



DEVELOPMENT OF COBURN'S OPEN MINE PITS SET TO START TWO MONTHS EARLY

Project construction running on budget; Commissioning of wet concentration plant and hybrid power station to start next month

HIGHLIGHTS

- **Development of the open mine pits set to start in July 2022, two months ahead of schedule**
- **Infill 'production control' drilling and detailed mine plan optimisation has resulted in a lower strip ratio (less waste) for the first two years of production, potentially reducing mining costs**
- **All dozer mining units assembled onsite in readiness to be moved to first mining position**
- **Rapid construction of processing and supporting infrastructure ensures Coburn remains on-budget and on track for production of heavy mineral concentrate (HMC) in Q4 2022**
- **Commissioning of systems relating to the wet concentration plant to commence from July 2022**

Strandline Resources Limited (ASX: STA) is pleased to advise that rapid construction of its 100 per cent owned Coburn mineral sands project in Western Australia has facilitated commencement of open pit mine development (starter pits) two months ahead of schedule.

After successful early mobilisation of the mining contractor in April 2022, construction of the temporary tailings storage facility is almost finished, and pre-strip mining will commence from next week.

Mine development will now run concurrently with finalising the construction of the processing and supporting infrastructure, which remains on-budget and on track for first production of HMC later this year.

Detailed mine planning optimisation by AMC Consultants, using the latest infill drilling data, has resulted in an enhanced pit design for the first two years of the mine plan, which contains less overburden (lower strip ratio) and potentially reduced mining costs compared to assumptions contained within the Coburn DFS. The strip ratio has reduced from an average of 0.7 to 0.5 over the first two years of the mine plan, due primarily to optimising and scheduling more ore closer to surface on the eastern side of the deposit.

The three dozer mining units have been delivered and assembled on site, ready to be moved into position for mining first ore later this year.

Commissioning of the sub-systems associated with the wet concentration plant (WCP) and hybrid power station is expected to commence from next month (July 2022) as construction verification works ramps up.

Strandline Managing Director Luke Graham said commencement of pre-strip mining represents another important milestone for the project, ensuring we remain on track for first production of heavy mineral concentrate in the December quarter this year.

"Construction continues to advance strongly with commissioning of the wet concentration plant and hybrid power station set to commence next month".



With Coburn construction reaching peak activity and personnel numbers on site, the Company continues to focus on managing the various risk factors associated with development of the project. This includes HSE risks, potential impacts of COVID-19, inclement weather, contractor performance and contractual claims. The capital expenditure (Capex) forecast to complete the project, including an assessment of contractual claims received to date, is regularly evaluated by the Company's technical, financial and legal experts. The project forecast remains in line with the overall Capex budget.



Figure 1 Three (3) In-pit Dozer Mining Unit Supplied & Assembled on Site by Piacentini&Sons



Figure 2 Dozer Mining Units prepare the ore for slurry pumping to the WCP. Sand tails from the WCP is returned to the pit void, contoured and rehabilitated



Figure 3 Coburn Project Wet Concentration Plant Area Progress Photos



Figure 4 Coburn Project Mineral Separation Plant and Hybrid Power Station Area Progress Photos

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 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 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 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	23.4Mt/pta	23.4Mt/pta
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.

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>)

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 5 Strandline's Global Mineral Sands Exploration and Development Projects