)**	(5,613,008)

The Statement of Profit or Loss should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 $	2023 $
Current assets			
Cash and cash equivalents	8	**3,080,464**	11,167,135
Restricted Cash	8	**2,500,000**	-
Inventories	9	**20,590,358**	12,418,661
Trade and other receivables	10	**1,833,285**	2,556,776
Prepayments		**1,221,750**	909,372
Total current assets		**29,225,857**	27,051,944
Non-current assets			
Property, plant and equipment	11	**298,131,141**	379,703,012
Total non-current assets		**298,131,141**	379,703,012
Total assets		**327,356,998**	406,754,956
Current liabilities			
Trade and other payables	12	**46,922,359**	29,330,406
Borrowings	13	**262,776,546**	120,738,212
Total current liabilities		**309,698,905**	150,068,618
Non-current liabilities			
Borrowings	13	**32,077,854**	195,260,493
Provisions	14	**17,594,185**	14,664,420
Total non-current liabilities		**49,672,039**	209,924,913
Total liabilities		**359,370,944**	359,993,531
Net (liabilities) / assets		**(32,013,946)**	46,761,425
Equity			
Contributed equity	15	**1,150,000**	1,150,000
Reserves	16	**161,130,704**	57,843,274
Accumulated losses		**(194,294,650)**	(12,231,849)
Total equity		**(32,013,946)**	46,761,425

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

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

	Issued Capital $	Revaluation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022	1,150,000	54,996,847	(6,618,841)	49,528,006
Comprehensive income for the year				
Loss for the year	-	-	(5,613,008)	(5,613,008)
Total comprehensive loss for the year	-	-	(5,613,008)	(5,613,008)
Fair value loan (note 13)	-	2,846,427	-	2,846,427
Balance at 30 June 2023	1,150,000	57,843,274	(12,231,849)	46,761,425
Balance at 1 July 2023	**1,150,000**	**57,843,274**	**(12,231,849)**	**46,761,425**
Comprehensive income for the year				
Loss for the year	**-**	**-**	**(182,062,801)**	**(182,062,801)**
Total comprehensive loss for the year	**-**	**-**	**(182,062,801)**	**(182,062,801)**
Fair value loan (note 13)	**-**	**103,287,430**	**-**	**103,287,430**
Balance at 30 June 2024	**1,150,000**	**161,130,704**	**(194,294,650)**	**(32,013,946)**

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

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024

COBURN resources pty ltd

	Notes	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		**86,490,768**	60,769,375
Payments for exploration and evaluation		**(1,497,925)**	-
Payments to suppliers and employees (inclusive of GST)		**(142,659,402)**	(48,375,530)
Interest received		**3,537**	55,037
Net cash from/(used in) operating activities		**(57,663,022)**	12,448,882
Cash flows from investing activities			
Payments for property, plant and equipment		**(11,760)**	(73,676)
Payments for mine development activities		**(17,371,251)**	(121,439,054)
Net cash used in investing activities		**(17,383,011)**	(121,512,730)
Cash flows from financing activities			
Proceeds from intercompany loan		**38,220,666**	13,895,767
Proceeds from borrowings		**30,000,000**	39,156,558
Repayment of borrowings		**(1,512,130)**	(1,282,849)
Government grants received		**450,913**	-
Net cash from financing activities		**67,159,449**	51,769,476
Net (decrease)/increase in cash and cash equivalents		**(7,886,584)**	(57,294,372)
Cash and cash equivalents at the beginning of the year		**11,167,135**	68,542,373
Effects of foreign exchange movement on cash held		**(200,087)**	(80,866)
Cash and cash equivalents at the end of the year	8	**3,080,464**	11,167,135

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. General information

Coburn Resources Pty Ltd ('Company' or 'Coburn') is a proprietary 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. The Company is primarily involved in the exploration and development of heavy mineral sands resources.

