



## **COBURN MINERAL SANDS PROJECT: CONSTRUCTION UPDATE**

***Strong start to construction with over 90% of the construction scope now committed and site-wide bulk earthworks well underway***

### **HIGHLIGHTS**

- **All major construction contracts now awarded, latest being construction of permanent accommodation village, supply of HDPE field piping and overhead powerlines**
- **Civil bulk earthworks construction by Macmahon continues to be the primary focus on site; peak civil workforce reached with the following substantive progress:**
  - Clearing and grubbing completed for all major site earthworks pads including site roads, WCP area, MSP area, permanent accommodation village and bore field
  - Cut-to-fill, sub-base and base course construction advancing as a priority to enable installation of above-ground infrastructure to proceed in accordance with the plan
- **Pioneer workers camp completed and construction of 270-person accommodation village is progressing rapidly with first occupancy expected later this month**
- **Hybrid power station, dozer mining units and processing plant EPC works all advancing on-time, with all major mechanical equipment ordered and design reviews and fabrication underway**
- **First production of heavy mineral concentrate (HMC) on track for December quarter, 2022**
- **“All key aspects of Coburn are proceeding in line with our development plan, putting Strandline well on track to capitalise on the buoyant mineral sands market, which is benefiting from strong global demand and ongoing supply challenges.” - Strandline MD Luke Graham**

Strandline Resources Limited (ASX: STA) is pleased to announce that construction on its 100%-owned Coburn mineral sands project in Western Australia continues to progress in accordance with the development plan.

With widespread bulk earthworks construction advancing at pace, Strandline is now preparing for commencement of the above-ground infrastructure, with site mobilisation of its processing plant EPC contractor and delivery of the first batch of mechanical equipment and materials expected next month.

All major construction contracts for the project have now been awarded, which represents over 90% of the construction scope (in terms of value). Multiple bore drilling contractors have mobilised, and installation of water bores are progressing strongly. Environmental and heritage monitoring activities are continuing in accordance with regulatory requirements and operations readiness planning is well underway.

Strandline remains on track to achieve first production of heavy mineral concentrate (HMC) from the Wet Contraction Plant in the December quarter, 2022.

***Strandline Managing Director Luke Graham said it has been positive start to construction at Coburn.***

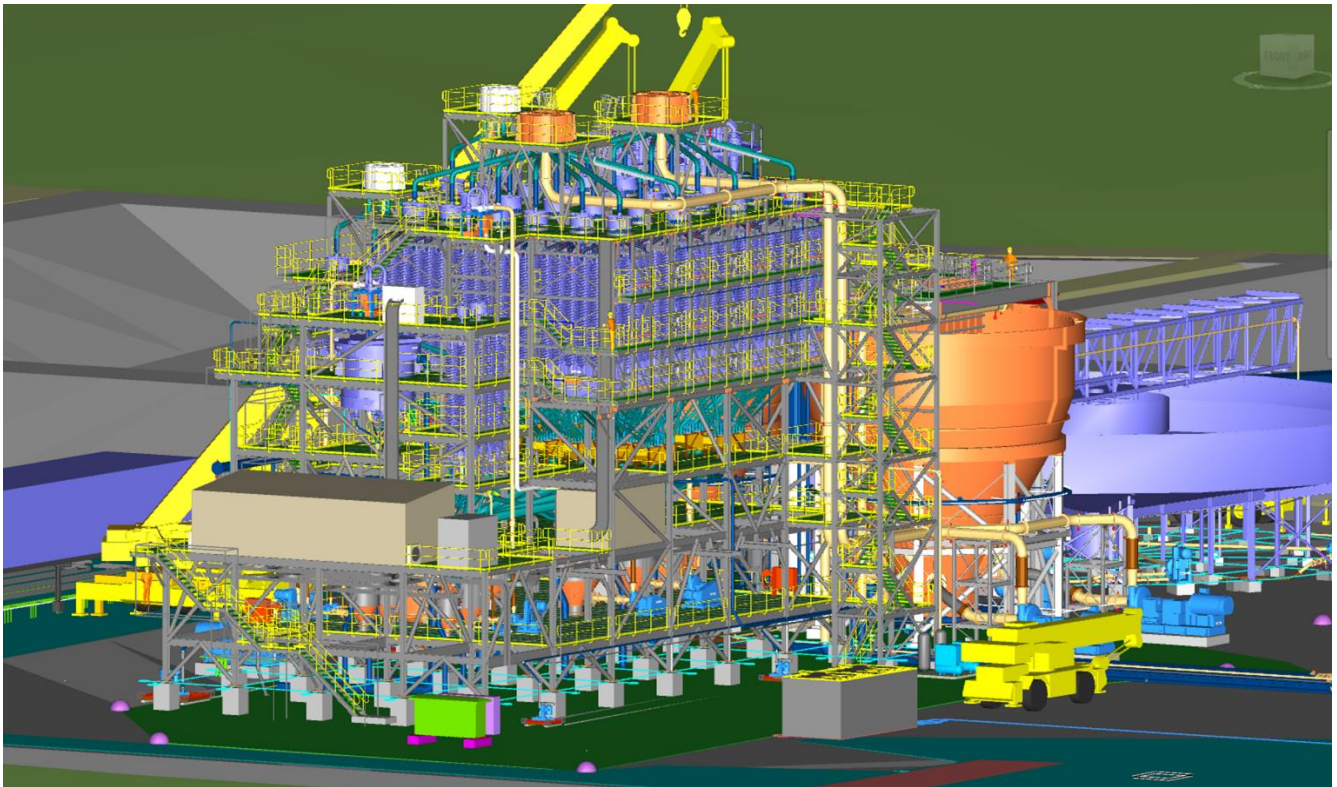
***“We have achieved all our key targets so far,” Mr Graham said.***



