



CONSTRUCTION 65% COMPLETE WITH PRE- PRODUCTION MINING WORKS SET TO START SEVERAL MONTHS EARLY

Rapid progress on site ensures project remains on track for first production in the December quarter; Mineral sands prices running at least 35% above DFS assumptions

HIGHLIGHTS

- **Construction at Coburn is now 65% complete, ensuring the world-scale project remains on-budget and on-time for production of heavy mineral concentrate (HMC) later this year**
- **Mineral sands market continues to strengthen, with spot prices now at least 35% above the assumptions contained in the Coburn Definitive Feasibility Study of June 2020**
- **Mining contractor is now mobilising to site, with pre-production mining set to start from May 2022; This is several months ahead of schedule, providing further flexibility in the construction timetable and the countdown to first production in December quarter**

Strandline Resources Limited (ASX: STA) is pleased to advise that construction of its 100%-owned Coburn mineral sands project in Western Australia continues to progress in line with its timetable and capital budget, ensuring it remains on track for first production of HMC later this year.

Overall project progress is now 65 per cent complete with the priority transitioning to construction of the wet concentration plant (WCP) and supporting process and power infrastructure, which are well underway.

Key progress achieved to date includes:

- Zero lost time injury (LTI) and medical treatment injury (MTI) reported to date
- Early mobilisation of the mining contractor and mining equipment is currently underway, along with construction of site offices, buildings and workshops for operations
- Site-wide bulk earthworks and roads are almost completed, with focus shifting to the North West Coastal Highway intersection, bitumen sealing, punch listing and progressive handover
- Vertical construction of the processing plant structures is advancing rapidly, with concrete installation 90% complete; key steel and platework fabrication is complete, assembly of WCP spiral modules underway, with progressive deliveries of mechanical-electrical equipment and materials
- Fabrication and supply of three dozer mining units is almost completed, with factory testing and delivery of units to site expected on-schedule in May 2022
- Installation of sitewide overhead power lines, HDPE field piping and water bore installation are all progressing in accordance with the plan
- All site accommodation rooms and key support facilities now commissioned (272 rooms in total) ahead of construction workforce approaching peak level; current site headcount of ~250
- Construction of the hybrid power station is also advancing on-schedule, which includes the multi-work front installation of the 10MW solar farm, LNG storage and engine hall complexes



- Commissioning planning and establishment of key operational systems, maintenance procedures and workforce plans is ramping up, with a key focus on local recruitment, workforce diversity and indigenous engagement opportunities

Strandline Managing Director Luke Graham said the outstanding progress on site came against a backdrop of further rises in mineral sands prices.

“The Coburn DFS in June 2020 forecast average annual EBITDA of A\$104 million over the 22.5-year mine life,” Mr Graham said.

“But mineral sands prices are continuing to increase, with spot prices now at least 35 per cent above the assumptions contained in the Coburn DFS.

“These prices would significantly increase Coburn’s financial returns.”

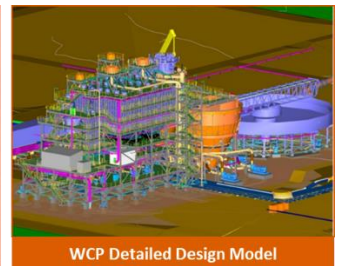
As Coburn approaches peak activity and manning on site, the Company continues to focus on managing the various risk factors associated with development of the project. This includes, but not limited to, HSE risks, potential impacts of COVID-19, inclement weather, contractor performance and contractual 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 within the overall Capex budget.



Strandline Board Members



Wet Concentration Plant (WCP) & Mining Area Construction



WCP Detailed Design Model



WCP Steel & Mechanical Construction



WCP Spiral Module Assembly



Mineral Separation Plant (MSP) & Hybrid Power Station Area



Process Plant Thickener Fabrication



Process Plant Platework Fabrication



MSP Detailed Design Model



Process Plant Platework Deliveries

Figure 1 Selection of Coburn Project Progress Photos



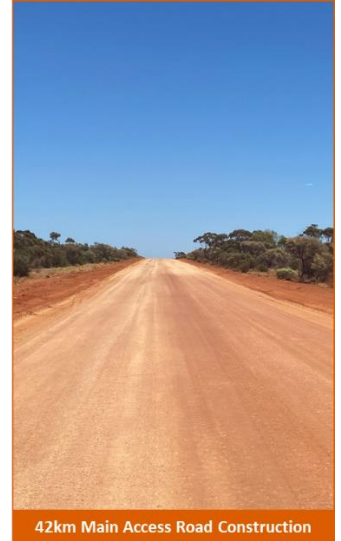
Commissioning of 270-Person Site Accommodation Village



DMU Pump Skid Fabrication



Dozer Mining Unit (DMU) Fabrication



42km Main Access Road Construction



10MW Solar Farm



Construction of Coburn's 10MW Solar Farm



LNG Engine Manufacture



RO Treatment Plant Installation



Site-wide HDPE Field Pipe Installation



LNG Storage Tank Delivery



OHPL Installation



Strandline's Qube Product Storage Facilities at the Port of Geraldton (Berth 4)



Seed Collecting as part of Rehabilitation



High Performing & Diverse Workforce



Environmental Monitoring & Research

Figure 2 Selection of Coburn Project Progress Photos (Continued)

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 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% 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 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	23.4Mtpa	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, 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>)



Figure 3 Rapid progress on site ensures project remains on track for first production in the December quarter

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 4 Strandline's Global Mineral Sands Exploration and Development Projects