2. New Standards and Interpretations

New or amended Accounting Standards and Interpretations adopted

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

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

Impact of standards issued but not yet applied by the entity

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

3. Accounting policies

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

3.1. Statement of compliance

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

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with international financial reporting standards (IFRS) in accordance with IAS 1 Presentation of Financial Statements.

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

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

3.2. Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for financial assets and financial liabilities that are recognised at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

a) Going concern basis

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

As disclosed in the financial statements the Company made a net loss during the year of $182,062,801 (30 June 2023: loss $5,613,008) from operating activities and its cash and cash equivalents decreased by $8,086,671 to $3,080,464 (30 June 2023: decreased by $57,375,238 to $11,167,135). As at 30 June 2024 the Company held $3,080,464 in cash and cash equivalents and had a deficit of current liabilities over current assets of $280,473,048 after reclassifying non-current senior debt borrowings to current borrowings as the Company is not in compliance with certain of its banking covenants at the date of this report. As at of this report, the working capital deficiency continues.

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

As part of this work, on 21 December 2023, the parent announced continued support from financiers and informed the market that the Strandline Group had entered into a Standstill Agreement with its financiers. The terms of the agreement include, deferring certain near-term interest payments, repayment obligations and various covenant waivers whilst the financing and debt restructure terms are finalised and agreed upon. At 30 June 2024 there was $294,854,400 of borrowings included in note 13, $16,782,431 of accrued interest included in trade and other payables included in note 12 relating to loan borrowings.

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

The Standstill Agreement includes conditions that the Parent is required to adhere to and include:

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

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

As a result of the above, the ability of the Company to continue as a going concern is dependent upon successful restructuring of the Financing Facilities with all financiers, and continued financial support provided by the parent entity, Strandline Resources Limited. Along with the successful ramp up of the Coburn Mineral Sands Project to name plate production. These conditions indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

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

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

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

b) Critical accounting judgements and key sources of estimation uncertainty

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

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

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

- Recognition of tax losses and deferred tax balances – note 7
- Measurement of inventory stockpiles – note 9
- Impairment estimate - note 11
- Fair value NAIF debt facility – note 13
- Fair value of intercompany loan – note 13
- Measurement of mine rehabilitation provision – note 14
- Share based payments - the parent entity issued share-based payments in the form of performance rights during the year to KMP. Assumptions and estimates made in relation to these share-based payments to KMP are detailed in the remuneration report.

4. Revenue

	2024 $	2023 $
Revenue from contracts with customers	**86,087,518**	60,769,375
	86,087,518	60,769,375

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

Accounting policy

Revenue from contracts with customers

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

Sale of HMC

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

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

5. Cost of goods sold

	2024 $	2023 $
Inventory cost movement	**128,169,198**	48,578,682
Selling costs	**10,182,754**	6,894,635
	138,351,952	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 port 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.

6. Net finance costs

	2024 $	2023 $
Finance income		
Interest income	**3,537**	55,037
	3,537	55,037
Finance expense		
Interest expense	**7,963,413**	6,592,022
Net foreign exchange loss [1]	**131,148**	3,199,717
	8,094,561	9,791,739
Net finance costs	**8,091,024**	9,736,702

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.

7. Income tax expense

	2024 $	2023 $
Loss before tax	**(182,062,801)**	(5,613,008)
Tax at the Australian tax rate of 30% (2023: 30%)	**(54,618,840)**	(1,683,902)
Tax effect of:		
Deferred tax assets and liabilities not recognised	**54,618,840**	1,683,902
Income tax expense	**-**	-

Deferred tax assets and tax losses

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

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 Company.

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.

8. Cash and cash equivalents

	2024 $	2023 $
Cash at bank	**3,022,464**	11,109,135
Cash on deposit	**58,000**	58,000
Cash and cash equivalents	**3,080,464**	11,167,135
Restricted cash	**2,500,000**	-
	5,580,464	11,167,135

The restricted cash balance of $2,500,000 represents the remaining funds of the $5 million NAIF Facility C to be drawn down. The funds are required to be held in the AUD denominated escrow bank account in the name of the Company.

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.