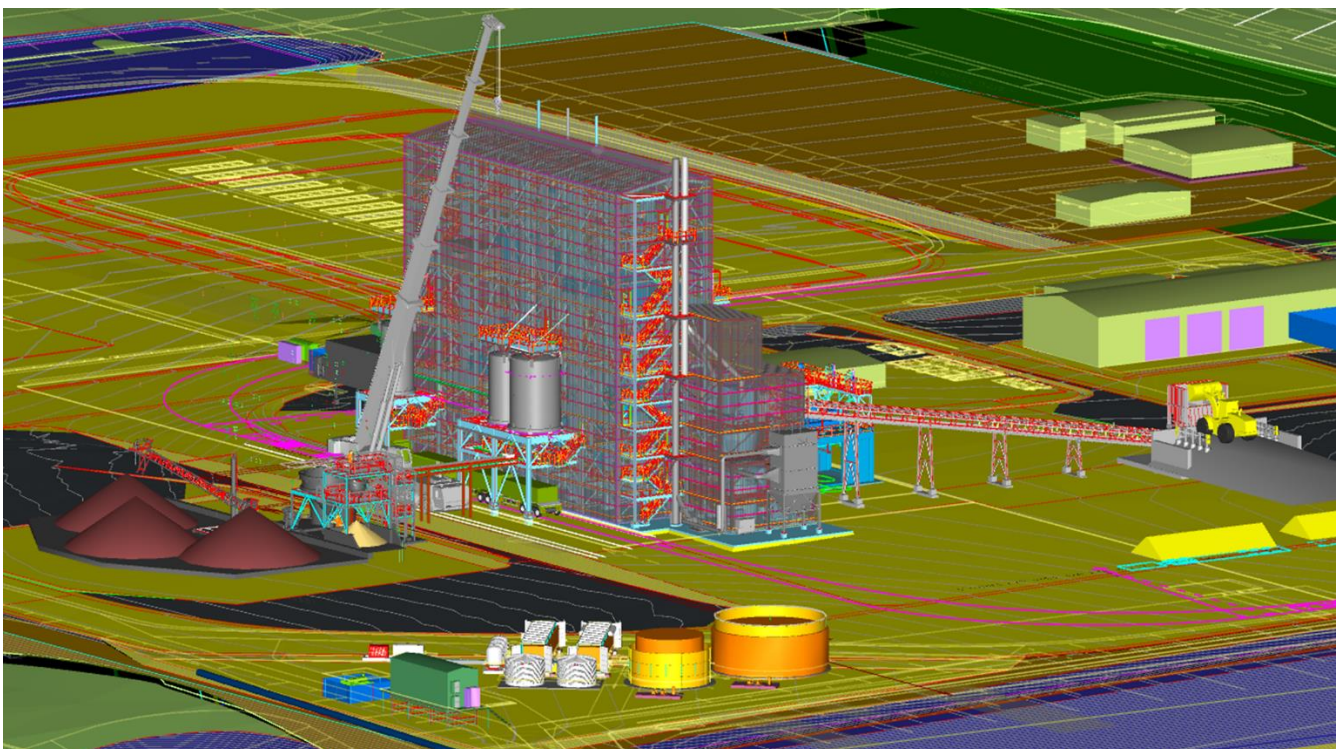
*“The major construction contracts are now all issued, the site activity is ramping up quickly and each day we further de-risk the development phase and move closer to production and cashflow.*

*“100-per cent of our forecast production is covered by offtake agreements and importantly, these contracts enable us to sell our higher value minerals of zircon, rutile and monazite at prevailing market prices.*

