



COMMISSIONING OF WET CONCENTRATOR ALMOST COMPLETE IN PREPARATION FOR PRODUCTION

HIGHLIGHTS

- Commissioning of Wet Concentration Plant at Strandline's Coburn mineral sands project in WA progressing strongly, with water commissioning and sequence testing underway
- Successful completion of this phase will pave the way for introduction of first ore in coming weeks
- Pre-production mining works complete, with open pits and dozer mining units ready for ore
- Strandline on track for first shipment of heavy mineral concentrate this quarter
- Strandline's operations and maintenance teams have established on site
- Construction of downstream Mineral Separation Plant advancing concurrently with WCP commissioning

Strandline Resources Limited (**ASX: STA**) is pleased to advise the initial stages of commissioning of the Wet Concentration Plant (WCP) at its Coburn mineral sands project in WA is almost complete, paving the way for first production.

Final construction verification, water commissioning and sequence testing is now underway. Successful completion of this phase of commissioning will be followed by the introduction of the first ore and ramp up. Pre-production mining of the open pits (pre-stripping) is also finished, and all dozer mining units and key equipment fleet are ready for ore mining.

While commissioning of the WCP continues, construction teams have transitioned to finalise the downstream Mineral Separation Plant (MSP) and remaining support infrastructure, with overall project construction now ~95% complete.

Final drawdown of Coburn's senior finance facilities has also been successfully completed in accordance with the development plan.

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

Once the MSP is ready, HMC will then be transported to the MSP for further processing to produce Coburn's premium-quality final products, including chloride ilmenite, rutile, premium zircon and zircon concentrate.

Strandline Managing Director Luke Graham said: "Strandline is on the cusp of production and cashflow.

"With pre-ore commissioning of the WCP almost finished, we are now preparing to deliver first ore to the plant and commence the production ramp-up and tuning process.

"This will be followed by our first shipment of HMC, which is expected to be worth ~A\$10m at current spot prices, for a ~10,000t FOB shipment size (subject to market movements).

"At the same time, the construction emphasis is on completion of the MSP, which will add further significant value to our production".



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, commissioning and contractual claims and disputes. 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 Final construction verification, water commissioning and sequence testing of Coburn's Wet Concentration Plant underway



Figure 2 Construction of MSP and supporting infrastructure advancing in parallel with WCP commissioning



Figure 3 Pre-production development of Coburn's open pit mine is complete with all Dozer Mining Units connected

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.

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FORWARD LOOKING STATEMENTS

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Figure 4 Dozer fleet on site at the Coburn Mineral Sands Project



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.

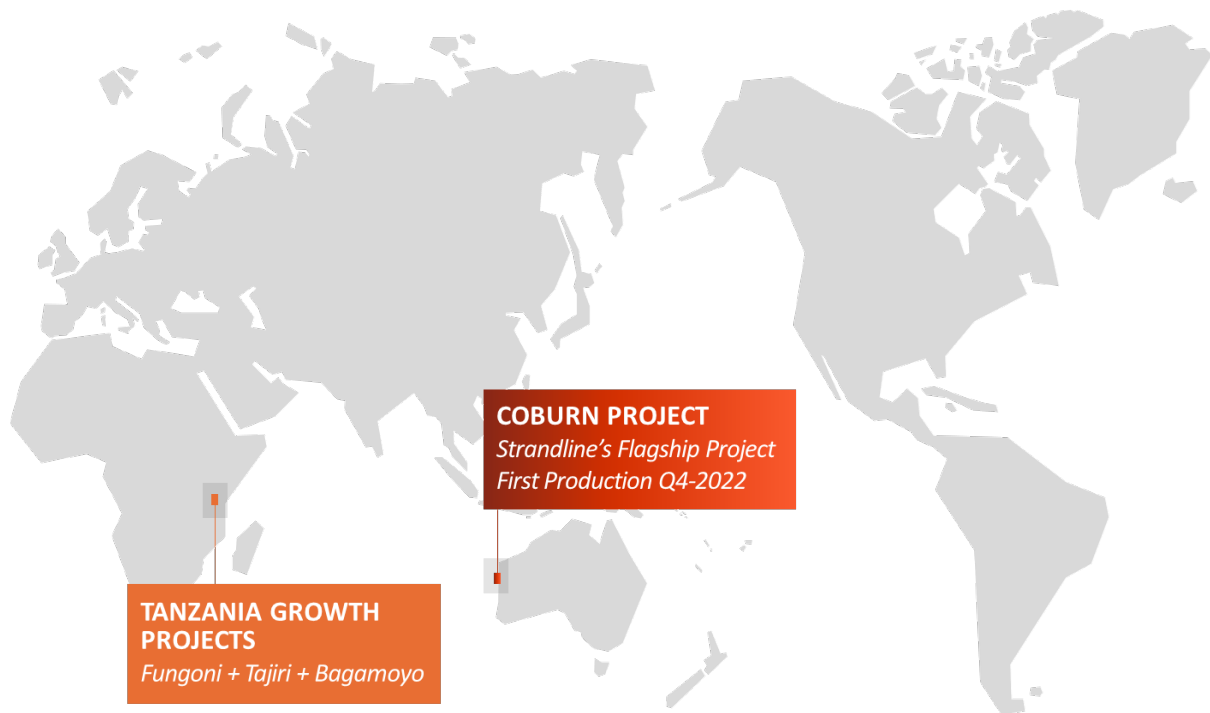


Figure 5 Strandline's Global Mineral Sands Exploration and Development Projects