9. Inventories

	2024 $	2023 $
Heavy mineral concentrate and intermediate stockpiles - at cost	**15,607,109**	9,475,560
Stores and consumables - at cost	**4,983,249**	2,943,101
	20,590,358	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.

10. Trade and other receivables

	2024 $	2023 $
GST receivable	**1,477,201**	1,864,900
Other debtors	**356,084**	691,876
	1,833,285	2,556,776

11. Property, plant and equipment

	Plant and equipment $	Right-of-use lease assets $	Mine properties $	Mine properties in development $	Total $
At 30 June 2023					
Cost	1,563,392	33,751,552	16,217,746	331,792,900	383,325,590
Accumulated depreciation	(383,022)	(3,239,556)	-	-	(3,622,578)
Net book value	1,180,370	30,511,996	16,217,746	331,792,900	379,703,012
Opening net book value	583,264	1,590,649	5,416,635	232,485,753	240,076,301
Additions	814,595	31,165,685	10,801,111	95,783,290	138,564,681
Unwind NAIF fair value [1]	-	-	-	3,523,857	3,523,857
Depreciation charge	(217,489)	(2,244,338)	-	-	(2,461,827)
Net book value	1,180,370	30,511,996	16,217,746	331,792,900	379,703,012
At 30 June 2024					
Cost	**1,583,834**	**35,270,334**	**19,725,109**	**248,099,465**	**304,678,742**
Accumulated depreciation	**(770,900)**	**(5,776,701)**	**-**	**-**	**(6,547,601)**
Net book value	**812,934**	**29,493,633**	**19,725,109**	**248,099,465**	**298,131,141**
Opening net book value	**1,180,370**	**30,511,996**	**16,217,746**	**331,792,900**	**379,703,012**
Additions	**20,442**	**1,518,783**	**3,507,363**	**23,712,165**	**28,758,753**
Impairment expense	**-**	**-**	**-**	**(110,787,020)**	**(110,787,020)**
Unwind NAIF fair value [1]	**-**	**-**	**-**	**3,381,420**	**3,381,420**
Depreciation charge	**(387,878)**	**(2,537,146)**	**-**	**-**	**(2,925,024)**
Net book value	**812,934**	**29,493,633**	**19,725,109**	**248,099,465**	**298,131,141**

1. Unwind of the NAIF facility fair value in accordance with *AASB 120 Government Grants*. Further details refer note 13 accounting policy.

Assets pledged as security

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

In December 2023, under the Amended NAIF Facility Agreement (date December 2023), NAIF approved the repurposing of A$15 million of the Second Loan Tranche (A$20 million) of the facility as a Super Senior Facility. The Super Senior Facility was drawn to A$12.5 million during the financial year and a further $A2.5 million subsequent to the end of the year.

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

Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company 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 ('CGU') 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 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 immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

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

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

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

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

Revenue Pricing

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

Inflations rates

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

Discount Rate

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

Operating and capital costs

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

Sensitivity

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

Accounting policy

Mine Properties in Development

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

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.

12. Trade and other payables

	2024 $	2023 $
Trade payables	**8,311,962**	16,700,965
Other creditors and accruals[1]	**38,610,397**	12,629,441
	46,922,359	29,330,406

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

13. Borrowings

	2024 $	2023 $
Current		
NAIF facility [1]	**108,564,376**	-
Nordic Bond facility	**89,671,567**	12,820,513
Syndicated Loan	**18,891,505**	-
NAB working capital facility	**15,000,000**	14,715,917
Lease liability	**803,206**	6,002,309
Chattel mortgage - vehicles	**359,211**	378,475
Loan - Strandline Resources Ltd	**29,486,681**	86,820,998
	262,776,546	120,738,212
Non-current		
Lease liability	**31,606,566**	25,702,617
Chattel mortgage - vehicles	**471,288**	830,499
Nordic Bond facility	**-**	76,239,813
NAIF facility [1]	**-**	92,487,564
	32,077,854	195,260,493

