



FIRST ORE PROCESSED IN WET CONCENTRATOR AT COBURN MINERAL SANDS PROJECT IN WA

Ore mining underway from multiple in-pit dozer mining units; Focus now on building stockpile in preparation for first shipment

HIGHLIGHTS

- Processing of ore at Strandline's Coburn mineral sands project in WA has commenced, with mining from multiple in-pit mining units and ore commissioning of Wet Concentrator underway
- Control of Wet Concentration Plant and associated systems has been handed over to Strandline's operations and maintenance teams from the principal contractor
- Tuning of WCP sequences and equipment settings is advancing in parallel with completing punch list items
- Strandline remains on track for first shipment of heavy mineral concentrate this quarter
- Construction of downstream Mineral Separation Plant progressing concurrently with WCP ore commissioning

Strandline Resources Limited (ASX: STA) is pleased to advise first ore has been processed in the Wet Concentration Plant (WCP) at its 100%-owned Coburn mineral sands project in WA.

As part of the commissioning process, tuning of WCP sequences, equipment settings and instrument control loops is advancing, in parallel with completing construction punch list items and managing plant defects as they arise. Ore mining is underway using multiple in-pit dozer mining units.

While commissioning of the WCP continues, construction teams remain focused on finalising the downstream Mineral Separation Plant (MSP) and remaining support infrastructure.

Strandline expects to sell several shipments of Heavy Mineral Concentrate produced from the WCP while construction of the MSP is being completed.

Strandline Managing Director Luke Graham said: "I would like to congratulate the Strandline team and our contracting partners for achieving this fantastic milestone of first ore.

"The team has overcome some well-documented challenges in the mining and construction industry and has achieved this success with zero lost time or medical treatment injuries recorded to date.

"With ore commissioning and tuning of the WCP underway, we are now working to accumulate a stockpile of heavy mineral concentrate ahead of our first shipment.

"At the same time, the construction emphasis is on completion of the MSP and remaining project infrastructure".

With Coburn construction nearing completion and operations ramping up, 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, commissioning and contractual claims and disputes.





Figure 1 Coburn Project - D11 Dozer Pushing Ore into One-of-three In-pit Dozer Mining Units



Figure 2 Coburn Project - Ore from the Mine Reporting to the Ore Receive Hopper at the Wet Concentration Plant



Figure 3 Gravity Separation of Valuable Heavy Mineral (dark colour) from the Non-valuable Sand in WCP First-stage Spiral Circuit

Figure 4 First Heavy Mineral Concentrate (HMC) at the WCP Upflow Classifier prior to Final Screening, Attritioning & Filtering



Figure 5 Coburn Open Pit Mining of Ore has Commenced. Ore is Pumped in Slurry Form approximately 1-2km to the WCP



Figure 6 Construction of MSP and supporting infrastructure advancing in parallel with WCP commissioning

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 (excluding ramp-up phase)
- 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 cash reserves
- Binding offtakes secured for 100% of Coburn's initial production with a diverse group of top-tier customers

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>)

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

Media and broker enquiries:

Paul Armstrong

Read Corporate
+61 8 9388 1474

paul@readcorporate.com.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.

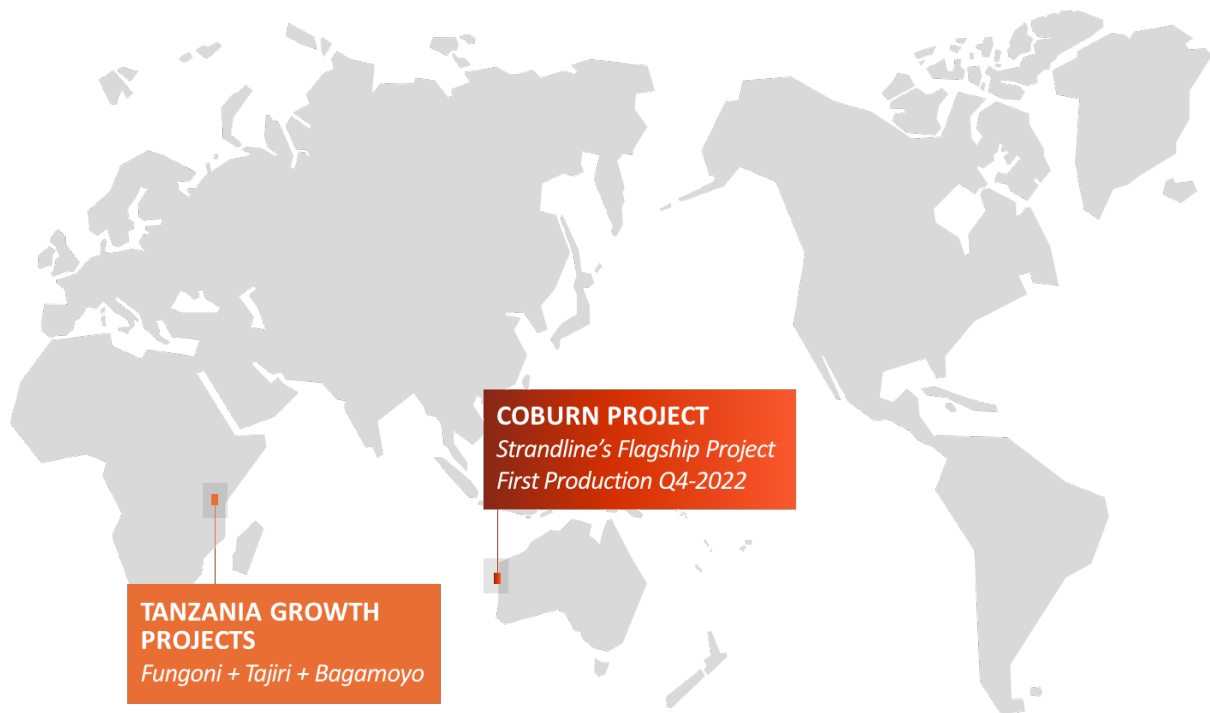


Figure 7 Strandline's Global Mineral Sands Exploration and Development Projects