

# ASX ANNOUNCEMENT

Coburn Mineral Sands Project  
Power Facility Build Own Operate



**STRANDLINE**  
resources limited

04 November 2020

## Strandline appoints Contract Power as preferred contractor to build Coburn's power facilities

### HIGHLIGHTS

- **Strandline appoints Contract Power as preferred contractor to build, own and operate a 32MW hybrid gas and renewable energy solution for the Coburn mineral sands project in WA**
- **The proposed power solution enables Strandline to capture energy supply cost savings relative to the Definitive Feasibility Study (DFS) published in June 2020**
- **Innovative low-cost, low-emission solution integrating gas-fuelled power generation with solar renewable energy and battery storage technology**
- **The parties have now commenced preparation of final contract documentation to the satisfaction of Strandline and Coburn's lender group**
- **The scope represents a major development package and is one of Strandline's conditions precedent to finalise project funding**

Strandline Resources (**ASX: STA**) is pleased to announce that it has taken another important step towards development of its Coburn mineral sands project in Western Australia by appointing Contract Power Australia (**Contract Power**) as preferred contractor to build, own and operate (BOO) the power generation facilities for the project.

Coburn's purpose-designed power infrastructure is based on low-cost, low-emission solution integrating natural gas fuelled generation with state-of-the-art solar and battery storage technology.

The proposed power solution enables Strandline to capture energy supply cost savings relative to the Definitive Feasibility Study (DFS) published in June 2020.

Contract Power, a wholly-owned subsidiary of Pacific Energy Ltd, specialises in turn-key design, installation and operation of energy assets and has a strong track record of delivery in the mining sector of WA.

Coburn's power station will be located near the mineral separation plant (MSP). The power station is designed suitable for a maximum demand capacity of 16 MW and average consumed power of ~10 MW. Natural gas will be supplied by others under an industry standard long-term LNG supply agreement and trucked to an on-site storage and re-vapourisation facility supplied by Contract Power. The LNG then feeds a set of efficient engine generators on an N+1 basis and has ~30% solar (renewable) penetration for the major stable loads.

Generation is at 11kV with step up to 22kV for power transmission to the project loads across the mine site.

As preferred contractor, the parties will now compile final contract documentation to the satisfaction of Strandline and Coburn's lenders. The contract is based on a 15-year BOO (and maintain) commercial model with fixed and variable payment regime for power consumed over the term.

This appointment follows Strandline's recent A\$18.5 million equity raising to advance early works development activities while finalising the balance of project funding. Strandline continues to make strong progress towards



## Coburn Project – Appointment of Preferred Contractor for Power Facilities

definitive finance documentation and conditions precedent for the NAIF A\$150 million loan facility<sup>1</sup> and is advancing discussions to secure a commercial debt tranche expected to stand alongside the NAIF funding.

Strandline Managing Director Luke Graham said the appointment marked another key step in its strategy to bring Coburn into production and establishes an important relationship with Contract Power, a leader in sustainable clean energy generation in Western Australia.



**Image:** Typical LNG-fuelled Engine Shed Layout



**Image:** Contract Power's Meekatharra Hybrid Facility



**Image Above:** Contract Power's Typical LNG-fuelled Power Station Build Layout

### ABOUT CONTRACT POWER GROUP

Contract Power is a leading specialist power station constructor and operator with over 30 years' experience in remote power generation to mines and townships. The Company's remote power generation solutions combine renewable energy and battery storage systems with traditional fuel technologies to create hybrid facilities that reduce carbon emissions and fuel consumption without compromising integrity or reliability. Refer website [www.contractpower.com.au](http://www.contractpower.com.au).

<sup>1</sup> The Northern Australia Infrastructure Facility (NAIF) made an investment decision to provide a A\$150m loan facility for the development of Coburn, subject to finalisation of finance documents and satisfaction of customary conditions precedent to first drawdown - refer ASX announcement 22 June 2020

## ABOUT STRANDLINE

Strandline Resources Limited (**ASX: STA**) is an emerging heavy mineral sands developer 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.

Strandline's project portfolio contains high quality assets which offer a range of development options and timelines, geographic diversity and scalability. They include two zircon-titanium rich, 'development ready' projects, being the large Coburn Project in Western Australia and the Fungoni Project in central Tanzania, as well as a series of titanium dominated exploration projects spread along the highly prospective Tanzanian coastline, including the advanced and large scale Tajiri Project in northern Tanzania.

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