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

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

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

NAIF Facility – A$150m

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

NAIF Facility Super Senior - $15m

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

Bond Facility – US$60m

- 5 year tenor with a maturity date of 20 March 2026.
- The Bond Terms originally provided for amortisation payments of principal from March 2024, comprising quarterly amortisation of US$4.25m from 20 March 2024 to 20 June 2025, and amortisation of US$2.25m at 20 September 2025 and 20 December 2025. The final payment of the balance was then due on the Maturity Date. The Company and the Bondholders have agreed as part of its existing standstill arrangements to defer the March 2024, June 2024 and September 2024 payments to 30 November 2024, with a further revised amortisation schedule to be agreed as part of a broader debt restructure under discussion with all of its lenders.
- The Company may buy back the debt on-market at any time or redeem the bonds early (subject to make whole payments and call premia depending on the time of the prepayment).
- Financial covenants are customary for a loan facility of this nature, aligning with the NAIF loan facility, comprising a Debt Service Cover Ratio, Loan Life Cover Ratio, Reserve Tail Ratio and minimum unrestricted cash balance requirement, Group Liquidity, minimum product output and minimum product sales.
- Listed on Oslo Børs, or other regulated markets within 12 months.
- Governing law is Norwegian law for Bond terms and Australian law for security package.
- Comprehensive senior security package over assets and rights of Coburn project, Pari Passu with the NAIF (Facility B and Facility C1) and NAB loan facility.
- US$60m (A$90.6m at AUD: USD 0.6624 as at 30 June 2024).

Bond Facility Super Senior - $20m

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

NAB working capital facility – AUD$15 million

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

Unsecured loan due to Strandline Resources Limited

	2024 $	2023 $
Opening balance	**86,820,998**	69,179,636
Loan - Strandline Resources Limited [1]	**38,220,666**	13,895,767
Net gain on loan fair value measurement	**(103,287,430)**	(2,846,427)
Finance cost - implicit interest	**7,732,447**	6,592,022
	29,486,681	86,820,998

1. The Parent Entity loan from for the year relates to costs incurred by the Parent Entity on behalf of the Coburn Mineral Sands Project primarily the recharge of personnel costs and project related expenses.

For accounting purposes, the value of the loan due to the parent, Strandline Resources Limited, has been discounted by applying a market rate of 10%. The measurement of the loan resulted in a gain of $103.3 million for FY2024 (2023: gain $2.8 million) that has been recorded to the revaluation reserves in equity. The interest implicit on the loan for the year ended 30 June 2024 is $7.7 million (2023: $6.6 million). The loan is unsecured and interest free. Repayment of the loan from the parent is expected to be repaid at the end of the life of the mine. This was a re-measurement during the financial year, resulting in the change in fair value of the loan.

Accounting policy

Borrowings

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

Borrowings are classified as current liabilities unless the Company 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 Company 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.

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.

14. Provisions

	2024 $	2023 $
Non-current		
Mine rehabilitation	**17,594,185**	14,664,420
	17,594,185	14,664,420
Mine rehabilitation movement		
Opening balance 1 July	**14,664,420**	4,361,363
Provisions made during the year	**1,949,912**	10,303,057
Changes in discount rate	**979,853**	-
Carrying amount at year end	**17,594,185**	14,664,420

Accounting policy

Mine rehabilitation

The Company 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.

15. Contributed equity

	2024 $	2023 $
20,166,762 fully paid ordinary shares (2023: 20,166,762 shares)	**1,150,000**	1,150,000

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting or by proxy shall have one vote and upon a poll each share shall have one vote.

Share options and performance rights on issue

The Company has no share options or performance rights on issue (2023: Nil).

