



# **COBURN MINERAL SANDS PROJECT IN WA - PROJECT UPDATE**

Strandline Resources Limited (ASX: STA) is pleased to advise that Managing Director Mr Luke Graham has provided a Project Update via video.

The update, which comes ahead of Strandline's presentation to the Diggers & Dealers forum next Wednesday, August 3, can be viewed at <https://youtu.be/elAVFL3bi7w>.



*Figure 1 Construction of Strandline's 100%-owned Coburn mineral sands project is progressing rapidly*

## **ABOUT COBURN MINERAL SANDS PROJECT**

In May 2021 Strandline made a Final Investment Decision (**FID**) to proceed with the full development of its world-scale Coburn mineral sands project, located in the Gascoyne region of Western Australia. The construction schedule has first production of heavy mineral concentrate (**HMC**) planned for the December quarter of 2022.

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

The Coburn mine life currently sees mining continue until 2045 (based on mining the initial 22.5-year JORC 2012 compliant Ore Reserves), with the potential to extend to 2060 (total 37.5 years mine life) by converting Mineral Resources which exist immediately north and along strike of existing Ore Reserves.



The Coburn FID was supported by the updated Definitive Feasibility Study (DFS), released in mid-2020, which confirmed robust economics for the project over an initial 22.5-year life, including:

- Pre-tax NPV of A\$705m (AUD: USD 0.70, 8% DCF discount rate)
- High margin revenue-to-operating cost (C1) ratio of 2.4
- Projected revenue for the initial 22.5 years of Ore Reserves of A\$4.4b
- Average annual EBITDA of A\$104m and +50% EBITDA margin
- Fully funded to production and cash flow by a combination of 15-year A\$150m NAIF<sup>1</sup> loan alongside a 5-year US\$60m Bond Issue, and equity proceeds
- Binding offtakes secured for 100% of Coburn’s initial production with a diverse group of top-tier customers

**Table 1** Coburn updated DFS and Scoping Study Extension Case Financial Evaluation

Category	Updated DFS – Final Product Case (Jun-20)	Scoping Study Extension Case integrated with updated DFS (Jun-20)
Mine Life	22.5yrs	37.5yrs
Tonnes Mined	523Mt	876.8Mt
Throughput	23.4Mtpa	23.4Mtpa
Capital Expenditure (Pre-production)	A\$260M	A\$260M
Revenue	A\$4.37B	A\$7.94B
Total Opex (C1)	A\$1.80B	A\$3.00B
Total All-in Sustaining Costs (AISC)	A\$2.08B	A\$3.50B
Revenue-to-operating cost (C1) ratio (RC)	2.4	2.6
NPV (pre-tax, real, no debt, 8% DCF discount Rate)	A\$705M	A\$825M
EBITDA	A\$2.35B	A\$4.54B
Avg. annual EBITDA	A\$104M	A\$121M

Strandline is committed to building a highly efficient and sustainable mining operation. The project provides significant public benefit including job creation, high Australian industry participation in the supply chain, new local business and indigenous engagement opportunities, as well as capital inflows for Australia.

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

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

*For further information contact:*

**Luke Graham**  
CEO and Managing Director  
Strandline Resources Limited  
+61 8 9226 3130  
[enquiries@strandline.com.au](mailto:enquiries@strandline.com.au)

*Media and broker enquiries:*

**Paul Armstrong**  
Read Corporate  
+61 8 9388 1474  
[paul@readcorporate.com.au](mailto:paul@readcorporate.com.au)

<sup>1</sup> The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government lending facility to finance projects to achieve growth in the economies and populations of northern Australia and encourage and complement private sector investment. (<http://www.naif.gov.au>)

## FORWARD LOOKING STATEMENTS

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

## ABOUT STRANDLINE

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

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

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



*Figure 2 Strandline's Global Mineral Sands Exploration and Development Projects*