



STRANDLINE SECURES KEY PRODUCT LOGISTICS CONTRACT FOR COBURN OPERATIONS IN WA

*Rapid construction progress puts Coburn on 12-month countdown to first production;
~65% of all operating costs now locked in at or below DFS forecast*

HIGHLIGHTS

- **Product transport and storage services agreement executed with leading logistics provider Qube Bulk**
- **Strategic storage secured berth-side at the Port of Geraldton for most of Coburn's product resulting in logistics flexibility and cost efficiencies**
- **Qube's scope comprises a turn-key product logistics solution from mine-to-ship, including operating the haulage fleet, product storage facilities and coordinating port loading activities**
- **Agreement covers 100% of the mineral sands products to be produced at Coburn over an initial 10-year term (~225,000 tonnes per annum)**
- **Qube is a premier provider of bulk, port and logistics services across Australia, with significant experience in managing mineral sands bulk cargo around the Geraldton and Mid West region**
- **The terms of the agreement are in accordance with the production plan, logistics requirements and overall operating cost assumptions contained in the Coburn DFS, released in June 2020**
- **"This agreement, when combined with the previously announced operational contracts, including for contract mining services and supplies of electricity, LNG, fuel and facilities management, means Strandline has already locked-in ~65% of its forecast operating costs in line with the assumptions contained in the Coburn DFS." – Strandline MD Luke Graham**

Strandline Resources Limited (ASX: STA) is pleased to announce another important step in its preparations for production at the Coburn mineral sands project in Western Australia, executing a long-term haulage and logistics services agreement with Qube Bulk Pty Ltd (Qube).

Qube is Australia's largest integrated provider of export logistics services and is highly experienced in haulage, storage and ship loading of bulk mineral sands products, including at the Port of Geraldton.

Qube's scope comprises a turn-key logistics solution from mine-to-ship, including operating the haulage fleet, product storage facilities at Geraldton and coordinating ship loading activities. Qube's services include:

- **Load product at Coburn mine site into Qube-owned triple road trains on a continuous 24-7 basis**
- **Transport of ilmenite and zircon concentrate products to Qube's existing Berth 4 storage facility at the Port of Geraldton ready for direct loading to ship**
- **Transport of zircon and rutile products to purpose-built storage facility at Narngulu, ready for campaign loading at Berth 4, Port of Geraldton**
- **Coordinate product deliveries for ship loading at the port to meet Strandline's customer requirements**



The terms of the contract are in accordance with the production plan, logistics requirements and overall operating cost assumptions contained in the Coburn DFS, released in June 2020.

Appointment of Qube follows the previously announced 10-year port access and services agreement with the Mid West Ports Authority, which operates the Port of Geraldton in WA (refer ASX announcement 16 Nov-2020).

Qube is now preparing its Narngulu storage facility and existing Berth 4 port storage facility and trucking fleet ready for first cargo later next year.

With the strong construction progress achieved to date at Coburn, Strandline remains on track to achieve first production of heavy mineral concentrate (HMC) in the December quarter, 2022.

Strandline Managing Director Luke Graham said the execution of this key product logistics contract marked another crucial step in the Company's strategy to become a leading high-margin producer of critical minerals.

"We are delighted to establish this long-term relationship with Qube, a leading logistics provider across Australia and a well-established operator in the mid-west region of WA," Mr Graham said.

"Securing the strategic storage at port berth-side for most of Coburn's product volume is a significant advantage, resulting in extra flexibility and cost efficiencies.

"This agreement, when combined with the previously announced operational contracts, including for the contract mining services, supply of electricity, LNG, fuel and facilities management on site, means Strandline has already locked-in ~65% of its forecast operating costs in line with the assumptions contained in the Coburn DFS"

Qube Bulk Director Todd Emmert said "We are delighted about our new partnership with Strandline and being able to release further value to customers and the Port of Geraldton through our ongoing investment in the region. The Coburn project is an exciting prospect that will deliver long term benefits to all stakeholders involved".

ABOUT QUBE BULK

Qube Bulk Pty Ltd (Qube) is a division of ASX 100 Qube Holdings Ltd, Australia's largest dedicated bulk, container and port logistics provider. Qube has over 30 years' experience in the Midwest Region of WA and are the preeminent supplier of complete Mine to Market and Market to Mine value chain solutions offering mine, road, rail, storage, port and ship services.



Qube is committed to safety and innovation with significant technological advances setting the industry standard for bulk handling and In-Vehicle Management Systems. Qube continue to invest heavily in R&D to improve bulk handling methods, storage solutions and road transport efficiencies to deliver a quality integrated solution for their clients. Website: www.qube.com.au



Figure 1 Qube have significant logistics experience in mineral sands (images supplied by Qube)



Figure 2 Strandline’s Qube product storage facilities at the Port of Geraldton (Berth 4)

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 planned for the December quarter of 2022.

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

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

The 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 NAIF¹ loan alongside a 5-year US\$60m Bond Issue, and equity proceeds
- Binding offtakes secured for 100% of Coburn’s initial production with top-tier customers
- Detailed planning and proven delivery strategies underpins a robust development plan

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

¹ 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>)

Category	Updated DFS – Final Product Case (Jun-20)	Scoping Study Extension Case integrated with updated DFS (Jun-20)
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 is set to generate significant public benefit including job creation, high Australian industry participation, 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.



Figure 3 Coburn site wide construction progressing strongly (Nov-2021)

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

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ABOUT STRANDLINE

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

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

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



Figure 4 Strandline's Global Mineral Sands Exploration and Development Projects

FORWARD LOOKING STATEMENTS

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