16. Reserves

	2024 $	2023 $
Revaluation reserve		
Balance at beginning of year	**57,843,274**	54,996,847
Fair value adjustment on loans	**103,287,430**	2,846,427
Balance at end of year	**161,130,704**	57,843,274

17. Financial instruments

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

	2024 $	2023 $
Financial assets		
Cash and cash equivalents	**3,080,464**	11,167,135
Restricted cash	**2,500,000**	-
Trade and other receivables	**1,833,285**	2,556,776
	7,413,749	13,723,911
Financial liabilities		
Trade payables	**46,922,359**	29,330,406
Lease liabilities	**32,409,772**	31,704,926
Borrowings	**262,444,628**	284,293,779
	341,776,759	345,329,111

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

Foreign exchange risk

The Company 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 the functional currency of the Company. The carrying value of financial instruments that are held in a currency other than the entities functional currency are as follows:

	2024 $	2023 $
Cash and cash equivalents	**106,977**	106,977
Borrowings	**90,497,738**	90,497,738

Based upon the foreign currency financial instruments held at 30 June 2024, had the Australian dollar strengthened/weakened by 10% against the USD, with all other variables remaining constant, the Company's profit for the year would have been $8.2 million higher/$10.0 million lower (2023: $8.7 million higher/$9.5 million lower) respectively, as a result of foreign exchange gain/losses on translation of USD denominated cash and borrowings.

Interest rate risk

The Company'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 1.35% (2023: 0% to 1.55%) based on the type of account and cash balance. The Northern Australia Infrastructure Facility (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 are:

	2024 $	2023 $
Cash and cash equivalents	**3,080,464**	11,167,135
Borrowings	**15,000,000**	15,000,000

A change of 1% of the variable interest rate at the reporting date would have an impact on the Company's profits and loss and equity of $119,195 (2023: $38,329) 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 Company and arises principally from the Company's receivables. There were no trade and other receivables in arrears.

The Company'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 Company's Australian bank is AA-.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company'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 Company'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 Company's short, medium and long-term funding and liquidity management requirements. The Company 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 Company'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 Company can be required to pay.

	Carrying amount	Less than one year	Between one and five years	After five years	Total contractual cash flows
	$	$	$	$	$
2024					
Financial liabilities					
Trade and other payables	**46,922,359**	**46,922,359**	**-**	**-**	**46,922,359**
Borrowings - Working capital	**15,000,000**	**16,116,795**	**-**	**-**	**16,116,795**
Borrowings – Nordic Bond	**89,671,567**	**112,562,004**	**-**	**-**	**112,562,004**
Borrowings – NAIF	**108,564,376**	**197,262,178**	**-**	**-**	**197,262,178**
Borrowings – Syndicated loan	**18,891,505**	**18,891,505**	**-**	**-**	**18,891,505**
Loan - Strandline Resources Ltd	**29,486,681**	**29,486,681**	**-**	**-**	**29,486,681**
Chattel mortgage - vehicles	**830,499**	**425,498**	**468,559**	**-**	**894,057**
Lease liabilities	**32,409,772**	**5,369,555**	**29,453,758**	**48,834,370**	**83,657,683**
Total	**341,776,759**	**427,036,575**	**29,922,317**	**48,834,370**	**505,793,262**
2023					
Financial liabilities					
Trade and other payables	29,330,406	29,330,406	-	-	29,330,406
Borrowings - Working capital	14,715,917	16,105,626	-	-	16,105,626
Borrowings – Nordic Bond	89,060,326	23,536,450	89,640,146	-	113,176,596
Borrowings – NAIF	92,487,564	8,473,151	37,676,101	159,586,077	205,735,329
Loan - Strandline Resources Ltd	86,820,998	86,820,998	-	-	86,820,998
Chattel mortgage - vehicles	1,208,974	472,531	857,708	-	1,330,239
Lease liabilities	31,704,926	5,329,384	28,536,743	55,120,940	88,987,067
Total	345,329,111	170,068,546	156,710,698	214,707,017	541,486,261

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation 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 Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

18. Contingent liabilities

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

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

19. Non-cash investing and financial activities

	2024 $	2023 $
Additions to the right-of-use assets	**1,518,783**	31,165,685

20. Related party transactions

The Directors are compensated by Strandline Resources Limited (the Parent Entity). There are no loans to/from the Directors or other transactions between the Company and the Directors.