*“This means the Company is set to take full advantage of the increasingly strong markets for our products with demand very buoyant and supply facing challenges in many parts of the world.”*



**Figure 1** Wet Concentration Plant (WCP) 3-D Design Development



**Figure 2** Mineral Separation Plant (MSP) 3-D Design Development



*Figure 3 Wet Concentration Plant (WCP) Bulk Earthworks Pad*



*Figure 4 Construction of x270 person Accommodation Village Advancing Rapidly*



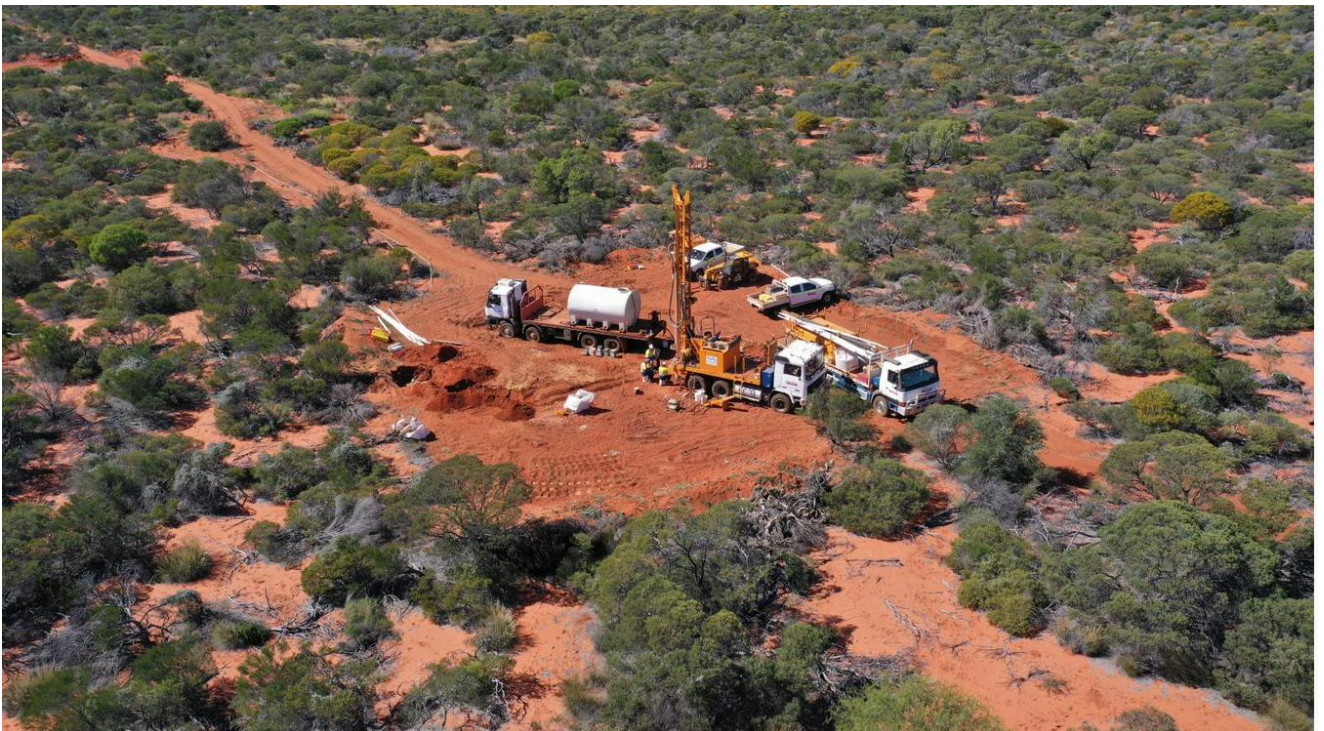
*Figure 5 (above) Earthworks Construction of the MSP, Solar Farm & Process Water Dam Areas*      *Figure 6 (below) Dam Construction*



*Figure 7 Borrow Pit Established and Production of Base-Course Material Underway*



*Figure 8 Main Access Road Construction Continuing with Installation of Road Base Material*



*Figure 9 Installing one-of-many Water Monitoring Bores Near the Mine Site*



*Figure 10 Main Access Road Construction Continuing*



*Figure 11 Strandline's Construction Office Commissioned at the MSP Area*



*Figure 12 Earthworks Clearing Completed for all Infrastructure Areas including village, MSP, WCP and Bore Fields*

### COBURN MINERAL SANDS PROJECT - SNAPSHOT

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% 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
- 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 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
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% 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.

*For more information on the Coburn mineral sands project, refer to the ASX Announcement dated 10 June 2020 for 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.

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<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>)

## 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 13 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.