Transactions with the Parent Entity are outlined in note 13, which comprise of an unsecured loan due to Strandline Resources Limited. All transactions were made on normal commercial terms and conditions and at market rates.

21. Key management personnel

The Directors and any key management personnel are compensated by the Parent Entity.

22. Auditors Remuneration

The auditor's were remunerated $38,000 in 2024 and $21,000 in 2023.

23. Disclosure of payments to government

Coburn is in the process of preparing a report on payments to governments and intends to publish on the web page of Strandline Resources Limited https://strandline.com.au/.

This report sets out details of the payments made to governments by Coburn Resources Pty Ltd for the year ended 30 June 2024 as required by the Norwegian Accounting Act and Norwegian Securities Trading Act. Total payments below NOK 800,000 have been excluded from this report.

The Company has assessed its relations with and payments to and from governmental institutions. The Company's governmental relations are only with institutions in Australia. All reportable payments are in the ordinary course of business and are related to royalties.

Total payments from the Company to an Australian governmental institution were $3,608,696 in 2024 (2023: $1,409,830) relating to royalties. Additionally, payments of licences of $212,698 (2023: $287,225) and levies of $206,269 (2023: $214,723) were made to the same Australian governmental institution.

24. Events subsequent to reporting date

On 8 August 2024, the parent completed the sale of its Tanzanian mineral sands assets. The consideration has been used to repay the $35 million super senior debt facilities along with accrued interest and fees.

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

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

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

DIRECTORS' DECLARATION & RESPONSIBILITY STATEMENT

In the directors' opinion:

1. The attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – General Purpose, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

2. The attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable having regard to matters disclosed in note 3.2 (a);

4. to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the Company taken as a whole;

5. the financial statements comply with Australian Accounting Standards. The financial statements also comply with international financial reporting standards in accordance with IAS 1 Presentation of Financial Statements;

6. the director's report includes a fair review of the development and performance of the business and the position of the issuer and the Company taken as a whole, together with a description of the principal risks and uncertainties that they face; and

7. to the best of our knowledge, the payments to governments report has been prepared in accordance with the requirements of the Norwegian Securities Trading Act section 5-5a and associated regulations (regulations relating to country-by-country reporting of 20 December 2013 no. 1682).

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Jozsef Patarica
Director

31 October 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Coburn Resources Pty Ltd

Report on the Audit of the Financial Report

Opinion

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

In our opinion the accompanying financial report of Coburn Resources Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Material uncertainty related to going concern

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 on the other information obtained prior to the date of this auditor's report, 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 Company's ability 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 Company 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.

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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:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

Dean Just

Director

Perth, 31 October 2024

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INDEPENDENT ASSURANCE REPORT

To the Members of Coburn Resources Pty Ltd

Opinion

We have undertaken a reasonable assurance engagement on Coburn Resources Pty Ltd's compliance, in all material respects, with the compliance requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

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

Coburn Resources Pty Ltd's responsibilities

Coburn Resources Pty Ltd's is responsible for:

a) The compliance activity undertaken to meet the requirements of the Commission Delegated Regulation (EU) 2019/815 on the ESEF Regulation and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements

b) Identification of risks that threaten the compliance requirements identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our independence and quality management

We have complied with the independence and relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance practitioner's responsibilities

Our responsibility is to express an opinion on Coburn Resources Pty Ltd compliance, in all material respects, with the compliance requirements as evaluated against as at 30 June 2024. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, Coburn Resources Pty Ltd has complied, in all material respects, with the compliance requirements as at 30 June 2024.

An assurance engagement to report on Coburn Resources Pty Ltd compliance with the requirements involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the requirements.

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement throughout the specified period or as at a specified date does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Restricted use

This report has been prepared for use by members for the purpose of assessing compliance with the ESEF Regulation and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act. We disclaim any assumption of responsibility for any reliance on this report to any person other than intended users, or for any other purpose other than that for which it was prepared.

BDO Audit (WA) Pty Ltd

Dean Just

Director

Perth, 31 October 2024